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Economic Elites, Stagnation and Talent Mobility in Global Capitalism.

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Economic Elites, Stagnation and Talent Mobility in Global Capitalism.

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*: An earlier version of this paper was presented at the Alice Amsden Commemoration Conference held at MIT on October 19-20, 2012. Alice Amsden's work covered a wide span of themes including the role of economic elites in development, late industrialization in Asia, the transfer and adaptation of new technologies, the importance of country role models and other themes. Her treatment of the different themes was a very unique blend of creative analytics, detailed empirical analysis based on direct observation, cunning insights and a healthy detachment from academic fashions and orthodox economics. Her untimely departure will deprive the development community of a most lucid and enlightened voice.

I. Introduction.

As of the second decade of the 21st century, the global economy and society are facing a host of new and complex challenges, systemic imbalances and dysfunctional traits that need to be properly addressed. We can identify three main features of the functioning of global capitalism that are particularly relevant: (i) an increasing power of economic elites in a context of increased inequality, (ii) the onset of structural stagnation following financial crises and (iii) the growing importance of migration flows and the international mobility of talent (high knowledge/skills). Inequality of income and wealth has been on the rise in several countries associated with a variety of factors including de-unionization, financial globalization, market deregulation, technological breakthroughs, the privatization of public assets and wealth concentration in the hands of small elites. A new class of super-rich controls an important share of national wealth and national income and exerts high influence on the policy-making and the political processes. This has serious implications for the economy and democracy. Another main feature of global capitalism is the high frequency and intensity of financial crises that have been followed, in particular in the case of the financial crisis of 2008-2009 by protracted stagnation and social dislocation. Stagnation traps are affecting the USA and Europe with various economic and socio-political consequences. In turn, these traps are far more severe in countries of the "European periphery" such as Greece subject to costly austerity programs endorsed by the European Union, the IMF and the European Central Bank. A third main challenge relates to the impact of stagnation, and increased nationalism, in mature capitalist countries that have been main recipient areas for migrants from developing countries (south-north migration) along with north-north migration. Another related issue is the growing international mobility of "talent", say knowledge workers, professionals, academics, international students, technological entrepreneurs, health professionals and others in the global economy. These flows have been on the rise, in spite of prevailing macro trends of slow aggregate economic growth. This paper explores main issues around these three themes.

2. Economic Elites and the rise of the New Class of Super Rich.

The consolidation of a new class of "super-rich", with unprecedented levels of wealth has worsened economic inequality and allows them to exert considerable influence on the passing of legislation regarding taxation, regulation, rules of privatization, labor relations and other subjects that is favorable to their interests. The action of wealthy elites distort democracy through their disproportionate command of resources to influence the decisions of politicians and governments through the financing of political campaigns and politicians, lobby activities, and the mass media. The idea of a democracy formed by millions of atomistic individuals participating in the democratic process irrespective of their wealth and socio-economic position is at odds with the reality of powerful dominant economic elites endowed with a disproportionate influence through the political system. .

Box 1 . Economic Elites in the Literature

The study of elites has been traditionally the realm of sociological studies. In this respect it stands the "Italian school" of Vilfredo Pareto and Gaetano Mosca who wrote on the subject in the early 20th century. The "Italians" held a fundamentally *merit–oriented view* of elites. In fact, Pareto (1920 [1991]) envisaged elites as "people with exceptional qualities" and Mosca indicated that the main source of power for the *ruling* class (elites) is their superior internal organization and greater knowledge. On the other side of the Atlantic, the American sociologist C. Wright-Mills, in *The Power Elite* (1956) expanded the concept of elites to include the economic, political, and military "power elite" in the United States. Wright-Mills challenged the view that American democracy was the outcome of neutral representatives making enlightened decisions on behalf of millions of independent and powerless citizens. In his view, a small elite of powerful people was really "running the show" through their control of economic power, political contacts, military power and control of the media. Wright-Mills ideas were quite influential among both the US student movement of the 1960s (he died in 1962) and among independent-minded, progressive intellectuals. At the same time, his theories were also controversial among both conservatives and socialists. In fact, the power elite hypothesis was contested both by the "pluralist school" (Dahl, 1967) and the Neo-Marxist school (Sweezy, 1968; see Gilbert 2008). The "pluralists" made the distinction between a "ruling elite" and a group with *potential* for political control but that may fail to actually grab it for lack of internal cohesion (consensus) and of diversity of interests. On the other hand, Paul Sweezy in *Power Elites or Ruling Class* argues that the military and political elites are not independent segments in the hierarchy of power but are ultimately dependent

