

What Role Can Immigration Play in Addressing Current and Future Labor Shortages?

GLOBAL SKILLS AND TALENT INITIATIVE

BY KATE HOOPER

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Executive Summary

Labor shortages are a pressing concern for policy-makers around the world, as employers report challenges hiring enough workers to maintain and spark economic growth. Some of these shortages are longstanding, such as the difficulties of keeping up with fast-rising demand for science, technology, engineering, and mathematics (STEM) workers as the knowledge economy booms or of meeting current and emerging health- and elder-care needs as populations age. Other labor shortages are newer, resulting from the immense disruptions wrought by the pandemic to economies and global supply chains, for example those in logistics or food production.

As shortages have risen, so too has demand for immigrant labor. In most advanced economies, immigrants make up an important and growing share of the workforce, filling jobs across the skills spectrum. This includes positions that are essential yet hard to fill with local workers, often due to issues such as a mismatch between local workers' skills and those employers seek and certain jobs' uncompetitive wages, long hours, and challenging working conditions. Immigrants are also overrepresented among entrepreneurs, reflecting their important contributions to innovation and job creation.

But relying on immigration to address labor shortages is not a straightforward proposition, especially in

a context where fast-changing labor markets make it hard to predict what, when, and where future skills needs will arise. There is little consensus about what constitutes a "genuine" shortage, and which shortages are likely to persist. Immigration is also only one tool among many to meet labor needs. Policymakers will need to carefully consider where immigration can and should play a role in responding to these needs, and how to balance it with other important policy responses, such as investing in workforce development, raising wages, and improving productivity.

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Governments already have some resources at their disposal to calibrate economic immigration policies to address current and future shortages, including labor market testing, eligibility criteria, and shortage occupation lists, but much more can be done. For example, while labor market tests can provide an opportunity for governments to review job offers and assess whether a shortage is genuine, these tests' effectiveness relies on creating light-touch, predictable assessments that incorporate current hiring and job-seeking practices and scrutinize job requirements. Policymakers can also explore opportunities to bring greater flexibility into immigration

policies, whether through using non-employer-sponsored routes selectively to admit immigrants with sought-after skills and experience, or by considering ways to assess valuable soft skills alongside formal credentials. Finally, while shortage occupation lists are usually compiled for an immigration-focused audience, they could be leveraged to spark better coordination among immigration, education and training, labor, and other policy portfolios and lay the groundwork for a more encompassing talent strategy.

1 Introduction

The past three years have seen a great deal of churn in labor markets around the world. Labor needs have oscillated in response to global supply chain disruptions. Pandemic-era lockdowns and job losses pushed many migrants to return to their countries of origin and, coupled with travel restrictions, limited further movement. And in destination countries, millions of workers have left their jobs or the workforce entirely as part of the “Great Resignation,” adding to the longer-running issue of workforces shrinking as populations age and more people retire.¹

As a result, labor shortages have become more acute but also hard to predict. Some shortages are in high-skilled professions in science, technology, engineering, and mathematics (STEM) sectors. For example, Europe has long struggled to recruit enough workers in STEM, health care, and information and communications technology (ICT), but in countries such as Germany these shortages escalated dramatically during the pandemic.² Meanwhile, other shortages are in sectors that require fewer formal qualifications yet are essential to the functioning of economies and societies, such as agriculture and food production, logistics, and social care.

Immigration can play an important role in addressing labor shortages. In many advanced economies, some sectors already rely heavily on immigrant labor. For example, in the United States, immigrants make up a disproportionate share of the workforce in key industries such as health care, agriculture, logistics, and retail, working in jobs across the skills spectrum.³ But there is a robust debate about the extent to which countries should rely on admitting immigrants to address labor shortages, especially for less-skilled roles, compared to other, more far-reaching policy interventions in the areas of education and training, labor, and social policy. These interventions include efforts to boost the labor market participation of both native- and foreign-born workers already in the country, including women and resident immigrants and refugees, and efforts to improve the quality of hard-to-fill jobs (including through raising wages).

This policy brief examines how immigration can help address labor shortages and the potential trade-offs that governments must navigate when deploying this policy response. It then explores how governments currently factor shortages into their economic immigration policies and opportunities for further reform.

