Mobilizing Talent for Global Development: Implications for Student Mobility

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1. Issues on talent mobility and global development

(i) Dominance of south-south migration but talent still highly concentrated in the north
(ii) Taxonomies of talent
(iii) Need to understand better global circuits of talent mobility and markets for advanced human capital.
(iv) Issues in talent economics: education, valuation of talent, capital, economic crisis and humanitarian crisis.
(v) Does talent mobility amplify development gaps between north and south?
(vI) The empirical evidence

2.- Classification of Talent

a) *Directly productive talent*, related to business sector:
   1. Entrepreneurial
   2. Managerial
   3. Technical

b) *Scientific talent*
   1. Academics
   2. Scientists
   3. **International students**

c) *Talent related to health and cultural sectors*
   1. Medical doctors, nurses, etc.
   2. Artists, musicians, writers
   3. Media-related people

3. **Global Circuits of Talent Mobility**

a) The international corporate sector: multinational companies (CEOs, experts)

b) The independent private sector (professionals, experts, cultural workers)

c) The academic sector-universities (academics and scholars, scientists, international students)

d) The international public sector (UN, World Bank, OECD, IMF, etc.)

e) The global civil social society (NGOs, others)

4. The International Market for Talent

Demand for Talent: Pulling Factors in the "North"

- ✓ Shortage of skilled professionals in IT sector, health, universities in industrialized countries.
- ✓ Higher wages and attractive employment conditions for talent in the north. Affected by the crisis.
- ✓ Special immigration policies for talent and investors (Canada, Australia, UK, Singapore, US, others).
- ✓ More resources in universities and cultural industry, more possibilities of interaction with peers (scientists, artists, etc.)
- ✓ Demographic factors (slow population growth and ageing)
- ✓ Stagnation in last 5-7 years in Europe /US affect demand for talent

Supply of talent: Pushing Factors in the "South"

- ✓ Lower incomes and real wages.
- ✓ Lack of resources in universities and research centers (for academic talent).
- ✓ Lack of meritocratic careers in the public sector.
- ✓ Higher costs of doing business and barriers to entrepreneurship (for directly productive talent)
- ✓ Conflict and unstable political regimes (Syria,Ukraine, Lybia).

5. Critical Topics in Talent Economics

- ✓ A) Failures of markets, of supporting institutions and the state
- ✓ B) Social versus private valuation of talent
- ✓ C) Does education always pay?
- ✓ C) Talent and capital: who chases whom?
- ✓ D) Challenges for talent mobility posed by economic and humanitarian crises.

5.a. Problems for Properly Rewarding Talent

- ✓ ***Failures of Markets***
  - ✓ Winners- take all- markets leading to excess inequality
  - ✓ Matching failures between jobs requirements and talent availability
- ✓ ***Failures of Supporting Legal Institutions***
  - ✓ Weak property rights
  - ✓ Patent system
- ✓ ***Failures of the State***
  - ✓ The Clientelistic and Paternalistic dominated Organization *versus* the Meritocratic Organization

5.b. Social versus private valuation of talent

- ✓ Excess talent in high pay sectors (finance, entertainment and sports).
  - ✓ Winners take all markets : sports, artists and famous writers (i.e. Roger Federer in tennis, J.K. Rowling with Harry Potter).
  - ✓ CEO compensation and super rents in the financial sector.
- ✓ Under- attraction of talent in socially important areas: public education, public health, public culture.

5.c. Does education always pay?

A complex relationship…

- ✓ *Human Capital Theory.* Do students go to careers with high rates of return?
- ✓ *Education,* as a *signal* of capacity and talent.
- ✓ *Is it tertiary education needed for bright entrepreneurs?*
  - ✓ High opportunity costs of education for the highly gifted, entrepreneurially-oriented talent (Bill Gates left Harvard University to create *Microsoft*).
  - ✓ Larry Page and Sergey Brin left Stanford University to create *Google*.

4d.- Capital chasing talent or talent chasing capital?

