WPS6708

Policy Research Working Paper 6708

Employing Skilled Expatriates

Benchmarking Skilled Immigration Regimes across Economies

Dieter De Smet

The World Bank
Development Economics Vice Presidency
Global Indicators and Analysis Department
November 2013

Abstract

The Employing Skilled Expatriates indicators analyze the skilled immigration regime relevant for foreign direct investment across 93 economies to provide comparable information about this regulatory space. The indicators focus on restrictions that control the inflow of skilled immigrants (quotas); the ease of hiring skilled expatriates (time and procedural steps to obtain a temporary work permit, existence of online application systems, availability of a one-stop shop and fast-tracking option); and the existence of a path to permanent residency and citizenship as well as the existence of spousal work permits. As governments increasingly seek to attract foreign direct investment as a driver of long-term development, reforming the investment climate —including the skilled immigration regime—is one policy option to consider. This analysis shows a positive correlation between the Employing Skilled Expatriates index and foreign direct investment inflows. As measured by the Employing Skilled Expatriates index, there is room for economies with a need for skilled workers to improve their immigration regimes as one means of attracting more foreign direct investment. In Singapore and the Republic of Korea, it only takes ten days on average to obtain a temporary work permit. In Honduras, the same process can take up to 22 weeks. The global average to obtain a temporary work permit is eight weeks. The process is the fastest in the East Asia and the Pacific region where it takes five weeks. With 11 weeks, the processing time in the Middle East and North Africa region is the slowest.

This paper is a product of the Global Indicators and Analysis Department, Development Economics Vice Presidency. It is part of a larger effort by the World Bank to provide open access to its research and make a contribution to development policy discussions around the world. Policy Research Working Papers are also posted on the Web at http://econ.worldbank.org. The author may be contacted at ddesmet@ifc.org.

Employing Skilled Expatriates

Benchmarking skilled immigration regimes across economies

Dieter De Smet[1]

Keywords: skilled immigration; FDI; investment climate; regulatory reform; benchmarking; indicators.

JEL classification codes: F220; J610; K370; O150.

[1] Employing Skilled Expatriates is part of the FDI Regulations database of the Global Indicators and Analysis Department (GIA) of the World Bank Group. The author is a Private Sector Development Specialist working in GIA.

Acknowledgments

Employing Skilled Expatriates (ESE) is part of the FDI Regulations database of the Global Indicators and Analysis Department (GIA) of the World Bank Group (WBG). The lead author, Dieter De Smet, is a Private Sector Development Specialist working in GIA.

The author is grateful for valuable peer review comments received from World Bank Group colleagues Pierre Guislain, Christine Qiang, Roberto Echandi, Peter Kusek, Harald Jedlicka, David Robalino, Arvo Kuddo and Dilip Ratha. External peer reviewers include Julia Onslow-Cole and James Perrott at the global immigration network of PwC Legal LLP, Ayelet Shachar, at the University of Toronto Faculty of Law, and Madeleine Sumption, at the Migration Policy Institute in Washington, D.C. Additional valuable comments were received on earlier drafts of the paper from Carolin Geginat, Melissa Johns, Augusto Lopez-Claros, Tanya Primiani, Federica Saliola, and Hulya Ulku from GIA.

Two groups of people provided pro-bono contributions to ESE without which the data and indicators could not have been gathered and developed.

The first is the group of lawyers and government regulators in each of the 93 economies covered by the report who responded to the ESE legal questionnaire. Their input about the skilled immigration regime in their economy was the fundamental source of data for the analysis. Grateful acknowledgment of these contributors is made in the Contributors section at the end of this report. Additional details about the contributors across all topics of the FDI Regulations database are provided at http://iab.worldbank.org/Local-Partners/2012. Particular acknowledgment is made to the Global Immigration Network of PwC Legal, which responded to questionnaires in more than 60 economies.

The second is the expert consultative group formed to provide technical input to the development of the ESE topic. This group of global immigration experts provided input on the focus of the ESE legal questionnaire and on the methodology to develop the ESE indicators. Members of the expert consultative group include:

- Dr. Lucie Cerna, Assistant Professor in Global Challenges, Leiden University, Netherlands and Research Associate at the Centre on Migration, Policy and Society (COMPAS), Oxford.
- John Craig, Partner, Heenan Blaikie Law Firm, Canada.
- Harald Jedlicka, Investment Policy Officer, WBG Investment Climate, Vienna, Austria.
- Graeme Kirk, Senior Partner, Gross & Co. Law Firm, Washington DC.
- Khalid Koser, Deputy Director and Academic Dean at the Geneva Centre for Security Policy, Switzerland.
- Susan Martin, Herzberg Professor of International Migration Director, Institute for the Study of International Migration, Georgetown University, Washington DC.
- Julia Onslow-Cole, Partner and head of global immigration network of PwC Legal LLP.
- Linda Rahal, Partner, Trow & Rahal Immigration Law Firm.
- Ted Ruthizer, Partner and Co-Chair of the Business Immigration group of Law Firm Kramer Levin, New York.
- Ayelet Shachar, Professor of Law, Political Science & Global Affairs, Canada Research Chair in Citizenship and Multiculturalism, University of Toronto Faculty of Law, Canada.
- Elizabeth Stern, managing partner and head of the Global Immigration & Mobility Practice Group, Baker & McKenzie, Washington DC.
- Madeleine Sumption, Senior Policy Analyst, Migration Policy Institute Washington DC.
- Hong Tran, Partner Mayer Brown, Hong Kong SAR, China.

1. Introduction

In Honduras, the average time taken to obtain a Temporary Work Permit (TWP) for an Information Technology (IT) specialist is 22 weeks. The hiring company is required to submit an application to the Work Secretariat to obtain a certificate of compliance with the quota requirements. It is then required to apply, on behalf of the applicant, for a special stay permit to the Director of Immigration and Foreign Affairs. Upon receipt of the special stay permit, the skilled expatriate must register him/herself in the National Foreign Register and then submit an application to obtain the TWP before the Work and Social Security Office of the Department of State. This is followed by an official visit to the company by the migration officers from the Department of State to verify compliance with the quota requirements. The Department of State then reviews the application and grants the TWP.

In Singapore, in contrast, the same process takes 10 days on average. The hiring company applies for an Employment Pass at the Ministry of Manpower, which issues an in-principle approval letter. Upon entering Singapore, the skilled expatriate is required to follow the instructions stated in the in-principle approval letter (for example, to comply with a medical check-up) and upon compliance, the employment pass is issued.

The Employing Skilled Expatriates indicators (ESE indicators) analyze the skilled immigration regime relevant for Foreign Direct Investment (FDI) across 93 economies and aims at providing comparable information about this regulatory space. As governments increasingly seek to attract FDI as a driver of long-term development, reforming the investment climate – including the skilled immigration regime – is one policy option to consider.

2. Why does skilled migration matter for foreign investors?

The ease of hiring skilled expatriates is one of the factors which are taken into consideration in the location decision of multinationals. When the required expertise cannot be sourced in the hosting country, skilled immigrants are necessary to start-up new subsidiaries and train workers. In other cases, a company may need to deploy a skilled immigrant with specific expertise from within the corporate group. In the latter scenario, companies frequently resort to the intra-company transfer scheme under Mode 4 of the World Trade Organization's General Agreement on Trade in Services (GATS) which allows companies to temporarily transfer employees from one member country to another. For this paper, we have opted to exclude GATS or any other multilateral or bilateral treaties, in order to improve comparability of skilled immigration regimes across 93 economies. Differences in the various multilateral and bilateral agreements with regard to definitions of skilled expatriates and prerequisites related to nationality and recognition of credentials would have prevented transparent comparisons across economies.

Overly restrictive or cumbersome skilled immigration regimes may result in lengthy work permit processing times which potentially imply stalled productivity or loss of strategic or first-mover advantage for companies. Other restrictions (for example, quotas) may impact the viability of new ventures and may lead companies to invest in economies with less restrictive skilled immigration policies. A recent research paper provides evidence that a less restrictive skilled immigration regime is conducive in attracting FDI (Medina, 2012). Our paper builds further on this premise.

In 2012, under the supervision of Michael Porter, the Harvard Business School conducted an in-depth survey with 10,000 Harvard alumni in senior leadership positions to identify the roots of the competitiveness problem in the United States (Porter and Rivkin, 2012). Better access to skilled labor was stated as the third main reason for moving existing activities out of the United States, behind lower wages and proximity to customers. Immigration policies, next to taxation, were identified as the main impediment to investing and creating jobs in the United States. In a 2010 report, the McKinsey Global Institute concluded that "limits on the immigration of skilled workers handicap US companies when competing abroad and in some cases discourage investment at home" (Cummings et al, 2010). As such, economies which have smart and fast immigration regimes for skilled expatriates have a competitive advantage in attracting FDI.

There is a consensus among experts that international migration can positively contribute to global economic growth and development. The impact of skilled expatriates on hosting, predominantly developed, economies is already well acknowledged by most economies: skilled immigrants enhance hosting economies' productivity and competitiveness and significantly contribute to their GDP (World Economic Forum, 2010).

Opponents of skilled migration refer to the consequences of the human capital flight for sending (typically developing) economies. When highly skilled migrants leave to pursue more lucrative opportunities in developed economies, their departure creates a number of externalities. The first is loss of net contribution to the government budget, increasing the fiscal burden on those left behind. The second is the negative effect of human capital depletion on a country's growth prospects due to decreased human capital formation which is a central engine for growth. In this view, developing economies should create incentives for skilled workers to return to their home country. Finally, the fact that skilled labor is instrumental in attracting FDI and fostering research and development expenditures is contributing to the concentration of economic activities in specific locations, at the expense of origin economies. A summary of the possible effects of this type of migration on sending and receiving economies is shown in Figure 1.