BOX 1 About the Global Skills and Talent Initiative

This policy brief is part of the Migration Policy Institute’s Global Skills and Talent Initiative, which explores the role immigration can play in addressing current and future workforce needs in countries around the world. It focuses in particular on employment-based immigration and the supports that can help immigrants apply their full range of educational and professional skills in rapidly evolving labor markets.

To learn more about the initiative and read other research from it, see www.migrationpolicy.org/programs/global-skills-talent.

2 Immigration's Role in Responding to Labor Market Needs

Weighing the case for immigration as a response to labor shortages requires exploring why some jobs prove so hard to fill in the first place. Employers may struggle to find local workers with the right qualifications and work experience, especially for more specialized or technical roles, for newly created jobs, or where education and training systems have not kept up with demand. A 2022 survey in Europe, for example, found that only half of Europeans claimed to have at least basic digital skills,⁴ even as such skills are in high demand in the region. Workforce development reforms are key to resolving these issues, but this process takes time. In the short to medium term, the immigration of workers with in-demand skills can help fill these vacancies.

A second challenge is that, often, local workers do not want to take certain jobs. Low pay, long hours, remote location, and challenging working conditions can all deter local workers from applying for or staying in certain jobs in fields such as agriculture and social care, regardless of how “essential” these jobs may be. Yet low profit margins and an unwillingness among many consumers to pay significantly more for goods or services have generally meant there is limited scope or will to make these jobs more competitive to locals by raising wages or reducing hours. Instead, employers can end up relying on foreign-born workers to fill these jobs.⁵

Another longer-term factor is demographic decline. As populations age in many countries, workforces are starting to shrink. In most Organization for Economic Cooperation and Development (OECD) countries, fertility rates have fallen close to or below replacement rates, while the old-age dependency ratio (which compares the number of older people to working-age people) is rising sharply.⁶ A quickly

ageing population poses problems for pension systems, which will need to support a growing retired population while tax revenue falls, and it drives up demand for health-care and elder-care services.⁷ Immigration is already sustaining population and workforce sizes in major destination countries such as Canada and the United States, both because most of the immigrants they admit through economic and noneconomic channels are of working age and because birth rates are higher among their immigrant populations.⁸ But there are important caveats to keep in mind. One is that immigrants also age, which means that immigration-focused plans to maintain workforce sizes may hinge on increasing admissions over time—a premise that may not garner public or political support. In addition, while immigration can provide demographic and other benefits at the national level, its costs and benefits can be hard to distribute equally among stakeholders and regions within a country. Another consideration is that future labor market participation rates will hinge on the successful economic integration of immigrants and their children in a changing world of work.⁹

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In short, immigration holds considerable potential to help address labor shortages, at least on paper. But using immigration as a response to such shortages can bring costs, including the potential risks of deferring important investments in workforce training and productivity and of maintaining (or potentially driving down) low wages and undesirable working conditions in some jobs. When assessing the case for using immigration to address shortages, policymakers will need to consider the following three key questions.

A. *What Constitutes a Genuine Shortage?*

A fundamental challenge is that there is no clear definition or threshold for a shortage. The first step is working out which jobs are hard to fill. Policymakers have plenty of data on labor market dynamics at their fingertips, including employment and unemployment data, job vacancy data (which can include more innovative approaches, such as web scraping for job postings), and data on the profiles of jobseekers. Qualitative evidence from employers and industry can also shed light on hiring dynamics, although some caution is needed to consider potential incentives employers may have to emphasize shortages if this could allow them to hire cheaper and less mobile foreign workers, for example.

The second step is working out why labor shortages exist and, relatedly, what to do about them. While some shortages may be fleeting, others can point to skills mismatch (for example, a limited number of licensed doctors or nurses to serve a local population).¹⁰ Other shortages may be rooted in more structural issues such as low pay; indeed, some economists query whether labor shortages are real or simply point to uncompetitive wages.¹¹ There is not a clear answer for when a shortage rises to the threshold of being “genuine.” In practice, it is often a judgement call for governments to decide which jobs seem genuinely hard to fill, and where immigration seems like the most compelling policy response, informed both by a desire to address this labor market need and other policy priorities (such as fostering innovation in high-growth industries or prioritizing high-wage, high-skilled immigration).

