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INTERNATIONAL LABOR MOBILITY TRENDS AND IMPLICATIONS

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ABSTRACT

Many developed countries around the globe strictly monitor the movement of the people who are born outside their borders. Some of the countries also restrain the entry of these foreign labors in order to prevent them from attaining jobs within the local industries. This is because when these foreigners are hired by any domestic organizations, they reduce the employment opportunities for the local people of that country significantly. However, some of the countries around the world consider labor mobility as a blessing. This is because they believe that the labor which the organizations hire from other countries are observed to be more intelligent, as well as cheaper when it comes to domestic hiring of the people. This allows the organizations to enhance their work performance at a low cost, which in turn helps them to generate more profitability dramatically.

Others prefer that there should be a balance of foreign and domestic employees within the structure of the labor industry within a country.

This report is based on analyzing the reasons and impact of labor mobility around the world by assessing what benefits or drawbacks a country have to bear when they allow the entry of foreign labor. Moreover, this report will also analyze the various impacts of labor mobility on a country and based on these analyses; recommendations will also be provided in this report on whether countries should promote labor mobility or try to prevent it.

Keywords – Labor Mobility, Labor Exploitation, International Migrations, Rural to Urban Migration, Labor Mobility Trends.

INTRODUCTION

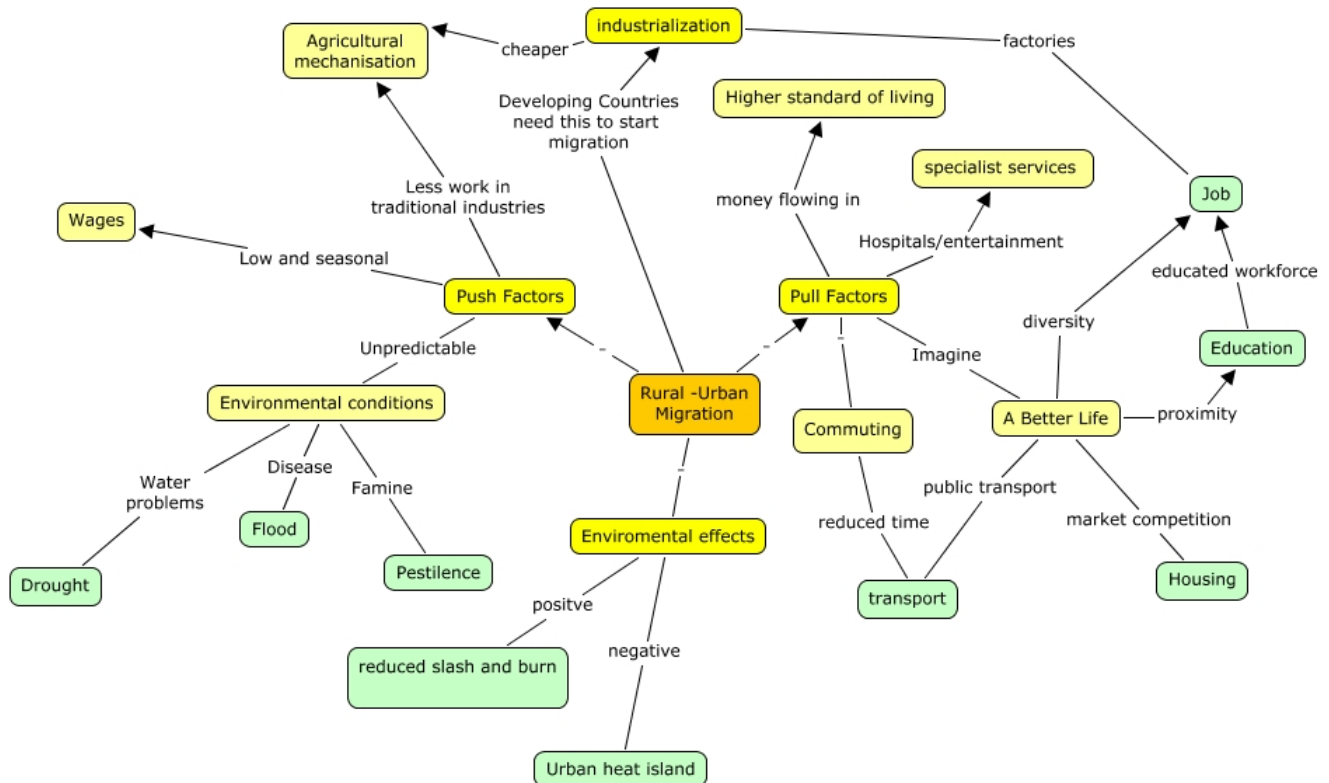
It is observed that due to the shortage of appropriate data in the past within Europe, making historical-comparisons related to employees' mobility has become a difficult task. However, in the early-periods of the 19th century, efforts were made to document and record these movements within the labor from rural areas to urban regions more efficiently. This also includes a large number of movement of labor from Africa and Europe with the purpose to settle in the Americas (Ruist & Bigsten, 2013).

