

B. IMMIGRANTS AND THE LABOUR MARKET

The second half of 2001 was marked by a turnaround in activity in the majority of OECD countries, ending a period of strong growth that had begun in the first half of the 1990s. In contrast with what had been observed during the previous expansionary phase, and particularly in a number of European OECD countries, economic growth was accompanied during the second half of the 1990s by a sharp increase in job creation. Between 1993 and 2000, more than 40 million jobs were created in the OECD member countries as a whole, while the average rate of unemployment fell by more than 1.5 points from 7.9 to 6.3% over the entire period. That trend was even more noticeable in the European Union, where the unemployment rate fell by over 27% between 1993 and 2001. Because of the economic slowdown, employment growth was however appreciably slower in 2001, reaching just 0.4% in the OECD area.

In a number of OECD countries, however, labour markets are still affected by major imbalances involving, in particular, a high level of structural unemployment, persisting long-term unemployment and the scale of youth unemployment. Even, moreover, in countries where significant progress has been made in recent years, there are still large pockets of non-activity. Employment rates among elderly workers and the unskilled, in particular, are often still low, while in several OECD countries women are continuing to experience difficulty in entering the labour market (see *Employment Outlook*, OECD, 2002), as are foreign and immigrant workers. Even so, under the combined effect of the upturn in immigration flows for employment purposes and demographic forces, immigrants are accounting for a growing share of the total labour force.

I. The contribution of foreigners to the labour force is increasing

Over the last five years, the number of foreign and immigrant workers has increased in the majority

of OECD countries, and especially in the countries of southern Europe, Japan and Korea, as well as in certain Nordic countries (see Table I.13). Only in Germany and Switzerland did the foreign labour force diminish over the period in question. In 2000, the number of foreign-born members of the labour force was particularly large in the United States (some 17.4 million) and, to a lesser extent, in Canada (2.8 million in 1996) and Australia (2.4 million). In Germany, there are nearly 3.4 million foreign workers, compared to 1.6 million in France and 1.2 million in the United Kingdom.

Classified according to the proportion of foreigners in the total labour force, four groups of countries, of comparable size, could be distinguished in 2000. The first group was made up of countries in which the proportion exceeded 10%, and comprised Luxembourg, the United States, Australia, Canada and Switzerland. The second group consisted mainly of former European immigration countries such as Austria, Germany, Belgium, France, the United Kingdom and Sweden. In these countries, foreign labour accounted for between 4 and 10% of the labour force. A third group of countries, where foreign workers accounted for between 3 and 4% of the labour force, was made up mainly of countries where immigration was more recent and was rising steeply; these included Greece, Ireland, Italy and Norway, while the Netherlands could also be put in this group. In a final group of countries, foreign workers were particularly few in number (less than 3% of the labour force). This group included Japan and Korea, and also Spain, Portugal, Hungary, the Czech Republic, the Slovak Republic, Denmark and Finland. Despite these differences in level, the share of foreign workers has grown over the last five years in all the OECD countries, with the exception of Germany, France, the Netherlands and Switzerland.

On the whole, this classification mirrors the share of foreigners in the total population, with a few differences due to the relative importance of the family component in migration flows across countries. Allowance has, however, to be made for temporary immigration for employment purposes, which varies significantly across countries and is tending to increase more rapidly than permanent immigration by foreign workers (see *above*). Assessments differ markedly, moreover, in a number of countries, especially the countries of southern and central Europe, according to the statistical sources used (work permits, employment surveys or population census).

Table I.13. **Foreign or foreign-born labour force in selected OECD countries, 1995 and 2000**
Thousands and percentages

	Foreign labour force				Source data
	Thousands		% of total labour force		
	1995	2000	1995	2000	
Austria	366	377	9.7	9.8	LFS
Belgium	327	366	7.9	8.4	LFS
Czech Republic	..	28	..	0.5	LFS
Denmark	54	78	2.0	2.8	LFS
Finland	18	34	0.8	1.3	LFS
France	1 566	1 571	6.3	6.1	LFS
Germany	3 505	3 429	9.1	8.8	LFS
Greece	71	163	1.7	3.8	LFS
Hungary	21	30	0.5	0.7	WP
Ireland	42	60	3.0	3.5	LFS
Italy	100	246	0.5	1.1	LFS
Japan ¹	88	155	0.1	0.2	WP
Korea	52	123	0.3	0.6	R
Luxembourg ²	65	77	39.1	42.0	LFS
Netherlands	281	298	3.9	3.7	LFS
Norway	59	75	2.7	3.2	LFS
Portugal	21	104	0.5	2.2	LFS
Slovak Republic	4	4	0.2	0.2	WP
Spain	121	227	0.8	1.4	LFS
Sweden	186	205	4.2	4.8	LFS
Switzerland	729	717	18.6	18.3	WP
United Kingdom	1 011	1 220	3.6	4.2	LFS
Foreign-born labour force					
	Thousands		% of total labour force		Source data
	1995	2000	1995	2000	
	Australia	2 139	2 365	23.9	
Canada (1996)	2 839	..	19.2	..	C
United States	14 083	17 384	10.8	12.4	LFS

Note: Data based on Labour force surveys cover labour force aged 15 to 64 with the exception of Australia (labour force aged 15 and over). Data from other sources cover the labour force aged 15 and over.

1. Foreign residents with permission for employment. Excluding permanent and long-term residents whose activity is not restricted. Overstayers (most of whom are believed to work illegally) are not included either.
2. Resident workers (excluding cross-border workers).

Sources: C: Census;
E: Estimates by the National Statistical Institute;
LFS: Labour force survey;
R: Population register or register of foreigners;
WP: Work permits.

Regularisation operations (see below Part I.D) reflect, *a posteriori*, the extent of illegal employment of foreigners. They also emphasise the scale of the phenomenon in certain OECD countries. While it is, by definition, impossible to know the number of undocumented foreign workers, it is probable that taking them into account would substantially alter the above estimates. In Japan, for example, the number of foreign workers varies in the ratio of one to five, depending on whether or not the number of foreigners who remain in Japan after their residence permits have run out are taken into account. In the case of the United States, and according to the latest census

figures, it is estimated that there are some 8.5 million foreign-born persons in an illegal situation.

