

PART II

Managing Migration – Are Quotas and Numerical Limits the Solution?

Introduction

The prospect of ageing populations in OECD countries and the appearance of skill shortages in certain occupations have brought the issue of a pro-active migration policy onto the government agenda in many countries. If indeed there will be a need for more foreign workers in the future, how are the migration movements to meet this need to be organised and managed?

Since the scale of migration and the size of the immigrant population are politically sensitive issues in quite a number of countries and since many such countries have seen little labour migration over the past thirty years, the debate in this area is sometimes phrased in terms of establishing “quotas” or “limits” to the number of workers that will be required to fill labour needs (see Box II.1). This is often presented against the backdrop of migration policy in traditional “settlement” countries such as Australia, Canada, New Zealand and the United States, where there exist annual targets or ranges of immigrants to be admitted, which seem to be the object of a broad political consensus.¹ However, these are not the only countries in which migration limits or target levels exist, nor are such limits necessarily restricted to the kind of permanent migration that exists in the settlement countries.

This document is intended as a preliminary broad-brush overview of the management of migration through numerical limits. Before one can consider the question of how migration numbers are managed in theory and practice through quotas or limits, it may be useful to examine first how economic immigrants are selected in OECD countries and the nature and scale of legal migration,² particularly of those forms of migration over which governments can exercise little discretionary control, because they are based on international conventions or widely recognised basic rights. Following this is a description of methods of capping or targeting migration levels, both overall and by migration category, and examples of how these are implemented in a number of countries. The limits or targets themselves are, however, one set of tools among others for managing migration, whose appropriateness and efficacy need to be considered in the context of overall policy goals and objectives. This is the subject of the final section, which will consider as well whether any general principles can be distilled from the experience of selected OECD countries in this area.

1. Selecting immigrants

Employer selection process

Under a pro-active migration policy, how are the immigrants to be admitted to be chosen? There are two ways in which this is commonly done. The first is to delegate the responsibility for doing this to employers, who themselves identify the persons whom they require according to their skill or occupational needs and who request the work and residence permits. This is the standard procedure in most European countries.

Box II.1. Quotas, maxima, limits, caps and targets

A “quota” is defined as the share of a total that is assigned to a particular group. It has acquired a negative connotation in the migration context, because of the supposition that quotas imply the selection of specific numbers of immigrants according to nationality or country of origin or skill level. However, no OECD country assigns shares of a migration total to specific nationality groups in order to ensure an “appropriate” mix of migrants. In at least one case, migration quotas are assigned by an OECD country (Italy) to specific countries of origin, but the latter correspond to countries which have signed bilateral readmission agreements concerning the return of migrants in an irregular situation. The “quotas” are thus used as an incentive for sending countries to participate in the management of migration flows.

In some other countries, there are special dispositions in migration regulations for the facilitated entry of persons with historical or ancestral roots in the host country (ethnic Finns from Russia, ethnic Germans from the former Soviet Republics, ethnic Greeks from the borders of the Black Sea, etc.), but there are no specific quotas associated with such movements, nor does the entry of such persons occur to the exclusion of, or at the expense of, movements of persons of other origins. In various economic or political unions, such as the Trans-Tasman Australia-New Zealand Union, the Nordic Union or the European Union, free-movement is accorded to the citizens of signatory countries, whereas the movements of nationals of countries that are not parties to the agreement continue to be regulated.

There do exist in certain countries shares of migration (sub-)totals which are reserved to particular groups, but these are not nationality-based, at least as far as the receiving countries are concerned. They involve, for example, the quotas of refugees from UNHCR camps which certain OECD countries agree to resettle in their countries every year, but these do not generally constitute a share of a national fixed level of migration, except in a few countries.

In some cases, certain groups may be assigned a cap or a target level. The United States assigns 140 000 of its (varying) annual grants of green cards to highly skilled migrants and their families every year. Australia sets an annual limit of humanitarian migration (currently 13 000) that is separate from its annual target level for permanent migrants. The nursing profession, for example, where labour market shortages are already present in many countries and will likely expand with ageing populations, may also be assigned target levels. More frequently, however, the number of persons of a particular occupation admitted is a function of labour market needs or of the number of persons of that occupation which apply for admission (see for example, in the case of the United Kingdom, the labour shortage occupation list).

