Global Migration as a Solution to Worker Shortages in Industrialized Economies
Barbara R. Hemme, Instructor, Department of Sociology, William Rainey Harper College,

Abstract

The United States and other industrialized countries are experiencing a severe shortage of workers in many industries including manufacturing and healthcare. This shortage is expected to grow in the next ten years. The current shortage is the result of socialization of the younger worker generation to shun jobs that are seen as manual labor and instead strive to obtain jobs that are white collar jobs, and an aging workforce. In order to fulfill the needs of certain sectors of the economy, industrialized countries should encourage global migration from newly industrializing economies and third world countries. This migration may meet the need of employers who are experiencing shortages of workers. Skilled workers could earn competitive wages which could be sent back to family in the native country, enabling that economy to grow.

There are, however, detriments to this migratory pattern. Language difference, including dialects, could be problematic. In addition, patterns of group relations indicate that there may be stress between domestic workers and migratory workers, including interpersonal relations which may be compounded by cultural differences. The willingness of both employers and employees to accept change and develop new methods of integrating immigrants is a key ingredient to the success of a global migration policy.

Introduction

According to a Manpower (2007) survey of 37,000 employers in twenty-seven countries and territories, “41 percent of employers worldwide are having difficulty filling positions due to suitable talent available in their market”. The top ten jobs needed globally include drivers, healthcare workers, laborers, machinists/machine operators, production operators, skilled manual trades, technicians, and others. In the United States, one of the largest growing employment shortages is in the healthcare field, especially in nursing. There are several contributing factors, including the aging of the workforce, shortage of individuals entering the field, and unhappiness with workplace conditions (US General Accounting Office, 2001). These factors not only affect the healthcare field, but also can be applied to other manual-type labor positions as well. Canada immigration lists the construction and skilled trades, machining and equipment operators, automotive, engineering, electrical, industrial manufacturing, agriculture and healthcare workers as areas of confirmed labor market shortages (Canadian Citizenship and Immigration Resource Center Inc, 2007). Australia is experiencing a shortage in healthcare professionals and skilled labor, two of the occupations targeted for permanent migration (Janet Phillips, 2006). New Zealand has increased its immigration quotas for information technology, medicine, and professions requiring a master’s or doctorate degree. (SHRM Global HR Focus Area, 2006) Business owners in the United Kingdom list a lack of availability of a skilled workforce as a
major constraint to doing business (Grant Thornton International, 2006). These shortages are expected to increase over the next ten years.

As the baby-boom generation retires, there are not enough skilled workers to replace the shortage. The Occupational Outlook shows that “The number of people in the labor force aged 65 and older is expected to increase more than three times as fast as the total labor force, due, in part, to workers postponing retirement. Compared with the total labor force, the number of workers younger than age 45 is expected to grow more slowly or to decline.” (US Government 2003-2004). Even if the number of workers over 65 increases an unknown factor is the change in morbidity rate for this cohort. Aging also brings an increase in physical and mental ailments. Even if the intention of both workers and employers is to continue the work relationship, health issues may supersede planning efforts. As these skilled workers retire and/or die, the skills shortage will become even more acute as the future workforce is expected to be trained in skills other than traditional blue and pink-collar type positions.

In the past, manual labor type jobs involved learning a basic skill set then doing a process according to a set of procedures that could be followed in most situations. Procedures were generally written by better-educated white collar workers. Advanced education was not necessarily required. For example, elementary school teachers taught the same types of basic skill sets to each new age cohort. Although occasionally a new teaching methodology emerged, the process remained generally the same throughout the twentieth century. The latent functions of school – learning how to obey authority, consideration of others, etc. – fulfilled a basic societal need of an emerging industrialized economy. Machine operators, nurses, and other traditional working class positions operated in basically the same fashion. Procedures were designed by well-educated owners and managers, and then carried out routinely by the manual labor workforce. Today’s workforce has been encouraged to shun these types of jobs. Manual labor is hard work for long hours at an average or below average wage. According to Thomas Friedman (252), this shunning of positions relates to classic wealthy family generations. “There is something about post-World War II America that reminds me of the classic wealthy family that by the third generation starts to squander its wealth. The members of the first generation are nose-to-the-grindstone innovators; the second generation holds it all together; then their kids come along and get fat, dumb, and lazy and slowly squander it all.” Recently at a job fair, an employment agency discussion with employers led to comments suggesting that if the
employment agency can get employees to show up to work on time and understand they have to work for eight hours, the employment agency has accomplished something. Many young people now strive for white-collar positions by obtaining post-high-school education. However, there also exists within this group a means justifies the end mentality. This generation of students will do whatever it takes to get a degree without investing in hard work required to achieve learning objectives – as Friedman (252) says – “a certain tendency in recent years to extol consumption over hard work, investment, and long-term thinking. Not only has this generation shunned manual labor, they have not been successful in educating themselves on skill sets needed to compete in today’s global society. Instead, the focus has been on short term goal of obtaining credentials, which, unbeknownst to the workforce, are meaningless to the employers who hire these workers.”