2. Participation rates of foreigners by gender and place of birth: persistent imbalances

Despite the recent improvement in the employment situation in the majority of OECD countries, there are still big differences between nationals and immigrants when it comes to labour market integration. The figures for 2000-2001 confirm the finding already contained in the previous two editions of the annual report *Trends in International*

Migration, namely that foreigners or immigrants generally have lower participation rates than nationals, and that there are big differences in this respect between men and women (see Table I.14) and depending on the nationalities in question.

The participation rates of foreign women are systematically lower than those of men, the gender-based disparity even exceeding 30 points in some host countries, examples being Italy, Greece and Belgium. The above observation usually also applies in the case of nationals, but in some countries the gap between male and female participation rates is at least twice as big for immigrants as it is for nationals. In France, for example, the male participation rate for nationals is 12 points higher than for women, whereas the gap is 28 points where foreigners are concerned. In Finland, the differences by gender are even more marked, reaching 4.9 and 23%, respectively, for nationals and foreigners. Similar large gaps are to be found in Denmark and the United States. In 2000-2001, the participation rate for

foreign or immigrant women was under 50% in Belgium, Australia, France and the Netherlands, illustrating how difficult it is for foreign women to enter the labour market in these countries. Even lower rates are to be found among certain communities where female participation rates are also low in the country of origin, this being the case of the Turkish and North African communities and of people from the Middle East and Afghanistan.

In a number of OECD countries, foreign or immigrant men have higher participation rates than nationals, this being true in particular in host countries where employment-related migration predominates, as in the countries of southern Europe (Italy, Greece) and Hungary. In the Netherlands, on the contrary, and in the countries of northern Europe (notably Sweden and Denmark) which traditionally receive a lot of refugees, foreigners have appreciably lower participation rates than natives. Another finding is that the participation rates of foreign-born men are higher than those of nationals in the United

Table I.14. **Participation rate and unemployment rate of nationals and foreigners by sex in selected OECD countries, 2000-2001 average**

	Participation rate				Unemployment rate			
	Men		Women		Men		Women	
	Nationals	Foreigners	Nationals	Foreigners	Nationals	Foreigners	Nationals	Foreigners
Austria	78.9	85.1	62.4	63.3	3.9	8.4	3.9	8.6
Belgium	73.3	72.4	57.0	41.0	4.6	14.2	7.0	16.5
Czech Republic	78.7	87.8	63.3	56.3	7.1	7.6	10.1	12.9
Denmark	84.1	71.2	76.2	53.0	3.6	12.2	4.9	7.2
Finland	79.4	83.1	74.6	60.2	10.0	24.2	11.2	29.9
France	75.1	76.6	63.3	48.6	7.1	17.1	10.7	23.9
Germany	78.9	77.6	64.7	50.7	7.2	13.4	7.8	11.7
Greece	76.2	89.2	49.0	56.0	7.2	7.6	16.2	17.6
Hungary (2001)	67.6	77.8	52.2	51.8	6.4	..	4.9	5.5
Ireland	79.2	77.0	55.9	56.2	4.1	5.1	3.8	6.2
Italy	73.6	87.7	46.6	50.7	8.0	7.4	13.9	21.3
Luxembourg	74.0	79.7	47.7	57.7	1.2	2.5	1.7	3.8
Netherlands	84.9	69.5	67.2	49.0	1.9	4.7	2.9	7.0
Norway	84.6	82.1	76.8	67.2	3.7	5.3	3.4	4.5
Portugal	79.0	81.5	64.0	65.3	3.1	8.4	5.1	9.6
Slovak Republic	76.9	79.4	63.2	51.8	19.8	26.2	18.6	17.0
Spain	77.3	85.4	50.9	59.1	9.3	12.9	19.8	17.2
Sweden	78.0	63.1	74.2	60.3	5.5	16.1	4.6	13.0
Switzerland	89.2	89.5	73.3	68.6	1.3	4.3	2.6	6.4
United Kingdom	83.1	75.6	68.4	55.8	5.5	9.8	4.4	7.9
Australia ¹	75.0	67.0	59.1	48.2	6.7	6.6	5.8	6.9
Canada (1996) ¹	73.8	68.4	60.2	52.9	10.3	9.9	9.5	11.6
United States ¹	80.7	85.6	71.4	61.7	4.9	4.4	4.1	5.6

Note: Data cover the labour force aged 15 to 64 with the exception of Australia and Canada (15 and over).

1. The data refer to the native and foreign-born populations.

Sources: Labour force surveys, figures supplied by Eurostat (second quarter 2000 and 2001) and by Australian Bureau of Statistics (August 2000 and August 2001); 1996 Census, Statistics Canada; Current Population Survey March Supplement (2000 and 2001), US Bureau of the Census.

States, in contrast with the situation in Australia and Canada.

The participation rate usually depends on individual characteristics such as age, level of education, professional experience and family structure. Where foreigners are concerned, it also depends on the length of stay, it being apparent that people who have been resident in a host country for more than 10 years are better integrated in the labour market than those who immigrated more recently. Some 40% of foreigners living in the United Kingdom for between one and 10 years are not active, whereas the proportion falls to under 30% for those who have been resident for more than 10 years. For France, the percentages are 54 and 67%, respectively. In the United States, the participation rate rises from 68.8 to 76.8% depending on whether people have been there for more or less than 10 years. However, these figures mask differing situations in the sense that in the United States, and to a lesser extent in France, virtually all of the variations observed are attributable to the increase in the female participation rate, which is not the case in the United Kingdom. These findings are confirmed by a multivariate analysis (see the annex at the end of Part I), which incorporates possible changes in the individual characteristics of the people who make up each of the groups considered (for example, people resident for at least one year but less than 10, as opposed to those who have been resident for more than 10 years).