In summary migration quotas per se tend to be the exception in OECD countries, even in countries which set national target levels, and they are almost never based on country of origin. In this document, therefore, the term “quota” will generally be foregone in favour of terms that more precisely describe the nature of a numerical migration level, such as the “target level”, the “numerical limit”, the “maximum” or the “cap”. Although the title of this document refers explicitly to “quotas”, it is a term which generally will be avoided, for the reason that it is often inappropriate in this context.

Employers can identify workers themselves either through prior knowledge of potential candidates, through recommendations of current employees, by advertising positions in media accessible to potential candidates in other countries or by resorting to recruitment firms. It seems to be generally the case that employers have few difficulties

supplying names of potential foreign candidates for employment even if such candidates are not currently or have never been present in the host country. The available networks and means of communication seem to be more than adequate to match jobs and candidates even across national borders. Indeed, in situations in which there is a maximum to the number of permits available to employers for recruited workers and labour demand is strong, it is common to see the maximum met very early in the calendar year (Italy and Spain, and more recently Switzerland with numerical limits on EU workers).

Note that the fact that the employer identifies the potential migrant obviously does not preclude the receiving country from specifying *a priori* minimal skills, qualifications or salary requirements or, for that matter, the precise occupations or sectors for which admissions will be approved or accelerated. In many OECD countries, employer requests for work permits for potential cross-border recruits are subject to an employment test, that is to say, a determination that no resident qualified candidates exist to fill the available position. In many countries where unemployment rates are high, either nationally or among groups or regions, this test is rarely passed and few work permits are approved.

There are some obvious advantages to delegating the selection process to employers. In the first place, it tends to ensure a close link between immigrant worker entries and labour market needs, provided it can be ensured that the entries are restricted to sectors and occupations where there are genuine shortages, a condition not always easy to determine. In addition, the immigrant worker is immediately employed upon arrival and thus imposes no immediate financial burden on the receiving state. In cases such as these, immigration helps to satisfy current, well-identified needs and in so doing, aids in moderating wage demands in the shortage areas. On the other hand, it may slow the salary adjustment process that would help generate a domestically developed supply of workers in the shortage occupations.

Although the employer may satisfy the immediate labour needs of his/her enterprise, the longer term consequences of admitting the particular worker(s) in question do not usually enter into play. Moreover, when employers (or private recruitment agencies) are left in charge of the selection procedure, problems of moral hazard may arise. This is because the implicit contract between the government and firms responsible for selecting candidates does not always cover the indirect costs incurred by the receiving country (*e.g.* return to sending country, social costs of job loss) whenever the wrong candidate is chosen, needs are overestimated or an economic downturn occurs. (see DEELSA/ELSA/(2002)9). Considerations such as the future employability of the worker in the event of job loss may not figure among the criteria considered important by the employer in the hiring decision. As noted above, however, the possibility of constraining the hiring decision, by excluding certain categories of workers or occupations, can reduce the risk to the host country.

Host country selection process

Alternatively, the selection of candidates for immigration can be made by the receiving country itself, as is traditionally done for certain forms of permanent migration in the so-called settlement countries of Australia, Canada, New Zealand and the United States.³ In these cases, potential migrants are screened on the basis of certain characteristics deemed to contribute to, and facilitate, integration in the host country, such as age, knowledge of the host country language, minimum levels of educational attainment, work experience, availability of funds, presence of family in the host country, having an occupation deemed to be in shortage and having a prior job offer from an employer in the host country.

Potential candidates may be awarded “points” based on their characteristics, with a certain minimum number of points required in order for an application to be approved and a permanent residence permit granted. The permit includes the right to work and is granted to the immigrant upon entry. Often the immigrant is allowed to come with his/her entire immediate family, essentially because the aim of this kind of migration is deemed to be permanent settlement.

