

Study on Macao's Talent Recruitment Policy in the Context of Economic Diversification and Development

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Abstract. Under the global trend of economic diversification, Macao, as an international tourism and leisure center and a platform for cultural exchange between the East and the West, is facing new challenges and valuable opportunities in its talent recruitment policy. With the continuous changes in the global economic structure, Macao needs to further broaden its economic structure and reduce its reliance on a single industry to promote the sustainable and healthy development of Macao's economy. In this context, optimizing the talent recruitment policy to attract more high-quality and nationalized talents to Macao has become the key to enhancing Macao's comprehensive competitiveness and promoting the appropriate diversification of its economy. This paper discusses the current situation and shortcomings of Macao's talent recruitment policy and proposes optimization paths, including clarifying the objectives and incentives for talent recruitment. Through these optimization measures, more excellent talents can be attracted to work and live in Macao, providing strong talent support and intellectual support for Macao's economic diversification.

Keywords: Macao, Economics, Talent recruitment, Talent development.

1. Introduction

The Macao government has proposed a plan for proper industry and economic diversification in recent years with the goal of eliminating the gambling sector's hegemony and advancing the economy's overall and sustainable growth. The development of industrial diversification cannot be separated from the support of talent, but the problem of insufficient local talent in Macao has become increasingly prominent and has become a key factor restricting economic development. The background of the policy stems from Macao society's urgent demand for economic restructuring and industrial upgrading. To support the growth of innovative industries and improve overall economic competitiveness, Macao must recruit more people with professional skills and an international perspective as globalization and informatization continue to advance. At the same time, recruiting talented people is a crucial step in addressing the local talent deficit, encouraging talent to return, and improving the caliber of human resources.

In the implementation of the Talent Recruitment System policy, the Macao government plans to introduce in an orderly manner the leaders and senior professionals required for the development of each key industry to capitalize on their skills, experience, and market network to drive and support the development of local industries and lead the society to progress in the long run. To guarantee that it can successfully encourage the proper diversification of Macao's economy, the policy's execution must be continuously refined and enhanced in the face of several obstacles and issues. To guarantee that it can successfully encourage the proper diversification of Macao's economy, the policy's execution must be continuously refined and enhanced in the face of several obstacles and issues.

2. Macao is in dire need of economic and industrial transformation

A monolithic industrial structure has resulted from Macao's economy being unduly reliant on the casino sector, which has grown to be its lifeblood. Although the gaming industry has generated huge economic gains for Macao, this has led to a lack of economic diversification and poor financial risk resistance. There are risks in terms of social welfare. "Macao's over-dependence on the gaming industry derives social welfare risks and affects social stability. When the gaming industry declines

and social spending is no longer sustainable, social risks will increase, and the government will be under great pressure [1]" Macao has been using the 'handing out money' model to allow its residents to enjoy social welfare for more than 17 years since it started in 2008, and if its finances are unable to make ends meet, Macao will be unable to meet its financial obligations. If Macao's financial situation is not enough to cover its expenses, and the "cash handout" benefits are hastily stopped, the society will be disturbed and turbulent, and social stability will be greatly affected, therefore, Macao's economic transformation is urgent.

2.1. Diversified industrial development needs talent support

Promoting appropriate economic diversification is the key to resolving the long-standing issues with Macao's social and economic development. It is also a crucial strategy to ensure Macao's long-term stability and prosperity, and it is a task to which the Macao SAR Government and all community sectors must fully commit. Macao is going through a time of positive change. In the "Development Plan for Appropriate Economic Diversification of the Macao Special Administrative Region (2024-2028)," the Macao SAR Government has clearly illustrated the development blueprints of several industries based on the current actual circumstances of various businesses. The following uses the high-tech industry and the traditional Chinese medicine big health industry as examples to highlight the crucial role that talent has had in Macao's economic transition.

2.1.1. TCM Big Health Industry

Traditional Chinese Medicine (TCM), encompassing the medical knowledge of the Han Chinese people and several minority ethnic groups, is the crystallization of the wisdom of the Chinese people on the mysteries of life, health maintenance, and treatment of diseases. Sheng and Gao pointed out that "according to the Macao Special Administrative Region's Five-Year Development Plan, the SAR Government has already identified four key industries, namely, Chinese medicine, convention and exhibition, tourism, and creative culture, in the hope that this will serve as an opportunity to further energize Macao's diversified economic development." [2] Chinese medicine is an emerging industry for Macao and will bring huge economic benefits to Macao.

The core of the high-quality development of Chinese medicine lies in the cultivation and convergence of talents. To achieve this goal, many highly qualified and specialized Chinese medicine talents are indispensable. Macao's TCM industry, after years of accumulation, has laid a good foundation, and the construction of scientific research platforms and facilities is becoming more and more robust. Specifically, the State Key Laboratories established by the University of Macao and the Macao University of Science and Technology have infused fresh life into the future development of Chinese medicine by continuing to create discoveries in the field of Chinese medicine quality research.