While these traditional negative effects of the brain drain were stressed in the early literature, more recent contributions ask whether these may be offset by possible beneficial effects arising from remittances (Adams, 2003), return migration (Mayr and Peri, 2008), the creation of trade and business networks (Aleksynska and Peri, 2012), and possible incentives of migration prospects on human capital formation at home (Docquier and Rapoport, 2004). With regard to the positive effects of the diaspora externality on FDI, a recent study (Kugler and Rapoport, 2011) found that the presence of migrants in the host country may also facilitate the formation of the types of business links which lead to FDI project deployment in the skilled immigrant's home country (sending country).

An important barrier to a multinational corporation's viability to set up a subsidiary in a developing country can be uncertainty, especially the type of uncertainty linked to low institutional quality (Kugler, 2011). To the extent that migrants integrate into the business community, a network can emerge whereby migrants liaise between potential investors and partners (both private and public) in various aspects of setting up a production facility in the migrant's country of origin. In other words, networks of (skilled) migrants can also be important sources of FDI and know-how, both of which promote productivity growth in sending economies. Figure 1 summarizes possible positives and negatives for sending and receiving economies with regard to skilled migration as well as possible global effects.

Figure 1. Possible global and national effects of high-skilled international migration

SENDING ECONOMIES: POSSIBLE NEGATIVES	RECEIVING ECONOMIES: POSSIBLE NEGATIVES
· “Brain drain”: lost productive capacity due to at least temporary absence of higher skilled workers and students · Less support for public funds for higher education	· Decreased incentive of natives to seek higher skills · May crowd out native students from best schools · Language and cultural barriers between native and immigrant high-skilled workers · Technology transfers to possibly hostile economies
SENDING ECONOMIES: POSSIBLE POSITIVES	**RECEIVING ECONOMIES: POSSIBLE POSITIVES**
· Increased incentive for natives to seek higher skills · Possibility of exporting skills reduces risk/raises expected return of personal education investments · May increase domestic economic return to skills · Knowledge flows and collaboration · Increased ties to foreign research institutions · Export opportunities for technology · Return of natives with foreign education and human capital · Remittances and other support from diaspora networks	· Increased R&D and economic activity due to availability of additional high-skilled workers · Knowledge flows and collaboration · Increased ties to foreign research institutions · Export opportunities for technology · Increased enrolment in graduate programs/keeping smaller programs alive
POSSIBLE GLOBAL EFFECTS · Better international flow of knowledge · Better job matches · Greater employment options for workers/researchers · Greater ability of employers to find rare/unique skill sets · Formation of international research/technology clusters (Silicon Valley, CERN) · International competition for scarce human capital may have net positive effect on incentives for individual human capital investments	

Source: Regets, 2001

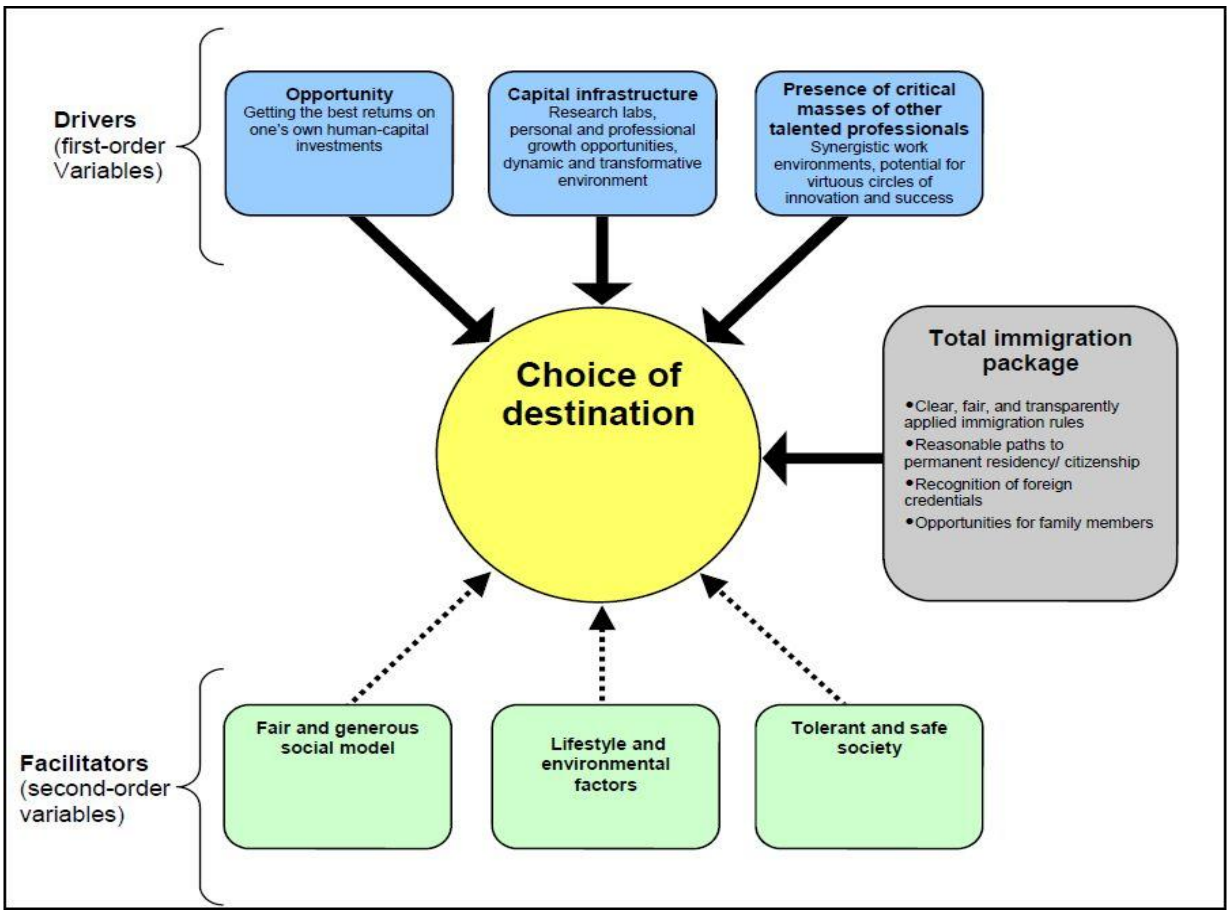
Nevertheless, governments may have policy goals beyond attracting FDI that justify, in their view, certain restrictions on skilled migration. As such, a broader policy debate needs to be considered when evaluating restrictions on skilled migration. We acknowledge the fact that this paper measures two different issues: temporary entry of skilled expatriates who intend to seek permanent immigration and temporary entry of skilled expatriates who do not intend to seek permanent immigration. While the former is a social and highly sensitive political issue, and is predominantly a South-North phenomenon, temporary entry of skilled personnel is clearly an FDI issue which does not necessarily entail a South-North flow of skilled expatriates.

3. What do the ESE indicators measure?

3.1 Focus of the ESE indicators

The ESE indicators analyze important areas which companies, but also skilled individuals, take into account in their investment location decision. Figure 2 shows the first order (drivers) and second order variables (facilitators) which a highly skilled individual takes into account when deciding about where to emigrate. The ESE indicators measure the elements of the total immigration package: the applicable immigration rules, paths to permanent residency and citizenship and the opportunities for family members. As such, the ESE indicators aim to analyze important areas within the skilled immigration regime of an economy which also include issues which influence the decision-making pattern of the skilled expatriate him/herself.

Figure 2. A Highly-Skilled Individual decision making calculus about where to emigrate



Source: Papademetriou et al, 2008.

More specifically, the ESE indicators cover:

1. *Quotas which control the inflow of skilled immigrants*
2. *The ease of hiring skilled expatriates*: Measures the time and procedural steps required to obtain a TWP, whether the TWP can be applied for online, and whether a one-stop shop and a fast-tracking option are available.

3. *Restrictions on permanent residency / citizenship and Spousal Work Permit*: Measures the attractiveness of an economy to the skilled immigrant in terms of being able to obtain a permanent residency and/or citizenship on the basis of temporary employment, and the ability to obtain a work permit for a spouse based on employment of the other spouse (Spousal Work Permit).

The ESE indicators also include nationality or residency limitations imposed by economies on the composition of the board of directors. The aim of such limitations is usually to achieve different policy objectives: nationality limitations influence control over the investment and usually are related to national security or political considerations. Residency requirements are associated with the interest of the host state of having at least one physical person representing the legal entity in case of any wrongdoings. As a result the indicators are not included in the index but Annex II provides an overview of conditions imposed on the composition of the board of directors in the surveyed economies.

3.2 How the data were gathered

The data were gathered through a questionnaire which was filled out by lawyers specialized in immigration and/or labor law, as well as government officials (from a country's Board of Investment, Labor or other Ministries, and Investment Promotion Agencies). To make the data comparable across economies, several assumptions are made about the parent company, the business and the skilled expatriate.