B. *Will the Shortages of Today Exist in the Future?*

When considering whether immigration is the right tool to address shortages, policymakers also need to

consider how jobs are likely to evolve over time—and what that means both for short-term admission priorities and for ensuring supports are in place to help all workers navigate labor market changes in the medium to long term. Globalization, technological developments, and the growing knowledge economy are just some of the trends transforming jobs and the skills valued by employers.¹² Technological developments in particular have prompted intense debates about which jobs will be most at risk from automation, and who will be most affected.¹³

Estimates of the pace and extent of automation vary widely. For example, while one famous Oxford study (first published in 2013) estimated that half of all U.S. jobs were at risk of automation, a 2018 OECD paper estimated that only one in ten U.S. jobs were at risk.¹⁴ Part of the challenge is that it is uncertain how quickly and to what extent new technologies will be adopted. For example, advances in crop-harvesting robots could potentially transform soft fruit production, which has long relied on labor-intensive hand harvesting to check for ripeness and then pick delicate fruit such as strawberries. Yet in practice, the low profit margins in this sector mean that for the foreseeable future, this technology remains out of reach for most producers. And while Japan’s government has poured resources into the development of elder-care robotics, people’s preference for face-to-face interaction and personal services means that for now, such technologies’ contributions are likely to complement the work of elder-care professionals rather than replace some of these roles.¹⁵

Studies suggest that immigrants are overrepresented in jobs that are likely to see some degree of automation. Research in Europe, for example, found that many immigrants were working in jobs with a high potential for automation and were also more likely to be on shorter contracts and receive less professional training, factors that can compound their vulnerability.¹⁶ These studies underscore the importance of helping local workers, both native born and

resident immigrants, to upskill and even change professions as labor markets transform. For immigration policymakers setting the criteria for new immigrant admissions, it will be important to consider both current labor market needs and different scenarios for how demand for and the supply of workers is likely to evolve over time.

C. What Pros and Cons Should Policymakers Consider When Using Immigration to Address Shortages?

Admitting immigrants to address labor shortages can be a reasonably effective approach in the short term. Most economic immigration channels require employer sponsorship, which means that immigrants are usually admitted through these channels to fill a specific vacancy. And as will be discussed in Section 3, governments have introduced various checks to try and ensure employers are only sponsoring foreign workers for hard-to-fill jobs, albeit to varying degrees of effectiveness. Another important element is ensuring robust labor protections are in place to enforce minimum wage provisions and employment standards among native and foreign-born workers, and to avoid any downward pressure on wages or working conditions.

Governments will also need to consider whether current labor shortages are likely to persist in the longer term. This includes considering scenarios where demand may lessen (and what this means for the immigrant and native-born workforce), and scenarios where the workforce may shrink once more as immigrants seek out other opportunities. For economic immigrants who are able to obtain a more flexible work visa or permanent residence that allows them to switch employers more easily, there

are limited incentives for them to stay in certain hard-to-fill jobs, especially if other available jobs offer better wages, working conditions, or professional opportunities. This can also be a particular challenge for regions outside major metropolitan areas that can struggle to offer competitive wages and professional opportunities and, as a result, to attract and retain workers. Immigration may thus only be a temporary solution for some hard-to-fill jobs.

Another consideration is how to balance immigration against other policy responses, such as investments in productivity and training. Immigration is a more nimble tool compared to investments in training, for example, which can take years to bear fruit. But relying on immigration to address shortages can lead to employers and governments putting off necessary investments, such as upskilling local workers for hard-to-fill or newly emerging jobs or improving productivity in sectors through mechanization and restructuring jobs.

3 Strategies for Factoring Shortages into Economic Immigration Policies

Governments can do much more to address these three questions through their economic immigration policies. Policymakers already have various tools at their disposal to respond to shortages, including shortage occupation lists, eligibility criteria, and labor market tests. But none offer a silver bullet to address current shortages, let alone anticipate and respond to emerging labor market needs. To design economic immigration policies that can better respond to current and future shortages, policymakers should consider the actions described in this section.

