

Executive Summary

This report is an expedition into a subject area on which surprisingly little work has been conducted to date, namely the future of global migration. It is an exploration of the future, but not a forecast. World migration patterns in the next 20 years or so will be shaped by many different, very powerful forces – economic, geopolitical, social, technological and environmental – all of which carry within them significant levels of uncertainty. It is therefore impossible and indeed inappropriate to develop a single view of what the world might look like in 2030.

For policy makers and decision makers more generally, it is much more useful to reflect on how the key drivers behind migration might develop in the coming years, what the most important underlying uncertainties are, and how they might combine to create a range of different possible long-term futures. These insights can then be used to test and challenge current thinking and help develop a robust range of policy options to address the different possible futures that may unfold. With this in mind, the “Future of International Migration to OECD Countries” project focused on compiling relevant future-oriented data and analysis around the key drivers and uncertainties underlying international migration trends, and on developing a range of scenarios that could prove useful to decision makers in considering the kind of strategies they might require to address the migration issues of the future.

In past decades, migrants have been moving for all kinds of reasons. The developed countries of the world, with their high incomes, significant employment potential, and generally well developed education and welfare systems, have seen considerable movement of migrants among their own countries, but increasingly they also exert a considerable attraction on people in the developing world seeking to improve their lot in life. Many developing regions, for their part, offer their citizens poor and often dangerous living conditions which induce them to leave their home country in search of better opportunities elsewhere. Whether they actually succeed in migrating then depends on the immigration policy practised by the receiving country. It is this complex interplay of economic, demographic, social and political factors which will ultimately determine the scale and direction of global migration flows in the next decades. So how will these various factors evolve in the future and how are they likely to affect migratory movements?

From developments in OECD countries attracting future migration flows...

A useful starting point is the OECD area because it is here that the analytical base and data sets with respect to economic and social developments are strongest, and where projections and foresight studies are most advanced. In addition to the higher standard of living in OECD countries, the ageing process in OECD countries, generated by slowing population growth and changing age pyramids, constitutes a powerful pull for migrants from the developing world. There will be latent demand to replace the declining numbers of young workers, replenish retirement funds and raise productivity, as well as latent demand for caregivers to look after the elderly. A primary offset to ageing and population decline could of course stem from increasing participation of women and elderly workers. Indeed, projections suggest that for the majority of the most developed OECD countries, increasing female participation will have a substantial positive impact on the size of the future workforce, even if in those countries with lower female participation rates (such as Korea, Japan, Southern Europe, Mexico) it will remain lower than average in the future. On the tertiary education front, two countervailing trends are at work in most OECD countries. On one side, many countries are attempting to attract more foreign students with a view to complementing the domestic decline in college-age youth, benefiting their education systems and integrating them more permanently into the workforce. On the other, the proportion of young people attending a tertiary education establishment is increasing, to such an extent that it could counterbalance population decline in the same age group. Projected increases in domestic tertiary education output are considerable and are likely to lead to reduced demand for highly skilled immigrants in some countries. And on the health front, there is a strong presumption that there are likely to be widespread shortages of healthcare workers in OECD countries in the coming years, generating latent demand for appropriately trained migrant personnel.

How might these various “pull” factors play out in the aggregate? They impact primarily on the level of migration and its composition. While economic differentials and demographic change act as attractors on future migrants more or less at all skill levels, domestic production of highly educated people may tend to attenuate the future demand for skilled immigrants, not least in the health sector. Countries that today depend largely on other developed countries for their migrant workforce are in future likely to turn increasingly to the developing countries to meet such needs, thereby fuelling keener global competition in the knowledge economy. In conclusion, as long as migrants are not actively prevented from doing so, they will continue to arrive in OECD countries. This presupposes that the potential pool of migrants will continue to increase and/or is significantly bigger than today’s pool of migrants. Even

constant rates of emigration should lead to rising numbers of migrants and, in turn, increasing rates of immigration. So which factors will determine those emigration trends from non-OECD countries?

... to factors driving emigration from non-OECD countries...

Changes in the economic situation of developing countries are a key determinant of migration. At aggregate level, it is the income differential between developing and developed country that is important. Although overall projections of GDP growth to 2030 show growth rates in the developing world outstripping those of developed economies, per capita income trends show significant regional differences, reflecting in part continuing population pressures in some areas of the world. The Middle East, North Africa, Sub-Saharan Africa, Latin America and the Caribbean are not expected to make very much progress over the coming years in closing the per capita income gap with the OECD countries, suggesting that out-migration pressures from these regions are likely to persist for quite some time. However, it is far from clear that OECD countries will be the principal destinations. Per capita incomes in East Asia and the Pacific, for example, will most probably continue to rise, thereby strengthening the likelihood that at least some migratory flows will be diverted to such catch-up regions.