Data were gathered about the laws and practices that would affect a locally registered subsidiary of a multinational firm when hiring a skilled expatriate. The subsidiary has a start-up capital of 10 million USD and does not operate in a special economic zone. The company is looking to hire a foreign worker (skilled expatriate). The skilled expatriate is an Information Technology (IT) specialist who is 35 years old, male, holder of a Master of Science degree, and will not hold an executive or managerial position. It is important to note that labor mobility regimes under bilateral or multilateral trade agreements (for example, the intra-company transfer regime) are excluded. In many economies, temporary licensing by professional associations may present an additional hurdle for skilled expatriates. For this paper we selected one particular category of skilled expatriates (IT specialists) which normally is not subject to local certification requirements. This approach allows for streamlined comparison across the surveyed economies. We nevertheless acknowledge that, depending on the economy, specific survey results may not be fully applicable to other categories of skilled immigrants.

3.3 The aim of the indicators

This paper does not take a position on an ideal skilled immigration model for the surveyed economies. Each economy is unique and there is no global all-inclusive best practices model which can or should be implemented. Improved skilled migration policies need to be tailor-made for each economy. In this paper we focus on a number of issues which are common to most of the skilled immigration regimes without taking a position on whether reforms at this stage would be advisable or how reforms should be sequenced.

The goal of this paper is to contribute to the literature on FDI which, for the most part, leaves aside migration considerations. We do this by mapping how long it takes to obtain a TWP, identifying bottlenecks which limit the inflow of skilled expatriates or decrease the attractiveness of an economy to a skilled expatriate, while at the same time discussing best practices with regard to common characteristics of skilled immigration regimes across the surveyed economies.

A number of data points were used to create an ESE index which is used to find correlations with FDI flows in order to answer the question of whether skilled immigration regimes affect FDI. The ESE index is also correlated to external existing data from the Global Migration Barometer (Economist Intelligence Unit, 2008) to determine whether economies with a need to attract migrants (to spur economic growth) have in effect put appropriate skilled immigration regimes in place.

4. Results

4.1 Restrictions that control the inflow of skilled immigrants

4.1.1 Immigration quotas

Quotas are limits on immigrants that cap the number of people who are allowed to move into a country during a specified period. Quotas therefore function as a funnel and impact foreign investors who seek to bring in skilled staff to start up a company.

Quotas can be nationwide, but can also be on a company- basis or even per industry sector. Forty of the 93 surveyed economies (or 43%) have quotas which restrict the inflow of immigrants and therefore impact all categories of skilled expatriates which are employed.

Figure 3 provides an overview of the applicability of immigration quotas to the surveyed economies. Figure 4 provides examples of quotas in surveyed economies.

Figure 3. Applicability of immigration quotas to surveyed economies

Non-quota economies	Quota economies
Afghanistan; Albania; Argentina; Armenia; Australia; Austria; Belarus; Bosnia and Herzegovina; Bulgaria; Burundi; Cambodia; Cameroon; Canada; Chad; Colombia; Costa Rica; Côte d'Ivoire; Croatia; the Czech Republic; Ethiopia; France; Georgia; Germany; Greece; Hong Kong SAR, China; Japan; Jordan; Kenya; Madagascar; Malaysia; Mauritius; Morocco; Nepal; the Netherlands; New Zealand; Pakistan; the Philippines; Poland; the Republic of Korea; the Russian Federation; Rwanda; Senegal; Serbia; Singapore; the Slovak Republic; South Africa; Spain; Sri Lanka; Taiwan, China; Tunisia; Turkey; Uganda; Ukraine; Vietnam; Zambia.	Algeria; Angola; Azerbaijan; Bangladesh; Bolivia; Brazil; Brunei Darussalam; Chile; Cyprus; the Dominican Republic; Ecuador; the Arab Republic of Egypt; Ghana; the Democratic Republic of Congo; Guatemala; Honduras; India; Indonesia; Ireland; Italy; the United Kingdom; Kazakhstan; Kosovo; the Kyrgyz Republic; FYR Macedonia; Mali; Mexico; Moldova; Montenegro; Mozambique; Nicaragua; Nigeria; Peru; Romania; Saudi Arabia; Tanzania; Thailand; the United States; República Bolivariana de Venezuela; the Republic of Yemen.

Source: FDI Regulations Database

Figure 4. Examples of applicable quotas in surveyed economies

Company-based quotas which do not take into account the size of the company	Company-based quotas which take into account the size of the company	Company-based quotas dependent on the foreign investment amount	Nationwide applicable quotas[2]
Cambodia: Maximum 6 % of the workforce can be skilled expatriates. Congo, Dem. Rep.: Maximum 4 % of the workforce can be skilled expatriates. Egypt, Arab Rep: Maximum 10 % of the workforce can be skilled expatriates. Guatemala: Maximum 10 % of the workforce can be skilled expatriates. Kazakhstan: Maximum 30 % of the workforce can be skilled expatriates. Saudi Arabia: Maximum 20 % of the workforce	Mozambique: • In large firms (> 100 employees): skilled expatriates cannot exceed 5% of the total number of workers. • In medium firms (> 10 but <100 employees): skilled expatriates cannot exceed 8 % of the total number of workers. • In small firms (< 10 employees): skilled expatriates cannot exceed 10 % of the total number of workers.	Ghana: • US$10,000 to US$100,000 = 1 skilled expatriate. • US$100,000 to US$500,000 =2 skilled expatriates. • US$500,000 and above=4 skilled expatriates. Nigeria: In practice[3], 2 skilled expatriates are allowed in a company with a share capital of 15 million Naira (95,000 USD) and 4 in a company with a share capital of 30 million Naira (190,000 USD). Thailand: One skilled expatriate for each 2 million bath of registered capital (67,000 USD) with a limit	Romania: Yearly annual quota for foreigners (for all types of work permits). For 2011, the quota was set at 5,500 work permits. United Kingdom: For the period of 6 April 2011 to 5 April 2012 the maximum has been set at 20,700. New hires from outside of the EU who will earn more than £150,000 are exempted from quotas. United States: The quota[4] per fiscal year (October 1 - September 30) is 65,000 regular H-1B[5]s regardless of position. The first 20,000 petitions received who have a Master's degree or PhD obtained in the United States are

2 Nationwide applicable quotas refer to an annual limit on foreigners; applications of eligible candidates are approved on a first-come first-serve basis until the limit has been reached.

3 In Nigeria there are no standard characteristics of quotas granted or a calculation employed. It is granted at the discretion of the Ministry of Interior. Factors that are taken into account in the determination of the quota applicable to the applying company are: (1) the share capital of a company; (2) training and under-study of Nigerian employees in order to acquire the relevant skills for the eventual take-over of the positions.

4 During the most recent years, the H-1B quota has been reached many months prior to the end of the fiscal year, resulting in substantial delays before companies may apply for H-1B visas on behalf of many foreign nationals. In the current fiscal year, the H-1B quota was reached only two months after the start of the new fiscal year. H-1B petitions may be filed up to 6 months prior to the start of a fiscal year, but employment may not begin until the start of the fiscal year.

5 The H-1B is a non-immigrant visa in the United States under the Immigration and Nationality Act, section 101(a)(15)(H). It allows US employers to temporarily employ foreign workers in specialty occupations.

can be skilled expatriates. Ireland: Maximum 50% of employees can be non-EU citizens.		of 10 skilled expatriates.	exempted from the 65,000 figure. There are no quotas for O-1 visas[6]. Italy: The Quota Agreement ("decreto flussi") for 2011 is 86,580 for workers without permit of stay in Italy; 11, 500 for workers with Italian permit of stay for other reasons[7].

Source: FDI Regulations Database

4.2 The ease of hiring skilled expatriates

This indicator measures the time and procedural steps required to legally start working in the host country on a TWP. For ease of reference this period will be referred to as "time to obtain a TWP".

4.2.1 What is specifically measured when measuring the "time required to obtain a TWP"?

The time required to obtain a TWP measures the number of calendar weeks it takes for a skilled expatriate (IT specialist) to comply with all requirements of an economy after which s/he is legally allowed to start working. The details of each step are provided in Figure 5.

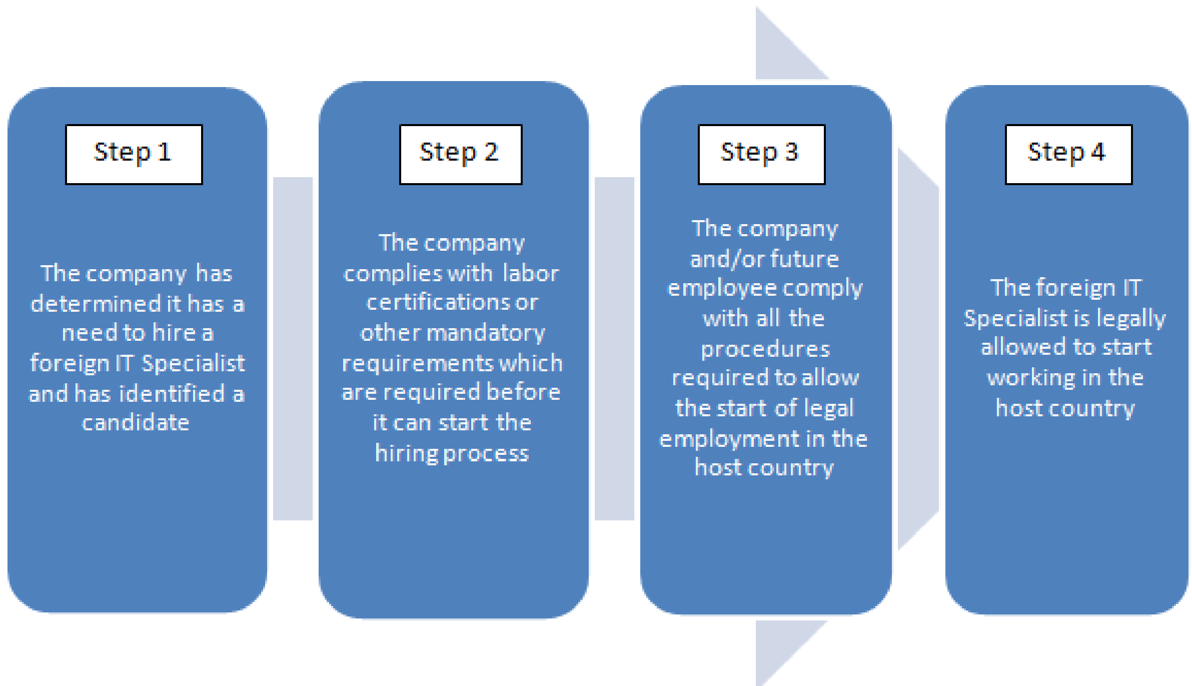
The starting point of the time period measured is when the company has a need for a foreign IT specialist and has identified a suitable candidate who they want to hire (Step 1). Our case study states that the company is a newly established company which previously has not hired foreign expatriates.