In many such cases, the immigrant is admitted into the country and enters the labour market just as any other new entrant to the domestic labour market. In practice, however, the situation may be different from what is described here, because the immigrant granted a permanent residence permit may already be present in the host country. He/she may be present as temporary worker, student or visitor. For example, in 2003 (2002 for the United States), of the employment-related permanent residence permits granted, 77% went in the United States to persons already present in the country, 33% in Australia, over 55% in New Zealand but less than 2% in Canada.⁴ In other words, it would appear that in many cases, employers or educational institutions may already be selecting (or constrained to select) persons who are or will eventually be admissible under the skilled permanent migration programmes of these countries. Alternatively, the persons selected, through the presence in the host country, acquire characteristics that may be rewarded in the point system (better knowledge of the language, host-country labour market experience, host-country qualifications, etc.).

From the perspective of job and worker matching, employer selection of workers as described above corresponds to cross-border job matching (the supply is in one country, the demand in another), whereas when selection is carried out by the host country government, the matching process generally takes place in the usual fashion, within the territorial borders of the host-country, in particular when the immigrant arrives without a prior job offer. The former may involve increased (recruitment) costs for the employer relative to normal procedures, while the latter involves costs for the host country doing the selection and for the migrant him/herself, who must in most cases defray the cost of moving to, and the initial cost of establishment in the host country.

2. Control over migration numbers

In many OECD countries, especially in Europe, there has been little labour migration since the oil crisis put a stop to the extensive labour migration programmes that had been put in place during the 1950s and 1960s, in response to strong labour market needs.⁵ This has been the case in France, Germany, Belgium, the Netherlands and the Nordic countries, for example.⁶ Of course, migration to these countries has not stopped in the interim. Part of this is attributable to the free movement regimes prevailing within the Nordic Union and the European Union, allowing for the relatively free establishment and work of citizens of each country in the territory of the others. But this is clearly not the full picture.

In all countries, even those with highly restrictive migration regimes, a certain number of foreign citizens enter and establish themselves legally within the territories of OECD member states every year. The movements of such persons are based on recognised rights of movement that are acknowledged in all OECD countries. Among these are a) the right to marry or to adopt persons who are residents and nationals of other countries; b) the right of residents to be reunited with their immediate family (spouses and minor children); c) the right to request asylum from persecution in a host country and to have the request

examined on the territory of the host country. Certain conditions may be imposed by the host country that can restrict the number of persons eligible to enter under these rights, such as the need for appropriate lodgings and an adequate source of revenue in the case of family reunification, or the safe-country-of-origin and safe-country-of-transit rules in the case of asylum seekers, but they cannot be unduly restrictive without violating the spirit if not the letter of international conventions or rights. Numbers may be reduced in practice, however, as the result of administrative measures, such as a change in resources dedicated to the processing of applications.

Still, whether or not there are migration restrictions, because of the recognition of certain rights there is always a certain amount of migration over which policy has limited direct control. The amount of such migration will depend on a number of factors, among them the size of the total and immigrant population (which will affect the number of foreign spouses or adopted foreign children), the number of resident married migrants who are present in the host country without their spouses or children, the restrictions concerning the entry of some family migrants, the prevalence of repressive political regimes or of ethnic conflict or strife and potential migrants' knowledge and view of the host country itself and of their prospects in settling there.

Any numerical limit to total permanent migration that may seem desirable to fix for whatever reason (see below) will necessarily have to be larger than this “inertial” migration, so as to be consistent with the actual numbers of immigrants entering the host country and to allow a certain room for manoeuvre within the numerical limit. How large then is the group of what might be called “non-discretionary” migrants, that is, those which countries more or less have to accept as a consequence of recognized international agreements or rights?