- ✓ South – North movements of Talent
  - ✓ Talent from the south in search of employment and capital in the north (Syllicon Valey)

- ✓ North – South movements of Capital
  - ✓ Capital from the north in search for lower cost talent in the south (movement of multinational firms) (Bangalore)

5 e) Effects of Economic Crisis and Humanitarian Crises

Economic crises:

a)Lack of employment and sluggish wages.

b) Emigration of the most educated and talented

c) Budget cuts in universities and research centers

d) Lower budgets for research and development

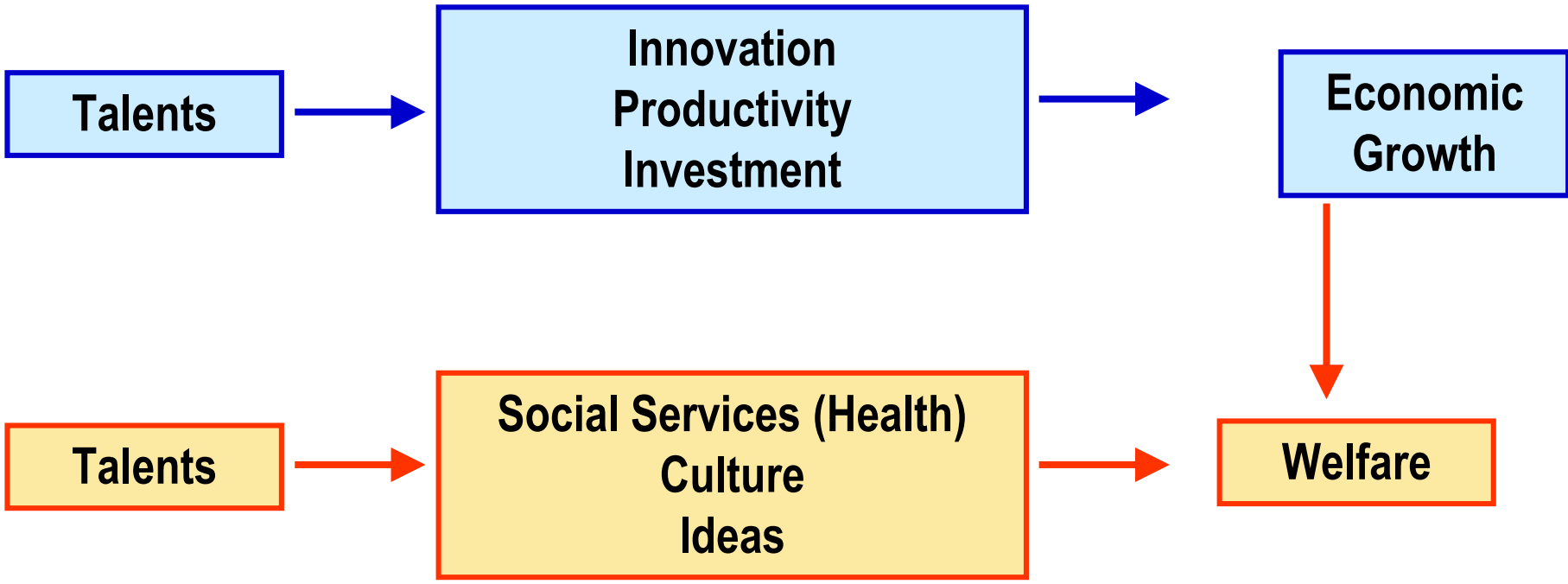
Humanitarian Crises

a) Emigration of the better educated

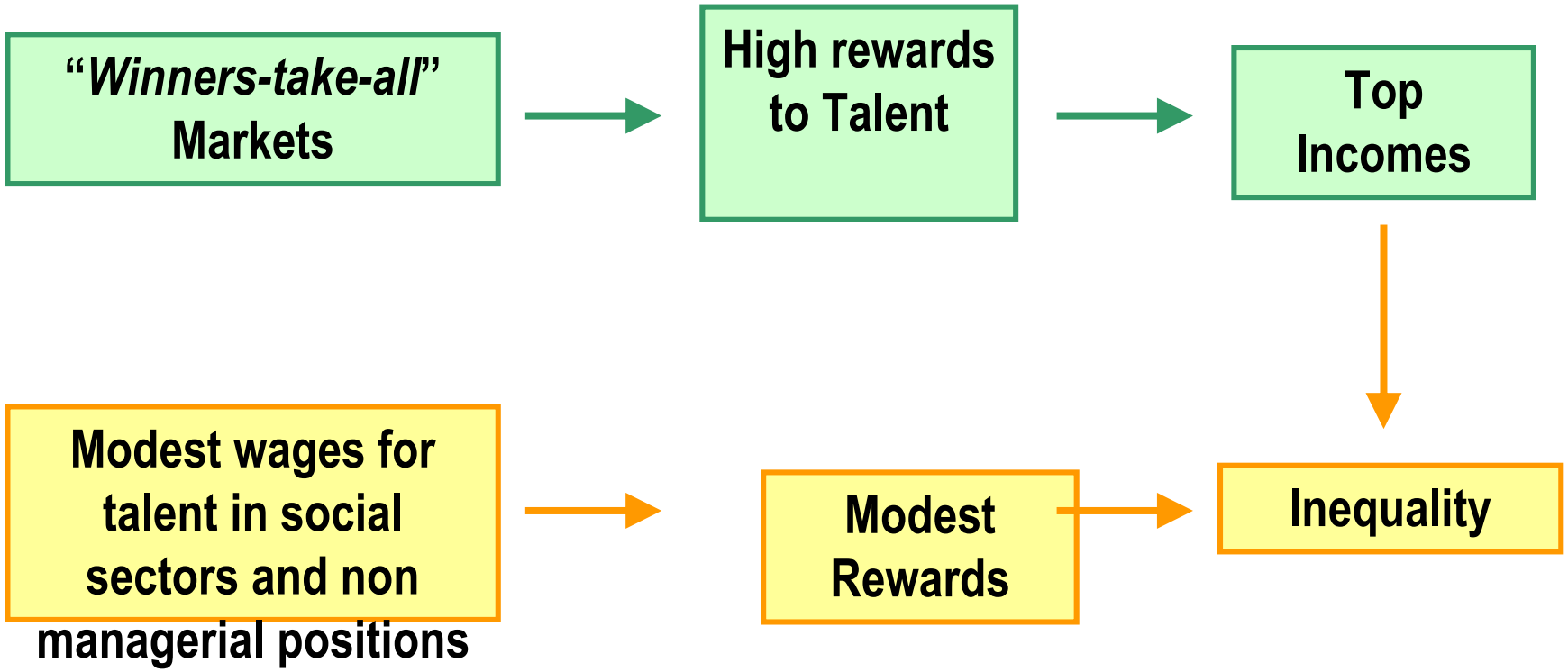
b) Adverse environment for education and talent nurturing

c) Opportunities for receiving countries

6. Development Impact of Talent Mobility



7.- Talent and Inequality



8. Empirical Evidence

Talent and knowledge development is still highly concentrated in the north (amplify development gaps)

Spending in research and development

Patents

Nobel Prizes

Concentration of International students in universities in the north

Talent indices are headed by high per capita countries

Table 1. New Knowledge is Concentrated in the "North"

Research and Development expenditure (% of GDP, year 2002)