In some economies, companies are required to obtain a certification before they are able to hire foreign expatriates (Step 2). Step 3 entails all procedures which the company and/or employee need to comply with in order to legally start work. The end point of the measured time period (Step 4) is the moment when the foreign IT specialist is legally allowed to start working.

[6] An O visa is a classification of non-immigrant temporary worker visa granted by the United States to an alien "who possesses extraordinary ability in the sciences, arts, education, business, or athletics, or who has a demonstrated record of extraordinary achievement in the motion picture or television industry and has been recognized nationally or internationally for those achievements," and to certain assistants and immediate family members of such aliens.

[7] There is no distinction between specialized and non-specialized workers. The application scope of the quota depends of the nationality of the worker and industry sectors. The quota's decree is binding if the foreign worker does not have a permit to stay in Italy. Quotas are calculated on the basis of market requests.

Figure 5. The time period measured for obtaining a TWP

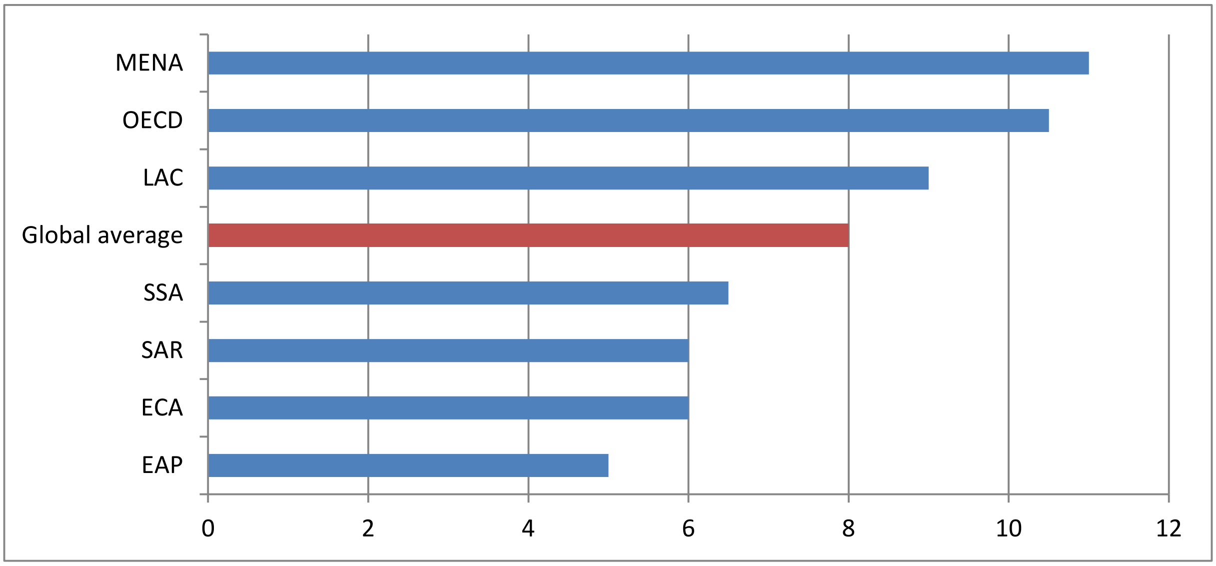


Source: FDI Regulations Database

Based on our case study we asked respondents to provide us with a total processing time range for all procedural steps with regard to obtaining a TWP. Time ranges are preferred due to factors that influence time such as the nationality of the applicant, the fluctuating workload of the processing unit, and the fact that for the majority of the surveyed economies there are no specific regulations with regard to the maximum allowed time per procedural step.

For ease of comparison we therefore work with averages. Economies may have differences in dealing with work permits for highly skilled expatriates with different specializations but in general the procedures and timelines as described below can be indicative of the process of obtaining TWP's for other categories of skilled expatriates. Figure 6 provides an overview of the regional average time required to obtain a temporary work permit. Figure 7 shows which are the top 10 fastest and slowest surveyed economies in terms of average time required to obtain a temporary work permit.

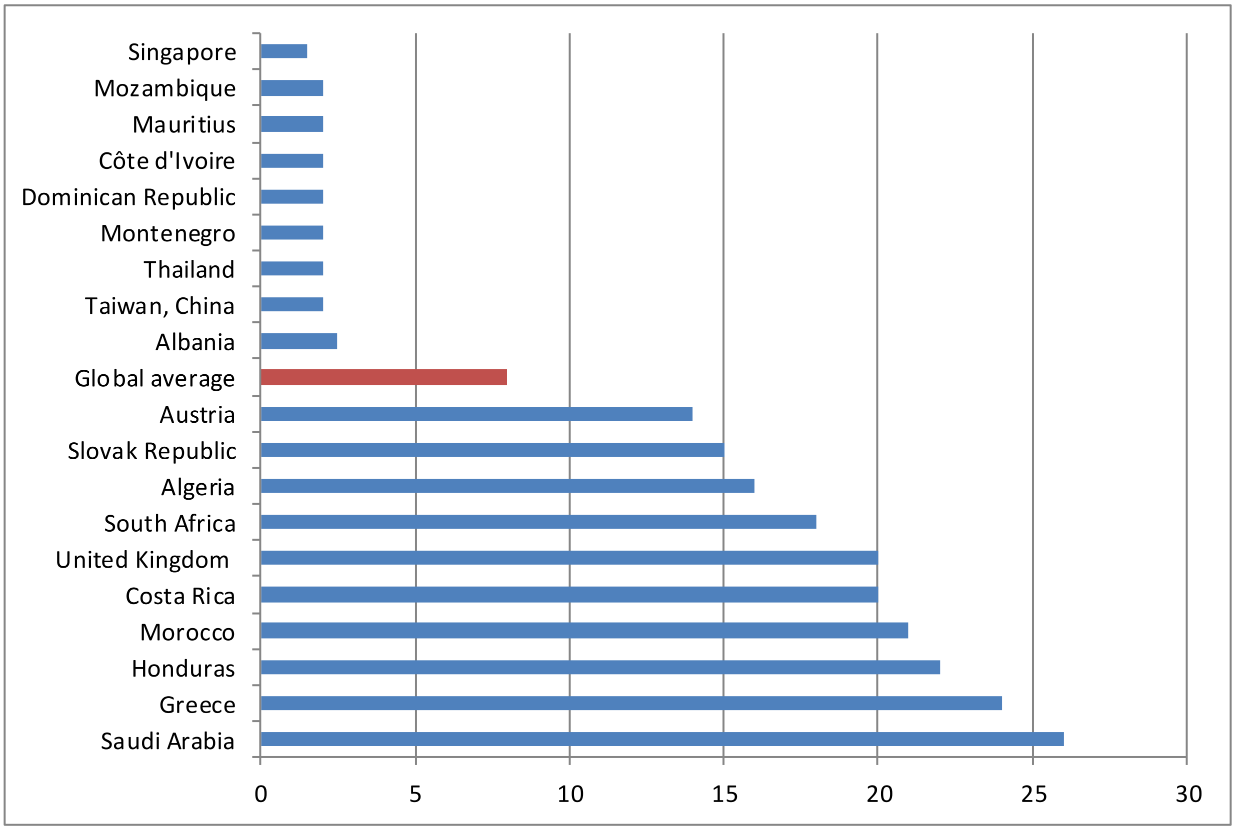
Figure 6. Regional average time required to obtain a TWP (in calendar weeks)



Source: FDI Regulations Database

Note: Regional abbreviations, and the number of economies covered by the ESE indicators per region, are as follows: EAP = East Asia and the Pacific (10 economies); ECA = Eastern Europe and Central Asia (21 economies); LAC = Latin America and the Caribbean (14 economies); MENA = Middle East and North Africa (8 economies); OECD = High Income economies in the Organization for Economic Cooperation and Development (17 economies); SAR = South Asia Region (5 economies); SSA = Sub-Saharan Africa (18 economies).