3. Sectoral breakdown and trends in the employment of foreigners.

Chart I.13 compares the trend in foreign employment and total employment since the start of the economic upturn (first half of the 1990s). In the former European immigration countries (Belgium, France, Germany, Netherlands, United Kingdom), employment growth can be seen, initially, to have mainly benefited nationals. After between 4 and 6 years, however, foreign employment increases sharply, despite the strains that have by then appeared on the labour market, and the acceleration in growth due in particular to the development of new technologies. The same sort of catch-up phenomenon is also apparent in Australia, even if the said process would not appear to be totally confirmed in that country at the end of the period in question.

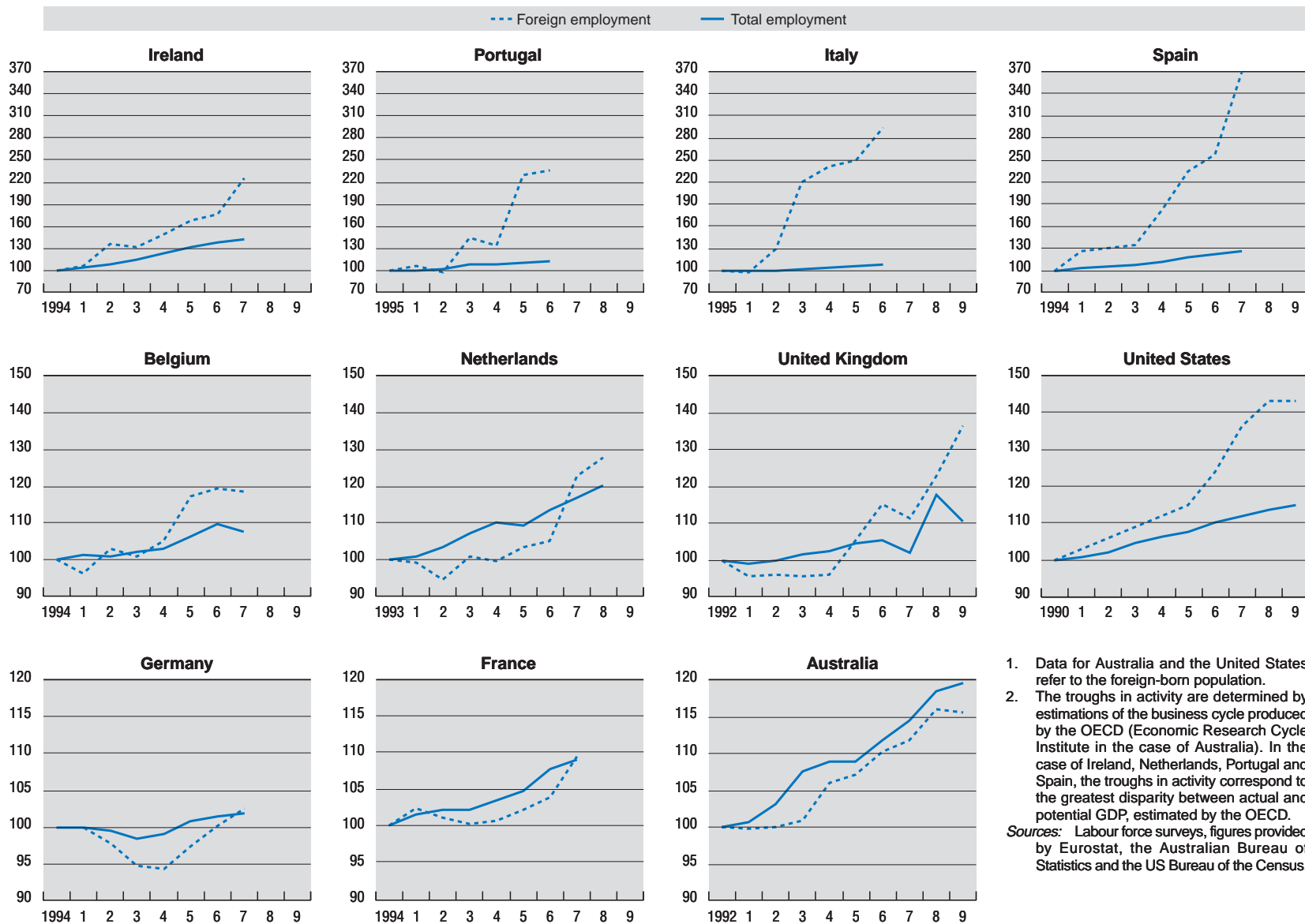
In the new immigration countries such as Ireland, Italy, Portugal and Spain, but also the United States, the trend is very different in the sense that foreign employment has been on an upward slope since the beginning of the economic upturn. In these countries, foreign employment is growing under the impetus of new entries of foreign workers and not, as in the previously mentioned countries, as a result of former immigrants re-entering the labour market.

In a detailed analysis in the *Employment Outlook* (OECD, 2001), it was concluded that foreign employment is more sensitive to cyclical fluctuations. It is true that immigrants are often harder hit by unemployment during periods of recession because of their individual characteristics (skills, professional experience, length of stay), their concentration in the sectors most exposed to the effects of the economic situation (construction and civil engineering, hotels and catering) and also, in some cases, because of certain forms of discrimination. During expansionary phases, mobilising the foreign labour force makes it possible to meet the increase in demand for labour and helps to reallocate native labour into sectors that are more dynamic and more highly thought of socially. This phenomenon is an example of the theory of labour market segmentation, which has it that activities low down on the social scale are very unattractive and reveal chronic labour shortages which foreign workers are willing to make good. In countries where the geographic and sectoral mobility of the native population is limited, foreign labour can also give added flexibility to the labour market and thereby facilitate its development.

Dissemination of foreign jobs in the service sector...

Table I.15 gives an overall view of the sectoral breakdown of foreign labour in the OECD countries in 2000-2001. It is noticeable, in particular, that foreigners are over-represented in certain sectors, meaning that they account for a larger proportion of employment in those sectors than they do in the total labour force. In the majority of OECD countries, that over-representation occurs in secondary sector activities. In Germany, Japan and Italy, for example, more than one-quarter of foreign employment is concentrated in mining and manufacturing. Foreigners are also over-represented in the construction sector in Austria, Belgium, France and the countries of southern Europe, and in Australia and the United States as well.