oGlobalization, as said before, has been characterized by the emergence of a

n economic elites, in particular the capitalist class, that owns and controls

Table 1, drawn from data of the publication *Forbes Magazine* provides a list of the 10 countries that have more billionaires (individuals and families with wealth of more than one billion-dollars) in the world (out of a list of 54 countries) in 2011. At the top of the list is the United States with 412 billionaires, followed by China (115), Russia (101) and India (55). Note that the number of billionaires *per capita* is the highest in the United States followed by Russia. Interestingly, among the top five countries there are three emerging economies in the group. It is worth noting that the BRICS (Brazil, Russia, China and India) are among the top 10 countries that hold most billionaires in the world economy, probably because their large size. Thus, high wealth is a phenomenon not only of rich-OECD countries: also emerging economies have their significant share in the number of super-rich of the world.

Table 1: Worldwide top 10 Billionaires by Country (2011)

Rank	Country/Region	Number of billionaires	Share of world total (%)	Billionaires per 10M	Share of world population (%)
--	**World total**	**1210**	**100**	**1.7**	**100**
1	United States	412	34	13.2	4.47
2	People's Republic of China	115	10.6	0.9	19.26
3	Russia	101	8.3	7.1	2.04
4	India	55	4.5	0.5	17.3
5	Germany	52	4.3	6.4	1.17
6	Turkey	38	3.1	5.2	1.07
7	Hong Kong	36	3	51	0.1
8	United Kingdom	33	2.7	5.3	0.89
9	Brazil	30	2.5	1.6	2.75
10	Japan	26	2.1	2	1.83

Source. Forbes.com and Wikipedia.

The impressive wealth accumulated by millionaires and billionaires, in several cases in one or two decades seem to reflect a mix of: (i) rewards to entrepreneurial acumen, innovation and daring commercial action, (ii) very generous compensation packages to top executives of large companies and multinational corporations, including high salaries, stock options and bonuses, creating huge gaps between average CEO pay and the salaries of mid-level employees and workers in the USA and the UK and in other OECD countries (see Solimano, 2016),[1] (iii) super-profits earned by the very rich in oligopolistic markets, (iv) access to cheap credit, import protection and other advantages often tied to political connections and (v) a decline in the labor share other sources.[2]

The rise of the super-rich in many instances is linked to what the literature calls "rent-seeking activities" (including rents from corruption) in contrast with high-incomes generated in "directly productive activities" related to the development of "production capabilities, project capabilities and innovation capacities" using Amsden (2001)´s typology. The new elites also combine features of the "leisure class" depicted by Thorstein Veblen in the early 20th century with a new generation of "working rich" composed by ambitious and hard-working individuals (CEOs, managers, financial experts and highly paid lawyers) seriously addicted to making big money. In turn, the new elites are perhaps more internationally mobile now than in the past.[3]

Income, Wealth and Elites.

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[1] This trend that has been especially serious in the US and the UK, see Irwin, 2008 and High Pay Commission, 2011 of the UK.

[2] See Solimano 2014 and 2016.

[3] Solimano and Avanzini (2012) focuses on the international mobility of elites using a three-fold classification including: (a) knowledge elites, (b) entrepreneurial elites and (c) political elites. Using this classification, we explore the various motivations for people to move across nations, review empirical evidence on the subject and highlight some channels through which these mobile elites can affect international development.

The economic importance of elites can be approximated by the incomes shares and wealth shares of the top 5 percent, top 1 percent, top 0.1 percent in different countries. A stylized fact of the distribution of economic resources is that inequality of income is greater than the inequality of income and that the inequality of gross income is greater than the inequality of disposable income (Solimano, 2016, ch.3). In addition, top income shares tend to be smaller than top wealth shares for equivalent percentiles (see tables 2 and 3) as well as significant differences across countries and regions in income shares and wealth shares at the top.