This intersection of aging workforce, lack of desire to enter jobs perceived as manual labor, and a lack of appropriate skill sets as well as a younger worker generation shunning this type of labor has led to worker shortages in many industrialized economies. Global migration can fulfill these needs by providing a new workforce that may be both beneficial and detrimental to business, workers, and society.

**Global Migration as a Solution to Worker Shortages**

Global migration of workers should be cautiously encouraged to meet the needs of the employers. Owners of companies are concerned with economics of business. As worker shortages occur, the wealthy can influence policy in their respective governments within democratic societies. These wealthy owners have the capability of motivating governments to allow needed labor into the countries on work visas. “An immigration reform bill has to include provisions that recognize the labor needs of business” (J.J. Smith, 2007). The number of migrant workers has been increasing in some industrialized countries.
Foreign born in the Country's Labor Force: Number (in thousands) and Percent of Total Labor Force, 1998 and 2003

<table>
<thead>
<tr>
<th></th>
<th>Number (000s)</th>
<th>Percent of Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2,281</td>
<td>2,447</td>
</tr>
<tr>
<td>Canada</td>
<td>2,839</td>
<td>3,151</td>
</tr>
<tr>
<td>United States</td>
<td>17,373</td>
<td>21,564</td>
</tr>
</tbody>
</table>

**Note:**
Canada's numbers are from 1996 and 2001.

**Source:**
Data are from Table I.10. in SOPEMI (Systeme d'Observation Permanente des Migrations) 2004, *Trends in International Migration* (Rome: OECD). (Organisation for Economic Cooperation and Development)

From 1998 to 2003, an increase in foreign workers was noted in Australia, Canada, and the United States as shown in the above chart. In Ireland, 8% of total employment is filled by non-nationals. The largest number of this immigrant pool is working in manufacturing and represents 9.4% of the manufacturing workforce. This is followed by the hotel and restaurant sector, where 19.2% of the jobs in that sector are filled by immigrants (AIB Global Treasury Economic Research, 2007).

Once a labor need is identified by business, worker shortages can be fulfilled by both legal and illegal immigrants. Legal immigrants tend to be highly skilled. These immigrants tend to migrate more purposefully and slowly, and obtain more permanent positions that fill a need within the country of immigration. Illegal immigrants tend to be less educated. They tend to migrate where they hear through word of mouth that jobs are available. Even the types of jobs illegal immigrants obtain are temporary – day laborers and seasonal workers. There is no promise of employment the next day, and they tend to move from job to job to earn a living wage. Employers who exploit these types of workers benefit by the circumstances of these temporary laborers. (Hanson, 2007)

Business owners want workers who will work for the least amount of money. Many employers do not place a high emphasis on training current employees new skill sets. “Short-term
cost-cutting trumps long-term investments in talent development” (Torinus, 2006). According to William Julius Wilson (153), “economic growth does not necessarily produce good jobs.” Since the current workforce does not meet the need of the employers workers are terminated, and/or encouraged to take wages that are below their skill set. Migrant workers fill the needed skill set which displaces other workers in the country. As a result, workers in industrialized economies are underemployed and unemployed.

When considering the latest economic growth in the emerging market sector, we find that countries such as Brazil, China, India and Russia are training their workforce in the skill set used formerly in industrialized economies. The main exports of the emerging market sector include food, machinery, consumer goods, engineering/accounting/software services, oil, gas and other commodities. However, there is a shortage of working capital and long-term financing opportunities within these countries. (Grant Thornton, 2007). This results in manual laborers trained in skill sets, but not enough business resources to provide them with jobs.

