

As the global downturn bites and politicians feel pressure to protect jobs within their own geographies, **Peter Crush** Deputy Editor of HR Magazine asks: will the job market for skilled professionals succumb to protectionism or will we continue to operate in a global jobs market?



Chris Seabourne
Partner, CTPartners

In November 2008, the 20 heads of state attending the G-20 summit in Washington stressed in a joint declaration, 'the critical importance of rejecting protectionism and not turning inward in times of financial uncertainty.' The leaders also pledged to, within the following 12 months, 'refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or

implementing World Trade Organization-inconsistent measures to stimulate exports.'

And yet despite this global agreement, some countries appear to remain protective of native jobs when times are economically tight. In March 2009, for instance, the Polish trade union OPPZ demanded strictures be imposed upon overseas workers.

Fewer opportunities

The worry for skilled professionals is that their job market could suffer the same fate as less qualified jobs. Australia, which has a long history of welcoming skilled labor, has just announced it is to cut the number of skilled foreign workers it will accept by 14 percent in order to safeguard local jobs.

"There are noticeably fewer opportunities for international placements at the £100,000-plus mark," confirms Chris Seabourne, partner of executive search consultancy CT Partners. "Previously strong markets such as the Emirates and Dubai are seeing their economies struggle, and only areas such as Greece, Turkey and Qatar are maintaining growth." But commentators remain unsure exactly how the level of opportunity within the global job market is affected by countries becoming actively protectionist. According to Nigel Parslow, Managing Director of Harvey Nash executive search operations, "The recession is definitely impacting the mobility of the international workforce, but we see hesitancy not in governments welcoming foreigners, but in the workers

themselves. They realise they will lose their normal employment rights. This is fine during buoyant times, but not during a recession. We're seeing job security becoming a real issue and people prefer the devil they know."

Disguised protectionism

Even as the World Economic Forum in Davos in January 2009 raised concerns over the damage newly imposed trade barriers could have upon emerging economies, the established markets have been accused of retreating into protectionism in all but name. The 'Buy American' clause within President Barack Obama's proposed economic stimulus package has been criticised for its potential to instigate trade wars between Europe and the US. Elsewhere, the UK has imposed a tough points-based entry system for migrant workers, which audits the skills those workers must demonstrate if they arrive from outside the EU.

And yet, according to the Association of Professional Staffing Companies (APSCO), the protectionist pinch has had little impact on curbing numbers. In 2008 in the UK 35,430 work permits were issued to non-EU IT workers, compared with 12,726 at the peak of the dotcom boom. But some commentators remain skeptical. "Protectionism is never a good thing. I can see it coming more and more because of the current state of the world economy, but we must resist it," argues William Knight-Hamilton, CEO of executive placement company Knight Hamilton. "Governments create protectionism with regulation. I'm not yet seeing other countries invoke regulation of their own, but I do fear it."

Skills still needed

If protectionism is inevitable how soon it will occur remains a matter of debate. "We feel that if senior skills are needed, then that demand is what will prevail," says Chris Seabourne. "Protectionism as such may only happen at the slightly lower level."

One thing is for sure, however, unless executives want to work abroad, and see overseas placements as opportunities rather than risks in the current economic climate, then accusations of underlying protectionism will continue.