

INTERNATIONAL MIGRATION OUTLOOK—SOPEMI 2008

Management of low-skilled migration

Highlights

Contexts: OECD countries increasingly favour the immigration of highly skilled workers, but many economies also need low-skilled immigrants to tackle labour shortages. The downside, however, is that low-skilled immigration has often been associated with difficulties in social integration and with relatively weak long-term job prospects. The challenge for governments is to find ways of addressing shortages in lesser skilled jobs through migration while avoiding the problems of the past.

The role of low-skilled immigrants: Low-skilled immigrants (which is defined here as people with no more than a lower-secondary education) form an important slice of the workforce in many OECD countries. Indeed, as the education levels of native-born people rise in developed countries, immigrants are playing an ever more important role in low-skilled occupations. Their presence is particularly notable in construction, food processing, household work and in catering and hospitality.

Managed migration: In the post-war years, many OECD countries, particularly in Europe, brought in large numbers of low-skilled workers (such as the *gastarbeiter* in Germany). However, this practice was substantially scaled down and indeed sometimes ended with the oil crisis of the early 1970s. Where they exist today, programmes to bring in low-skilled workers are employer-driven, and entry to a country is usually contingent upon an immigrant having a job offer. Such immigration falls into two main categories:

- **Temporary:** Temporary immigration is large and growing. In 2006, just under 2.5 million temporary immigrants arrived in OECD countries, with most workers expected to spend less than a year in the country and most involving “low-risk” movements, such as working holiday makers or persons moving in the context of free movement regimes, such as within the European Union. Several questions arise in designing programmes for temporary migration for non-OECD workers:

- **Will migrants return home?** Several approaches are used to ensure that workers return home at the end of their contracts, including asking employers to post bonds and allowing employers to rehire seasonal workers who have worked for them in the past.

- **Working and living conditions.** Temporary workers may be at risk of being exploited: They tend to live in on-site housing, are rarely unionised and may have limited protection under labour laws.

- **Permanent:** Over the past decade, an increasing number of OECD countries have recognised the problems employers face in trying to satisfy permanent needs with temporary immigrants. They have responded by allowing businesses to hire workers from overseas on renewable permits (effectively opening the way to permanent stays). Such programmes often share the following characteristics:

- **Labour markets tests:** Vacancies must be filled locally before they are opened to foreign hires.

- **Shortage lists:** National or regional governments compile “hard to fill” job lists. Where employers are trying to fill such vacancies, they may be allowed to speed up the recruitment process or exempted from certain labour market tests.
- **Caps:** To provide additional protection to local workers, there may be caps or limits on overseas hiring.

Hiring channels: In both temporary and permanent migration, the question of how workers are identified and recruited is an important one. In a number of countries, the high costs facing employers have encouraged governments and non-profit organisations to become involved in the recruitment process.

Irregular migration: Although established programmes are going some way to meeting employers’ needs, the continued existence of irregular immigration suggests that there is still a very large unmet demand for low-skilled workers in many OECD countries.

Conclusions: Demand for low-skilled migration—both permanent and temporary—is likely to continue. Based on a review of current arrangements in OECD countries, programmes that aim to meet these needs are more likely to succeed if they

- ... are based on an accurate assessment of labour market needs;
- ... minimise red tape and delays;
- ... take into account the needs of employers and employees, both local and foreign;
- ...find ways to minimise recruitment and logistical costs;
- and
- ... recognise the reality that temporary migration is not always the best response to permanent labour-market needs.

Find out more ...

To find out more about the management of low-skilled migration, see the special chapter (Part II) of the International Migration Outlook—SOPEMI 2008, from the OECD.