ST.GALLEN SYMPOSIUM

Global Essay Competition 2025

Title: Future of Global Labour Force Movements in the Case of Asian Countries: A Path Forward

Essay:

Traditionally, countries facing population decline relied on immigration to keep their economic growth under control (Peri, 2020). Asian countries have long been the main origin of such migratory movements and thanks to the great economic imbalance (International Organization for Migration, 2024a), European and North American countries benefited most from this. However, in recent years, especially in the last 10 years, the population of bigger economic powers in the east, namely China, Japan and South Korea, have also shown slowing in their population numbers, meaning they will also need the immigration to keep growing. For instance, China's population declined in 2022 for the first time since 1961, (Ng, 2023), South Korea saw its lowest birth rate since its recording began and broke the record for fewest births in the world (Al Jazeera, 2023), Japan, a country that's known for the oldest population in the world, also saw the lowest birth rates since recording began, falling to less than 800,000 (Yeung & Maruyama, 2023). While traditional migrant destinations such as the United States and Germany currently protect their top spots, the number of migrants in Asia is on the rise, climbing from 25.36 to 44.07 million (International Organization for Migration, 2024b) for top 20 countries in the last 30 years. Looking at the growth rate of migrants we can see that Asia grew by around 74%, while Western world grew by 69% (International Organization for Migration, 2024c). Research showed that migration works with an inverted U shape, increasing as the country develops, then decreasing once the country reaches its high (de Haas, 2010). After a country enters really high income status, both emigration and immigration rises (Johnson, 2020).

Finally, the traditional and modern data and findings suggest that there is a direct connection with the HDI and the migration flow (Zelinsky, 1971) which has significantly increased in the East and South-east Asia (United Nations Development Programme, 2024), suggesting a potential increase in migration in Asia.

This all indicates that Asia is on a path to become the main destination for immigrants, particularly due to growth in upper-middle income countries like Thailand and aging population in Japan, South Korea and China (International Organization for Migration, 2023). Then, how can Asia deal with the increasing number of migrants in the coming years?

A scoring system to evaluate migration applications

I propose a migration scoring framework similar to the FICO credit scoring system introduced in 1989 in the United States which can help countries mitigate the increasing pressure of migrants. Some merits of a unified migratory population scoring systems include but is not limited to: providing transparency to migratory policies both for applicants and for accepting countries (1), significantly reducing time and cost required to process applications (2), increasing trust in the migration requirements of countries (3) and allowing access to migration for a larger portion of the population making it more accessible (4). But first, let's focus on the benefits of the FICO system and then look at how we can apply it to a much broader migration scenario.

Historical data clearly shows that the introduction of a unified credit scoring system has dramatically increased the availability and accessibility of credit (Board of Governors of the Federal Reserve System, 2007) and significantly reduced application processing times (Mester, 1997). In particular, a numerical analysis shows that the introduction of credit scoring to a car dealership in 2001 has increased the profit per applicant by 42% and decreased default risk rates by about 7% for the highest risk category customers (Einav, Jenkins, & Levin, 2013).

While the success of a credit scoring system doesn't guarantee the success of a migration scoring framework, it allows us to draw a parallel, especially in reducing processing time and administrative costs. But the question then becomes how do we measure it and what components do we need to include for getting optimal and most accurate predictions for future behaviour of people.

The components of migration scoring system

I propose 9 essential metrics and their weights for defining the migration score, as well as its categorization:

1. **Economic Contribution Potential (20%)** - Applicant's ability to contribute to the global or local economy through skills & activities.

2. **Educational Background (10%)** - Applicant's level of education and relevance of their qualifications.

3. **Language Proficiency (5%)** - Applicant's ability to communicate effectively in the primary business language and other in-demand languages.

4. **Work Experience and Industry Demand (10%)** - Applicant's professional experience and alignment with sectors experiencing labor shortages.

5. **Age Range (10%)** - Prioritizes applicants within age groups that can contribute longer to the workforce and support demographic balance.

6. **Prior International Experience (10%)** - Reflects the applicant's capacity to integrate into society based on prior international experience and cultural awareness.

7. **Legal and Security Background (15%)** - Ensures the applicant poses no security risks and has a history of compliance with immigration laws.

8. **Physical and Mental Health Status (5%)** - Verifies the applicant's physical and mental fitness and their ability to access or provide for their healthcare needs.

9. **Employment Sponsorship (15%)**: Prioritizes applicants who have secured a job offer or a contract from an employer in the host country, ensuring immediate economic contribution and smoother integration into the workforce.

* This initial suggestion for metrics and their weights is based on personal assumptions and research and is subject to change and optimization based on the real-life application results and contributions from other reputable personalities in the space.

For the actual score range and categorization of migration score, FICO credit score and use the range between 300 and 850 is satisfactory:

1. **Excellent (750–850)** - Applicants in this range have exceptional qualifications across all metrics allowing immediate approval and fast-track processing.

2. **Good (700–749)** - Applicants demonstrate solid metrics and minimal risk factors but may have minor gaps allowing standard approval with minimal additional review.

3. **Fair (650–699)** - Applicants meet basic requirements but may need improvement in certain areas, such as language skills or limited work experience. Requires supplementary documentation or conditions (e.g., language courses, job search).

4. **Poor (600–649)** - Applicants show notable weaknesses in key areas.

5. **Very Poor (300–599)** - Applicants lack critical qualifications, pose security risks, or have insufficient economic potential.