Figure 7. Average TWP Processing Times (in calendar weeks): Top 10 fastest and slowest economies



Source: FDI Regulation Database

4.2.2. Good practices with regard to processing Temporary Work Permits

- **Online TWP processing**

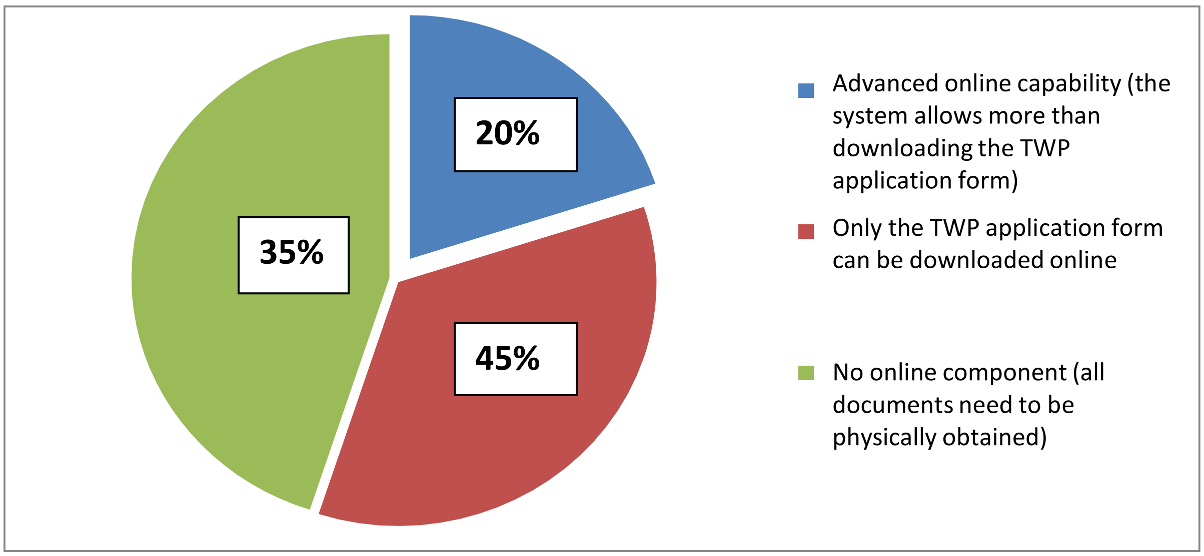
A good practice with regard to the TWP application process is ensuring the process can be completed online. Completion of the TWP online means that (1) the application form(s) can be downloaded online, (2) documents can be submitted online, (3) confirmation documentation is received online and (4) the progress of the application can be monitored online. In addition, when the work permit becomes available, (5) notification is received online. Online completion entails that no paperwork[8] needs to be submitted to the relevant authority.

[8] In certain economies documents can be submitted online but those same documents are also required to be submitted separately in person. For example, in Turkey even though the documents can be submitted online, hard copies signed by the applicant must also be submitted to the Labor Ministry. Some economies are taking active steps to upgrade to a fully online application system. For example, even though in the Netherlands currently requires sending in a hard copy of the application documents (which can be downloaded) to the work placement branch of the Employee Insurance Agency (UWV WERKbedrijf) by ordinary mail. The Dutch Modern Migration Policy and the National Visa Act both entered into force on June, 1, 2013, and it is expected that once the new information system (INDIGO) is fully operational applications will be able to be to be completed online (no hard copies are required).

Currently, Singapore and the Republic of Korea, top performers with regard to the TWP processing time, are the only economies with a complete online TWP processing system.

75 % of the economies which have advanced online capability (meaning the system allows more than only downloading the TWP application form) have average TWP processing times which are lower than the global average of 8 weeks. Figure 8 shows what the specific characteristics of application systems in surveyed economies are. In 80% of the surveyed economies there is no advanced application system (a system which allows more than only downloading the application form: e.g. the ability to monitor the application process).

Figure 8. Characteristics of the application system in the surveyed economies (in %)



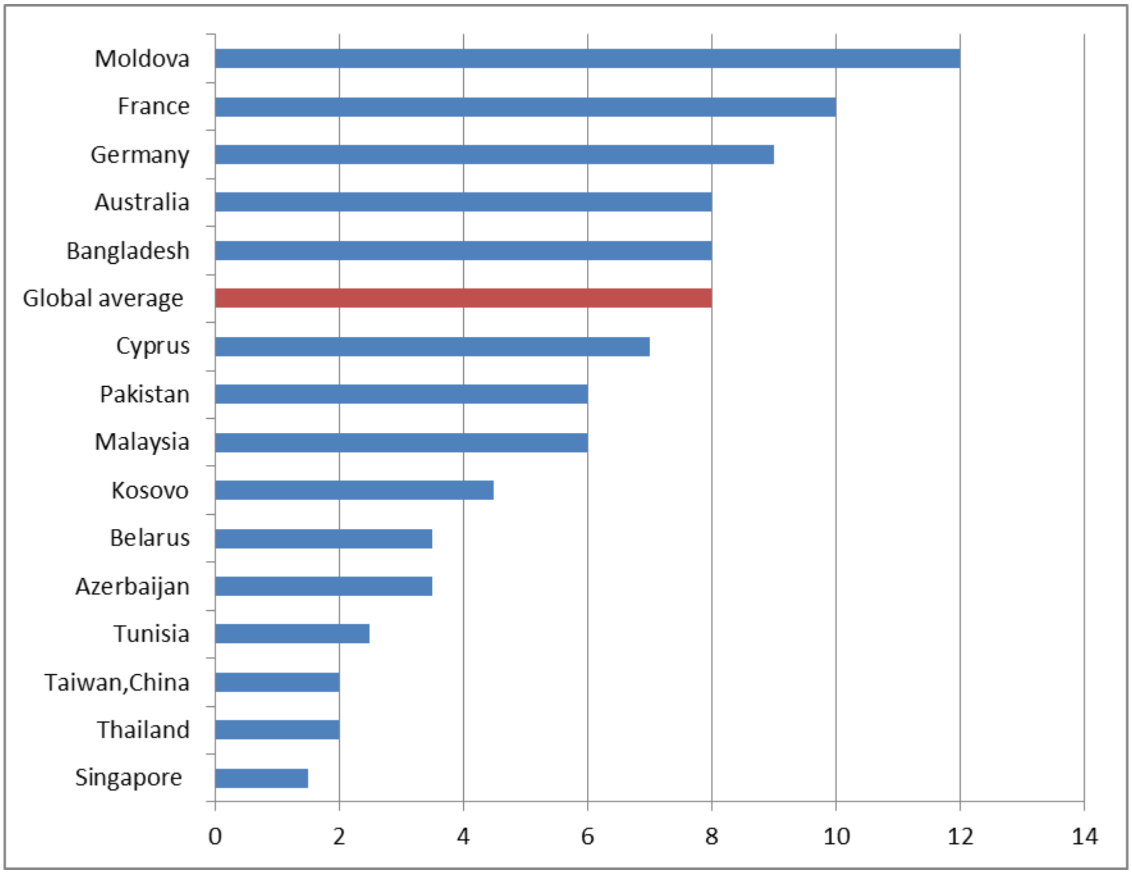
Source: FDI Regulations Database

- **One-Stop Shops**

Before the applicant can apply for a TWP, some economies require a number of approvals or documents from competent authorities in the economy where s/he wants to work. This requires coordination on the part of the applicant and may also impact the total time required to obtain the TWP.

Having a one-stop shop where the processing unit manages the relationship between the different competent authorities is applicant-friendly and normally results in shorter timelines. Figure 9 shows that 80% of economies with one-stop shops have TWP processing timelines which are at or below the global average of 8 weeks.

Figure 9. Average TWP processing times (in calendar weeks) of economies with one-stop shops



Source: FDI Regulations Database

Fast-track option

Companies which identified the right candidate for their overseas subsidiary are eager to have their new hires start as soon as possible. As a result, companies may be willing to pay a premium for fast-tracking the TWP process. Data from the surveyed economies reveals that only 10% have such a fast-tracking option. Economies which provide a fast-tracking option include Algeria, Brunei Darussalam, Côte d'Ivoire, Cyprus, Georgia, the Republic of Korea, Mauritius, the Netherlands, Spain, Tanzania, Thailand, the United States and the United Kingdom.

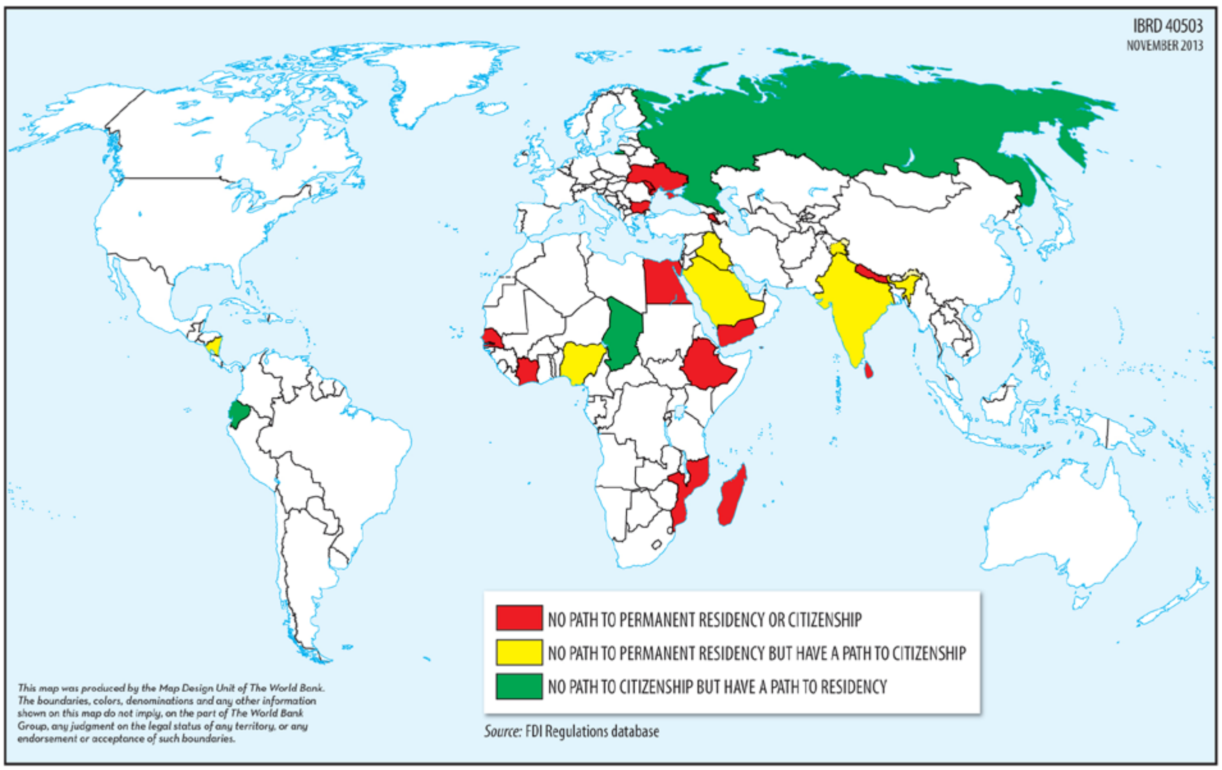
4.3 Restrictions on permanent residency, citizenship and availability of a Spousal Work Permit