Chart I.13. Changes in foreign and total employment during economic recoveries in selected OECD countries

Index: Trough = 100^{1,2}

1. Data for Australia and the United States refer to the foreign-born population.
 2. The troughs in activity are determined by estimations of the business cycle produced by the OECD (Economic Research Cycle Institute in the case of Australia). In the case of Ireland, Netherlands, Portugal and Spain, the troughs in activity correspond to the greatest disparity between actual and potential GDP, estimated by the OECD.
- Sources: Labour force surveys, figures provided by Eurostat, the Australian Bureau of Statistics and the US Bureau of the Census.

Table I.15. **Employment of foreigners by sectors, 2000-2001 average**
Percentages of total foreign employment

	Agriculture and fishing	Mining, Manufacturing and Energy	Construction	Wholesale and retail trade	Hotels and restaurants	Education	Health and other community services	Households	Admin. and ETO	Other services
Austria	1.3	26.5	12.2	12.9	10.7	2.2	6.1	–	4.2	23.3
Belgium	1.2	23.0	8.5	13.8	8.3	3.6	6.9	1.0	9.0	24.7
Czech Republic	–	24.9	11.3	27.3	5.2	–	–	–	–	19.7
Denmark	–	16.2	–	11.9	9.5	5.9	18.5	–	–	30.1
France	3.1	18.0	17.4	11.4	7.4	3.0	4.8	6.5	2.5	25.8
Germany	1.5	32.8	9.2	12.3	10.6	2.5	6.8	0.5	2.2	21.4
Greece	2.8	17.5	27.1	11.0	9.5	–	–	18.1	–	10.3
Ireland	–	17.6	8.1	9.3	11.9	6.4	8.9	–	–	32.1
Italy	4.5	28.9	11.1	9.7	7.9	2.8	4.6	10.8	2.4	17.4
Japan	0.4	60.0	2.2	8.3	1	29.1
Luxembourg	0.8	10.0	15.9	14.1	8.9	2.4	6.4	3.6	9.5	28.3
Netherlands	3.8	22.3	4.0	13.1	7.2	3.6	9.4	..	2.6	34.0
Norway	–	17.8	5.6	13.3	6.4	8.0	20.0	–	2.9	24.2
Spain	7.8	10.4	13.0	11.7	15.9	4.1	1.7	15.7	–	19.1
Sweden	–	23.3	–	9.2	7.4	9.6	14.8	–	–	30.6
Switzerland	1.2	22.5	9.9	15.5	6.0	5.2	11.6	1.2	2.3	24.8
United Kingdom	–	13.2	4.4	11.5	9.9	7.9	13.9	1.5	4.1	33.2
Australia ²	2.1	17.9	7.8	16.5	6.0	6.2	10.0	3.2	3.3	26.9
Canada ²	2.4	19.6	5.0	24.1	1	³	24.6	..	3.8	20.4
United States ²	3.5	18.0	7.7	22.0	1	5.7	10.0	1.9	2.0	29.3

Note: The numbers in bold indicate the sectors where foreigners are over-represented (*i.e.*, the share of foreign employment in that sector is higher than the share of foreign employment in total employment). The sign “–” indicates that the figure calculated was not statistically significant.

1. The “Hotels and restaurants” category is included in the “Wholesale and retail trade” category.

2. The data refer to the foreign-born population.

3. The “Education” category is included in the “Health and other community services” category.

Sources: Labour force surveys, figures supplied by Eurostat and by the Australian Bureau of Statistics; Ministry of Labour (Japan); 1996 Census, Statistics Canada; Current Population Survey March Supplements, US Bureau of the Census.

The dissemination and concentration of foreigners in the services is also very obvious. In Canada and the United States, foreigners employed in retailing account, respectively, for 24 and 22% of all foreign jobs. In Spain, some 16% of foreign jobs are in the hotel and catering trade and almost as many in services to households. In Denmark and Norway, 18.5 and 20% of employed foreigners work in the health sector, while in Sweden nearly 10% of foreigners are employed in education. The lowest percentage of foreigners is usually to be found in public administration owing to regulations that reserve the majority of jobs for nationals. With the exception of Spain and, to a lesser extent, the Netherlands and the United States, relatively few foreigners work in agriculture. However, that observation has to be qualified because the survey data on which these estimates are based are not always well adapted to reflecting the seasonal activities

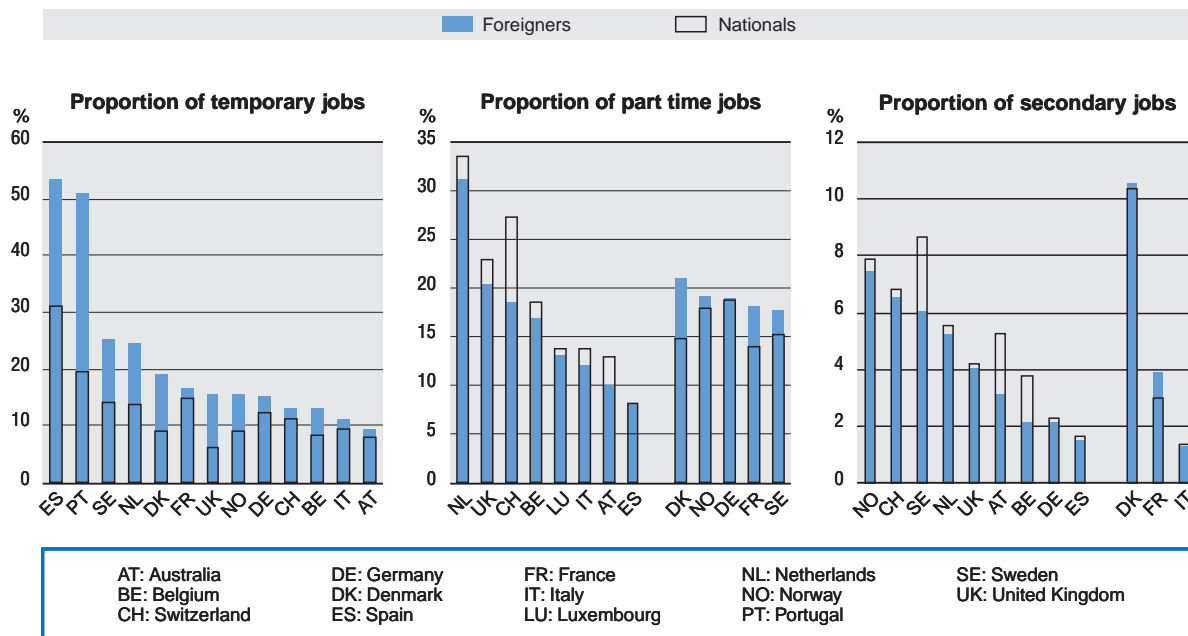
and temporary migration that predominate in the agricultural sector.