Furthermore, it was observed within Great Britain too, during the periods of the 1800s, that employees who used to reside in the rural areas, start to migrate to the urban areas. In recent times, many analysts believe that the mobility of employees has again started to pick up the pace all around the globe.

These high movements are also observed in Asian countries such as China. For instance, there has been a dramatic rise of employees entering the urban areas from their underdeveloped rural regions in search of a job, when the country experienced a massive transformation within its economy, from a traditional agricultural economy to a modernized industrial country. Moreover, currently, it is also observed that employees from Middle Eastern and Asian countries are receiving an increased demand from Western countries, since the year 1970 (Dawson, 2013).

RURAL TO URBAN MIGRATION

According to UNDP reports, there are various reasons that are associated with high labor mobility around the globe. For instance, the most common reason behind workers' movement into more developed urban areas are related to a



lack of proper infrastructure and job opportunities within the rural areas. Two major reasons have been generally observed to be found behind these lack of opportunities and proper infrastructure. The first reason is associated with the transformation of the economies towards manufacturing and service industries (Denisenko & Chernina, 2017).

Factors associated with rural to urban migration (Source: IHMC Public Cmaps Tools)

For instance, countries like China and Pakistan that were once known for their high-quality agricultural products all around the world, are now more engaged towards building their service and manufacturing industries due to the increase

in the demand of the products and services that these sectors provide. Moreover, due to the decline in the agricultural products that were produced within the rural areas of these countries, workers were forced to switch their jobs by migrating into the urban areas of the countries, in order to look for feasible employment opportunities in other industries (Yang & Zhou, 2017).

The second reason is associated with lack of proper attention by the government within the development of rural areas. In many emerging economies, such as India and Pakistan, it has been observed that due governmental negligence, the rural areas within these countries are left without proper infrastructure in the form of roads, electricity, schools, water supply etc. This again makes it difficult for the people, especially farmers, to run their businesses and meet their needs efficiently. Moreover, due to lack of proper schools, colleges and universities within these rural areas, people who reside within these regions are also observed to be highly illiterate. This again forces these people to migrate into urban areas where they are able to attain proper education and qualification, which in turn helps them to find good jobs (Paoli & Mendola, 2017).

GLOBAL MIGRATION AMONG DIFFERENT COUNTRIES

On the other hand, if we talk about labor mobility from one country to another, then there are also various reasons that have been observed behind this movement. For instance, developed countries like the USA, are giving increasing opportunities to employees who belong from Asian or Middle-Eastern countries to work for their organizations.

The main reason why developed countries have a high preference for Asian and Middle-Eastern employees is usually associated with their low hiring cost. Many multinational companies,

such as Microsoft, hire these cheap labor and workers from countries like India, to meet their employment needs more effectively, as they are able to pay low salaries to them. Furthermore, these workers from emerging economies have also been observed to be highly talented and qualified. This again benefits the organizations a lot in enhancing their performance dramatically (Nemiri & Ludmila, 2018).