by Country	% of GDP
Japan	3.12
United States	2.65
Germany	2.53
France	2.26
Canada	2.06
United Kingdom	1.90

by Region	% of GDP
High income: OECD	2.44
European Monetary Union	1.94
East Asia & Pacific	1.06
Rest of Europe & Central Asia	0.88
Latin America & Caribbean	0.57
World	**2.18**

Scientific and technical journal articles by country of publication (Year 2002)

Name	Number of Publications	% of World Publications
United States	195,792	30.58
Japan	55,085	8.60
United Kingdom	45,269	7.07
Germany	41,863	6.54
France	29,928	4.67
Canada	22,555	3.52
Other OECD Countries	128,050	20.00
Rest of the World	121,631	19.00
World	**640,173**	**100.00**

Source: Own elaboration based on data from The World Bank's WDI (2007).

Table 2. Prizes to Talent: Nobel Laureates in Science and Economics are Very Concentrated in High-Income Economies (1980 – 2007)

Nobel Laureates in Science and Economics 1980 - 2007

Countries	Physics	Chemistry	Medicine	Economics	Total
USA	32	25	31	26	114
USA (inmigrants)	8	10	8	7	33
United Kingdom	0	4	8	4	16
United Kingdom (inmigrants)	0	1	2	1	4
Germany	6	4	4	1	15
Germany (inmigrants)	4	0	0	0	4
France	2	2	1	1	6
Japan	1	4	1	0	6
Sweden	1	0	4	0	5
Switzerland	2	2	1	0	5
Canada	2	1	0	1	4
The Netherlands	3	1	0	0	4
Other Countries	5	4	4	3	16

