

BERMUDA WORKS

Imagine if you told United that Rooney's job would have to be advertised...

EMPLOYMENT MATTERS

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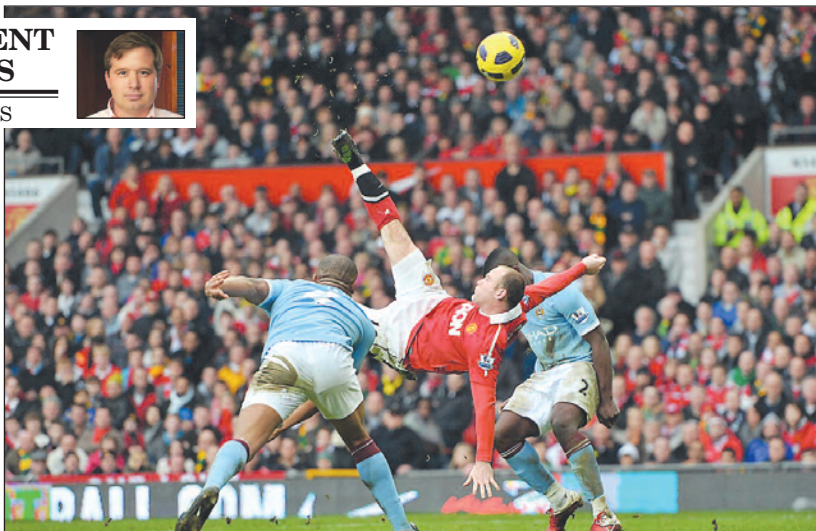
IMAGINE this. The phone rings. "Good morning, Doug Soares", I answer. "Doug, this is Joel Glazer, co-chairman of Manchester United Football Club. Doug, I am calling for your advice on work permit policy for Bermuda. Long story short, from 2015, Premiership clubs in England will be free to be based anywhere in the world. So we are considering headquartering ourselves in Bermuda. We will still play at Old Trafford but we would build a facility in Bermuda for training, marketing and club administration. I am calling you Doug to find out what we would have to do to get work permits for the players, coaches and other club personnel."

It's the norm in our business to receive such a call. Not from Premiership football clubs, but from comparable global organizations in industries such as reinsurance. The conversation is never easy because Bermuda's work permit policies tend to work well for global organisations only to the extent that exceptions are made.

To illustrate the point, imagine Mr Glazer's biased assessment of Rooney, of course the answer is yes – unless the Minister approves a waiver from the advertising requirement. But Mr Glazer will be no less concerned when I tell him that such waivers are normally only granted for executive officers such as himself. So Wayne Rooney must be told that doing business in Bermuda means that he will be replaced by a suitably qualified Bermudian should one apply.

Mr Glazer, the same goes for the elite playmakers of reinsurance – senior underwriters, actuaries, and the like".

And, don't forget, "guest workers" must also be told that they should expect their career term in Bermuda to be limited to six



Train a Bermudian understudy to replace him: Manchester United's Wayne Rooney (centre) scores against Manchester City last season. Just like the star players of the reinsurance industry, his job would have to be advertised periodically if United were based in Bermuda.

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years – unless an exception is made by the Minister.

"But Minister-approved term limit extensions or exemptions are relatively easy to get for key employees – so rest assured, Mr Glazer, this part of immigration policy should not pose a problem".

Imagine the silence as Mr Glazer ponders the risk for his organisation.

To be fair, historically, our exception-based immigration policy has worked reasonably well to facilitate the growth of Bermuda's international business sector. But nowadays, with increasing frequency, global companies have demonstrated greater willingness to base jobs in overseas jurisdictions rather than expose their organisations

to the risks associated with immigration regulation.

Concern over this subtle job export trend is muted by the popular notion in Bermuda that virtually any willing Bermudian can learn virtually any job performed by an expatriate provided they receive training.

To understand just how seriously flawed this notion is one only has to consider how Manchester United would perform after Rooney is replaced at the end of his work permit term by a Bermudian understudy.

Of course this is not to say that Bermuda is not capable of producing world class professionals. Clyde Best and Shaun Goater are two shining examples of Bermudian footballers who were among the world's elite.

But given our tiny population, it should come as no surprise that Bermudians performing at the world class level in any profession is relatively rare. Arguably, it is as rare in reinsurance as it is in football.

Ironically, one way to boost the number of world class Bermudian professionals is to lower the protectionist immigration barriers which prevent global organisations from freely moving their elite talent to Bermuda.

Many Bermudians stand to benefit from being exposed to the world's best at work. Let us not forget that Shaun Goater was discovered and signed by Manchester United after United played a few pre-season matches in Bermuda.

Similar discoveries of Bermudian talent are made by global giants in the reinsurance industry today. But this would happen with greater frequency if we did not stifle the flow of human capital for Bermuda-based global businesses.

I am sure Mr Glazer would not end the call without stressing this point. He would recount how the English football industry was in decline until immigration control was relaxed for players in the 1990s. The result was profound. Within 10 years approximately half of the 200-plus British footballers playing in the Premiership were displaced by elite players from around the world.

But this downside was offset by the creation of massive employment and wealth as the English Premier League became the world's richest, surging past rival leagues in Spain, Italy and Germany.

Perhaps it is time for Bermuda to craft a less protectionist immigration policy for global businesses. We desperately need the job creation that would result.

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