MAJOR TRENDS

In Europe, the percentage of expatriate women has increased by 15% and in Spain by 6%. Moreover, this trend is further expected to increase in the coming years. The sectors with the greatest occupation by expatriate women are 25% chemical/ pharmaceutical sector, 28% professional services and 40% large consumption, banking and technology. More and more companies are taking into account the interpersonal skills of women, which is considered as an essential characteristic of mobility (Verick, 2018). With respect to the sectors with the greatest demand for employee mobility, it has also been detected that a clear demand for international technological profiles will prevail in the near future. Following the data of the Report of the Institute of Economic Studies (IEE), experts in nanotechnology, cyber security, home automation, Big Data, or renewable energy, will also be the profiles that will face increased demand in the global market (Barnett & Sichelman, 2016).

The demand for millennial employees internationally will also increase in the coming years. It is expected that by the year 2020, the millennials will represent more than a third of the workforce in the world. However, companies will also face greater challenges related to talent retention of the millennial employees since they have high turnover rates

and it is also observed that it is difficult for the millennials to stay more than three years on average in a company (McDonald, 2015).

Moreover, those millennials who are in their initial career stages usually look for more flexible and less expensive international experiences. For these reasons, companies are required to seek solutions tailored to their expectations, offering money so that the employees themselves manage their experience. Nevertheless, these new conditions do not come without their challenges and possible inconveniences, which must be anticipated and properly managed. Defining what benefits go beyond the corporate and personal goals that can guarantee a better quality of life and work for the future of this generation will mark, without doubt, the direction of international mobility (Circella et al., 2016). Moreover, according to the reports of Department of Economic and Social Affairs of the United Nations, it is expected that as compared to traditional destinations in emerging countries, an increase in international allocations is expected in countries such as Germany, Canada, Australia, United Arab Emirates, Colombia, Spain, Mexico, the United States and the United Kingdom (Doyle & Borgnäs, 2018).

Furthermore, diversity and inclusion (D & I) are also becoming increasingly relevant for companies who operate globally.

Those organizations with more developed D and I strategies are placing greater emphasis on creating more flexible international assignments to the needs of diverse interest groups, and which, in turn, contribute to the achievement of diversity objectives.

Some examples of this are the promotion of more women participating in international assignments, or the development of support practices that consider a broader concept of "family" (McPhail, McNulty, & Hutchings, 2016).

ECONOMIC REASONS

In many previous studies and reports, economic factors have also been observed to play a significant role in motivating employees from migrating into another country. For instance, countries, such as Pakistan and Venezuela, where economic conditions are highly volatile, cause people to migrate to another country frequently. The high inflation rate in these countries also create problems for people to meet their needs (Rolle, 2013). For example, according to recent reports, the current level of inflation in Venezuela is at 64.26%, which is very high. With this high level of inflation, people are facing difficulty in meeting their basic needs because they are not earning enough from their existing jobs. This again has caused many people to migrate into other countries where economic conditions were more stable (Cormick & McLaren, 2014).

Moreover, poor economic conditions or policies by the government, also makes a country less attractive for investors or business people to invest in the infrastructure or operate their businesses in that country (Alejandro, 2016). This again increases the unemployment levels within that country significantly and forces the people to look for jobs in another country. Moreover, good living conditions of many developed countries also make them more attractive for many immigrants to seek employment opportunities in those countries. High levels of poverty and poor labor laws leading to high exploitation of workers also cause many people to seek employment opportunities in other countries (Nadiya, Galyna, & Vyacheslav, 2018).

POLITICAL FACTORS

The humanitarian crisis has also been observed in many developing countries due to unstable political conditions or unrest (Bearce & Hutnick, 2014). High terrorism, wars, corruption, poor laws and regulations, ethnic issues and religious unrest are some of the factors that destabilize the conditions of a country dramatically to live and work. This again compels the people living in that country to move into another country where they are able to find more stabilize conditions (Chau & Kanbur, 2013).

