



GROWING FREE LABOUR MOBILITY AREAS AND TRENDS IN INTERNATIONAL MIGRATION

Conference jointly organised by the European Commission and the OECD

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Hotel Crowne Plaza

Rue Gineste 3, 1210 Brussels

Opening remarks by John P. Martin

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Mr. Richelle, Mr. Manservisi, Ladies and Gentlemen,

It is a great pleasure for me to welcome you all on behalf of the OECD to the joint EC/OECD conference on *Growing free labour mobility areas and trends in international migration*. We are very pleased to continue our fruitful and longstanding co-operation with the European Commission in the field of international migration with this conference. It has almost become a welcome tradition to have an EC/OECD joint conference on migration issues in Brussels at this time of the year.

This year's conference is part of a three-year joint project involving DG Employment, Social Affairs and Inclusion of the European Commission and the OECD, addressing the issue of *Matching economic migration with labour market needs*. One key aspect of this concerns free mobility of labour within specific geographic areas or trading blocs. The objective of this conference is to look at the development of free mobility across EU countries as well as in non-European OECD countries, with the aim of identifying the role which this form of migration could play to address labour and skill shortages that are expected to arise in the EU and in other OECD countries over the next decade.

Since the second half of the 20th century, free labour mobility areas have expanded widely, in particular in the context of the development of regional economic integration processes. The gradual enlargements of the EU and EEA free-movement areas are the most significant illustrations of this evolution, both with regards to the number of countries involved and in terms of the extent of the facilitation granted to members' countries nationals in entering the labour markets of other participating countries. Nevertheless, several other examples of free-movement zones exist across OECD countries, such as the Trans-Tasman Travel Arrangement between Australia and New Zealand, free labour mobility between Switzerland and the EEA countries, the Nordic Common Labour Market, and the MERCOSUR Free Movement and Residence Agreement, in which Chile, a recent OECD member, participates as an associated state. Also in this category, although at a significantly lower degree of liberalisation, is the facilitated labour migration for certain categories of nationals of Canada, Mexico and the United States in the context of the North American Free Trade Agreement. Note that we are focusing here on migrants who move to work for an enterprise based in the destination country, as opposed to

cross-border labour supply, in which the migrants move to the destination country, usually temporarily in connection with the provision of labour services, but remain employed by the enterprises in the country of origin (an example of Mode 4 service provision in the GATS terminology).

According to OECD standardized statistics on permanent migration published in the latest editions of our International Migration Outlook, on average, free-movement migration accounted for almost a quarter of all permanent-type migration flows across OECD countries in the period 2007-2009. Within the European Economic Area, it accounted for about 47% of all permanent movements in 2007, but fell sharply to 37% in 2009 as the recent economic downturn put a sharp brake on such flows.

Free labour mobility involves a rather special kind of labour migration, in which workers can pretty much come and go between their home and host countries as they please and make choices involving their economic self-interest without any of the usual constraints imposed on real or potential migrants by the receiving state. What then is the scale, nature and composition of international flows of free-mobility workers as opposed to those originating from countries subject to regulation of migration inflows? This is the object of this morning's discussion, and here the recent expansion of the European Union provides an interesting case study, touching among other things on the role which free mobility plays (or has played) in the labour markets of the different EU member states and how it is affected by the recent economic downturn and on-going legacy of high and persistent unemployment. One central question of interest is the extent to which free labour mobility has accompanied economic growth in particular regions of the European Union during the expansion over the past decade, but also whether it has acted as an adjustment mechanism following the onset of the downturn. Is there any evidence that free-mobility migration has declined or that free-mobility migrants have opted to leave hard-hit labour markets in favour of those which were less affected by the crisis or have chosen to return to their countries of origin?

With this as essential background, this afternoon's session will look into some country examples regarding the labour market impact of EU free labour mobility on the main destination as well as

origin countries. Tomorrow morning, we will see an overview of the consequences of the development of EU free movement on employment and skill matches.

Even if there are no direct controls on free-mobility inflows, there are indirect impacts stemming from the role of the regulatory framework more broadly. This means extending the focus from migration policy measures to other policy measures – such as those in the field of the coordination of social security schemes, and the recognition of foreign qualifications – both of which can play a role in removing obstacles to labour mobility within free-mobility areas.

The final session tomorrow will look at the long-term perspectives for matching labour demand and supply in the EU, assessing the relative roles of education, activation and migration policies in addressing future labour needs.

This is a very rich programme and the fact that you are all here today is a testimony to the importance of the issues which we will be discussing over the next two days.

In concluding, I would like to thank the European Commission, and in particular the Directorate General for Employment, Social Affairs and Inclusion, for the excellent co-operation in the preparation of this joint seminar. I look forward to interesting discussions and debates.

Thank you for your attention.