Source: Own elaboration based on data available at http://nobelprize.org

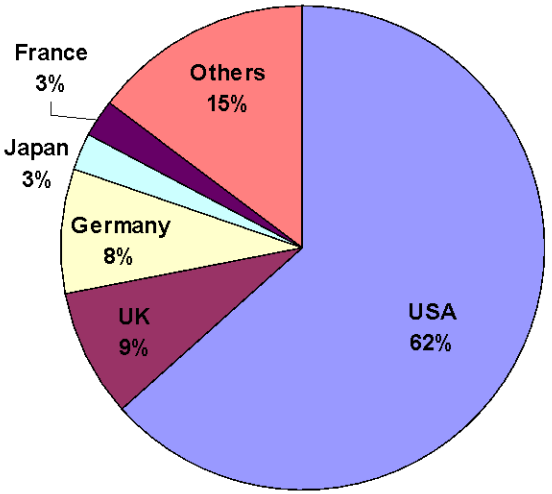


Table 3. Prizes to Talent: Nobel Prizes in Literature is more uniformly distributed across nations (1980 – 2007)

Nobel Laureates in Literature (1980 - 2007)

Countries	Number of Prizes
United Kingdom (inmigrants)	3
United Kingdom	2
South Africa	2
Austria	1
Colombia	1
Czechoslovakia	1
Egypt	1
España	1
France	1
France (inmigrant)	1
Germany	1
Hungary	1

Countries	Number of Prizes
Ireland	1
Italy	1
Japan	1
Mexico	1
Nigeria	1
Poland	1
Poland & USA	1
Portugal	1
Saint Lucia	1
Turkey	1
USA	1
USA (inmigrants)	1

Source: Own elaboration based on data available at http://nobelprize.org

Table 4. Technical Talent: Patent Applications (by Country and Regions, year 2002)

Name	Applications by Residents		Applications by Non-Residents	
	Number of Appl.	% of Total Applications	Number of Appl.	% of Total Applications
Selected Countries				
Japan	**365,204**	**0.87**	56,601	0.13
Germany	**47,352**	**0.83**	9,557	0.17
France	**13,519**	**0.80**	3,389	0.20
United Kingdom	**20,358**	**0.65**	11,173	0.35
Korea, Rep.	**76,570**	**0.62**	47,434	0.38
United States	**179,642**	**0.54**	154,803	0.46
China	39,806	0.39	**63,083**	**0.61**
Canada	3,959	0.10	**35,782**	**0.90**
Regions				
European Monetary Union	**71,830**	**0.83**	14,629	0.17
High income: OECD	**734,686**	**0.68**	349,357	0.32
Europe & Central Asia	**41,825**	**0.56**	32,437	0.44
Middle East & North Africa	669	0.45	**826**	**0.55**
South Asia	4,417	0.39	**7,049**	**0.61**
East Asia & Pacific	40,155	0.38	**66,797**	**0.62**
Sub-Saharan Africa	4	0.15	**22**	**0.85**
Latin America & Caribbean	3,743	0.12	**27,066**	**0.88**
High income: nonOECD	2,192	0.07	**27,622**	**0.93**
World	**827,691**	**0.62**	**511,176**	**0.38**

Source: Own elaboration based on data from The World Bank's WDI (2007).

Where is the talent? Global Talent Index 2015

Rank	Country
1	USA
2	Denmark
3	Finland
4	Sweden
5	Norway
10	Hong Kong
20	Austria G
25	Czech Republic
26	Chile, Portugal
30	Hungary
31	China
32	Argentina
33	Greece
34	Russia
35	Mexico, India

Source: Economist Intelligence Unit
GTI components: demograpics, compulsory education, university education, quality of the labor force, talent environment, openess, talent atraction.

9.- Policies to Retain and Attract Talent in the Global South

- ✓ How to promote *circulation and retention* of talent toward developing countries and reduce development gaps?
- ✓ Set competitive rewards structure for professionals in the public sector, universities and private sector.
- ✓ Review career prospects and promotion criteria.
- ✓ Foster return of international students.
- ✓ In univeristies provide adequate resources for research.
- ✓ Critical areas for retention and attraction: the Health Sector and Science and Technology.
- ✓ Mobilization of Diaspora for national development.
- ✓ Improve salaries of talent in public education, public health, culture.

References

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