

Report Urges Increased Labour Mobility to Meet Demands for Economic Growth

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New York, USA, 7 January 2011 – Industries and countries worldwide will require major increases of highly educated people in their workforces to sustain economic growth, argues a new report prepared by the World Economic Forum in collaboration with The Boston Consulting Group (BCG). The report, *Global Talent Risk – Seven Responses*, analyses projected talent shortages by 2020 and 2030 in 25 countries, 13 industries and 9 occupational clusters.

The report concludes that:

- Demand will be biggest for highly educated professionals, technicians and managers. Professionals will be in particularly high demand in trade, transport and communications industries in developing nations.
- In the next two decades demand for professionals in manufacturing will peak at more than 10% in developing countries, exceeding 4% across all countries sampled (labour demand growth rates are compounded annually).
- Healthcare research and development alone will generate an enormous demand for skilled labour worldwide.
- Employees without critical knowledge and technical skills will be left behind. If left unaddressed, talent scarcity will become a threat to sustained growth particularly in knowledge-based economies.

“Human capital has replaced financial capital as the engine of economic prosperity,” said Hans-Paul Bürkner, Chief Executive Officer and President, The Boston Consulting Group. The roots of the global talent risk include the widely uneven quality of educational systems, erratic employability of the workers in the Southern Hemisphere and demographic changes in the Northern Hemisphere, where retirement of the baby boomers will result with an unprecedented talent deficit. In the United States, Germany, Canada and the United Kingdom, expected immigration and birth rates will not offset the workforce losses caused by ageing populations. Today, foreign-born workers with university degrees or equivalent qualifications make up just 2% of the European labour market, compared with 4.5% in the United States and nearly 10% in Canada. Improved education and training must go hand in hand with increased labour migration. “The global problem is no longer a mere talent mismatch. The scale of the predicted talent gap requires concerted action, starting with – and going well beyond – removing barriers to the mobility of talent,” said Piers Cumberlege, Head of Partnership, World Economic Forum.

The report proposes seven core responses to global talent risk:

1. Introduce strategic workforce planning to address imbalances between labour supply and demand
2. Ease migration to attract the right talent globally
3. Foster “brain circulation” to mitigate brain drain
4. Increase employability by advancing technological literacy and cross-cultural learning skills
5. Develop a talent “trellis” by focusing on horizontal and vertical career and education paths
6. Encourage temporary and virtual mobility to access required skills easily
7. Extend the pool by tapping women, older professionals, the disadvantaged and immigrants.

Members of the Global Agenda Council on Skills and Talent Mobility as well as over 100 high-level experts and practitioners contributed to the recommendations in the report and to the talent mobility dialogue hosted by the Forum online and at meetings in Brussels, Doha, Davos-Klosters, Dubai, Montreal, New Delhi and New York in 2009-2010.

- New report on looming labour and skills shortages finds that global mobility of talent is as critical to economic growth as global mobility of goods and financial capital.
 - To retain their growth momentum, most economies will need to import highly skilled professionals, technicians and managers, and act fast to develop and diversify their domestic talent bases.
 - China will need to double its talent base by 2020. The United States, Germany, Canada and the United Kingdom will need more immigration and better education to balance the loss of talent from ageing workforces.
 - More information about the report is available here: [link]At its Annual Meeting 2011 in Davos-Klosters, the World Economic Forum will seek to catalyse a pragmatic, result-driven action focused on effective sharing of good practices.
- For more information on the Global Talent Risk – Seven Responses report, please contact:
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