3. How much migration is subject to control and how much is relatively “free”?

Tables II.1 and II.2 present some results for a selected number of OECD countries on this question.⁷ The statistics for settlement countries (Australia, Canada, New Zealand, United States) are restricted to persons obtaining the right of permanent residence. The temporary migration programmes of the settlement countries are therefore excluded. Among persons falling into these categories are international students and trainees, persons (including researchers and professors) on exchange programmes, intra-corporate transfers and various temporary worker programmes, covering among others seasonal workers and certain highly skilled workers on temporary assignment.

Entries for European countries, which are almost always on the basis of permits of limited duration, often tend to combine movements of a permanent character, that is, those involving permits that are more or less indefinitely renewable (France, Sweden, Switzerland and the United Kingdom), provided certain conditions are met, and those that concern a presence that is in principle temporary and that are not indefinitely renewable. In practice, however, persons with permits that imply a temporary presence can in some circumstances change status and obtain a longer-term renewable permit, just as the possibility to change to permanent residence status may exist in settlement countries for persons who have entered under the temporary migration programme. Still, for purposes of comparison, it is useful to maintain the distinction between an entry that in principle potentially implies a permanent presence and one that, initially at least, is temporary by definition. Thus, from the entry permit statistics of non-settlement countries, we will

Table II.1. **Inflows of permanent immigrants by entry category, selected OECD countries, 2003**

	Australia	Canada	France	Italy	New Zealand	Sweden	Switzerland	United Kingdom	United States
All immigration categories	147 985	221 352	173 097	108 937	47 936	41 348	82 300	243 709	705 827
As a per cent of the total population	0.74	0.70	0.29	0.19	1.20	0.46	1.13	0.41	0.24
Non-discretionary									
Immediate family									
Spouses	32 350	43 426	77 606	68 638	6 494	20 572	19 178	31 365	184 741
Children	2 660	3 621	16 700		1 320			4 165	78 024
Humanitarian									
Recognised asylum seekers, persons with protection status and dependents	1 862	15 226	12 461	726	606	9 586	6 614	20 975	10 431
Other									
Free movement and other non-discretionary	20 861	–	37 226	11 500	4 979	9 234	51 641	63 840	–
Total non-discretionary	57 733	62 273	143 993	80 864	13 399	39 392	77 433	120 345	273 196
Discretionary									
Work or settlement									
Principal applicant	35 320	54 225	6 906	16 646	9 366	319	2 965	44 480	36 775
Accompanying family	35 920	66 838	449	3 724	14 049	–	–	37 830	45 362
Family									
Parents and other relatives	7 210	22 081	10 271	n.a.	5 515	–	102	5 749	228 786
Humanitarian									
Resettled refugees and dependents	11 802	10 758	–	–	865	1 637	–	270	34 496
Other									
Other discretionary	–	5 177	11 478	7 703	4 742	–	1 799	35 035	87 212
Total discretionary	90 252	159 079	29 104	28 073	34 537	1 956	4 866	123 364	432 631

n.a.: Not available.

Notes: Data cover only immigrants obtaining the right of permanent residence or a status that can eventually lead to permanent residence.

In particular, students, trainees, seasonal workers, etc., are excluded, as is irregular migration. See text and Annex II.A1 for details of migration categories.

The classification of national migration categories as “discretionary” or “non-discretionary” was carried out by the OECD Secretariat. “Immediate family” for Italy may include some parents of resident migrants who therefore do not appear under the rubric of discretionary family migration. Data for Switzerland are for 2004. For the United States, the discretionary family category includes spouses and children of alien residents who do not have the automatic right of entry given to spouses and children of US citizens.

Source: Statistics are based on permit or visa data, except for the United Kingdom, where they are based on immigration control data and the International Passenger Survey. See Annex II.A1. The population data used to estimate immigration rates are taken from the OECD’s *Annual Labour Force Statistics*. Statlink: <http://dx.doi.org/10.1786/647801882483>

attempt to exclude, to the extent possible and if they are indeed counted in the immigrant entries, the same categories of entries that figure in the temporary migration programmes of the settlement countries. On the other hand, it is not always clear that it will be possible to capture in the statistics of European countries situations involving a change from a temporary status, such as that of international student, to that of a status involving a permit that can lead to permanent status, such as that of a skilled worker.

