International migration is a central policy priority in OECD member countries. This annual publication analyses recent developments in migration movements and policies in these countries. It underlines the growing importance of inflows of highly qualified workers, temporary workers and students. It also highlights the increased migration flows in areas of free movement, principally in Europe. This edition focuses on the employment situation of immigrants and their contribution to changes in total employment in OECD countries. For the first time, this report presents a “scoreboard” of labour market integration of immigrants, as well as an analysis of wage differentials between immigrants and the native-born.

This publication also explores the main changes introduced in migration policies, including new laws governing immigrant entry, stay and access to the labour market. The selective recruitment of immigrants according to labour market needs is described as well as measures to facilitate the integration of immigrants. International cooperation to improve border control and to combat irregular migration is analysed in detail.
Permanent-type legal immigration of foreign nationals (about four million) continued to increase in 2006, an increase of about 5% relative to 2005, a slowdown compared to recent years. There were large increases in inflows in the United States, Korea and Spain. The largest proportional increases occurred in Portugal, Sweden, Ireland and Denmark, while declines were evident especially in Austria and Germany. Over 2.5 million temporary labour migrants arrived in OECD countries, but temporary migration is increasing more slowly than permanent-type migration.

...notably in family migration and migration for employment...

Family migration continues to dominate among the inflows of permanent-type immigrants, except in Japan. Family migration remains important in the United States (70%) whose migration regime is heavily family-based, and in France (60%), and has become important in Portugal, with the arrival of family members of recent labour migrants, many from the Ukraine. Many European countries, among them Italy, Ireland, Spain and the United Kingdom appear as important labour migration countries, with some 30 to 40% of permanent-type immigrants arriving for work-related reasons. Free-movement migration is proportionally important in Europe. In Austria, Belgium, Denmark and Germany, such movements account for almost half of permanent-type migration and in Switzerland close to 70%, while in France, Italy and Portugal they are much more limited in scope (less than 20%). The United Kingdom, for example, is satisfying most of its lesser skilled labour needs through free-movement migration.

...while, the number of asylum seekers continues to decline

Asylum seeking in OECD countries declined for the fourth consecutive year in 2006. The United States was the largest receiving countries at 41,000, with Canada, France and Germany and the United Kingdom all falling in the 20,000 to 30,000 range. Sweden, Austria and Switzerland, are the main receiving countries, in per-capita terms. Iraq, followed by Serbia and Montenegro are the most important countries of origin.
There are increasing inflows of international students

Overall the number of international students increased by about 50% from 2000 to 2005, with the United States and the United Kingdom each showing an increase in 120 000 students, France of about 100 000 and Australia of close to 85 000. Strong percentage increases have occurred in New Zealand, the Czech Republic, Japan, Korea and the Netherlands. Although international students are a potential source of highly skilled labour migrants for OECD countries, there is no systematic data as yet on stay rates after completion of study.

European migrants are far more common in Europe, but Asian migrants outside of Europe

In 2006, 60% of immigrant inflows in Europe were of European origin whereas movements from Asia to OECD countries outside of Europe accounted for almost 50% of total flows to that area. Latin American inflows into non-European OECD countries reflect largely the high inflows of Mexican nationals to the United States. The growing importance of Latin American migration to Portugal and Spain is evident. Although Europe is the destination for about 85% of movements from North Africa, about 60% of those from sub-Saharan Africa are to OECD countries outside Europe. Likewise, South Asia sent four times more, and East and Southeast Asia six to seven times more immigrants to OECD non-European countries than to European ones.

China accounts for almost 11 percent of the flows, Poland and Romania less than half this

The top twenty countries of origin in terms of inflows accounted for fully 60% of all inflows in 2006, with China, Poland, and Romania at the top of the list. Bolivia, Romania and Poland have seen the largest increase over the six years ending in 2006. Turkey, the Russian Federation and the Philippines, on the other hand, have seen moderate declines in inflows since the year 2000. Compared to movements over the past ten years, large increases in German and Polish migration flows to other OECD countries were registered in 2006. The increases in emigration from Germany is essentially to neighbouring countries, in particular Poland, Austria, Switzerland, the Netherlands and Denmark. Immigration from Poland increased in Sweden, Belgium, The Netherlands, Norway, Denmark and Germany.
Migration flows from potential new OECD members and from enhanced engagement countries account for a sixth of all immigration flows to the OECD

In May 2007, OECD countries agreed to invite Chile, Estonia, Israel, Russia and Slovenia to open discussions for membership in the Organisation and offered enhanced engagement, with a view to possible membership to Brazil, China, India, Indonesia and South Africa. The flows from these 10 countries to the OECD currently account for a sixth of all immigration flows to the OECD in 2006, but only some 10% of all immigrants, with China and India each having about 2 million former residents in OECD countries.