Table 2: Comparative Top Income Shares (around 2005)

Country	Top 0.1%	Top 1%	Next 4%	Top 5%
Argentina	7.02	16.75	--	--
Ireland	--	10.3	--	--
Netherlands	1.08	5.38	11.79 (1999)	17.08
India	3.64	8.95	--	--
Germany	4.4	11.1	13.1 (1998)	24.2
United Kingdom	5.19	14.26	14.5	28.7
Australia	2.68	8.79	11.2 (2002)	20
USA	7.7	17.42	15.2	32.6
Canada	5.23	13.56	15.4 (2000)	29
Singapore	4.29	13.28	14.6	27.9
New Zealand	2.51	8.76	12.7	21.5
Switzerland	2.67	7.76	11.5 (1955)	19.3
France	2.48	8.73	13	21.7
Norway	5.59	11.82	11.3	23.1
Japan	2.4	9.2	16.1	25.3
Finland	2.65	7.08	9.5 (2004)	16.1
Sweden	1.91	6.28	11.1	17.4
Spain	2.62	8.79	13.4	22.2
Portugal	2.26	9.13	15.4 (2003)	24.5
Italy	2.55	9.03	12.3 (2004)	21.3
China	1.2	5.87	11.9 (2003)	17.8

Source: Tanzi (2011), Adopted from tables in Atkinson et al, 2011

Table 3. Wealth shares 2015: Selected countries and regions

Top	10%	5%	1%
<u>Latin America</u>			
Brazil	75.4	66.1	48.0
Chile	70.3	61.1	43.2
Colombia	66.8	54.8	34.0
<u>Europe</u>			
France	54.7	42.2	23.1
Germany	62.8	50.1	29.5
Russia	87.1	82.0	70.3
U. Kingdom	54.1	42.0	23.2
<u>North America</u>			
Canada	57.7	45.0	25.1
Mexico	66.0	55.2	36.0
United States	75.6	63.0	37.3
<u>Regions</u>			
Africa	78.6	68.4	47.2
Asia-Pacific	84.7	70.8	41.2
China	65.7	56.4	39.4
Europe	70.0	55.8	32.2
India	76.3	68.6	53.0
L. America	72.0	61.8	42.7
N. America	74.3	61.8	36.7

World	**87.7**	**76.6**	**50.0**

Source: Credit Suisse 2015.

2. Financial Crises and Structural Stagnation

A second main feature of the the global economy in the last three decades is the high frequency and severity of financial crisis, now reaching also advanced capitalist countries that constitute the core of the world economy. These crises are very costly in terms of losses of employment, output, fiscal resources besides the social and emotional costs associated with the disruption of people's normal live and working conditions. As the post 2008 experience shows these crisis can be followed by several years of GDP growing at a slower pace than its pre-crisis trend level, high unemployment, growing indebtedness, fiscal deficits, uncertainty and social disarray. Until recently the belief was that the world was divided between a financially stable core (typically the mature capitalist economies of North America, Europe and Australasia) and a chronically unstable periphery (emerging economies and developing countries in Latin America, Africa and Asia). Nevertheless, the crisis originated in the US in 2007- 2008 that spread-out to

Europe challenged that view. The core of the world economy was not that financially stable after all.[4]

There has been a large spate of financial crises since the 1980s in the world economy, including the debt crisis of Latin America, Philippines and Turkey in the 1980s, the savings and loan crisis in the United States in the late 1980s, the banking crisis in Nordic countries in the early 1990s, the Mexican crisis of 1994–95, the East Asian crisis of 1997, the Russian crisis of 1998, the burst of the dot-com bubble in the US in 1999-2000, the Argentinean, the Turkish crisis of 2001 and , of course, the global financial crisis of 2008-09. In retrospect, it is apparent that policy makers, central bankers, financial regulators in the core economies led by the delusional notion of a "great moderation" (proclaimed by mainstream macroeconomists in the 2000s) dismissed the possibility that a large scale financial crisis could also occur in their own countries.[5] However, the great moderation was eventually replaced by the global financial crisis of 2008-09, the worse since the great depression of the 1930s.