Economies can attract skilled workers by offering a reasonable path to permanent residency and/or citizenship, as well as facilitating entry to the labor market for the accompanying spouse through a spousal work permit.

- **Obtaining permanent residency and/or citizenship based on a TWP**

Providing skilled immigrants with the option to obtain permanent residency and/or citizenship is a factor which will be taken into consideration by the skilled immigrant who has a number of relocation options. 20% of the surveyed economies do not allow skilled expatriate to apply for a permanent residency and/or citizenship. Figure 10 provides an overview of the skilled immigration regime of the surveyed economies in terms of pathways to permanent residency and/or citizenship.

Figure 10. Economies with no path to permanent residency and/or citizenship



Source: FDI Regulations Database

Note: Red colored economies do not have a path to permanent residency or citizenship (Armenia, Bulgaria, Côte d'Ivoire, the Arab Republic of Egypt, Ethiopia, Madagascar, Moldova, Mozambique, Nepal, Senegal, Sri Lanka, Ukraine, and the Republic of Yemen, Rep. Yellow colored economies don't have a path to permanent residency but have a path to citizenship (India, Iraq, Nigeria, Nicaragua, Saudi Arabia). Green colored economies don't have a path to citizenship but have a path to permanent residency (Chad, Ecuador, the Russian Federation).

- **The Spousal Work Permit**

Traditionally, the majority of expatriate partners have been women. Nowadays, more than 50% of women across all age groups work in their home country. Under the age of 35, the percentage can be as high as 70-80%. When these women accompany their spouses or partners on an overseas assignment, a majority want to carry on working so that they can continue to develop their skills and facilitate their re-entry to work when they return home, and yet few of them manage to do so. There is of course a growing trend of women who reach senior positions in their companies, who also need international experience and this has increased the proportion of male spouses and partners. The percentage of male partners often varies with the type of organization or industry. Many companies report an average of 10% male partners.

In April 2013 the Permits Foundation conducted an International Survey with regard to work permits and global mobility of Expatriate Spouses and Partners. The survey examined the views of 3,300 expatriate spouses and partners of 120 nationalities, who were at the time accompanying international employees working in 117 host economies for over 200 employers in both the private and public sector. The survey found that economies which enable spouses or partners to work are considered as attractive destinations by 96% of respondents. Economies with work permit restrictions are less attractive and 58% of spouses or partners indicated that they would be unlikely to relocate to a country where it was difficult to get a work permit. Twenty-two percent of spouses or partners reported that the expatriate employee had turned down at least one assignment because of concerns about the accompanying spouse's or partner's career or employment and 7% had terminated an assignment early for the same reason. For employers, these assignment refusals and early terminations imply lost potential and financial cost.

Spouses and partners face a number of challenges. Whereas the employee usually transfers within his or her company as part of a career plan, the partners have to uproot themselves from their current job and company. They may have no professional network in the new country and the market for their skills may be completely different. They may face language and cultural barriers and their qualifications may not be recognized at the same level.

Many economies require expatriate spouses or partners to have a separate work permit, even though they are legally residents. This is often difficult and time consuming. In short, the lengthy work permit regulations represent a real deterrent both to the partners themselves and to companies that might otherwise be prepared to employ them.

Allowing spouses and partners to work in a host country does not have a negative effect with regard to reducing employment opportunities for local staff since the proportion of expatriate staff and spouses/partners is very small. What is more important is the positive impact on the economy and labor market of attracting international companies and organizations to base their operations in the country.

In allowing spouses to work freely, governments recognize the value to the economy of creating an attractive climate for inward investment, international organizations and knowledge workers. Allowing spouses and partners to work represents a "triple win" for internationally mobile families, the organizations that employ them, and their host and home economies, which ultimately is beneficial to their economic competitiveness and ability to attract foreign direct investment.

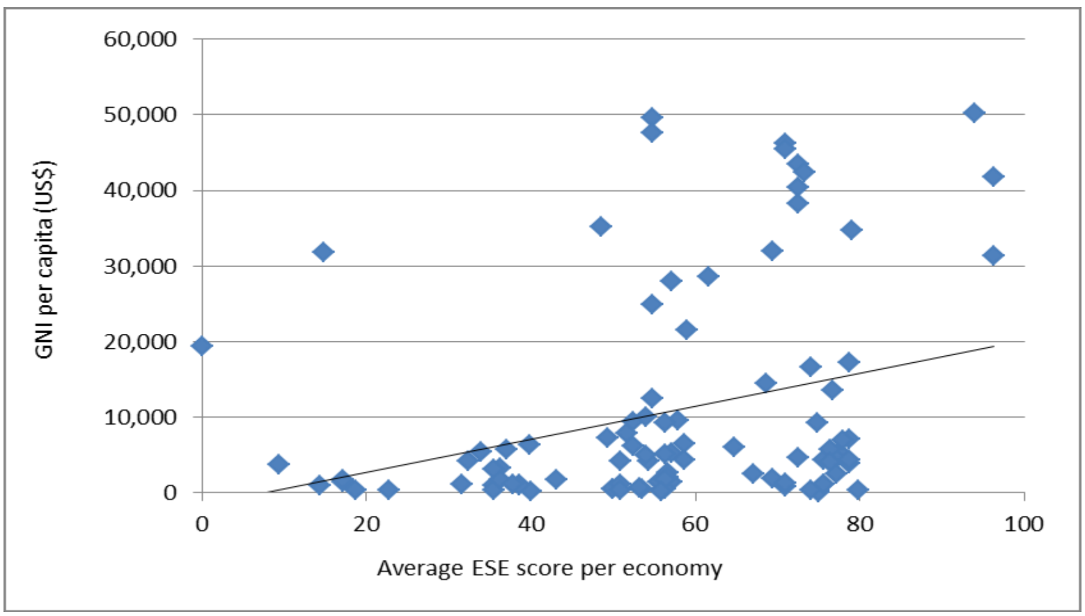
Taking into account the specifics of the case study, respondents answered that Spousal Work Permits are only available in Australia, Canada, the Netherlands, the United Kingdom and Hong Kong SAR, China. For the rest of the surveyed economies, it is difficult for an accompanying partner to work even though they are legally resident. Normally, the spouse is entitled to receive a dependent visa which is linked to the TWP of the working spouse. A dependent visa generally prohibits spouses taking up employment. If the accompanying spouse would like to work then s/he would normally need to apply separately for a TWP.

5. The Employing Skilled Expatriates index

The ESE index is based on five components of the ESE indicators: (1) the length of time to obtain a work permit; (2) whether a quota system is in place; (3) whether there is a potential path to permanent residency; (4) whether there is a potential path to citizenship; and (5) whether spousal work permits are available. Each component was assigned a 1 or a 0, with 1 representing the practice that is more conducive to attracting skilled immigrants.

The time required to obtain a work permit was rescaled from 0 to 1, with 0 capturing the longest amount of time and 1 the shortest. A simple average of the five scores was taken to calculate the ESE index for each economy, which was then scaled from 0 to 100, with higher scores representing less restrictive regimes for employing expatriate workers. A list of the 5 data points for all surveyed economies can be consulted in the Annex I below. Figure 11 displays the correlation between the ESE index and GNI per capita.