LACK OF PROPER EDUCATION

It is observed within many underdeveloped countries, such as Somalia, that people are often forced to migrate into other countries because of lack of proper educational institutes within their home country. Due to lack of availability of proper school, colleges and universities within these developing countries, people face difficulty in attaining sufficient qualification, skills or knowledge to obtain good jobs. This increases a high rate of illiteracy among the people in these underdeveloped countries. This, in turn, forces the people to work on skilled based or blue collar jobs on low wages that cause difficulty for them in meeting their needs. Due to these reasons, many people leave their countries or send their children abroad in order to help them attain better qualifications, which in turn aid them to find good jobs in those countries on reasonable salaries. Other reasons such as climate change, natural disasters, poor human rights, lack of career advancements, etc., also motivate people to leave their countries and seek employment in others (Netz & Jaksztat, 2017).

NEGATIVE IMPACTS OF INTERNATIONAL MIGRATIONS

When a country loses its educated employees and workers due to the various reasons that have been highlighted above, the problem of brain drain within that country starts to increase. Brain drain refers to a situation where highly talented and educated people from one country, such as India, move into another country where they are able to find good jobs, favorable conditions to work and good living conditions. Moreover, it is also observed that some of these people go abroad to obtain higher education or qualification, but they refuse to return into their home countries. The term 'Brain Drain' was first used during the period of the 1960s, when many intellectuals and scientists from Britain migrated to the USA in order to find good employment opportunities. Currently, the problem of brain drain is having a severe impact on many underdeveloped countries who are losing their educated people increasingly (Sung, 2005).

It is argued by many analysts that when a large number of highly skilled and educated people moves from their home countries into another country, it creates severe problems within their home countries in the form of various negative impacts. One of which is the loss of vital talented manpower for the domestic industries, leading to a decline in the work output and profitability of the business altogether. When organizations are unable to find proper labor within these countries due to brain drain, then it motivates them to shut down their businesses and relocate into other countries (Chang, 2007).

This not only halts the economic growth of that country, but it also increases unemployment levels too due to relocations by the firms within that country. Moreover,

the national development of the countries is also negatively affected by Brain Drain due to loss of profitability and the resulting loss of tax revenues that could have been utilized by the government on various development projects. Severe employment crisis in important sectors, such as healthcare and education, are also developed in a country when it's educated people (i.e., doctors and professors in this case) move into other countries to find good employment opportunities. This again undermines the future growth potential of the countries drastically (Tani, 2008).

Furthermore, it is also observed that when the domestic organizations of a country where there is a severe problem of brain drain, are unable to find good employees, then they are forced to utilize poor employees that undermines their work performance and quality of product and services, which can also be very dangerous in some cases. For example, in Pakistan, many cases of deaths have been reported in the hospitals due to carelessness and negligence of unqualified doctors or staff who were accused of giving wrong medicines or poor treatments to their patients. This lack of quality of work and the resulting accidents have been reported in many industries within the developing countries where the problem of brain drain has been observed the most (Hull, 2010).

LABOR EXPLOITATION

As explained above many emigrants have been exploited by many multinational organizations in developed countries increasingly in order to hire the services of their cheap labor. Several of these organizations also often provide poor working conditions to these workers, such as long working hours and very low wages. Moreover, they are also discriminated by these organizations frequently, which again increases problems for them.

Even though many international standards and laws have been made in different developed countries to protect the rights of labor, but proper regulations for the protection of emigrants from any type of workplace discrimination are still not maintained or effectively administered in many of these countries (Wickramasekara, 2008).

High movement of people from one country to another, also increasing various forms of criminal activities. These activities range from people or drug trafficking to rising street crimes and other forms of corruption. Moreover, rising illegal immigrants are also causing problems for many countries, in the form of increased consumption of their resources. Less availability of jobs for the domestic people is another problem in these developed countries, who increasingly hire the services of emigrants on their vacant jobs rather than giving employment opportunities to their own people (Polanco, 2016).