Historically, the frequency of financial crises has been higher in periods in which "financial capitalism" (or "financialization") has prevailed. In this regime, the financial sector grows inorganically and becomes a dominant player in the economy: finance, services and insurance (the FIRE sector) turns more important

[4] The traditional distinction between core and periphery should be refined as a new super-core (say the US and Germany) is also surrounded by its own periphery formed by countries such as Iceland, Ireland, Portugal, Greece, Spain which are particularly vulnerable to large-scale financial crises of the type so frequently associated with developing countries.

[5] Learning from other experiences (or the lack of it) was a theme in Alice Amsden's work.

than manufacturing production. Moreover, there is a relevant connection here with our previous discussions on elites. It is apparent that the "financial elite" composed by the CEO of major commercial banks, hedge funds and other big financial conglomerates exerts important influence in policy-making when pushing for an agenda of financial deregulation and market liberalization functional to the attainment of high profitability undisturbed by the interference of financial regulators and monetary authorities. Nevertheless, reckless lending and the proliferation of new, risky and untested financial instruments have been identified as significant causes of the crises triggered in 2007-2008 in the USA and in other advanced countries.

Structural Stagnation.

It is quite possible that the countries of mature capitalism will experience a "lost decade" in terms of lower output growth and higher unemployment as a consequence of the crisis of 2008-09. The years after the financial crash have been followed by low investment, increasing debt to output ratios, volatile asset prices, financial fragility and growing inequality. In 1930s the Keynesian economist Alvin Hansen[6] developed the concept of "*secular stagnation*" and warned of the risk the United States could grow at a modest pace below full employment for a long period of time due to a lack of investment opportunities relative to available savings. This prediction, did not materialize because of the economic stimulus of the World War II and post-war expansion supported by strong consumption and investment. In this context, Hansen's warning and

[6] Hansen, A. H.(1934, 1939).

concept fell into oblivion as the period called the “golden age of capitalism” from 1950 to 1975 was accompanied by generally strong growth and high employment. Nevertheless, after the protracted post 2008 slow-down in advanced capitalist nations the concept of secular stagnation was resurrected, chiefly, by Harvard macroeconomist Lawrence Summers. [7] In a modern restatement, Summers (2014) shows the difficulties of attaining, *at positive real interest rates*, a macroeconomic configuration carrying: (i) financial stability, (ii) macroeconomic balance between savings and investment and (iii) full employment.[8] In this context, achieving *full employment* may require that savings and investment match at *negative* real interest rates. It is worth considering that in current U.S. and European conditions with nominal interest rates close to zero and low inflation it is rather difficult to attain *negative* real interest rates. In this formulation, financial stability is understood as the absence of asset price bubbles whose prickling can lead to financial distress with negative consequences for investment and growth. The story of destabilizing bubbles in asset prices resonates well in the U.S. with the passing from a high tech bubble in the late 1990s to a home price bubble in the early to mid 2000s and its ensuing prickling in 2007-08. Moreover, bubble-led growth was also important in Iceland, Spain and other economies.

[7] Besides his recognized academic credentials as a policy-maker Summers was a key figure in the financial market deregulation spree of the second Clinton administration in the 1990s in the United States.

[8] The excess of savings over investment is another way to state a Keynesian configuration of lack of aggregate demand relative to potential capacity (aggregate supply).

Tendencies to stagnation may be also linked to supply side factors such as aging population and slow population growth, lagging educational attainment, increased inequality and debt overhangs. In spite of recent technological improvements authors such as Robert Gordon, an expert in US growth, is skeptical of the positive impact on productivity of the information technology, computer and internet revolution of the last 40 years, compared to the productivity effects of the the first and second industrial revolutions (steam engine, railroads, electrification, combustion engine, running water and sewerage, telecommunications and other innovations) that, after a lag, led to rapid productivity growth between 1890 and 1970 in the United States and possibly in other countries. This long period witnessed a steady rise in living standards, a complete transition from rural to urban society, important increases in life expectancy and improvements in health indicators, the lowering of travel time and travel cost and other positive effects on household and national welfare. In addition, the author envisages more limited productive gains in the next round of innovation centered on robotics, artificial intelligence, nanotechnology, big data processors, and electric cars and so on.