With the gradual implementation of the national strategic plan of the "Guangdong-Hong Kong-Macao Greater Bay Area" and the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, the process of economic integration between Guangdong, Hong Kong, and Macao is accelerating. The Macao SAR should capitalize on this opportunity to vigorously develop translational research in biomedicine to build a branded TCM industry with Macao's unique characteristics and to attract more relevant talents to gather in Macao to achieve the development goal of appropriate diversification of its economy at an early date.

2.1.2. High technology Industry and Transformation and Upgrading of Traditional Industries

Macao has indeed encountered some difficulties and challenges while developing high-tech industries. At present, Macao's enterprises in the science and technology industry are relatively small in scale, the factors of innovation are not sufficient, and the mechanism and system of cooperation between production and research and development still need to be further improved. Moreover, the local market demand in Macao is limited, there is a lack of skilled technicians and highly skilled operational talents, and the local industrial chain and supply chain are relatively weak. Meanwhile, the process of synergistic development between Macao and mainland cities such as Zhuhai is still relatively slow. These are the problems that Macao needs to strive to overcome and solve in the future.

According to the Development Plan for the Appropriate Economic Diversification of Macao SAR, by 2023, there will be a total of 604 industrial licensed establishments in Macao, of which food factories are the main component of industrial establishments in Macao, with a total of 266 establishments, accounting for 44.0% of the total number of industrial licensed establishments in Macao. According to the information from the Statistics and Census Bureau's Industrial Survey, the total revenue of the industry in 2021 amounted to \$10.39 billion, of which the total annual revenue of the manufacturing industry amounted to \$6.63 billion, of which food and beverage manufacturing was the major one, with a revenue of \$2.31 billion, accounting for 34.8% of the total revenue of the manufacturing industry [3].

People are not like machines that can work efficiently in any environment; they tend to perform at their best in environments they are familiar with and comfortable with. Therefore, if high-tech industries are retained in Macau for development, it will bring about a greater boost to the mobility of the people involved, the allocation of corporate resources, and overall confidence. To facilitate this, we need to expand the pool of science, technology, and innovation talents. This includes the gradual growth of Macau's STI team through the importation of talents and the cultivation of local talents. The talent admission system should be utilized to help research institutes and accredited science and technology enterprises bring in high-end technical talents.

3. Scarcity of local talents in Macao

Since Macao's reunification with the Motherland, there has been a shortage of talent. Up to now, the shortage of talent is still plaguing Macao, seriously hindering the development of Macao's industrial diversification. Lin pointed out that the shortage of talent makes it difficult to support the development of emerging industries in the Macao SAR. Among the 3,996 local graduates of the 2017/2018 academic year, only 28 students studied medicine, accounting for only 0.70% of all local graduates. In contrast, the number of local graduates in the tourism and recreation services category was 1,006, accounting for as much as 25.18% of the total. This shows that, compared with the pillar industry of gaming, the supply of talent in the emerging industry of medicine in the Macao SAR is small and insufficient in scale. There is only one graduate of a doctoral degree program out of 28 in the medical category, which indicates that the supply of high-level talent for emerging industries in the Macao SAR is insufficient. However, the supporting role of high-level talents is particularly important and crucial for the industry with a strong specialization in Chinese medicine [4].

Many local talents in Macao are concentrated in the gambling industry, resulting in a single industry and an unbalanced economic structure in Macao. With the advancement of the appropriate diversification of Macao's economy, the demand for skilled craftsmen and highly skilled operational talents in emerging industries has increased dramatically. Industrial diversification relies not on the amount of money but is based on the abundance or otherwise of human resources.

3.1. Macao's Talent Demand Orientation and Talent Cultivation

The goal of Macao's 2023 Talent Recruitment System (High-end Talent, Outstanding Talent, and Advanced Professionals) is to draw in top talent from around the globe to support the economy's moderate and varied growth. The program provides opportunities for all kinds of talents to develop in Macau in the long run and enjoy the same benefits as residents. This paper assumes that specialized industry distribution is necessary to enable effective work execution and quality assurance, as well as to support the varied development of Macao's industries. Sheng Li points out in his proposal on the system of admission of high-level talents that (1) it is necessary to clearly position the talents to be admitted; (2) it is necessary to improve the main entity, the admission of talents and the evaluation mechanism; (3) it is necessary to strengthen the cooperation with international large-scale enterprises and local related enterprises; (4) it is necessary to increase political lobbying and publicity to the public [5]. The Macao government also needs to consider the relationship between residents and the talents to be brought in, to prevent dissatisfaction among residents.