The solution is migration to industrialized economies, fulfilling a need the country of emigration and the country of immigration. Some owners have exploited the migrant workforce. Employers know that illegal immigrants will not report long hours, poor working conditions, sub-standard pay, and other violations of work laws (Zaba, 34). As such, the return of slavery has been created by some employers, and endorsed by politicians. These conditions are reported in many countries, including China, Poland, Russia, the United Kingdom and the United States. In 2006, the World Trade Organization announced a new initiative for Africa. According to Hanniford Schmidt, a WTO spokesman (2006),

“Full, untrammelled stewardry is the best available solution to African poverty, and the inevitable result of free-market theory," Schmidt told more than 150 attendees. Schmidt acknowledged that the stewardry program was similar in many ways to slavery, but explained that just as "compassionate conservatism" has polished the rough edges on labor relations in industrialized countries, full stewardry, or "compassionate slavery," could be a similar boon to developing ones. …A system in which corporations own workers is the only free-market solution to African poverty.
If the WTO takes such a position in Africa about third world country employees, migrant workers who are subject to such slavery in other countries will have no sympathy from this international trade organization, compounding this problem. Migrants fill such positions as domestic workers, agriculture, transportation, education, construction, tourism and health care (New Internationalist, 2005). Without these workers, businesses and entire economies may collapse.

Workers migrate for many reasons, including the lure of better economic conditions. Migrant workers can be permanent immigrants with a goal of not only remaining in the new country but also bringing their family to the new country as well, or the migrant workers can be temporary immigrants, entering the country with an intention of obtaining a job to send money back to their home country and/or obtaining skill sets to improve the economy and society of their home country. Worker shortages are filled from poor countries that encourage education and training in skill sets useful to other countries. The source country trains workers in skills then encourages those trained workers to migrate to wealthy countries. The sole purpose of this endeavor is for the skilled worker to send money back to his native country, which will boost the economy (Geri Smith. 2005). In addition, “Many immigrants set up and run their own businesses, creating employment and fueling economic growth” (New Internationalist, 2005). Such countries as Australia, New Zealand, Canada, and the United States all encourage hardworking migrants to start their own businesses to fill shortages. Workers who start their own business have the capability of large economic rewards with hard work and fiscal responsibility – for example, Mexican landscape service owners or Greek restaurant owners. This migration also has the effect of leaving the home country without skilled workers in certain areas, including health care. The loss of a skilled worker can have a major impact on services, especially when it involves healthcare professionals (Dovlo, 2005) The worker’s family and friends is left without needed healthcare. Since the economic benefits outweigh the costs for the worker, they migrate. The societal transition for the workers can also bring unanticipated consequences.

Migration of workers involves many societal problems, including language, prejudice, discrimination and stereotypes, and ethnic and cultural differences.
Language can be a major problem for employers, employees and society. Whenever the main language spoken in a country is the second language of an immigrant, difficulties can arise in both written and spoken communication. Obstacles include primary language, dialects and technical knowledge. Foreign languages taught in schools are usually formal versions of a language. For example, schools may teach Kings English instead of everyday English; Spanish educators may teach the Spain version of Spanish, and not the Mexican version of Spanish. In addition, there are dialects specific to each region of a country – both the country of origin and the country of immigration. These differences are most apparent in the everyday workplace, where communication is constant throughout the day. The technical language within each industry is usually unique to that particular industry. So employees not only must learn the language and the dialect, but also the technical language as well. Written communications between employer and employee tend to be in one language. Where two languages are the norm, materials may be in both languages. For example, in the United States, materials may be in both English and Spanish. In Canada, they may be in both English and French, and in Ireland, materials may be in both English and Gaelic. In a country with many immigrants, there may be many languages and dialects within a particular workplace. It is not cost effective for employers to get information translated into multiple languages. In addition, if any communication is misunderstood, it can result in problems with customers, other workers, production or services, safety and other workplace issues. Cost-benefit theory states that “resources should be spent if they are expected to better attain company goals in relation to the expected costs of those resources” (Horngren, et.al. 11). Each company will consider whether or not translation and communication costs exceed the benefits derived from communications. If they do not, basic language skills will be used, marginalizing worker skill sets.