... that does not, however, automatically mean an improvement in job quality

The fact that the breakdown of foreign and native employment is becoming more similar indicates that the process of labour market entry for foreigners is on the increase. In the European OECD countries, for example, with the arrival on the labour market of young, second-generation immigrants who usually have a higher level of education than that of their parents, labour supply among young foreigners is gradually moving towards jobs matching the “national profile”, *i.e.*, which are not of the same nature as those filled by first-generation immigrants.

This optimistic finding is, however, partly offset by an analysis of the characteristics of the jobs filled

Chart I.14. **Atypical employment by nationality in selected European OECD countries, 2001**
Percentage of total employment according to nationality



Sources: Labour force surveys (2nd quarter 2001), figures provided by Eurostat.

by foreigners. The 2001 edition of the *Employment Outlook* (OECD, 2001) showed, for example, that foreign employment is on the whole more concentrated than native employment in the lowest socio-occupational categories (blue-collar jobs). This is particularly striking in Austria, France and Japan. The jobs breakdown is relatively speaking more balanced, however, in Canada and Australia, whereas in the United Kingdom there are relatively more white-collar workers in the employed foreign labour force than in total employment.

Chart I.14, which shows the share of “atypical” jobs by nationality in a number of OECD countries, partly confirms the specificity of foreign employment. In all the countries considered, the probability of being in a temporary job is appreciably greater for foreigners than for nationals, the gap being all the greater the more widespread temporary work is in the country in question. It is at its widest in Spain, Portugal and the Netherlands. In some countries, however, this observation is influenced by the preponderance of traineeships for young, first-time labour market entrants, this being particularly true in Germany, Switzerland and, to a lesser extent, the United Kingdom. In most of the countries considered,

a relatively larger proportion of foreigners employed part time say that they want to work full time.

In contrast with what has just been said as regards temporary jobs, foreign workers do not appear to be employed part time to a disproportionate degree. As far as having a secondary activity is concerned, it is apparent that relatively speaking more foreigners are found to have at least two jobs, but the differences remain fairly small by comparison with the total employed labour force. France is the exception in this respect in that a significantly smaller proportion of foreigners have second jobs in that country.

Self-employed foreign workers

In a number of OECD countries, setting up a company or building up an individual activity are the most usual ways for foreign workers to enter the labour market. Because very few foreign workers are able to be self-employed in agriculture – unlike nationals – the arguments that follow do not take agricultural activities into account. Self-employed foreign workers are relatively numerous in the Czech Republic, Denmark, Finland, Spain, Ireland, the United Kingdom and the United States (see Table I.16). In other member coun-

Table I.16. **Self employed by nationality, 2001**
Thousands and percentages

	Stock of foreign self-employment (Thousands)	Foreign self-employment as a % of total self-employment	Foreign self-employment as a % of total self-employment in non-agricultural activities	% of foreign self-employment in non-agricultural activities relative to their share in total labour force
Austria	24.6	5.2	7.8	0.8
Belgium	51.7	8.7	9.1	1.1
Czech Republic	7.3	1.0	1.1	1.8
Denmark	7.1	3.2	3.1	1.2
Finland	3.0	1.0	1.5	1.1
France	119.3	4.7	5.8	0.9
Germany	285.5	7.4	8.2	0.9
Greece	15.5	1.1	1.6	0.4
Hungary (2000)	3.8	0.7	0.7	1.0
Ireland	11.6	4.1	5.3	1.2
Italy	42.5	0.7	0.8	0.7
Luxembourg	4.8	36.4	41.2	0.9
Netherlands	32.1	3.6	3.8	1.0
Norway	3.7	2.3	3.2	1.0
Portugal	14.9	1.4	1.9	0.9
Spain	52.7	1.8	2.2	1.2
Sweden	16.1	3.9	4.4	0.9
Switzerland (2000)	76.2	12.4	14.5	0.8
United Kingdom	144.6	4.7	4.9	1.1
United States ¹	1 707.2	13.5	14.3	1.2

1. The data refer to the foreign-born population.

Sources: Labour force surveys (2nd quarter 2001), figures supplied by Eurostat; Current Population Survey March Supplement, US Bureau of the Census.

tries, on the other hand, foreigners are under-represented in non-salaried employment, this being the case in Greece, Austria, Italy and Switzerland. That being said, the actual situation differs a great deal from one country to another.

One of the classic arguments used in economic theory to explain the relatively large numbers of foreign entrepreneurs is based on the selective nature of migration, the suggestion being that immigrants are more dynamic and less reluctant to take risks than natives. There is, however, little available empirical evidence to confirm this argument in those terms. Another argument, which is in fact the converse of the one above, emphasises the case of foreigners who have specific difficulties in securing salaried jobs, though not on account of their intrinsic qualities. The said difficulties can be attributable to discrimination or result from inadequate access to information or to share capital. In such cases, foreigners are relatively more inclined than nationals to create their own jobs.