“Another approach to developing talent is via importation[6]”, the scholars, by comparing with Singapore's talent introduction policy, found that Singapore is almost a model of successful cultivation of talent through the introduction of foreign professionals. Talent introduction itself is not a direct way to cultivate talents, but it can indirectly promote the cultivation of talents. Through the introduction of high-quality, highly skilled personnel, new knowledge and technology are brought to an organization or region, thereby stimulating the innovation and learning drive of local talent.

3.2. Macao's demand for future talents

The implementation of Macao's policy on the admission of talent reflects the Macao Government's profound understanding of and firm determination for the long-term development of economic diversification. By establishing a better talent structure, it will provide strong support for Macao's long-term economic and social prosperity. “Specialized work is left to professionals.” High-end talents, outstanding talents, and senior professionals are indispensable, and these outstanding talents play an active role in specific industries with their outstanding abilities, promoting Macao's achievements in technological and industrial innovation. To realize the future blueprint, Macao should first clearly position the talents to be introduced. Sheng Li pointed out that “Macao's technological level is not lagging, such as traditional Chinese medicine and microchips, etc., and their research has been well received internationally. However, the problem is that the relevant talents are concentrated in research and government consultation, so the relevant technology only stays in research institutes and upstream industries and cannot be industrialized, and the combination of industry, academia, and research cannot be brought into full play, thus failing to create economic benefits and industries for the local community [7]. Macao needs to clearly define the type of talent recruitment required to ensure solid talent support for the process of appropriate diversification of the economy and sustainable social development.

3.3. Macao's treatment of imported talents

Macao has the highest and most comprehensive welfare system in Asia. Family members of admitted talents are entitled to the same welfare benefits as Macao residents, including education and medical care. Talents admitted to Macao can enjoy the advantage of Macao's low tax rate, which is lower than that of neighboring countries and regions, with the top rate of Supplementary Income Tax being only 12% and personal tax being levied only on Macao-sourced income. For talents coming to Macao for development, not only can they enjoy the same simple tax system and low tax rate as Macao residents, but they can also obtain additional tax benefits under the Legal Framework for the Admission of Talents. Their children can enjoy the educational benefits of 15 years of compulsory education in Macao, and butt international is the use of Chinese and English teaching.

4. Problems of Talent Recruitment

Since implementing the Talent Recruitment System, Macao has indeed succeeded in attracting several outstanding talents to build and develop Macao. These talents have made remarkable achievements in their respective fields. For example, most of the professors of the University of Macao come from Mainland China and even from all over the world, and they have nurtured talents for the University of Macao, which has elevated the University from an obscure university to a high-ranking institution that now has a place in the world. Through implementing this program, Macao has also demonstrated its open, inclusive, and proactive international image.

The background of the introduction of this program is, in the final analysis, the global common reasons such as the brain drain and the unbalanced development of resources. The Macao SAR Government, after a self-examination, has also summarized the existing problems in the introduction of local talent, including the lack of clear policies and guidelines for attracting talent, the lack of an open and transparent assessment mechanism, the long approval time and complicated procedures, the lack of a clear definition of the types of talents that need to be introduced and their conditions, as well

as the lack of targeted consideration of the needs of the talents' complementary needs [8]. The SAR Government's self-knowledge is very clear, and the foci listed are also very to the point.

The Talent Recruitment System of Macao has some problems at present. There are still restrictions on industries and occupations, mainly focusing on advanced new technology industries, and it is exaggerated to say that even Mr. MOK Yan, who has been awarded the Nobel Prize, may not be eligible to apply. On the other hand, the Hong Kong Specialized Talent Scheme, which is benchmarked against Macao's senior professionals, does not even adopt a points-based model, and if one gets an offer of employment from a Hong Kong company, he or she can apply for Hong Kong status.

4.1. Macao's high threshold for talent recruitment

Compared with Hong Kong, the threshold of Macao's Talent Recruitment System is quite high, and the conditions are so stringent that it can be said that most applicants are turned away. For example, in the item of annual income, in the year before application, the annual salary must reach 1.5 million Macao patacas to be able to obtain 30 points of the starting points. There is also the spouse plus points above. Hong Kong talented applicants' spouses only need to have a bachelor's degree, which can be added points, but on the Macao side of the requirements, the spouse has a master's degree and can only add 5 points [9]. Hong Kong does not set a category of talent; more emphasis is on attracting creative talents and having a list. Macao due to the single industry and economic structure, the economy is small and can carry fewer jobs, and Macao is mainly based on the tourism and gaming industry, which involves talent recruitment mechanisms closer to the local industry, such as hotel management, tourism planning, etc., the demand for talent recruitment does not seem to be as urgent as in Hong Kong.