Prejudice, discrimination, and stereotyping are negative consequences of global migration. We can learn prejudice through personal experience or through socialization. Most every race and ethnic group pre-judges at least one other group of individuals. When we pre-judge someone, we tend to behave in a discriminatory behavior towards them, often by stereotyping a person’s behavior. This in-group and out-group conflict extends to immigrants to new countries as well. In Russia, a study of a segment of the population showed “a rather low level of tolerance on the part of the local population toward migrants. Between 50 percent and 80 percent of the respondents have taken an openly hostile attitude toward the newcomers.”
Immigrants to Des Moines, Iowa, United States also encounter prejudicial attitudes and have become scapegoats. (US Commission on Civil Rights, 1999) Irish workers have experienced prejudice and discrimination in the United Kingdom. (O’Connor and Goodwin, 50). One major issue of immigration is the perception that immigrants will use more social services than they pay through taxes. In the United Kingdom, for example, you must prove that you have insurance before you can work in that country. In the United States, caring for immigrants and their families is one of the major societal concerns, causing much debate as an immigration policy is being developed. If citizens perceive immigrants are getting more than their fair share of social services, it fuels the fire of prejudice. No matter the country of emigration or immigration, prejudice, discrimination, and scapegoating are problematic for migrant workers.

Ethnic and racial relations can have a negative influence on migrant workers. Even though we live in a global society, many are not as willing to adapt to other cultures. In the United States there has been a concerted effort to include Spanish as an official language. This has been fought by many citizens. In fact, the town where I live (Hampshire, Illinois) has just passed a law stating that English is the official language of the village. Other towns and villages have also adopted similar laws. Many people feel immigrants should learn the language of the country of migration. This feeling arises from personal histories told through generations of how migrant parents or grandparents had to learn the language in order to become a citizen of the country. Also, as a result of prejudices, migrants may not have access to necessary services such as education and health care. This perpetuates unequal status for these migrant workers.

Differences between ethnic groups are compounded when in a third country. For example, most Americans will group all immigrants of Asian descent as one cohort. However, there are many different ethnicities within that group – Korean, Filipino, Chinese, and others. These ethnic groups are very different, with different languages, food, art, and other cultural symbols. The new country will also have different celebrations that may not be the same as in the country of origin. Misunderstandings can occur as each group celebrates their own ethnic heritage. A feeling of anomie may occur when one cannot really identify with a socially constructed identity, causing migrant workers difficulty in assimilating into the country of immigration.
Employers have come to realize that good workers are high demand, and the demand will increase in the next few years. As a result, higher wages will be demanded by skilled workers. In a global society, where costs are cut in every area to remain competitive, the demands of skilled workers will force companies to look at both the needs of the employees and the shareholders as well (CFO Magazine, 2007). There will be much difficulty in changing both employers and employees attitudes toward immigrants. People are very loyal to their own culture and heritage. Ethnocentric theories state that our human tendency is to reject those who are not in our group and to believe our group is superior to all others. The United States has had Civil Rights laws in place since 1964. Yet we still see workplace discrimination, especially within managerial positions. Diversity training is a current business trend, yet it doesn’t always work. John Kotter (2007) suggests eight steps for successful large-scale organizational change. These steps are:

1. Establish a sense of urgency.
2. Form a powerful guiding coalition.
3. Create a vision
4. Communicate the vision.
5. Empower others to act on the vision.
7. Consolidate improvements and produce more change.
8. Institutionalize new approaches.

Changes like this work well in major corporations and in businesses where the owner espouses this philosophy. However, most businesses in the United States, for example, are small businesses, representing 99.7 percent of all employers. (US Small Business Administration, 2006). Approximately 17.8 percent of all small businesses are minority owned which could have both a positive and negative effect on hiring immigrant workers. Small businesses tend to have a culture that mirrors that of their owner. If an owner of a small business is prejudiced, that culture will emanate throughout the entire business.