Part of the current stagnation in mature capitalist economies is also due to policy choices. In 2009 governments adopted expansionary fiscal policies to compensate for the decline in private spending. This policy stance was endorsed by the IMF at least for advanced economies with “fiscal space”. Then at the urge of the G-20 countries shifted to a position of fiscal consolidation in which public sector deficits were restrained to avoid an increase in public debt. The result was the withdrawal of the fiscal impulse, the postponement of public investment in infrastructure and restraint in spending in education and research and development. The result was slow output growth which in turn affected public and private debt ratios a process that conspired against the purpose of deleveraging. With fiscal policy restricted, the burden of implementing anti-cyclical policies was left to monetary policy pursued through unconventional tools such as “quantitative easing” adopted first by the US Federal Reserve and then by the European Central Bank. However, easy money and low interest rates did not leave to a quick resumption of private capital formation. Commercial banks preferred to increase their monetary reserves and buy financial assets rather than increasing productive credit to the enterprise sector. In turn, firms in general did not use available liquidity to increase, in a significant way, investment in e machinery and equipment relevant for output growth.

3. Migration in an Era of Stagnation and Implications for Talent Mobility

A third main feature of the global economy refers to the international dimension of labor markets and the migration process in a context of stagnation in the economies of mature capitalism. These economies have been, for decades, the main recipients of international migrants .

Recent global migration statistics show that, currently, south-south migration is overtaking south-north migration as the predominant direction of international migration flows. The rise of south-south migration is a medium term trend but has accentuated since the crisis of 2008-09 in the core capitalist economies (USA and Europe). In fact, stagnation traps in core economies exert a moderating influence on south-north economic migration through less employment opportunities for migrants although wage gaps between the global north and the global south are still persistent. It is interesting to note that in spite of a generally sluggish macroeconomic environment, the inflow of IT experts, academics, international students, health sector professionals to OECD nations ("talent migration") has accelerated. The strength of the "knowledge-economy", the proliferation of special investment regimes and visa systems for talent-attraction in high- income nations may account for this dynamics that boosts talent mobility even in a depressive macro regime.

The rise of south-south migration reflects a changing medium term global economic geography (from around 2010 more than half of world GDP is generated in non-OECD nations) as well as cyclical differences in GDP growth rates between the advanced economies (global north) and developing countries and emerging economies (global south), that accentuated since the crisis of 2008-09.[9] According to United Nations migration statistics, South-South migration exceeds by a small margin south-north migration the dominant direction of international migration for decades.[10] Table 4 presents the levels and percent of migration by source and destination for 2013.

[9] The main determinants of international migration include wage gaps, cyclical differences in growth rate across nations, migrant network effects, quality of cities, availability of social services for migrants and content of migration policies, see Solimano (2010).

[10] The terms "south" and "north" are not without some ambiguity. Their geographic meaning is straightforward but its economic significance is subtler. In general, the "north" is identified with high-income countries and the "south" with developing countries and emerging economies. For example, a

Table 4. Migration Flows by Origin and Destination (2013)

Direction	Millions	Percentage
South-south	82.3	36
South-north	81.9	35
North-north	53.7	23
North-south	13.7	6
Total	231.6	100

Source: UN DESA, Population Facts, April 2014

In the medium run, the direction of economic migration will largely depend on the differences in growth rates and GDP per capita levels between the core of advanced capitalist countries and the periphery of developing nations. Due to convergence mechanisms and catch-up factors GDP growth in the global south is higher than in the mature economies of the north. These differences intensified between 2007 and 2013. Average GDP growth for advanced economies was -0.16 percent in 2007-2009while

Chinese migrant to Australia would be considered as a south-south migrant from a geographic perspective but it would constitute a case of south-north migration from an economic perspective.

average growth in developing countries and emerging economies was 5.9 percent. However, since 2013, the growth gap between developing and developed countries have been narrowing due to deceleration in growth rates in emerging economies (IMF, 2015). Slower growth in rich countries implies weaker employment creation and less buoyant salaries in destination economies making less attractive, at the margin, to migrate to these nations. Of course, the decision to emigrate will also depend on growth, employment and security prospects in source countries. Economic growth in the BRICS and in other economies of Latin America, Asia and Africa is slowing down since 2013 (growth was negative in Russia and Brazil in 2015) and this can affect also south-north migration flows.