The foreign-born population have increased by about 18% since the year 2000.

The foreign-born population in 2006 accounted for about 12% of the total population in OECD countries for which data are available, an increase of 18% to 2000. Certain countries have seen very high rates of increase in the immigrant share of the population since the year 2000, in particular Ireland, Finland, Austria and Spain.

The report focuses on the contribution of immigrants to the labour market in OECD countries

In 2006, persons born abroad represented a significant portion of the workforce and the employed population in OECD countries, although important variations exist among host countries. In Finland, immigrants account for less than 3% of total employment, in contrast this figure is as high as 25% or more in Australia, Switzerland and New Zealand. The increase of immigrants share in total employment was particularly notable in Spain, Ireland and Italy.

In most OECD countries, both immigrants, men and women, earn significantly less than their native born counterparts...

Immigrants earn less than the native-born, with the exception of Australia. Wages of immigrants are low compared to the native-born in the United States –median immigrant earnings being about 20% less than for the native-born and 15% less in the Netherlands. The immigrant/native wage gap tends to be smaller than the gender wage gap.
There are several indications that the labour market seems to strongly value host country qualifications and experience, measured by years of residence. In addition, immigrants from non-OECD countries have significantly lower earnings. By contrast, immigrants who have naturalised earn more – even after controlling for duration of residence.

Without new major perturbations in flows in 2006-07, many OECD member countries, such as France, Hungary, Romania and the United Kingdom, decided to introduce substantial structural changes in their migration policies. Some of the legislative or operational changes represent the continuation or completion of unfinished business, others are new initiatives (Canada, Finland, Japan, Norway, Poland and Portugal).

Among OECD countries, competition is high to attract and retain the highly-skilled but labour market shortages are also appearing in many lesser skilled jobs. The demand for workers for low-skilled jobs has been met partly through migration. The management of low skilled labour migration is a challenging issue in OECD countries. The primary concern regards the long-term employability of lesser skilled migrants and their integration in host countries. Temporary work programmes for immigrants are currently implemented in many OECD countries. The growing importance of temporary migration has created growing and renewed interest in return migration and its impact on the development of sending countries.

Migration of the lesser skilled is taking place, both through managed migration schemes and through unmanaged (i.e. irregular) migration. This chapter analyses the presence and the role of low-skilled workers in the labour forces of OECD countries, as well as recruitment strategies for such workers. There is considerable experience in many countries with the management of low-skilled labour migration, and a number of temporary migration schemes appear to be working well. However, the persistence of unauthorised
movements and of illegal employment of immigrants, suggests that existing policies are not entirely adequate. A careful assessment of labour market demand at regular intervals would appear to be the first essential element of a labour migration programme, in order to ensure that there is an adequate provision of work permits and of entry possibilities to satisfy the labour market needs of the host countries. Due to the employment-driven nature of low skilled migration programmes and the fact that permits are often tied to specific jobs, there exists the possibility of abuse, highlighting the need for careful monitoring and inspection regimes to guarantee respect for workers’ rights, but also to provide employers with incentives to respect legality. Finally, temporary migration programmes for permanent or ongoing needs may be problematic question, since all parties have an interest in preserving the employment relationship.

...and the second chapter presents a new perspective on return migration

What is the scope and nature of return migration? Which immigrants are more likely to return home? Why do some migrants settle permanently in the host country, while others choose to stay only a short time? What role should immigration policies play in this respect? Can return migration be well managed? Finally, what is its impact on the economic development of the home country? This chapter is an attempt to provide some answers to these questions. An initial finding is that return migration is a major component of migration flows. Return migration is concentrated at the extremities of the lifecycle. The characteristics of integration in the host country have an ambiguous impact on the propensity to return. Migrants plan their migration pathway, and their return, in light of their individual and family objectives, but they also take account of opportunities in the home countries. In this context, it is important to take advantage of all the ways in which migrants can contribute to the development of their home country, without necessarily making return a precondition. Engaging the diasporas, through virtual or temporary returns, can also promote the transfer of skills and technologies. This will serve to reinforce ties with the home country, which for some will facilitate their reintegration if they return. Return migration can in this way support, if not actually initiate, the development process.

The full report can be accessed on www.oecd.org/els/migration/imo

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