



## Immigration, skills and productivity

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Competitiveness greatly depends on the extent to which governments facilitate an environment conducive to business. One key indicator in this dimension is the impact of immigration laws; that is, whether or not immigration laws curtail the ability of enterprises to conduct their activities effectively. We partly capture the effect of stricter immigration policies through the IMD World Competitiveness Center's executive opinion survey, designed for the IMD World Competitiveness Yearbook.

We observe that some of the countries that are perceived by executives to have adopted stricter regulation in terms of immigration are simultaneously perceived as experiencing a shortage in specific skills and competencies. For example, data shows that in the 2014-2015 period Germany, Malaysia, Switzerland and the United Kingdom have strengthened their immigration policies. At the same time, executives indicate that these countries experience a decline in the availability of senior managers

with significant international experience and on the availability of skilled labor in general. The business environment in Germany and Malaysia is presumed to lose some attractiveness for foreign high-skilled people while Switzerland and the United Kingdom remain attractive.

Conversely, executives indicate that in the same period, Qatar has 'relaxed' its immigration policies. They point out that the country experiences improvements in the availability of skills and competencies, and at the same time, its attractiveness increases. In the case of Mexico, the pattern in these results, however, differs. Despite stricter immigration policies, executives indicate that the country experiences improvements in the availability of skills and competencies and the country remains attractive to foreign highly-skilled people.

It is also important to note that data related to productivity exhibits similar results. Executives consider that in Germany, Malaysia, Switzerland and the United Kingdom, the workforce productivity (by international standards) declined during 2014-2015. Likewise, in regards to the efficiency (by international standards) of large corporations and of the small and medium-size enterprises, executives indicate that these factors also dwindled (except in the United Kingdom where SME's improved). While in Qatar and Mexico, the productivity indicators improved.

Of course, there could be a myriad of other factors affecting the above data trends. It is thus essential to further explore the interactions among immigration, talent management and productivity.