Figure 11. Correlation between ESE index and GNI per capita



Source: UNCTADstat for FDI data and FDI Regulations Database

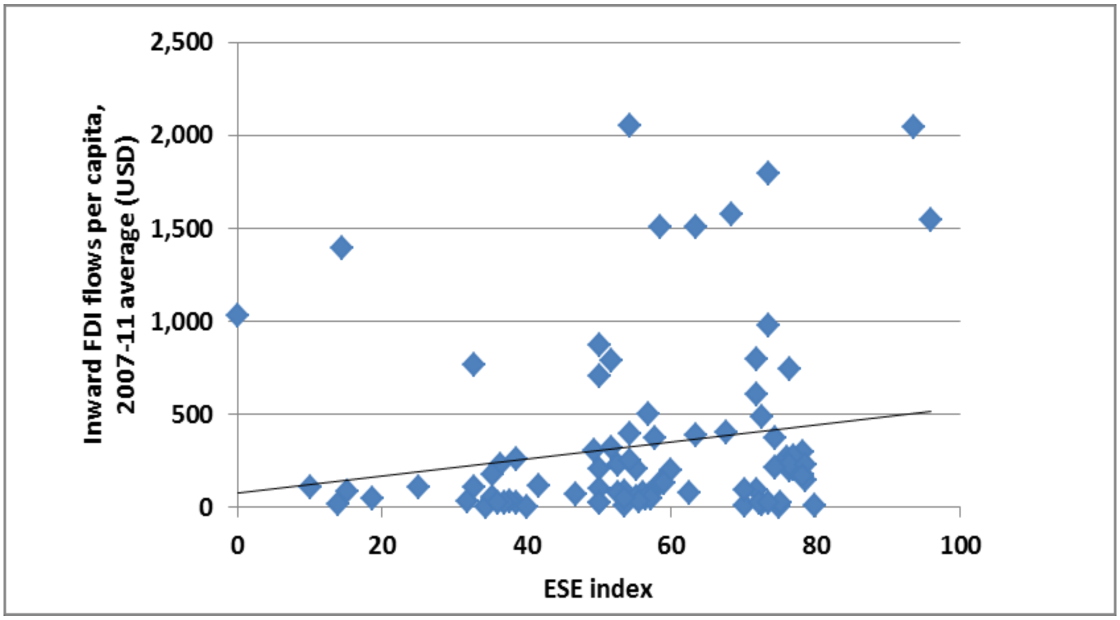
When correlating an economy's ESE score with GNI per capita, an interesting fact can be noted: on average, poorer economies have lower ESE scores and thus feature more restrictive regimes for employing skilled expatriates. However, this fact needs to be approached with caution: it does not imply causality.

5.1 The ESE index and FDI inflows

Figure 12 shows that the ESE index is positively correlated with inflows of FDI per capita. This implies that economies with higher ESE indexes receive more inward FDI flows per capita on average.

With the economies of Hong Kong SAR, China, Singapore, and Ireland dropped as outliers (with inward flows of FDI per capita greater than US$ 3,000), the correlation is 0.198, which is statistically significant at the 10% level. With these economies included, the correlation of 0.278 is even stronger, and is significant at the 1% level.

Figure 12. Correlation between the ESE index and a five-year average of FDI inflows per capita



Source: UNCTADstat for FDI data and FDI Regulations Database

Whereas the ESE index is positively correlated with inflows of FDI per capita, the correlation nevertheless could be more compelling. Even though skilled immigration regimes, as measured in this paper, are an important part of a country's investment climate, further research is required to ascertain to what extent a country's skilled immigration regime can impact FDI. In general, the correlations need to be approached with caution and do not imply causality.

5.2 Correlations between the ESE index and the Global Migration Barometer

There is existing data available from the Global Migration Barometer from the Economist Intelligence Unit. It rates both economies' attractiveness to migrants considering factors such as per-capita income and quality of healthcare and education as well as their need for migrants, considering factors such as the old-age dependency ratio and labor productivity. There are 43 economies jointly covered by the ESE index and this external data set.

The need-for-migrants indicator assesses a country's possible need for migrants, in order to sustain economic growth. It is composed of 10 sub-indicators: 1) Old age dependency ratio, 2) Natural population increase, 3) Employment ratio, 4) Rigidity of employment, 5) Labor productivity, 6) Unfunded pension and healthcare liabilities, 7) Public spending on pensions, 8) Unemployment benefits, 9) Internal labor mobility, 10) Labor force. Figure 13 contains the rankings, as measured by the need-for-migrants indicator, of the economies surveyed in this paper.

Figure 13. Economies ranked according to their need for migrants (economies with the greatest need are ranked first)

1 Japan	35 Australia
2 Italy	36 New Zealand
5 Czech Republic	37 Costa Rica
6 Greece	38 Venezuela, RB
7 France	39 Canada
9 Austria	41 Thailand
11 Hungary	42 Ecuador
11 Ukraine	43 Ireland
14 Bulgaria	44 Singapore
15 Germany	46 Mexico
17 Netherlands	47 Chile
18 United Kingdom	48 South Africa
18 Russian Federation	50 Ghana
22 Spain	

Source: Economist Intelligence Unit, 2008. Global Migration Barometer

The underlying economic and social attractiveness of an economy will certainly be an important driver of migration flows. Once such attractiveness is accounted for, however, analysis of the data yields an interesting result: there is no correlation between the ESE index and an economy's need for migrants. Consider two economies with the same level of attractiveness to migrants, but with different degrees of need. As measured by the Global Migration Barometer, Italy and New Zealand have the same level of attractiveness to migrants.

However, they have a different need for migrants: Italy is ranked second and New Zealand is ranked 36 on the need for migrants. A more open immigration policy would be one way for the country with a greater need to attract more skilled migrants; but there is no difference on average between such economies' immigration policies as measured by the ESE index. This implies that there is room for economies with a need for migrants to improve their immigration regimes as measured by the ESE index as one means of attracting more skilled migrants.

Economies with a greater need for migrants and that have restrictive migration policies could do better by being more liberal. For instance, Italy could improve its migration policies by reducing the time required to obtain a temporary work permit (it takes on average 13 weeks to obtain a temporary work permit) and could also reconsider the use of quotas or how they apply to skilled expatriates.

6. Conclusion

The importance of skilled immigration reform cannot be underestimated and is an essential building block for the sustained global competitiveness of any economy. This paper has highlighted the main components of the current skilled immigration regimes in 93 economies which companies take into consideration when deciding where to invest (how easy is it to hire skilled expatiates). In addition, we measured components which influence the relocation-decision of the skilled expatriate (is there a path leading to permanent residency and citizenship and is a spousal work permit available).

By correlating the ESE index, which incorporates the aforementioned components, with GNI per capita we established that, on average, poorer economies have lower ESE scores and thus have more restrictive regimes for employing skilled expatriates. When correlated with FDI outflows, we find that less restrictive economies attract more FDI. An interesting result is yielded when the ESE index is correlated with the Global Migration Barometer: here we find that there is no correlation between the ESE index and an economy's need for migrants. As such, an economy with a greater need to attract skilled migrants could achieve this by making immigration policies more liberal.

A first uncontested step with regard to skilled immigration reform could be to adhere to the good practices in processing temporary work permits as described in this paper. A second, potentially more difficult, step could be to identify bottlenecks (quotas and other restrictions which make a skilled immigration regime unattractive or burdensome) and consider eliminating these or adjusting their impact on skilled immigrants. Economies which are willing to engage in such a holistic, broader skilled immigration reform will be better situated in terms of attracting FDI and global talent, thereby contributing to the competitiveness of their economy.

References

Adams, R. 2003. International Migration, remittances and the brain drain: a study of 24 labor exporting countries", World Bank Policy Research Working Paper, no. 2972. Available at: http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2003/07/08/000094946_03062104301450/additional/124524322_20041117164551.pdf

Aleksynska, Mariya and Peri, Giovanni. 2012. "Isolating the Network Effect of Immigrants on Trade", Discussion Paper No. 6941, Institute for the study of Labor (IZA), 2008. Available at: http://ftp.iza.org/dp6941.pdf

Cummings, Jonathan, James Manyika, Lenny Mendonca, Ezra Greenberg, Steven Aronowits, Rohit Chopra, Katy Elkin, Sreenivas Ramaswamy, Jimmy Soni. 2010. "Growth and competitiveness in the United States: The role of its multinational companies", Mckinsey Global Institute. Available at: http://www.mckinsey.com/insights/americas/growth_and_competitiveness_in_us

Docquier, Frédéric and Rapoport,Hillel. 2004. "Skilled migration and human capital formation in developing countries – A survey", Institute for the study of Labor (IZA). Available at: http://econ.tau.ac.il/papers/macro/hillelmacro.pdf

Economist Intelligence Unit, 2008. Global Migration Barometer: Methodology, Results and Findings, 2008. Available at: http://www.un.org/esa/population/meetings/seventhcoord2008/GMB_ExecSumEIU.pdf

Kugler, Maurice and Rapoport, Hillel. 2011. "Migration, FDI, and the Margins of Trade", Working paper No. 222, Center for International Development at Harvard University, 2011. Available at: http://www.hks.harvard.edu/var/ezp_site/storage/fckeditor/file/pdfs/centers-programs/centers/cid/publications/faculty/wp/222.pdf

Mayr, Karin and Peri, Giovanni., 2008. "Return migration as a channel for brain gain", Working Paper 14039, National Bureau of Economic Research, 2008. Available at: http://www.nber.org/papers/w14039

Medina, Maria. 2012. "Do immigration policies make countries more attractive to multinational corporations?", Iowa State University, 2012.