Less skilled immigrants in high-income OECD economies are often concentrated in sectors such as construction, hotels and catering activities. In the United States, in the period 2007-14, around 480,000 jobs in the construction sector were lost for immigrants compared with a loss of 1.7 million for native-workers. For European OECD countries near 600,000 construction jobs were lost for migrants against 3.4 million for native-workers (2008-14). Nevertheless, there was some recovery in job creation in the sub-period 2011-14 in the United States, and employment for migrants increased by more than 15 percent in construction, professional and technical services and health care sectors. Finance, accommodation, real estate and public administration also registered relatively robust employment recoveries that were available for foreign workers. In contrast, the manufacturing sector, agriculture and trade experienced negative employment growth. In Europe, in the post-2008 period, the most dynamic sectors in terms of job creation for foreign workers were computing, consultancy and related services, social work activities, health and education with manufacturing, construction and finance remaining very weak and experiencing job contraction (OECD, 2015).

Economic and financial crises and their aftermath can affect migration flows through three main channels: (a) a reduction of growth, employment and real wages that reduces the incentives for immigration, (b) a rise in return migration and (c) a slowdown in the level of remittances that migrants send back home. The first channel depends on differential in growth rates between south and north that as already mentioned. Regarding the remittances channel, the rate of growth of remittances fell in 2008-2010 to recuperate in 2010-2012 and slowdown again in 2013-2015 (in levels, remittances increased from an average of U$ 327 million in 2008-2010 to U$ 431.3 million in 2013-2015).[11] An additional effect of the 2008-09 crisis is the *outflow of professionals* from advanced countries to southern destinations (north-south migration). A case at hand is outmigration of Spanish professionals[12]heading to South American countries (Chile and Argentina have been two main recipient of Spanish

[11] World Bank (2015).

[12] The outflow of professionals also has been present in Greece, Italy and other austerity economies.

professionals since 2009). Of course this outmigration may slowdown in emerging countries deepen and advanced economies recover more forcefully.

The International Mobility of Talent

We can distinguish at least two main migration circuits: one composed by worker's migration (less skilled migrants) and another circuit of people with high skills, special knowledge and high-value abilities. This later segment is often called "talent mobility" or "elite migration". Although the size of talent mobility is not particularly large, its impact is connected with the transfer of human capital, knowledge generation, fresh capital and other attributes that are critical for economic development. The bulk of the international mobility of talent nowadays is within advanced economies (i.e. from/to Europe and the US, and Australia, New Zealand and Japan) rising concerns of a "brain drain" from developing countries.

The global talent pool is a segment composed by a variety of individuals such as technology entrepreneurs, IT experts, scientists and scholars, international students, medical doctors, writers, artists and other creative people. Three main uses/sources of talent allocation have been identified (Solimano, 2008, 2010): (i) talent engaged in directly productive activities such as industry (managers, engineers, skilled workers), (ii) talent devoted to scientific, training and academic endeavors in the university sector (scholars, academics and international students), and (iii) talent allocated to the health sector and the cultural sector (medical doctors and nurses, writers, painters, singers). Managers, financial experts and human resource specialists that belong to multinational corporations move across countries within the corporations through the modality of intra-company transfers (ICT). The main destination for ICT within the OECD is the United States followed by the UK and Canada. Between 2007 and 2014, total ICT destinations in the OECD have grown by 25 percent (OECD, 2015).[13] Talent devoted to the academic sector comprises academics, scholars and international students. Universities and research centers in the north are increasingly employing foreign scholars and academics and their importance in the faculties of universities of several high-income OECD nations is growing. A growing component of talent mobility in the university sector is *international students,* defined as those who go to a foreign country for the purpose of studying. [14]The number of international students worldwide increased from 2.1 million in 2001 to 4.5 million in 2012.[15] The OECD is the main area of destination for international students and accounted for 75.5 percent of the total number of foreign students in 2012, with the United States and the United Kingdom being the two main recipient countries. [16] This percentage was 80 percent in the mid 2000s suggesting

[13] The international public sector composed by organizations such as the United Nations, the IMF, World Bank, the regional development banks, the OECD and other –whose headquarters are located in the north—provide interesting jobs with good salaries and benefits for professionals and experts. Professionals from developing countries and emerging economies find these positions attractive and, therefore, pursue their careers in these organizations.

