



Discussion on Labor Market Trends and Migration Policies in EAP

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Voluntary “non-distressed” migration is positive for the individual assuming decisions made with reasonable information.

- Questions on whether some migrant groups have accurate info, e.g. recent middle-class economic migrants taking high-risk routes.

But it is not always positive for receiving or sending country without policy to address redistribution, “externalities”.

Even if net positive on average, may not matter if externalities or market effects can’t be addressed.

Goals of policymakers on migration do not ‘naturally’ coincide with that of other stakeholders.

Policymakers generally driven by combination of political self-interest and policy interest (setting aside corruption).

- Political self-interest: Not being removed from office!
- Policy interest: Beliefs about how policy should be designed to serve national or political objectives.

Political economy can explain policy interests, but not completely. Some policies are likely normative rather than positive.

- E.g. Singapore’s policy belief on being a global talent capital drives high-skill talent policies, even when local evidence base is lacking.

Singapore Overview

Labor Market Trends and Migration Policies



Singapore's resident labour force will decline without permanent immigration and naturalisation. 1 in 4 residents will be aged 65+ by 2030.

Migration policy supports calibrated use of temporary migrant workers at all skill levels; 38% of labour force, or 1.525M, are temporary migrants:

- Use of price and quantity controls for lower-skill workers (Work Permit and S-Pass). Objective is to protect wages of lower to medium-skill resident workers and address labour shortages.
- Use of quality controls for high-skill workers (Employment Pass and COMPASS framework), to complement high-skill resident workers and address skill and experience constraints.

Long-term residence and naturalisation granted based on selective economic and social criteria; ~30K Permanent Residents and ~20K Citizenships granted annually.

Specialist schemes cater to international students; high net-worth; ultra-high-skill talent; etc.

Resident labour market and industry decisions shaped by high reliance on migrant workers.

- Sorting of resident workers into less internationally mobile jobs.
- Industry reluctant to automate, increase value-add, if given access to lower-wage migrant workers.
- Rent-seeking tendencies where migrant worker wage gaps are large.

High-skill temporary workers may not transfer skills / capabilities to resident workforce. Industry may not be 'rooted' or develop local ecosystem.

Economic-selective permanent migration increases inequality. Competition for supply-constrained and positional goods like private housing.

Managing naturalisation 'fit' difficult. Singapore is multi-cultural, but not culture-blind. Political stability may depend on maintaining current ethnic mix.

Whither Migration Policy?

Migration is a problem of mismatch of wants.

Migrants do not want to move to ALL possible destinations, only those with greatest benefits.

Likewise, destination countries do not want ALL migrants, only some.

What migrants, residents, the private sector, and policymakers want, also diverges.

Policymakers should manage constraints based on positive economics (understanding facts about migration), but often make decisions based on normative judgments. Ideology matters, especially in absence of evidence.

Work done by World Bank and researchers at this conference and elsewhere provides evidence basis for more critical thinking about migration and is important!