In addition to prejudice and discrimination caused by ethnicity, employers may need to be more sympathetic to emotional needs of the workforce. If employees perceive that an
immigrant is taking a job that could be filled by a citizen they become defensive, even if no one currently employed in the company wants to fill that position. This will require education of the workforce to understand the role of immigrant workers.

Employers should petition governments of democratic societies to make immigration easier. However, in this post 9/11 world with terrorism a concern, this is problematic. In fact, the doctors that were recently accused of terrorism in the United Kingdom came into the country under a migrant worker program to fill the needs of a shortage of physicians in that country. This situation makes decisions difficult for governments who are attempting to weigh the benefits of business with the safety of their citizens.

Conclusion

There is no doubt that a crisis exists in the world of work that is destined to erode in the next few years. There are fewer workers entering certain segments of the workforce, as well as an overall lack of population to be employed in industrialized economies. As industrialized nations moved into the post-industrialized era, children have been encouraged to leave the blue-collar/pink-collar positions in favor of white-collar positions. A college education has become important to our future workforce. And yet, we hear from employers that they cannot find a skilled workforce, and look elsewhere for workers. As organizations explore these needs, we find a new emphasis being placed on skill sets of tomorrow, which include work ethics, computer training, and change management. In the meantime, workers are needed to fill positions now. As the baby boomers retire, many skills will be lost. Immigrant workers could teach a new workforce the lost skill sets, and the new workforce could add knowledge based on new principles of work. What a powerful workforce could be created, making industrialized countries even more economically sound.

Third world and newly industrialized economies are spending education dollars to train a new workforce. Their initial goal is for the workforce to emigrate, earn currencies that are worth more in the home country, and then send those monies back to the home country to boost its economy. This situation can only last so long, before the economy of the new country begins to expand. Then those countries are likely to try to retain workers, leaving a shortfall for other economies that depend on them. The United States is falling behind in financing our education systems. Almost daily we hear of school districts that are underfunded. The other side of this argument is that the school systems should not be funded because they are outdated and do not
meet the needs of our society. No matter which side is correct, our children suffer from lack of quality education compared to other countries.

Eventually even third world countries and new industrialized countries will become fully industrialized. In the past this process would have taken decades. Our global society has changed that pattern. If we use China as an example of this process, one only has to realize that it took them a very short period of time to move some of their citizens from a poor, working class to a strong middle class who now demand more. As this demand increases, so will the demand for better working conditions and better pay so often requested by the middle class.

As more skilled people migrate, it will change the culture of all countries to be more global. Although the United States was a leader in accepting multiple ethnic groups, other countries are changing as more immigrants enter their country. When people migrate to a new area, they often yearn for food and dress familiar to them. This opens the door in countries with high concentrations of immigrants from one or two countries to expand their economies through new businesses that support these migrant workers.

A new definition of skill set will need to be developed for the workforce of tomorrow. Is it an “out of the box type of mentality” that will prove most valuable? Or will it be a return to the arts for critical skill sets being lost by this generation that one can only get from using mind and body to create objects? Many say it is computer skills. However, the computer has not been able to capture the human feelings and emotions so necessary for creative works. Although we keep computerized records in healthcare, the personal touch side of healthcare cannot be replaced by a computer. The United States needs skilled workers who can be creative in utilizing the materials of the planet efficiently to sustain the population. We need to encourage these types of skills in both education and in the workplace. The problem with this scenario is the need for enough business owners and leaders, as well as heads of government and education to use creative thinking when solving this problem. Since these leaders are part of the problem, it will take extraordinary change agent skills to effectively change the world of work as we now know it.

An interesting future study would be to explore the global workforce at five year intervals. The United States is not the only country with “baby-boom” generations. China long ago adopted a policy to change their birth rate patterns. As industrialized countries became better educated and awareness developed of the scarcity of resources on the planet, birth rate
patterns have declined for other countries as well. As third world countries industrialize and become educated, we can predict that they will curtail birth rates. This will make worker shortages even greater.

Economies will be better in the short term with migrant workers. However, this is a band-aid approach to a larger global problem that will need to be addressed sometime in the very near future, and will require the combined efforts of governments, employers, employees, educators, and the general population to achieve the greatest success.

References


Published by the Forum on Public Policy
Copyright © The Forum on Public Policy. All Rights Reserved. 2006.