[14] Sometimes, the terminology of foreign students is used denoting people that is abroad and may decide, once they are there, to study in the foreign country of residence.

[15] OECD (2015).

[16] The share of international students in the United States (16.4 percent in 2012) and the UK (12.4 percent) are the largest in the world but the US share has been declining in the period 2000-12 and the

that universities in non-OECD countries are also becoming attractive for international students. A significant proportion of foreign students engaged in tertiary education in OECD countries originate from Asia, particularly from China that accounts for 22 percent of the total of international students and growing, followed by India and Korea. From Europe, France and Germany stand as the main source countries.

Another important modality of mobility of qualified human resources is composed by foreign *medical doctors and nurses*. As of 2011, near 22 percent of total medical doctors in OECD countries were foreigners and 14.5 percent of the nurses came from non-OECD countries. In total, the percentage of medical doctors and nurses grew by 60 percent in the last 10 years (OECD, 2015). The United States is the main recipient of medical personnel followed by the UK and the Germany with an increasing number going now to Australia, Canada, Ireland, New Zealand and Switzerland. The main supplier of doctors from the developing world is India and the main provider country of nurses is the Philippines with China, Pakistan and Vietnam also increasing their supply of health workers to other nations. According to the Wealth Health Organization (WHO), the health personnel working in OECD countries represent near 20 percent of the health supply needs of the source countries while in 2001 that percentage was 9 percent in 2000/2001, suggesting that the international mobility of health professionals to OECD nations can, also, *aggravate* health shortages in origin countries in the developing world, particularly those facing health crises and internal under-supply of medical doctors and nurses.

share of the UK has increased over the same period. The share of foreign students grew in Korea, New Zealand, Australia, Italy, the Czech Republic among other countries in this period.

In addition, part of the mobility related to social sectors are linked to organizations such Ford Foundation, Soros Foundation, the Gates Foundation, the International Red Cross, Doctors without Frontiers and several others. These organizations provide employment opportunities to professionals, volunteers, international students from the south although often without the generous packages of the best paid public international organizations and the multinationals.[17]

Concluding remarks

Global capitalism is experiencing significant changes and faces important challenges on its ability to deliver sustained prosperity while maintaining macro-financial stability, social equality and a truly open global system and genuine democracy. New complex trends include the ascent of powerful economic elites in a context of growing inequality, the high frequency of financial crises followed by stagnation in main core economies and the the increased of migration and talent mobility in the world economy.

The rise of economic elites and the occurrence of financial crises and policy choices in their aftermath are not unrelated developments. Financial sector elites used their command of large financial resources to lobby governments, contract experts and influence parliaments to pass laws that deregulated financial markets

[17] A growing modality of international temporary employment is the *working holiday program* system, which is oriented to the youth. This program and concomitant visa system valid for one to two years and have been implemented, mainly, in Australia (the main recipient in the OECD area) along with Canada and New Zealand.

and reduced the public oversight of big banks, hedge funds and other financial intermediaries. In turn, when crises erupted, elites managed to get bail-outs and rescue operations to ensure business and bank survival during crises situations shifting the costs of the crisis to the middle class and the working poor. Now, patterns of structural stagnation are emerging that defy the mix of fiscal consolidation and monetary easing used so far to revive economic activity.

Another important topic is the impact of secular stagnation in core economies for international migration flows and the mobility of individuals with high education and special talents concentrated in rich OECD countries. The macro economic and labor market environment in advanced economies of the north is likely to be shaped by the prospects for "secular stagnation" and slow job creation that reduces, at the margin, the attraction of migrating to the economies of the global north. On the other hand, given the persistence of development gaps between the center and periphery of the world economy and current geopolitical instability and conflict in certain areas of the world, south-north migration can be expected to continue provided migration policies in high-income nations affected by stagnation traps and reborn nationalist sentiment do not become too restrictive.

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