A. *Create Flexible Immigration Pathways That Can Attract “Talent” While Ensuring New Arrivals Are Set up for Success*

While employer sponsorship is at the heart of most economic immigration policies, some governments have tailored their economic migration channels to attract immigrants with specific skillsets that can support growth and innovation in priority sectors. The most common approach is to set immigration criteria that favor certain attributes, such as high-wage jobs, advanced qualifications, or particular sectors or occupations, and that can be used to prioritize the admission of immigrant workers who can meet shortages or who offer other in-demand skills. For example, governments might set minimum requirements linked to these criteria, or they may create dedicated pathways for professionals in certain sectors either as streams within existing economic immigration channels (such as the United Kingdom’s Health and Care Worker visa within its Skilled Worker visa category¹⁷) or as standalone visas (such as tech visas, which have become more common in recent years¹⁸). These criteria offer a relatively simple, if somewhat blunt, option for shaping admissions.

Some governments have gone further in their pursuit of human capital, for example by using points systems that admit some high-scoring candidates without requiring employer sponsorship by instead ranking candidates by allocating points for their skills, experience, and other attributes (such as destination-country ties).¹⁹ Another approach is to create non-employer-sponsored visas for a select group of immigrants with in-demand skills or experience. For example, Australia and the United Kingdom both offer talent visas, which provide temporary or permanent residence without employer sponsorship to individuals who are highly qualified and/or experienced in certain priority sectors, although the

two countries take different views on which sectors qualify.²⁰

This human-capital-focused approach can operate alongside mainstream employer-sponsored pathways and offer a route to attract “talent.” But to make the most of this human capital, policymakers should also focus on creating ecosystems where the immigrants who are admitted can thrive. Even the most talented are still likely to need targeted support to access employment or entrepreneurship opportunities in a new country and ensure they can put their skills to use, as will their dependents.²¹ For countries not looking to introduce a standalone talent visa or a points system, a possible middle ground is to make greater use of non-employer-sponsored routes such as job-seeker visas or even digital nomad visas.²² These visas can admit people with in-demand skills and experience and give them time to build social and professional networks that can set them up for further employment or entrepreneurship routes where they can apply their skills.

B. *Update Shortage Lists for Dynamic Labor Markets*

Shortage occupation lists can provide a useful snapshot of hard-to-fill jobs at a national and sometimes regional or local level. These lists can be compiled by government agencies, a commission (such as Spain’s Tripartite Labor Commission, comprised of representatives from business, unions, and the Ministry of Inclusion, Social Security, and Migration, which reviews proposals from the public employment service) or an advisory body of experts (such as the UK Migration Advisory Committee). Governments often then use these lists to inform admission policies, either by limiting admissions to those immigrants who can fill jobs on the list or by offering more favorable immigration conditions to those who will work in shortage occupations.²³ The processes that surround the development and updating of shortage lists can also offer a venue for different stakeholders (such as

industry organizations and employers, unions, civil society, and local governments) to provide input that can help national governments refine and build buy-in for economic immigration policies.

It is important to recognize, however, that these lists' insights hinge on the quality of data they collect and how regularly these data and their underlying methodology (for example, the use of big data) are updated to reflect changing hiring and job-seeking practices. Such lists also generally offer few insights into why shortages are happening or what policy responses might be appropriate. While these lists are compiled for an immigration-focused audience, deciding how to interpret and respond to their contents should involve a cross-government effort to weave together insights and responses from immigration, education and training, labor, and other policy portfolios.

C. Look for Immigrants Who Can Adapt to Changing Labor Markets

Policymakers should also consider ways to assess resilience and skills transferability in a changing labor market. Certain attributes can help immigrants navigate these changes, such as higher levels of education, fluency in the destination-country language(s), and destination-country work experience. Thinking about current and future labor market needs is thus partly a question of anticipating demand in sectors or occupations, but also of exploring what skillsets will be most valuable across them. Jobs that involve creativity, complex critical thinking and judgement, social skills and emotional intelligence, and other soft skills are not only a growing feature of the knowledge economy, but they are also much harder to automate—at least for the time being. These skills can be applied to a range of different occupations and thus help workers contend with changing labor markets.²⁴

Thinking about current and future labor market needs is thus partly a question of anticipating demand in sectors or occupations, but also of exploring what skillsets will be most valuable across them.