A further complication involves the question of non-citizens entering a country under free-movement economic and/or political unions, such as the European Union, the Nordic Passport Union and the Australia-New Zealand Trans-Tasman Union. Movements of this kind are generally subject to very few restrictions although, as has been seen with EU enlargement, the fear or prospect of substantially increased movements under such migration regimes can lead to the imposition of constraints that can effectively delay

Table II.2. **Inflows of permanent immigrants, selected OECD countries, 2003**

Per cent of total immigrant flow

	Number	Non-discretionary			Discretionary			
		Total (%)	Of which:		Total (%)	Of which:		
			Spouses, children, fiancés, recognised asylum seekers, protection	Persons migrating under a free-movement regime		Work or settlement	Work or settlement with accompanying family	Family migration (non-immediate family)
Australia	147 985	39	25	13	61	24	48	5
Canada	221 352	28	28	–	72	24	55	10
France	173 097	83	61	21	17	4	4	6
Italy	108 937	74	64	11	26	15	19	n.a.
New Zealand	47 936	28	18	10	72	20	49	12
Sweden	41 348	95	73	22	5	1	1	–
Switzerland	82 300	94	31	63	6	4	4	–
United Kingdom	243 709	49	23	25	51	18	34	2
United States	705 827	39	39	–	61	5	12	32

n.a.: Not available.

Source: See Table II.1.

Statlink: <http://dx.doi.org/10.1786/748054673522>

(through a transition period), limit (by means of a numerical maximum) or act as disincentives (by limiting access to social security benefits) to movements. Despite the possibility of imposing such (temporary) constraints to new members, it nevertheless seems appropriate to include such movements under the rubric of those which are not subject to control for long-standing members, because the international treaties concerned have defined new rights of entry for non-citizens, over which signatory countries cannot in principle exercise discretion once they come fully into force.⁸

The aim of Tables II.1 and II.2 is essentially to illustrate both the scale and the relative importance of what might be called “non-discretionary” migration movements in a number of OECD countries, that is, those which occur on an on-going basis because of recognised rights accorded to residents of a country (marriage, adoption and family reunification). Any decision to open up national borders to migration will thus involve numbers over and above those persons currently entering under these modalities. This is a prelude to considering the question of how the numbers of migrants to admit under a discretionary regime are to be determined.⁹

In Table II.1, under the rubric of non-discretionary movements figure entries of spouses, children, fiancés, adopted children, asylum seekers recognised as refugees or as persons in need of special protection and their spouses and dependents. Entries of other family members such as adult children or siblings, parents, grandparents and other relatives are considered discretionary movements for the purposes of this table, because although there may in some cases be humanitarian arguments to be made in favour of their admission, which receiving countries may or may not wish to take on board, there is no recognised international right of reunification for such family members. In certain countries, movements of these categories of family members are simply not allowed, in others they may be subject to a numerical limit or are subject to similar selection criteria imposed for labour migration, with the presence of family members in the host country favouring but not guaranteeing entry.

Likewise, resettled refugees (that is, persons admitted from UNHCR refugee camps) are considered a discretionary category because the numerical limits assigned to/accepted by countries are voluntary and can vary from year to year depending on policy choices. Finally all worker or skilled migration is categorised as discretionary, because it is almost always subject to conditions, such as employment tests or skill or education minima, and even when these are waived, they can be re-instated overnight.

Finally, in situations when workers or skilled migrants are admitted into receiving countries, the right of entry is sometimes and even often (for skilled migrants) granted concurrently to the immediate family. The accompanying family may be admitted under the same conditions as the selected worker or principal applicant, that is, with immediate access to the labour market and to a certain range of social benefits. If the entry of the migrant is discretionary, then so also will be considered that of the family for the purposes of this document, if the family is allowed to enter at the same time as the worker. Although it is true that the receiving country generally does not exercise any discretion with respect to the accompanying family, this form of migration will nonetheless be categorised as discretionary because any increase or reduction in the migration of workers or principal applicants (discretionary migrants) clearly has immediate repercussions on the numbers of immediate family admitted.