* This categorization is based on the requirements for the developed East Asian countries and is subject to change in real world applications based on the subject country.

With all this information and categorization, the problem of inequality comes into light. As evident from the metrics, it has imminent inequality and the score is biased towards richer countries and highly-skilled individuals, which resembles the main critiques of the FICO credit score system favoring white and asian people more than hispanic or black communities (Board of Governors of the Federal Reserve System). Additionally, this scoring system does not allow countries to evaluate in-demand workers higher.

To overcome this issue, I propose 2 multiplicator systems, which would be applied after the calculation of the score to adjust it based on the applicant's origin country and the job requirements of the accepting country.

1. **Country of Origin Adjustment Multiplicator** - Least Developed Countries (1.15 – 1.30), Developing Countries (1.05 – 1.15), Emerging Economies (1.00 – 1.05), Developed Countries (0.85 – 1.00)

* Applicants from least developed and developing countries receive a 15–30% score boost to compensate for systemic disadvantages.
* Applicants from developed countries may see slight score reductions to balance global access.
* This multiplicator should be determined by international bodies

2. **Job Market Demand Multiplicator** - Critical Shortage Occupations (1.20 – 1.40), High-Demand Occupations (1.10 – 1.20), Moderate-Demand Occupations (1.00 – 1.10), Low-Demand/Surplus Occupations (0.80 – 1.00)

* Applicants filling critical shortage roles (e.g., healthcare, engineering, skilled trades) receive a 20–40% score boost.
* Applicants in low-demand or saturated sectors receive a score reduction to prioritize essential labor market needs.
* This multiplicator can be adjusted by the accepting countries

This proposed migration scoring system, with its metrics and multiplicators, allows both countries and individuals to have access to transparent, up-to-date and accurate information about the requirements and the application process.

An Asian Model of Implementation and Testing

As you might have thought, this new proposed system can be applied worldwide and it doesn't need to be separated as Asian, European or East/West. Then why does this paper suggest this system to be applied in Asia in particular?

Firstly, we have already seen the growth in the Asian world to be higher than Europe and Northern America. In particular, countries like Singapore, China, and others experienced an average GDP growth rate of 5% over the past decade, compared to approximately 1.5% in European countries (The Times, 2024). Additionally, the future growth projections are around 3 times higher in Asian countries compared to European countries (4.6 and 4.1 percent in the next 2 years compared to 2.5 and 2.7 percent) (World Bank, 2025).

Again, we know that higher economic growth means more immigrants arriving in the country thanks to the hypothesis of the mobility transition (Zelinsky, 1971). Considering this, Asian countries need a much more robust way of handling and reviewing the applications. Hence, I propose this framework for Asian countries and offer a pilot project to test the effectiveness of it before wider adoption.

Two potential countries for pilot project: Thailand and Singapore

Thailand and Singapore are contrasting countries that hold significant merit for testing this migration scoring framework and proving its effectiveness.

Thailand is a developing upper-middle income country (World Bank, 2011) with a large demand for low-skill labour (Bank for International Settlements, 2023) and it has shown 16% growth in legal migrants in 2024 (Salary Hero, 2024). This country is selected for reviewing this framework's effectiveness for low-skill labour.

Singapore is a high income country with the best human capital index according to the most recent World Bank Human Capital Index (World Bank, 2020) and accepts a high percentage of skilled labour into the country with 202,400 high-skill and 176,400 middle-skill legal migrants for 2024 (Ministry of Manpower Singapore, 2024). This country is selected for reviewing the effectiveness of this framework on high-skill labour.

The pilot project's duration is proposed to be 18 months, 6 for the development and promotion of the platform and 12 for the testing. To enable easy evaluation of documents and accuracy, the pilot project will accept applicants from one or two countries.

The proposed application quota is around 5,000 for Thailand and 3,000 for Singapore.

Selected companies and government contractors which hire a high number of employees would be selected to participate in the program and will share their jobs on the platform.

Applicants will be able to see their general scores and specific scores for each application.

Administrative workers will also see their migration score and use this to expedite the application process. The targets are 30% reduction in administrative costs per applicant and 25% reductions in application processing times and 80% alignment rate with state's workforce demands and applications.

At the end of the 18-month pilot, both countries will conduct a comprehensive review of performance metrics, publish their findings and recommendations and decide on scaling, modifying, or discontinuing the system.

Conclusion

The rapid economic growth and demographic shifts in Asia present both opportunities and challenges in managing future labor force movements. As traditional migrant destinations begin to face their own demographic slowdowns, Asia is poised to become a primary hub for global migration. However, current immigration systems in many Asian countries are not equipped to handle the anticipated surge in applications efficiently and fairly.

This study proposes the implementation of a comprehensive migration scoring system, analogous to the credit scoring framework employed in the United States, to enhance operational efficiency and reduce administrative costs within state migration agencies. Furthermore, this paper outlines a pilot program designed to evaluate the system's efficacy, providing empirical insights into its practical application and potential scalability.

If validated through empirical testing, this system holds the potential to serve as a benchmark for other nations, facilitating global migration flows in a manner that is more equitable, efficient, and strategically aligned with labor market demands.

Ultimately, this initiative is a proactive step toward addressing the complex dynamics of global migration in a multipolar world. It offers a scalable, adaptable framework that can contribute to sustainable economic growth, social stability, and mutual prosperity for both migrants and destination countries.

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Word Count (essay text only): (2055/2100)