Most immigration systems are set up to focus on hard skills that are easy to verify. Points systems can offer more scope to reward different attributes (such as existing ties to the country or language proficiency) that can help new arrivals apply their skills more easily. But assessing soft skills is much harder. Governments will need to work hand in hand with the private sector and researchers to explore how to improve testing and metrics for soft skills more generally and avenues to build these metrics into immigration policies, for example through greater use of skills assessments.

D. Refine Labor Market Testing

Labor market tests offer a means for governments to ensure employers are offering competitive wages and conditions for their vacancies and to give preference to local workers before allowing employers to sponsor foreign workers. Sweden's labor migration regime illustrates the limitations of a purely demand-driven system. In 2008, it abolished its labor market test and other numerical, occupational, and skills-based requirements in favor of a more demand-driven system that just retained salary checks. Research found that post-2008 admissions had lower levels of education and were earning lower incomes, there was a greater mismatch between their skills and the jobs they were working in, and incidents of exploitation and fraud had increased.²⁵ Done well, labor market tests can offer more oversight while also helping governments signal their commitment to protecting local workers.

But labor market tests are only effective if their assessments reflect current hiring and job-seeking practices. In some countries, such as Cyprus, these tests require employers to have advertised a position in newspapers, despite research that suggests growing numbers of people find work through on-line job searches instead.²⁶ And while labor market testing focuses on whether a qualified local worker is available, more could be done to scrutinize job requirements and explore whether someone with fewer qualifications or experience could be hired for the role and receive on-the-job training as needed. The oversight offered by labor market tests also needs to be balanced with a recognition that employers may need to fill some vacancies quickly—and that long and bureaucratic processes can impact business operations and also potentially deter some would-be immigrants.²⁷ More expedited checks, whether by reducing the duration of time jobs must be advertised or offering rapid labor market assessments by employment services instead of advertising requirements, might offer a reasonable middle ground.

E. Consider Occupation or Sector Work Permits

As part of their efforts to protect local workers, governments could consider introducing occupation- or sector-based work permits instead of or alongside employer-specific work permits. Some countries, such as Finland, already offer both types of permits. More flexible work permits can provide greater protections and professional opportunities for immigrants by allowing them to change employers in pursuit of better pay or opportunities and, if need be, quickly escape exploitative working conditions. At the same time, issuing these permits for specific sectors or occupations ensures that immigrants continue to work in jobs where they apply the skills for which they were admitted.

Designing more flexible work permits will require coordination with employers, who may push back on covering the costs of sponsorship for a worker without any guarantee the worker will not switch to another position after arrival. In some cases, this uncertainty can encourage employers to prioritize worker retention measures, but there are also compromises that can help earn employers' buy-in in the first place. These include allowing workers to switch employers only after an initial period (e.g., six months) or making it possible for employer associations in sectors such as agriculture to sponsor workers, thus sharing out the initial costs of recruiting workers.

F. Develop a Cross-Portfolio Talent Strategy

All too often, immigration policy responses to labor shortages are formulated without sufficient input from other critical policy areas, such as workforce development, labor policy, and social policy. Governments should explore ways to tackle the coordination issues that can lead to these policy siloes, for example through working groups or regular cross-portfolio meetings. To respond effectively to current and emerging labor market needs, policymakers should consider drawing from all of these policy areas and creating a "talent strategy" for priority sectors. For example, a talent strategy for addressing shortages of doctors and nurses could link up discussions on admission priorities and ethical recruitment with investments in training pathways, steps to lift barriers that immigrant professionals often face to practicing in the field for which they are trained (including credential recognition and return-to-work programming), incentives for retention, and opportunities for innovation (such as telemedicine and health-care apps).

4 Conclusion

Immigration can be a powerful tool for addressing labor market needs, with immigrants already comprising an important share of the workforce in many advanced economies. But immigration is not a silver bullet; immigrant admissions need to be accom-

panied by integration supports, and international recruitment strategies should not come at the cost of investing in local workers and exploring ways to make hard-to-fill jobs more competitive. Addressing current shortages and anticipating and responding to future shortages will require all the resources and creative thinking that governments, industry, and civil society can offer.

