

## Global trends in labour migration: labour and skill shortages globally

The International Organization for Migration (IOM) published in December 2014 an overview on global migration trends<sup>1</sup>. The paper reports some interesting data and information. In particular, with respect to labour migration, the data shows:

- almost 50% of the global migrant stock are labour migrants;
- Particularly in the past few years, more workers have arrived with advanced skills; e.g. by 2008, foreign-born workers constituted 17% of all employment in science, technology, engineering and math occupations in the US (source: McKinsey Global Institute<sup>2</sup>).
- By 2020, there will be a 38-40 million potential shortage of workers with tertiary education (13% of demand), 45 million too few workers with secondary education in developing countries, and 90-95 million more low-skill workers than employers will need (11% oversupply; Ibid.).
- The gap between demand and supply of high-skill workers is estimated to be equivalent to 16-18 million workers in advanced economies, 23 million in China. The total shortage for medium-skilled workers for the next 20 years is estimated at 45 million workers – 10 million in India, and 31 million in Young Developing economies.
- There will be estimated surpluses of low-skill workers, 32-35 million in advanced economies, and 58 million in India and Young Developing economies. This means that millions of people will be trapped in subsistence agriculture or urban poverty in developing countries (namely India) if job opportunities at home or abroad are not created for them.
- According to research from the Boston Consulting Group<sup>3</sup>, Germany could experience a labour shortage of up to 2.4 million workers by 2020. Australia could have a shortfall of 2.3 million workers by 2030. Brazil will have a shortage of up to 8.5 million workers by 2020. China is expected to have a surplus of 55.2 to 75.3 million workers by the same year, but by 2030 the surplus could turn into a shortage of up to 24.5 million people. The U.S. is expected to have a surplus of between 17.1 million and 22 million people in 2020. France, Italy and the UK are projected to have surpluses in 2020 but face shortages thereafter. South Africa has a projected surplus of 36% of the labour supply in 2020, and expectations are it will grow to 39% by the following decade.
- According to the Hays Global Skill Index<sup>4</sup> (based on an analysis of main aspects of labour markets in 30 countries), the US and Mexico had a high level of talent mismatch in the Americas last year (available labour does not have the skills employers want); they were followed by Canada, Chile, and Brazil. In the Asia-Pacific region, Japan had the highest level of talent mismatch, followed by China. In Europe, high levels of talent mismatch were found in Ireland, Spain, Portugal, the UK and Hungary, but also moderately high in France, Denmark and Sweden.
- The Talent shortage survey 2014 carried out by the Manpower Group (obtained from a survey of 37,000 employers in 42 countries and territories) revealed that 36% of employers globally report difficulty in filling jobs, the highest proportion since 2007. Regionally, employers reporting having difficulties in filling jobs were 48% in the Americas, 45% in the Asia-Pacific region, and 27% in Europe, part of the Middle East and South Africa.
- Employers in the Americas are having difficulties in filling jobs as technicians, skilled traders, engineers, sales managers and labourers; in countries in the Asia-Pacific region, jobs as engineers, sales representatives, skilled

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<sup>1</sup> Report prepared by Marzia Rango, Research Officer at the IOM's Migration Research Division, Geneva  
[http://mmp.iom.int/sites/default/files/Global-migration-trends\\_December-2014\\_final.pdf](http://mmp.iom.int/sites/default/files/Global-migration-trends_December-2014_final.pdf)

<sup>2</sup> [http://www.mckinsey.com/insights/employment\\_and\\_growth/the\\_world\\_at\\_work](http://www.mckinsey.com/insights/employment_and_growth/the_world_at_work)

<sup>3</sup> See <http://www.bcg.com/media/PressReleaseDetails.aspx?id=tcm:12-164660>.

<sup>4</sup> See <http://www.hays-index.com/introduction/>.

traders, accounting and finance staff, and sales managers were reported as the most difficult to fill. In Europe, South Africa and part of the Middle East, employers listed skilled traders, engineers, sales representatives, technicians and management/executives as the most difficult positions to fill.

- As for leading global economies, employers reporting difficulties in filling jobs were 12% in the UK, 21% in France, 24% in China, 40% in Germany and the US, 64% in India and 81% in Japan. The top 10 countries that have difficulties in filling jobs are Japan (81%), Peru (67%), India (64%), Argentina, Brazil and Turkey (63%), New Zealand (59%), Panama (58%), Colombia (57%) and Hong Kong (56%).