Papademetriou, Demetrios., Somerville, Will., Tanaka, Hiroyuki. 2008. "Talent in the 21st-Century Economy", Migration Policy Institute, 2008. Available at: http://www.migrationpolicy.org/transatlantic/talent.pdf

Porter, Michael E. and Rivkin, Jan W. 2012. "Prosperity at Risk: Findings of Harvard Business School's Survey on U.S. Competitiveness", Harvard Business School, 2012. Available at: http://www.hbs.edu/competitiveness/pdf/hbscompsurvey.pdf

Regets, Mark. 2001. "Research and Policy Issues in High-Skilled International Migration: A Perspective with Data from the United States", National Science Foundation, 2001. Available at: http://ftp.iza.org/dp366.pdf

The Permits Foundation. 2013. "The International Survey of Expatriate Spouses and Partners: Employment, work permits and global mobility Final Report, 2013". Available at: http://www.permitsfoundation.com/wp-content/uploads/2013/04/Spousal-Survey-Full-RS.pdf

World Economic Forum. 2010. “Stimulating Economies through Fostering Talent Mobility”. Available at: http://www3.weforum.org/docs/WEF_PS_TalentMobility_report_2010.pdf

ANNEX I. The 5 data points as measured in the ESE Index + Assessment by contributors whether the current skilled migration is a minor, moderate or major obstacle

Region	Countries	Average number of calendar weeks to get work permit	Are Quotas applicable?	Is there a path to permanent residency?	Is there a path to citizens hip?	Is there a Spousal Work Permit available?	Does the current skilled migration regime represent a minor, moderate or major obstacle?
Sub-Saharan Africa	ANGOLA	14	Yes	No	No	No	Moderate
	CAMEROON	9	No	Yes	Yes	No	Minor
	CHAD	3	No	Yes	No	No	Moderate
	CONGO, DEM. REP.	5.5	Yes	Yes	Yes	No	Major
	CÔTE D'IVOIRE	2	No	No	No	No	Moderate
	ETHIOPIA	0.3	No	No	No	No	Minor
	GHANA	5	Yes	Yes	Yes	No	Minor
	KENYA	12	No	Yes	Yes	No	Moderate
	MADAGASCAR	6	No	No	No	No	Moderate
	MAURITIUS	2	No	No	No	No	Moderate
	MOZAMBIQUE	2	Yes	No	No	No	Minor
	NIGERIA	6	Yes	No	Yes	No	Moderate
	RWANDA	0.4	No	Yes	Yes	No	Minor
	SENEGAL	4	No	No	No	No	Minor
	SOUTH AFRICA	18	No	No	No	No	Moderate
	TANZANIA	12	Yes	Yes	Yes	No	Moderate
	UGANDA	8	No	Yes	No data	No	Moderate
	ZAMBIA	9	No	No	No	No	Minor
East Asia and the Pacific	BRUNEI DARUSSALAM	7	Yes	No	No	No	Moderate
	CAMBODIA	5	Yes	Yes	Yes	No	Moderate
	HONG KONG SAR, CHINA	5	No	Yes	Yes	Yes	Minor
	INDONESIA	4.5	Yes	Yes	Yes	No	Moderate
	MALAYSIA	4	No	Yes	Yes	No	Moderate
	PHILIPPINES	9.5	No	Yes	Yes	No	Minor
	SINGAPORE	1.5	No	Yes	Yes	No	Minor
	TAIWAN,CHINA	2	No	Yes	Yes	No	Minor
	THAILAND	2	Yes	Yes	Yes	No	Moderate
	VIETNAM	12	No	Yes	Yes	No	Moderate
	ALBANIA	2.5	No	Yes	Yes	No	Minor
	ARMENIA	4.5	No	No	No	No	Minor
	AZERBAIJAN	3.5	Yes	Yes	Yes	No	Moderate
	BELARUS	3.5	No	Yes	Yes	No	Minor

Eastern Europe and Central Asia	BOSNIA AND HERZEGOVINA	4.5	No	Yes	Yes	No	Moderate
	BULGARIA	9	No	No	No	No	Moderate
	CROATIA	4.5	No	Yes	Yes	No	Moderate
	CYPRUS	7	Yes	Yes	Yes	No	Moderate
	GEORGIA	5	No	Yes	Yes	No	Minor
	KAZAKHSTAN	10	Yes	Yes	Yes	No	Moderate
	KOSOVO	4.5	Yes	Yes	Yes	No	Moderate
	KYRGYZ REPUBLIC	9	Yes	Yes	Yes	No	Minor
	MACEDONIA, FYR	12	Yes	Yes	Yes	No	Minor
	MOLDOVA	12	Yes	No	No	No	Moderate
	MONTENEGRO	2	Yes	Yes	Yes	No	Minor
	POLAND	7	No	Yes	No	No	Moderate
	ROMANIA	10	Yes	Yes	Yes	No	Minor
	RUSSIAN FEDERATION	3	No	Yes	No	No	Minor
	SERBIA	4.5	No	Yes	Yes	No	Minor
	TURKEY	7	No	Yes	Yes	No	Minor
	UKRAINE	6	No	No	No	No	Moderate
Latin America and the Caribbean	ARGENTINA	2.5	No	Yes	Yes	No	Minor
	BOLIVIA	4	Yes	Yes	Yes	No	Moderate
	BRAZIL	9	Yes	Yes	Yes	No	Moderate
	CHILE	12	Yes	Yes	Yes	No	Minor
	COLOMBIA	4	No	Yes	Yes	No	Major
	COSTA RICA	20	No	Yes	Yes	No	Moderate
	DOMINICAN REPUBLIC	2	No	Yes	Yes	No	Minor
	ECUADOR	10	Yes	Yes	No	No	Moderate
	GUATEMALA	6	Yes	Yes	Yes	No	Minor
	HONDURAS	22	Yes	Yes	Yes	No	Moderate
	MEXICO	6	Yes	Yes	Yes	No	Minor
	NICARAGUA	12	Yes	No	Yes	No	Moderate
	PERU	7	Yes	Yes	Yes	No	Minor
	VENEZUELA, RB	8	Yes	Yes	Yes	No	Moderate
Middle East and North Africa	ALGERIA	16	Yes	Yes	Yes	No	Major
	EGYPT, ARAB REP.	6	Yes	No	No	No	Moderate
	IRAQ	3.5	No	No	Yes	No	Minor
	JORDAN	7	No	Yes	Yes	No	Moderate
	MOROCCO	21	No	Yes	Yes	No	Minor
	SAUDI ARABIA	24	Yes	No	No	No	Minor
	TUNISIA	2.5	No	Yes	Yes	No	Moderate
	YEMEN, REP.	7.5	Yes	No	No	No	Moderate
	AUSTRALIA	8	No	Yes	Yes	Yes	Minor
	AUSTRIA	14	No	Yes	Yes	No	Moderate
	CANADA	5	No	Yes	Yes	Yes	Minor

High Income OECD	CZECH REPUBLIC	10	No	Yes	Yes	No	Moderate
	FRANCE	10	No	Yes	Yes	No	Moderate
	GERMANY	9	No	Yes	Yes	No	Minor
	GREECE	24	No	Yes	Yes	No	Moderate
	IRELAND	3.5	Yes	Yes	Yes	No	Moderate
	ITALY	13	Yes	Yes	Yes	No	Moderate
	JAPAN	10	No	Yes	Yes	No	Minor
	KOREA, REP	1.5	No	No	Yes	No	Minor
	NETHERLANDS	8	No	Yes	Yes	Yes	Minor
	NEW ZEALAND	4	No	Yes	Yes	No	Minor
	SLOVAK REPUBLIC	15	No	Yes	Yes	No	Moderate
	SPAIN	8	No	Yes	Yes	No	Moderate
	UNITED KINGDOM	20	Yes	Yes	Yes	Yes	Moderate
	UNITED STATES	12	Yes	Yes	Yes	No	Moderate
South Asia	BANGLADESH	8	Yes	Yes	Yes	No	Minor
	INDIA	3	Yes	No	Yes	No	Moderate
	NEPAL[9]	7	No	No	No	No	Moderate
	PAKISTAN	6	No	Yes	Yes	No	Minor
	SRI LANKA	5	No	No	No	No	Minor

Source: FDI Regulations Database

ANNEX II. Restrictions on nationality or residency of foreign members of the Board of Directors

Economy	Residence restriction	Economy	Nationality restriction
Argentina	The majority of foreign directors need to have their residence in Argentina.	Bangladesh	Non-recognized country nationals are not eligible to be a member of the Board of Directors (i.e. Israel).
India	The managing director of a public company is required to have resided in India for a continuous period of not less than 12 months immediately preceding the date of appointment and is required to be in India on a valid employment visa[10].	Brunei Darussalam	50% of the directors must have the Brunei nationality.
Canada	At least 25% of the Board of Directors must be "permanent residents" in Canada	Egypt, Arab Rep.	An Egyptian manager is required for limited liability companies.
Philippines	A majority of the Board of Directors must be residents of the Philippines	Indonesia	Expatriates from 18 listed economies cannot be part of the Board of Directors.
Indonesia	A President Director who has the	Jordan	Some nationalities are restricted in

[9] Data for Nepal is valid as of April 2012. Please note that since then Nepal has made improvements to its work permit regime by extending the validity of the work permit from 1 year to 5 years.
[10] If this requirement is not met, the approval of the Central Government is required for the appointment.

	authority to represent the foreign subsidiary is required to reside in Indonesia.		Jordan based on unpublished lists by the Ministry of Interior. Each work application will be screened by the Ministry of Interior.
Ireland	An Irish company is required to have at least 1 director who is a resident of the European Economic Area.	Pakistan	The nationals of the following economies are prohibited to be a member of the Board of Directors: : Azerbaijan, Bangladesh, Bhutan, India, Israel, Iraq, Kyrgyzstan, Libya, Nigeria, Palestine, Somalia, Sudan, Syria, Tanzania, Tajikistan, Uganda and Uzbekistan.
Japan	At least one representative director is required to live and be domiciled in Japan.		
Rwanda	At least one director must reside in Rwanda		
Singapore	At least 1 director of a foreign-owned subsidiary has to reside in Singapore. This is evidenced by physical residence as well as the provision of a Singapore citizenship, Singapore permanent residence or a valid work permit.		