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Endnotes

- 1 See, for example, Kim Parker and Juliana Menasce Horowitz, “Majority of Workers Who Quit a Job in 2021 Cite Low Pay, No Opportunities for Advancement, Feeling Disrespected,” Pew Research Center, March 9, 2022; UK House of Lords Economic Affairs Committee, *Where Have All the Workers Gone?* (London: UK House of Lords, 2022).
- 2 In the summer of 2022, for example, half of German employers reported struggling to hire skilled workers. See John McGrath, *Report on Labour Shortages and Surpluses* (Brussels: European Labour Authority, 2021); European Centre for the Development of Vocational Training (Cedefop), “Skill Shortage and Surplus Occupations in Europe” (briefing note, Cedefop, Thessaloniki, Greece, November 2016); IFO Institute, “Shortage of Skilled Workers in Germany Reaches an All-Time High” (press release, August 2, 2022).
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- 4 European Commission, “Digital Economy and Society Index (DESI) 2022: Human Capital,” updated July 28, 2022.
- 5 In many advanced economies, the seasonal agricultural workforce is comprised nearly entirely of foreign-born workers. See, for example, Marie-Laure Augère-Granier, “Migrant Seasonal Workers in the European Agricultural Sector” (briefing note, European Parliamentary Research Service, Brussels, February 2021).
- 6 As of 2020, the only Organization for Economic Cooperation and Development (OECD) Member State with a fertility rate above 2.1 children per woman (which is viewed as the level required to keep population numbers stable) was Israel. As people live longer, this means that populations are getting older, and the share of retirement-age people to working-age people is growing. For example, as of 2019, while India’s old-age dependency ratio was 10.6 (equivalent to ten working-age people to one person age 65 or older), the United States’ was 27.8 (equivalent to slightly less than four working-age people to one person age 65 or older, up from 14.2 in 1950), Germany’s was 38.0 (up from 16.2), and Japan’s was 51.9 (up from 9.9). See OECD, “Fertility Rates,” accessed January 6, 2023; OECD, “Old-Age Dependency Ratio,” accessed January 6, 2023.
- 7 As more people retire, their incomes usually fall, which will affect overall tax revenue.
- 8 For example, in the United States, the total fertility rate in 2017 was 2.18 children per immigrant woman and 1.76 per native-born woman. See Giovanni Peri, “Immigrant Swan Song,” International Monetary Fund, *Finance & Development*, March 6, 2020.
- 9 Wolfgang Luetz et al., *Demographic Scenarios for the EU* (Luxembourg: Publications Office of the European Union, 2019).
- 10 Even here, such data points may not reflect the overall number of qualified doctors and nurses in a country. Migration Policy Institute (MPI) research conducted in 2020 found that there were 263,000 immigrants in the United States with health-related college degrees who were either unemployed jobseekers, not looking for work, or underemployed (in jobs requiring no more than a high school degree). This waste of skills often occurs because immigrants obtained their qualifications in another country and struggle to translate those qualifications into commensurate employment in the United States, whether due to language barriers or because they must undergo a long, intensive, and expensive process to get their professional qualifications recognized and obtain a license to practice—a process that can include repeating some or all of their training. See Jeanne Batalova and Michael Fix, “As U.S. Health-Care System Buckles under Pandemic, Immigrant & Refugee Professionals Could Represent a Critical Resource” (commentary, MPI, April 2020).

