

Addressing the Present, Preparing the Future

Not long ago, many OECD countries were looking to labour migration as one way to address labour shortages and the expected declines in the working-age population as a result of ageing. This was to be the new age of labour migration. High levels of migration were being recorded in the new migration countries of southern Europe and more widely, in the European Economic Area, following EU enlargement. At the same time, the traditional settlement countries (Australia, Canada, New Zealand and the United States) were also seeing their highest immigration levels in recent decades.

The economic crisis, however, has put a brake on these recent trends. OECD countries now find themselves in the deepest economic downturn since the Great Depression. Latest projections show GDP plummeting by an average of 4.3 percent in the OECD area in 2009; by the end of 2010, unemployment rates in many countries could reach double-digit levels for the first time since the early 1990s.

The drop of economic activity is affecting local and migrant workers, but the latter are more vulnerable. Indeed, immigrant populations in OECD countries are feeling the full force of the downturn. Employers are often more reluctant to hire immigrants and more ready to fire them. And, with rising unemployment, there is more competition for jobs from local workers. As a result, unemployment rates among immigrants have risen more than among native-born workers. Additionally, the environment for migration policies is getting tougher. Numerical limits and lists of occupations in shortage have been reduced and employment tests are being applied more strictly. Programmes to encourage immigrants to return to their home countries have been introduced and measures to combat irregular migration reinforced.

However, not all labour shortages disappear during a downturn, nor do family and humanitarian migration come to a standstill. Some labour migration will continue to be needed. Migration is not a tap that can be turned on and off at will. In tackling the jobs crisis, governments need to make sure that immigrants do not fall prey to increasing xenophobia and that discriminatory practices do not worsen an already difficult situation for them. Integration programmes need to be maintained, if not strengthened. Equality of opportunity is not a principle to be applied only during good times.

With the onset of economic recovery, which may take some time, the pressures in the labour market will reassert themselves and international migration flows are likely to rebound as part of the solution to addressing these. International migration will remain a prominent feature of the global economy. And the difficulties in managing it that were present before the downturn will still remain to be tackled. That is why governments that have factored in longer term issues in addressing the recession will be in a better position to mobilise labour migration and the skills of immigrants in support of renewed growth and prosperity. Among other things, this means a migration system that can respond efficiently to labour market needs, can reduce irregular migration and employment – or redirect it into legal channels –, and can ensure better outcomes for new immigrants and for their children.

This year's edition of the *International Migration Outlook* presents a road map for managing labour migration to achieve these goals. It will be discussed, in Paris, at the first-ever OECD High-Level Policy Forum on international migration at the end of June. The road map rests on five key observations:

- First, labour needs exist at all skill levels and the failure to acknowledge this has contributed to a climate in which irregular migration and employment have found fertile ground. The large wage differences between origin and destination countries are clearly the major drawing card for immigrants, but the ability to find employment, generally in low-to-medium-skilled jobs, makes irregular stay possible. Migration regimes thus need to address the issue of the recruitment of lesser skilled immigrants, so that legal channels can replace off-the-street hiring of irregular immigrants by employers.
- Second, many labour needs in OECD countries in the future will be of a long-term nature. It is therefore illusory to believe that such needs can be filled through temporary migration. Indeed, many migrants do not have a preference for temporary migration. Governments therefore need to plan in terms of long-term migration and effective integration strategies for immigrants and their families.
- Third, managing labour migration necessarily involves a greater role for national stakeholders, in particular employers, in identifying and selecting potential immigrants. It also involves incentives for both employers and immigrants to follow the rules, and safeguards to protect immigrant as well as native-born workers. In countries where irregular migrants have become especially numerous and visible, there are few alternatives to large-scale regularisations. Such regularisations, however, should not be carried out without ensuring, in parallel, that the policies which have favoured the development of large irregular migrant populations are corrected.
- Fourth, managing labour migration is not incompatible with measures that provide benefits for origin countries so as to minimise fears of a brain drain. Among these are facilitating remittances, encouraging diaspora involvement in development efforts, removing obstacles to return migration, fostering increased international student enrolment and funding pre-migration training in origin countries.
- The fifth and final observation is that the premium on developing and implementing successful labour market integration strategies for migrants and their children remains as high as ever.

We should aim for a world in which immigrants, as a group, have favorable labour and integration outcomes as opposed to one in which many are unemployed and perceived as a drain on public budgets. This can be achieved with the right policies. As economic recovery takes place, international migration can be expected to increase again. To be able to benefit from it, the right policies to oversee and manage the process have to be in place. Now is the time to prepare that future.



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