The development of economic activities aimed specifically at immigrants' communities of origin (ethnic businesses) is a third explanation for the relative magnitude of non-salaried activities among foreign workers. Such activities can include the

provision of traditional or specific services, notably in the field of health, education and the hotel/catering trade, or they can involve strengthening merchandise trade with countries of origin. The case of the United States and the United Kingdom is often quoted, but mention may also be made of Germany and Luxembourg where more than 30% of foreign entrepreneurs are in the hotel and catering sector. Community-type activities often extend beyond the somewhat restricted framework of the ethnic community and sometimes even foster integration in the host society. The Italian, Turkish, Indian and Asian culinary specialities that are now an integral part of our eating habits were, for example, largely introduced by immigrants. Much the same is true as regards traditional oriental medicines and African and Latin American music.

In contrast, the complexity of the legislation in force in host countries, coupled with the difficulty of obtaining credit, can sometimes curb the propensity of foreigners to set up companies. Lastly, some of the professions can be hard for foreigners to enter because of the institutional provisions involved (certification procedures, for example, in the medical professions) or the specificity of the knowledge required (legal professions).

Table I.17. **Employment in education, IT and health professions according to citizenship in selected OECD countries, 2001**

Thousands and percentages

		Austria	Belgium	France	Germany	Italy	Netherlands	Norway	Switzerland	United Kingdom	United States
Teachers, college and university ¹	Total	25.3	16.5	97.5	110.7	78.9	19.4	16.7	8.7	307.7	1 241.9
	Foreigners	–	2.4	5.1	8.7	–	–	1.6	–	34.7	242.5
Teachers, except college and university ²	Total	116.0	243.5	677.1	985.6	993.7	323.5	30.5	156.6	929.2	5 824.1
	Foreigners	2.1	6.1	16.3	22.5	3.1	4.3	–	19.8	37.9	344.8
<i>Percentage of foreign teachers</i>		3.0	3.3	2.8	2.8	0.3	1.6	4.3	13.0	5.9	8.3
Information and Technology professionals (IT) ³	Total	17.3	68.9	316.9	355.6	16.9	146.7	43.0	138.4	498.7	3 124.8
	Foreigners	4.1	4.0	16.3	16.1	–	5.2	2.2	27.0	36.8	587.5
Other Information and Technology specialists ⁴	Total	59.2	17.5	190.6	379.9	261.1	147.1	20.5	21.1	278.5	393.3
	Foreigners	2.3	–	5.0	25.5	–	3.1	–	3.7	13.2	57.1
<i>Percentage of Information and Technology foreign specialists</i>		8.3	6.0	4.2	5.7	0.4	2.8	4.3	19.3	6.4	18.3
Health professionals ⁵ (except nursing)	Total	41.7	60.7	310.5	458.9	281.9	65.3	23.4	61.3	238.6	1 364.4
	Foreigners	–	4.4	6.8	13.0	3.7	–	2.4	10.0	30.9	257.5
Other health professionals ⁶	Total	133.4	175.7	622.3	1 136.2	508.4	403.7	97.6	233.0	934.9	7 448.6
	Foreigners	9.6	5.0	8.9	57.5	4.4	5.6	4.5	38.5	60.4	907.3
<i>Percentage of foreign health professionals</i>		6.3	4.0	1.7	4.4	1.0	1.4	5.7	16.5	7.8	13.2

Note: The sign – indicates that the figure calculated was not statistically reliable.

1. Category 231, ISCO-88.

2. Categories 232 to 235, ISCO-88.

3. Category 213, ISCO-88.

4. Categories 312 and 313, ISCO-88.

5. Category 222, ISCO-88.

6. Categories 223 (nursing and midwifery professionals), 322 and 323, ISCO-88.

Sources: Labour force surveys (2nd quarter), figures supplied by Eurostat; Current Population Survey March Supplement, US Bureau of the Census.

Some OECD member countries have specific immigration programmes to attract foreign investors, but these usually involve limited numbers because of the scale of the financial guarantees required. In 2000, for example, Canada received 1 390 foreign investors, each worth at least C\$ 800 000, plus a little over 1 600 entrepreneurs. In the case of Australia, nearly 7 250 people, each with at least A\$250 000 to invest, entered the country in 2000-2001 in the Business Skills category.

Foreign specialists increasingly sought after

Recent strains on the labour market, or strains that are anticipated because of future population trends, have prompted several OECD member countries to relax their policies regarding the recruitment of foreign, and especially skilled workers (see Part II of this report). The said trends more especially concern jobs in the information technology and communications sector, as well as in health and education. Several countries have introduced programmes aimed at attracting computer scientists (Germany), doctors (United Kingdom) and foreign university professors (United States). Sometimes these programmes also target people with intermediate-level qualifications, such as computer and electronic technicians, nurses or secondary level teachers.

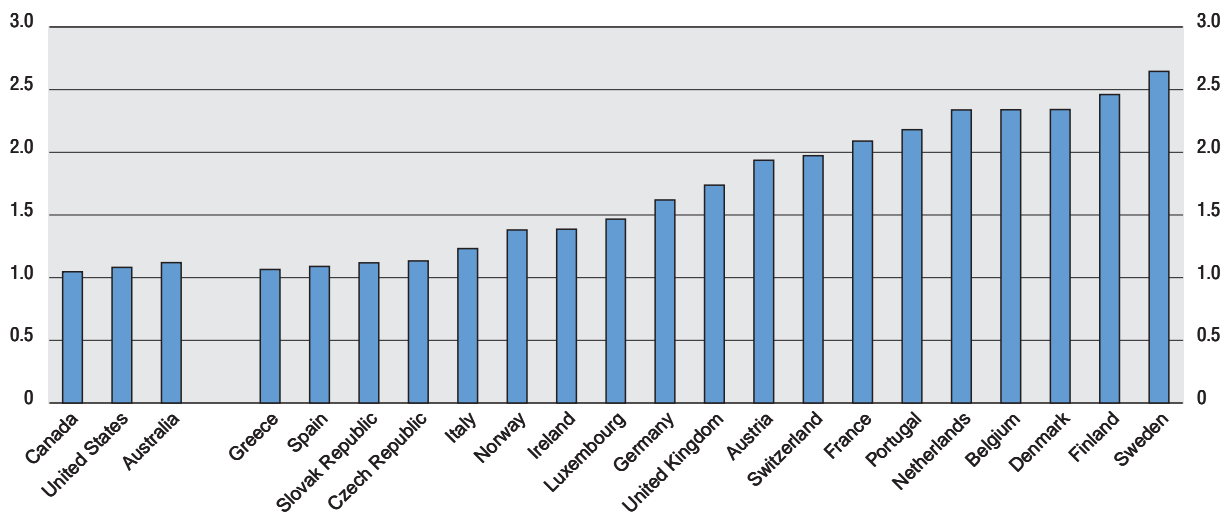
Table I.17 shows the number of foreigners in the health, education and computer science professions in 2001 in selected OECD countries. It shows that the numbers recorded are not necessarily in the professions most sought after in the present economic situation. With the exception of the United States, no more than a few dozen computer, health and education specialists have been recruited in absolute terms, but in some cases they do account for a far from negligible share of total employment in the professions considered. This is the case as regards health workers in Switzerland and the United Kingdom in particular. Also of interest is the fact that, in France, foreign employment concerns university professors just as much as computer engineers. In Germany, foreign employment concerns health professionals (notably nurses and midwives) more than computer specialists. In the United Kingdom, there are more foreign teachers in secondary level education than there are doctors or nurses, while in the United States there are approximately twice as many foreign specialists in the health sector as there are in computer sciences.