POSITIVE IMPACTS OF INTERNATIONAL MIGRATION

Despite the negative impacts of international labor mobility, there are also some of the positive aspects too when the international movement of labor is promoted. For instance, emigrants that are hired by the countries, provide numerous advantages to their organization which their own people are unable to provide. These advantages can be in the form of high skills and knowledge to perform a job more efficiently than domestic employees. Moreover, these emigrants also work on low salaries and provide their services by working longer hours, which again helps to enhance the work performance of the organization significantly (Parey & Waldinger, 2011).

Furthermore, the remittances that are sent by these emigrants in their home countries are also observed to provide benefits to their countries by improving the economic and financial conditions of the country. Moreover, when these workers who work abroad in different countries send the portion of their income back to their families in the home country, then it also helps to alleviate the conditions of poverty within their home country dramatically. This positive effect of mobility has been seen in countries like Africa, which have helped to improve their economic conditions significantly (Yang & Gallagher, 2017).

Moreover, in some countries, it is also observed that when movement of labor among different countries is promoted, conditions of security including, reductions in poverty levels and political stability among the countries have also been increased. Moreover, it has also helped many countries to reduce their unemployment rates and improve their economic conditions substantially. In one of the reports of the World Bank, it was highlighted that when movement of labor is promoted among various countries, it also helps to reduce the pressure on the labor markets in these countries dramatically. This is because many of the developed countries face the problem of excess supply of labor in their various industries due to small economies of scale (Auriol, 2007).

However, when international labor mobility is encouraged among the countries, it helps them significantly to send their excess labor into other countries. This international migration of workers has also allowed many young talented employees to gain those jobs where they have been able to enhance their skills, which in turn have helped them to enhance their work performance and achieve growth.

This, in turn, has allowed these young workers to send a large sum of remittances into their home countries that have helped their countries to enhance their economic conditions dramatically (Aloi & Braga, 2010).

Gross domestic product (GDP) of many countries have also been observed to improve significantly when they have hired and utilized the services of emigrant workers. This is because the income tax that is taken from these foreign employees are utilized by the government in various developmental projects of the country, such as improvements in the infrastructure. Moreover, these workers also help to increase the output of goods and services within these countries substantially, which in turn helps them to export the excess output into other countries. This again helps to increase the export sales revenue and conditions of the balance of payment within these countries greatly (Bauder, 2015).

RECOMMENDATIONS AND CONCLUSION

By analyzing the data above, it can be concluded that international labor mobility has both negative and positive impacts on a country. However, the negative impacts of increased labor mobility can be avoided if governments of the countries take appropriate actions. For instance, a balance should be made between both domestic and foreign workers in the structure of labor within any country. Countries should utilize foreign labor in those areas where they are unable to find qualified employees from their own domestic labor markets. However, these countries should also try to prevent the excess movement of their qualified employees into other countries by providing them with good employment opportunities internally (Manolo, 2013).

In order to improve the working conditions for the employees to prevent them move abroad and seek jobs in other countries, the government can make efforts to improve the infrastructure, economic conditions and political situations of a country by taking necessary actions to deal with problems associated with each of these factors effectively. For instance, they can create more schools and colleges (especially in the rural areas) to help people in attaining necessary skills and knowledge that are required for a good job (Masso & Vahter, 2016).

Moreover, governments can also encourage businesses within their countries to hire domestic workers by creating any policy or restriction for them. For instance, they can compel the organization to maintain a proper a certain ratio or balance of both domestic and foreign employees within their firms. They can also create proper infrastructure or enhance the existing one for the businesses within the rural and urban areas of the country, in order to increase the attraction of the geographical regions for the investors and business people dramatically (Romero, 2016).

This would help to motivate these industrialists and investors to start and operate their businesses within the country, which in turn would increase the employment opportunities for the people significantly. Furthermore, governments should also make appropriate efforts in order to create effective economic policies that help them to control the high inflation levels of their countries efficiently. This again would prevent people from moving abroad as they would be able to meet their needs easily by working in the domestic organizations of their home countries (Bearce & Hart, 2017).

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