- 11 Robert Reich, “The So-Called ‘Labor Shortage’ Is Actually a Living-Wage Shortage,” Berkley Blog, October 18, 2021.
- 12 For a discussion of these trends and their implications for immigration and immigrant integration systems, see Demetrios G. Papademetriou, Meghan Benton, and Kate Hooper, *Equipping Immigrant Selection Systems for a Changing World of Work* (Washington, DC: MPI, 2019); Terence Hogarth, *COVID-19 and the Demand for Labor and Skills in Europe: Early Evidence and Implications for Migration Policy* (Brussels: MPI Europe, 2021); Julia Gelatt, Jeanne Batalova, and Randy Capps, *Navigating the Future of Work: The Role of Immigrant-Origin Workers in the Changing U.S. Economy* (Washington, DC: MPI, 2020).
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- 18 Several countries have introduced tech visas for start-up entrepreneurs and skilled workers. France’s French Tech visa, for example, offers a fast-track four-year renewable visa for start-up founders, investors, and employees who meet minimum salary and employment offer requirements. See Business France, “French Tech Visa for Employees,” updated January 1, 2023. For examples from other countries, see Liam Patuzzi, *Start-Up Visas: A Passport for Innovation and Growth?* (Washington, DC: MPI, 2019).
- 19 For a discussion of the points system and how it works, see Demetrios G. Papademetriou and Kate Hooper, *Competing Approaches to Selecting Economic Immigrants: Points-Based vs. Demand-Driven Systems* (Washington, DC: MPI, 2019).
- 20 The United Kingdom’s Global Talent visa targets immigrants who are a “leader or potential leader” in academia and research, arts and culture, and digital technology, requiring an eligible award or endorsement from an eligible industry body. Australia’s Global Talent Visa Program meanwhile targets recent PhD graduates and highly skilled workers or leaders in ten broadly defined sectors: agri-food and agri-tech; the “circular economy” (referring to initiatives to reduce and better manage waste, including emissions); defense, advanced manufacturing, and space; digitech; energy; education; financial services and fintech; health industries; infrastructure and tourism; and resources. See UK Government, “Apply for the Global Talent Visa,” accessed January 9, 2023; Australian Government, Department of Home Affairs, “Visas for Innovation—Global Talent Program,” updated January 30, 2023.
- 21 Research has found that immigrants admitted on the basis of their human capital but without a job offer can struggle to apply their skills in local labor markets, at least in the short term. For example, surveys of points-tested migrants in Australia and Canada found that some new arrivals struggled to find work, especially in jobs commensurate with their skills, resulting in lower earnings than employer-sponsored migrants; however, this gap closed over time. See Australian Government, Department of Immigration and Border Protection, *Continuous Survey of Australia’s Migrants: Cohort 1 Report—Change in Outcomes 2014* (Canberra: Commonwealth of Australia, 2015); Government of Canada, “Evaluation of the Federal Skilled Worker Program,” updated February 18, 2011.
- 22 Kate Hooper and Meghan Benton, *The Future of Remote Work: Digital Nomads and the Implications for Immigration Systems* (Washington, DC: MPI, 2022).
- 23 For example, Australia compiles three separate lists—the Short-Term Skilled Occupation List, the Medium- and Long-Term Strategic Skills List, and the Regional Occupation List—that are then used as the basis for admissions for several temporary and permanent visas, including the country’s Temporary Skill Shortage visa, which offers short- and medium-term streams modeled on these lists. Meanwhile, France, Ireland, and Lithuania, for example, do not require labor market testing for employers hiring foreign workers in shortage occupations, while New Zealand offers immediate permanent residence or a temporary-to-permanent route to immigrants who qualify for different tiers of its shortage occupation list (Tier 1 or Tier 2 of the Green List), as well as using a job offer in a shortage occupation as an indicator for its points system for the Skilled Migrant Category Resident Visa. See Australian Government, Department of Home Affairs, “Temporary Skill Shortage Visa. Subclass 482,” updated July 1, 2021; European Migration Network, “2021.17 Ad-Hoc Query on Labour Market Test,” updated September 2021; New Zealand Immigration, “Green List Roles,” accessed January 9, 2023; New Zealand Immigration, “Points Indicator for Skilled Migrant Expression of Interest,” accessed January 9, 2023.
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About the Author



KATE HOOPER

 [@kmchooper](https://twitter.com/kmchooper)

Kate Hooper is a Policy Analyst with the Migration Policy Institute (MPI) International Program, where she leads MPI's global work on labor migration. She is also the primary point person for the Transatlantic Council on Migration, MPI's flagship international initiative that brings together senior policymakers, experts, and other stakeholders to discuss responses to pressing migration, protection, and immigrant integration issues. Her areas of research include legal migration pathways, fair and ethical recruitment, labor market integration, and complementary pathways for displaced populations.

Ms. Hooper holds a master's degree with honors from the University of Chicago's Committee on International Relations and a bachelor of the arts degree in history from the University of Oxford. She also holds a certificate in international political economy from the London School of Economics.

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1275 K St NW, Suite 800, Washington, DC 20005
202-266-1940