4.2. Intense competition between imported talents and the local job market

The implementation of the Macao Talent Recruitment System has attracted many outstanding talents from home and abroad to develop in Macao. The entry of these talents has undoubtedly intensified the competition in the local job market, especially for those local job seekers whose fields of specialization are like those of the imported talents, the pressure of competition is even more obvious. According to Macao's Statistics and Census Service (DSEC), from June to August 2024, the overall unemployment rate and the unemployment rate of residents continued to remain at 1.7% and 2.3%, while the working population and the employed population of Macao increased by 300 and 400 respectively, while the number of employed residents decreased by 400 people [10]. In recent years, the excessive importation of foreign workers by the Macao government has threatened the employment and work opportunities of the locals, involved a conflict of interests and aroused the dissatisfaction and opposition sentiments of the local Macao residents. The Macao government should actively intervene to find a balance between residents and talent introduction to eliminate conflicts.

4.3. Difficulty in returning talents to Macao

The current Macao talent policy tends to focus more on talent recruitment and thus neglects the issue of talent return. The lack of space for professional development is a major obstacle to the return of Macao's talents. Many expatriate residents, especially specialists and elites, may find it difficult to find positions matching their professional backgrounds and with enough room for development when they return to Macao. "Promoting the return of talents is only one of the main modes of talent recruitment in Macao", says Sung [11]. However, Macao's relevant departments have completed studies and formulated training programs to support better the promotion of the return of talent, but not many results have been achieved so far. Macao still has a lot of challenges in the development of talent returns. Moreover, Macao has not publicized the return of talents enough, which has led to a lack of understanding of the return policy by Macao residents abroad. The Macao government should put talent recruitment and return in the same position.

5. Policy adjustments and recommendations

Although the Macao Government has put forward the idea of creating local arts and cultural excellence, upgrading the cultural industry, and further developing the cultural market in the “Development Plan for Appropriate Economic Diversification of the Macao Special Administrative Region (2024-2028),” in the areas of convention and exhibition trade and the cultural and sports industries, there are currently no official rules on the recruitment of Macao's local traditional cultural development issued by the Macao SAR's Talent Development Commission. Given the current problems of the Talent Recruitment System in Macao, the following are some suggestions for adjustment:

The Talent Recruitment System of the Macao SAR should formulate a long-term plan for talent recruitment and specify the types and numbers of talents needed for future economic development and social development to ensure that the Talent Recruitment System matches the economic development strategy of Macao. Based on the planning, it should clarify the key areas for the admission of talents, such as major health, modern finance, high technology, etc., to guide the flow of talents to these areas.

In the face of the current problems of harsh entry thresholds, competition for employment, and the return of talent, the Macao government should brainstorm and appropriately relax the application requirements for talent recruitment, such as lowering the annual income requirement and relaxing the educational requirement for spouses, to attract more outstanding talents to Macao, instead of discouraging those with excellent talents.

Flexibly set up positions for talent recruitment according to the characteristics of Macao's economy, including some positions in emerging industries related to tourism and gaming industry, to broaden the scope of talent recruitment.

Establish a fair competition mechanism in employment and promotion, break down barriers to employment, and establish a healthy competition environment for foreign and local talents to provide more development opportunities. Strengthen the training efforts for local talents to improve their comprehensive quality and innovation ability so that they can better meet the needs of Macao's economic development.

6. Summary

From the existing studies, the Macao talent recruitment policy has achieved certain results since its implementation, successfully attracting several outstanding talents to develop in Macao. However, the implementation of the policy also faces some challenges, such as the relatively weak attraction of talents, the complexity of the vetting and approval process, and the inadequacy of supporting measures. In addition, it is necessary to ensure that talent recruitment can truly integrate into Macao society and fully play its due role.

All in all, Macao's talent recruitment policy is one of the key strategies to drive the development of an appropriate diversification of the economy, aiming at solving the deep-rooted challenges facing Macao's economic and social development and ensuring that the Macao Special Administrative Region can continue to be prosperous and stable, a mission that the Macao SAR Government and all sectors of the community must take seriously and strive to fulfill. In recent years, Macao has been committed to cultivating a diversified professional workforce to meet the Government's economic development needs. In the face of emerging new opportunities and challenges, talent is the most important central resource, and this cannot be underestimated. Therefore, the safeguards for cultivating and recruiting talents must keep pace with the times and be constantly innovated and improved.

To further deepen the strategy of moderate and diversified economic development and optimize the industrial structure, it is necessary to solve the problem of shortage of talent, strengthen the cultivation and talent recruitment, and provide broader space and opportunities for the development

of talents, to form a virtuous circle between the two, and I believe that the Macao government will do even better in the future.

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