Demographic and social developments in sending countries will also play a key role in the future. The younger the population, the bigger the share of the population liable to emigrate. Projections suggest that, in terms of migration pressure, South East Asia and Africa will face big increases in youth populations; other regions such as China, Latin America and the Caribbean will experience population ageing which will lessen the incentives to migrate internationally; and other regions such as Eastern Europe will see their populations ageing and diminishing in numbers. Moreover, the supply of education will be increasing in most non-OECD countries, often in a very significant manner. Higher education enrolment scenarios to 2030 indicate that enrolments in tertiary education will increase in all non-OECD regions. The increase will be particularly strong in South Asia, where rates could triple, and in China and Latin America where they could roughly double. There could also be significant increases in Sub-Saharan Africa, North Africa and the Middle East, albeit from a much smaller base figure. In terms of the impact on future migrations flows, the effect could prove double-edged. On the one hand, the poor quality of education institutions in many non-OECD countries can serve to encourage out-migration, and the quantitative and qualitative improvements in educational infrastructure in future would no doubt reduce such an incentive for some. But on the other hand, an increasing education supply can also serve to encourage brain drain.

With respect to “diaspora” or network effects, two trends are likely to stand out. In sending countries where networks with OECD countries are already well established, their impact on outward migration is set to remain strong. In contrast, where networks have still to be developed, migration effects will take some time to feed through. A differentiated picture also emerges with respect to the impact of environmental factors on future migration movements. While it is generally accepted that natural disasters and chronic environmental degradation due to climate change will lead to population movements, the magnitude and direction of those movements is far from certain. The presumption at present is that environmentally induced population displacements in emerging and developing countries are most likely to lead to movements within the country or region rather than to permanent migration towards OECD countries. And finally, while projecting geopolitical and political stability factors into the longer term future tends to be a particularly hazardous exercise, it would seem that, in a short-to-medium term perspective, political stability will remain a major concern for a number of countries and regions, with at least some migration flows into neighbouring OECD countries to be expected.

In sum, then, a combination of economic, demographic, social, environmental and political factors are at work which, on balance, is likely to see a continuing build-up of migratory pressures in non-OECD regions. Whether strong migration flows actually materialize depends of course on the migration policies in place in the destination countries.

... to a range of possible global migration scenarios for the future

Combining the various pull and push forces prevailing in OECD and non-OECD countries should provide some important indications of how global migration flows are likely to evolve through to 2030. Given the uncertainties in all of the areas driving future migration patterns – demographic, economic, geopolitical, social, technological, environmental etc. – it is not possible to predict the future; but it is useful to develop a range of possible futures. These can be captured through scenarios. The starting point for the scenarios was the identification of two main forces expected to have most influence in shaping international migration futures. The choice fell on the level of growth in OECD economies and the level of social development in non-OECD countries. Four sets of key parameters were also identified: a range of social, economic and political descriptors; the leading “pull” factors attracting migrants to OECD countries; the leading “push” factors driving people to leave their home country; and so-called “wild cards” or low-probability, high-impact events. Finally, nine underlying patterns of change were made out: demographic shifts, the changing economic landscape, political complexity, expanding business agendas, science-led innovation and growth, an ageing society, talent shortages, global internet expansion, and environmental risks.

These different components were integrated into five scenarios. *Progress for All* is based on the hypothesis that growth and development have delivered advancement in social welfare across the planet. There is strong demand and intense competition for skilled and unskilled labour across the OECD and developing economies and a high circular flow of migrants results, particularly among skilled labour. *OECD Long Boom* posits that strong innovation-fuelled growth is not matched by the BRICs who are beset by internal challenges. However, many other developing nations achieve advancement. There is strong demand for skilled and unskilled migrants from the OECD but there is less competition for talent from non-OECD countries. *Uneven Progress* suggests that while the OECD and BRIC countries continue to develop, the gap with emerging nations and LDCs grows. There is intense competition between nations in these groupings, particularly for skilled migrants. In *Globalisation Falters*, a series of global economic slowdowns dramatically reduce demand for all but the most specialist of skilled labour. Finally, *Decoupled Destinies* describes a decoupling as OECD nations struggle with the increasing cost of recovery from a series of punishing downturns. The developing nations however are propelled by an influx of long-term investment capital. While there is low demand for specialist skills in the OECD, opportunity improves both domestically and in other developing nations across the non-OECD universe.