4. Foreigners are more vulnerable to unemployment than nationals

There are a great many reasons why foreigners are on the whole more vulnerable to unemployment than nationals. In almost all European OECD countries, the share of foreign or immigrant workers in the total number of jobless is larger than their share in the labour force (see Chart I.15). The latter chart shows that it was in Sweden that the ratio was highest over the period 2000-2001, but it was also high in Finland, Denmark, Belgium, the Netherlands, as well as in Portugal and France. In each of these countries, the proportion of foreigners amongst the jobless was at least twice what it was in the labour force. Between 1999-2000 and 2000-2001, the relative share of foreigners in unemployment rose very sharply in Italy and appreciably in Sweden, Spain and France. In the Netherlands, the United States, Switzerland and Portugal, on the other hand, it fell.

One way of assessing the scale of the effort needed to offset the specific problems foreigners or immigrants face on OECD country labour markets is to calculate the number of jobs it would theoretically be necessary to create to bring the foreign unemployment rate into line with that of nationals, assuming no change in the latter. This would have the effect of bringing the ratio shown in Chart I.15 down to a value equal to 1 for each of the countries considered. The results for 2001 are shown in Table I.18. What emerges is that, even in countries where foreigners are hard hit by unemployment, such as Belgium, Finland, Sweden and France, the theoretical number of jobs to be created is in fact relatively small. In the Netherlands, where the unemployment differential between foreigners and nationals is big, the overrepresentation of foreigners among the jobless would in fact be eliminated by creating 6 500 jobs for foreigners, which represents barely 0.1% of the labour force. Even in France and Belgium, where the situation may seem problematic, the objective is no doubt within reach. In France, more than 800 000 jobs were created between 1998 and 2000 (as against 160 000 in Belgium), but in theory the creation of some 170 000 jobs for foreign workers (32 000 in Belgium) would suffice to bring foreign unemployment down to a level comparable to that among nationals. Achieving this objective in the medium term nevertheless means thinking about strengthening active measures in favour of employment, developing specific measures and also stepping up the campaign against discrimination.

Chart I.15. **Proportion of foreigners in total unemployment related to their proportion in the labour force**
2000-2001 average



Note: Labour force aged 15 to 64 years. Foreign-born population for Australia, Canada and the United States. August 1999 for Australia; 1996 for Canada; 2001 for Hungary.

Sources: Labour force surveys (Eurostat, Australian Bureau of Statistics and US Bureau of the Census); 1996 Census (Statistics Canada).

Table I.18. **Theoretical calculation of the number of jobs to be created to absorb the discrepancy between national and foreign unemployment rates in selected OECD countries, 2001**

	Number of jobs to be created for the unemployment rate of foreigners to equal the one for nationals (Thousands)	Number of jobs to be created as a % of total labour force
Austria	17.5	0.5
Belgium	31.7	0.7
Finland	4.9	0.2
France	167.9	0.7
Germany	183.7	0.5
Netherlands	6.5	0.1
Sweden	19.4	0.5
Switzerland	23.1	0.6
United Kingdom	44.9	0.2
United States	46.9	0.03

Sources: Labour force surveys (Eurostat); Current Population Survey March Supplement, US Bureau of the Census.

Unemployment among foreign women (see Table I.14) is usually higher than for men, except in Germany, Denmark, Norway, Sweden, the Slovak Republic and the United Kingdom. The differential is especially wide in Greece and Italy and, to a lesser extent, France. The differential between the

rate of unemployment among nationals and among foreigners also tends to be more marked for women than for men. Foreign women are therefore both less active participants on the labour market and distinctly more vulnerable to unemployment in almost all the OECD countries (see Box I.7). This

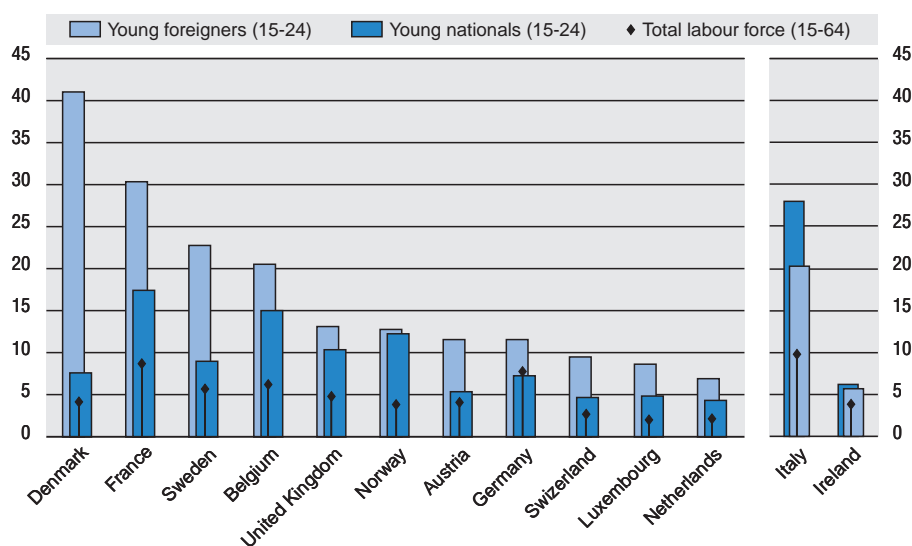
Box I.7. Young foreigners and the labour market

