

Selecting Economic Stream Immigrants through Points Systems

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An increasing number of developed countries make it relatively easy for highly skilled foreigners, particularly those that their labor markets need, to be admitted as immigrants. With that goal in mind, Canada launched the first points assessment system in 1967. Australia launched its points system in 1989, followed by New Zealand in 1991 and the United Kingdom in 2001.

Several more European countries are considering adopting such systems, and the European Commission will be issuing proposed "legislation" along similar lines in September 2007. Clearly, more and more countries are deciding that admitting immigrants selected for the education and qualifications the receiving economies need, and can presumptively benefit from, is a good economic and labor market policy for both the short and the longer term.

First and foremost, points systems are human capital accumulation mechanisms. They award points for certain individual characteristics that countries choose to value most at a specific point in time among the bundle of attributes that human beings possess. All points systems include a minimum number of points candidates must have to qualify for entry; this is called the "pass mark."

Five criteria garner the most points across all points systems in use across the globe. They are:

- Education
- Occupation
- Work experience
- Language
- Age

A second tier of criteria do not appear in every system and their valuation — measured in terms of assigned points — typically lags far behind that of the top five. These are:

- Employer nomination/job offer
- Previous or proposed earnings or salary
- Prior work experience or education in the country of proposed immigration
- The presence of close relatives
- Settlement stipulations and considerations (where one commits to locate)
- Investment with job creation responsibilities and retirement

The most robust points systems are found in Australia, Canada, New Zealand, and the UK. Other countries also use variants of points systems. For example, in the Czech Republic, the Active Selection of Qualified Workers Project, introduced in 2003, relies on the principles of a points system to stimulate permanent immigration of young qualified people from select countries, mostly from Eastern Europe and the Commonwealth of Independent States. Criteria for obtaining points include previous work experience in the Czech Republic, educational attainment, and language skills.

Canada's Points System

Canada reached the decision to introduce points tests partly to avoid the cycle of numerical feasts and famines in admissions that its economy had been creating. After a few false starts (during which the system focused primarily on addressing job shortages), its points system eventually became a mechanism to advance the broadest possible economic interests of the country and get better "economic integration" outcomes for points-tested immigrants. If

numbers are any guide, it has never seriously looked back.

Canada points-tests fewer than a quarter of all its immigrants in an average year. In other words, points-tested immigrants to Canada are not intended to take the place of family immigrants, refugees and asylees, temporary workers, or any other element of the country's immigration flow.

Points Systems as a Response to Certain Forms of Economic Deficiencies

Points systems quickly became popular among government planners in other countries, also as a means of addressing another concern: Higher education systems that were not producing enough professionals with the human capital characteristics their economies needed to grow and become more competitive in the emerging global marketplace.

For example, the UK decided in 2006 that graduates from the 50 top business schools from around the world wishing to immigrate to the UK would automatically meet its points test's pass mark of 75 points. The same is true for the mad dash around the advanced industrial world to facilitate the admission — with or without points tests — of certain foreign students who graduate from their universities.

A points system can also be used to select workers who are not necessarily highly skilled. Immigrants who are already present but do not have the authorization to live or work in a country could, by meeting the criteria of a points system, earn legal status. Some of those who come as part of a temporary worker program could also gain permanent residence through a points system.

The Politics of Points Systems

In addition to meeting policy goals, points systems have helped governments meet political aims. For instance:

- They can inspire public confidence by appearing to use universal, data-driven, and objective selection criteria to advance clearly defined and easily understandable economic and labor market objectives. Compared to most other selection systems, points systems appear to avoid the "gamesmanship" between employers and bureaucrats that afflict all case-by-case selection systems.
- The appearance of impartiality discourages individual-level challenges while the semblance of technical complexity and the formula's focus on addressing longer term economic growth and competitiveness priorities dampens concerns about adverse effects on domestic workers.
- They can reassure the public that immigrants were chosen through criteria that place the country's broadest economic interests front and center — and thus promote its position in an increasingly competitive world.
- Most significantly, a points system conveys to the public that the government is being proactive in anticipating needs and manipulating entries in ways that put national economic interests first; that is, that the government, rather than employers or immigrant families, is in charge of what is arguably the most important function of the immigration system.

Selection systems that rely on points assessments, however, are not focused only on communicating with their own citizens. They also serve as announcements to would-be immigrants anywhere about the skills and preparations that could win them a work visa to an increasing number of the most advanced economies in the world.

Adaptability, flexibility, and simplicity are hallmarks of the most successful points selection systems. Thus, points systems can serve as incentives for creating the "virtuous circles" of using the need to constantly adjust both the attributes the system chooses to reward and the point values it assigns to each to engage in systematic, targeted, and ongoing research and evaluation studies on immigration.

Trends in Points System Use

The countries that developed the points-system concept — Canada, followed by Australia —

have continued to rely on points systems but are showing considerable flexibility by adopting several ideas from elsewhere, particularly the United States.

Specifically, after a period during which job offers had been assigned fewer and fewer points, Canadian and Australian employers are increasingly allowed to bring the workers they need from abroad, albeit initially as temporary workers. Hybrid selection systems thus appear likely to dominate the immigrant selection field in the future. Such hybrid systems would facilitate selecting immigrants in ways that are most consistent with a country's traditions and with the way in which its economy and labor market operate.

Points systems will nonetheless continue to be relied upon by increasing numbers of states, particularly during the early phases of opening themselves to international migration. The reasons are many. Not the least among them is that these countries need a way to get out of the "no immigration" traps they set for themselves over the last several decades. In their new calculus, opening themselves to high-skilled immigrants, and doing so in ways that put the government in charge, is seen as a way to mitigate adverse popular reactions to immigration.

As they mature as immigrant-receiving societies, however, these countries may also empower their firms to gain more direct access to the skills and talents they need speedily.

Conclusion

Generally speaking, points and points-like systems are effective in creating pools of skilled workers from which employers can hire some of the skilled workers they need. It is important for policymakers to understand, however, that points systems are not mechanisms for meeting the specific needs of specific employers within the narrow time frames that most firms operate.