What stands out is that, in all of these scenarios, demand for migrants persists through the coming years, albeit at different levels. This is overwhelmingly the case with OECD countries (largely explained by the requirements of ageing populations and older, shrinking workforces) and applies in several of the scenarios also to the BRICs and other emerging economies.

Overall findings...

The main, global-level findings of the project can be summed up briefly as follows:

- Worldwide, migration flows are very likely to rise or at least remain constant over the next twenty years or so much in line - on aggregate – with trends of the last 30 years.
- In many non-OECD regions, a set of economic, demographic, social, environmental and political factors are producing a combination which, on balance, is likely to underpin a continuing build-up of migratory pressures.
- The broad expectation is that demand for migration into the OECD area is likely to rise or at least stay constant, especially, perhaps, in those OECD countries in which population ageing and economic attractiveness make for a powerful combination of pull factors.

- It is expected that global competition for labour will intensify, notably for top talent, highly qualified and semi-skilled individuals -- and perhaps even for unskilled workers.
- In an increasingly multi-polar world, political stability will remain a major concern for a good number of countries and regions; coupled with an increasingly disruptive impact on the environment from climate change, it is to be expected that there will be an upward trend in migrants seeking to cross borders in search of less risk-laden locations. It is uncertain, however, what share of such migrants will head to OECD member states as their preferred destination and how many of those will gain entry.
- The findings reconfirm, depending of course on migration policies, that migration flows to OECD countries are unlikely to be sufficient to offset the economic effects of population ageing and decline.

... and policy challenges for OECD governments

There are a range of policy challenges OECD governments can expect to have to address in the coming twenty years or so. Circumstances will of course vary from OECD country to OECD country and will depend on which particular future materialises. But some issues identified over the course of the project stand out as challenges that will very likely prove common to a good number of OECD governments under most future settings. Among the “top-level” challenges will be the need for governments to:

- Adjust their policies to a global labour market context in which they may find themselves in increasingly intense competition with other OECD countries and emerging economies for knowledge workers, as all seek to maintain and improve productivity levels;
- Consider how in a globally more competitive environment they can put in place measures to maintain academic excellence, retain top talent, and dissuade businesses from moving both their investment and top quality human resources abroad;
- Address growing concerns voiced by developing countries about “cherry-picking” of their best talent and “brain drain” to OECD and BRIC countries even where, as seems to be the case, labour migration is becoming increasingly employer-driven;
- Think through more systematically the ripple effects of large-scale immigration on such key areas as labour markets (*e.g.* impact on wages and salaries) and local communities (*e.g.* implications for housing, health care provision and schooling);

- Strike a viable balance in demonstrating and communicating to their citizens the need for continued or increased immigration across the full range of skilled and unskilled labour while at the same time ensuring that appropriate policies for the monitoring and control of migration and integration of immigrants are in place;
- Devise ways to encourage educational institutions in OECD countries to develop and expand education and training capacities to help migrants adjust, integrate and upgrade their skills, for example outreach and university marketing programmes targeted specifically at foreign students, language training, and curricula tailored to foreign students' needs;
- Increase opportunities for migrant students to work so as to help finance their studies and gain specific, host-country work experience, and facilitate the transition from student to worker with a view to retaining students after graduation;
- Facilitate the establishment of educational and training programmes and campuses in developing world locations so that students may obtain the appropriate qualifications which heighten their job chances on the home labour market and increase their chances of finding work in OECD countries;
- Determine the right balance among domestic retirement age, female participation, permanent immigration and temporary immigration, in order to redress peaks and troughs of domestic skill supplies;
- Respond constructively to sympathetic public sentiment towards in particular poor migrants fleeing areas affected by political/military conflict or severe environmental damage, especially in the light of existing international agreements governing refugees.

One of the objectives of the project on The Future of International Migration to OECD Countries was to identify broad policy issues and not to explore the full range of specific measures that would need to be implemented in order to address them. For national and regional policy makers the challenge is now to review each of the scenarios, assess the local implications for the strengths and weaknesses of the push and pull factors, determine the critical areas of likely demand for each skill level, and consider a range of appropriate policy options.