Theme box on the Integration of Immigrants

For young foreigners, labour market integration is extremely problematic in a number of OECD countries, and particularly the European OECD countries. Chart I.16 shows, in fact, that unemployment among young people is systematically higher than for the population as a whole (15-64), the exception being Germany because of the scale of its apprenticeship system. It also seems that young foreigners have a lot more difficulty entering the labour market than do young nationals, though this finding does not apply in Italy, Norway and the United States and needs to be qualified in the United Kingdom and Spain. In some OECD countries, such as Ireland, Luxembourg and the Netherlands, unemployment is low overall, with fewer than 6% of young foreign members of the labour force being in search of employment. In France, Denmark and Belgium, on the other hand, the figure is over 20%. In the case of Denmark, the differential between the unemployment rate for young nationals and young foreigners is as high as 13 percentage points, illustrating how hard it is for young immigrants to enter the labour market in that country.

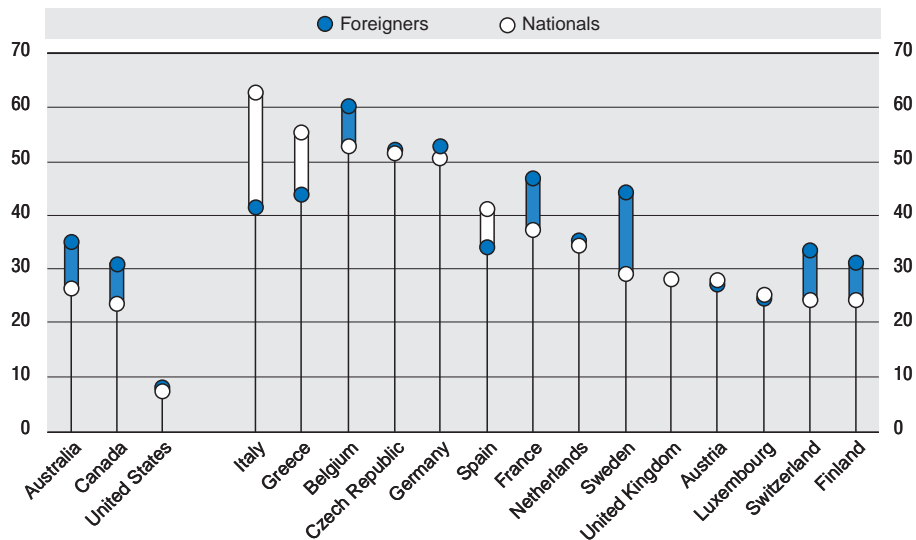
The problem of labour market integration for young foreigners has to be looked at from the economic standpoint, *i.e.* from the point of view of labour supply and demand. On the supply side, it is clear that some of the young people looking for jobs lack both the skills and, in some cases, the linguistic ability that are essential prerequisites for finding a job. In some cases, a further barrier to labour market entry can be non-recognition of the diplomas and training received abroad. On the demand side, the emphasis has to be placed jointly on the role of government, employment intermediaries and firms. In several OECD countries, public sector jobs are still broadly speaking closed to foreigners, even though the authorities encourage private sector firms to recruit young foreigners or young people born abroad. The authorities also need in some cases to clarify the rules and legislation aimed at combating all forms of discrimination, particularly as regards recruitment. Public employment services and recruitment agencies should, for their part, expand training schemes to make their staff aware of the existence of discrimination and make firms more alive to the need to give young immigrants or young people of immigrant origin a chance. In practical terms, what is needed is multidimensional and co-ordinated action aimed at strengthening the links between the different actors: young people, government, the education system, public employment services, firms and associations.

Chart I.16. Unemployment rate of youth unemployment according to nationality in selected OECD countries, 2001
Percentage of labour force



Source: Labour force surveys, figures provided by Eurostat.

Chart I.17. **Percentage of long-term unemployment according to nationality¹**
2000-2001 average²



1. Data for Australia, Canada and the United States refer to foreign-born and native populations.

2. Population aged 15 to 64 with the exception of Australia and Canada (15 and over).

Sources: Labour Force surveys (Eurostat, Australian Bureau of Statistics and US Bureau of the Census); 1996 Census (Statistics Canada).

phenomenon is, however, less marked in the settlement countries (Australia, Canada and the United States), where the discrepancy between the unemployment rates of those born abroad and those born in the country is considerably lower than that observed between foreigners and nationals in Europe.

Foreigners are also strongly represented in the figures for long-term unemployment (see Chart I.17). In Sweden, for example, almost 45% of foreign jobless have been unemployed for over a year, compared with less than 30% in the case of nationals. This is also true, though to a lesser degree, in Australia, Belgium, Canada, France and Switzerland. In the recent immigration countries of southern Europe (Spain, Greece and Italy), where it is migration for employment purposes that predominates, foreigners figure less prominently than nationals among the long-term unemployed.

The disparities between unemployment rates for foreigners and nationals (see Table I.14) and the fact that, depending on their nationalities, foreigners are not all affected by unemployment to the

same degree, are attributable in particular to economic trends and the nature of the jobs held by foreigners. They also depend on the demographic structure of the foreign population and how long ago the different waves of migration arrived in the various host countries. Migrants' profiles also determine how employable they are. Variables such as age, gender, nationality, skill level, professional experience and the length of stay in the country play an important role in explaining the degree of vulnerability to unemployment. Knowledge of the language of the host country also contributes importantly to integration in the labour market and in society as a whole (see Box I.8).