On the other hand, if the immediate family does not or is not allowed to accompany the selected worker or skilled migrant, the admission of the latter presupposes the willingness to admit the family at some point down the line, if this is considered a right and provided the standard conditions are met. In short, the admission of the family becomes more or less non-discretionary, once the migrant or worker has been admitted into the country. This may seem inconsistent with what is done for accompanying family members, because one could argue here as well that the admission of the worker determines that of the family. However, the statistics do not allow a distinction between the reunification of existing spouses and children with the initial migrant and the entry of (recent) foreign spouses and fiancés of residents. A significant fraction of family migration actually consists of the latter. In addition, there is not necessarily a guarantee at the time of entry of the initial migrant that he/she will remain in the country and that the existing family (if any) will eventually be brought in. Finally, the emphasis here is on classifying family migrants as discretionary/non-discretionary at the time of their entry, not retroactively on the basis of the entry of the initial (worker) migrant. For these reasons, it seems appropriate to consider subsequent family reunification of spouses and children as non-discretionary, even if that of the original migrant was not.

Table II.2 shows, not entirely surprisingly, that in the traditional settlement countries of Australia, Canada, New Zealand and the United States, the extent of discretionary migration exceeds 60%; in the United Kingdom it is slightly more than fifty per cent. In all other countries shown, most migration is non-discretionary in the sense that the persons concerned are admitted because they are considered, subject to certain conditions, to have the right to enter and eventually or concurrently, to settle and to work. In France, Sweden, the United Kingdom, Italy and Switzerland, “non-discretionary” migrants include sizeable numbers of citizens of countries of the European Economic Area (between 20 and 25% of all immigrants in the first three countries, about 10% in Italy and fully 63% in Switzerland). In France, Italy and Sweden, over 60% of the total number of legal immigrants consists of spouses (of either nationals or foreigners), children, fiancés, recognized asylum seekers and persons in need of protection. This is in part a consequence of the fact that direct

labour migration is relatively uncommon in these countries.¹⁰ In the United Kingdom, on the other hand, migration of spouses, children and recognised asylum seekers accounts for 23% of total migration, similar to what one observes in settlement countries.

In all countries depicted, less than a fourth of entering immigrants do so for work or settlement reasons. Perhaps surprising is the figure for the United States, where labour migration amounts to only 5% of all permanent immigrants. Contrary to generally accepted notions, however, permanent immigration policy in the United States is heavily oriented towards family migration and allows for entries of more extended family members than is the case in other countries.

Note that even in countries which exercise a strong selection of migrants as a function of personal characteristics, such as Australia, Canada and New Zealand, only about one fifth to one quarter of immigrants are directly selected. Implicitly, however, the selection process extends to a much higher proportion of entering immigrants, for a number of reasons. Since persons tend to marry persons of similar educational background, any selection of immigrants on the basis of educational qualifications tends to extend to their spouses as well.

4. Managing migration through numerical limits

What numbers to admit?

How are the numbers of immigrant workers to admit to be determined? There is a prior question, however, and that is “What is the main objective of a selective labour migration policy?” It may be to compensate for actual or expected labour shortages, arising either out of distortions in the domestic labour market, lags in the reaction of the labour market to price signals or expected structural changes in the size of the labour force. Establishing a numerical limit is but one tool among others that can be used to ensure control. An employment test is another and can act to limit numbers well short of the actual numerical limit. However, if immigration regulations also permit the entry and work of family members, then employment-test systems will also include entries that are not in immediate response to labour market needs, as is already the case for non-discretionary migration.

In cases where the numerical limit is mainly set to respond to labour market shortages, determining what actual labour needs are is far from obvious. “Needs” here are rarely absolute, that is, labour markets can adjust to ensure that wages and conditions are such that suitable applicants are forthcoming domestically without recourse to immigration. However, this can rarely be done in a suitable time frame, particularly when the shortages involve the consequences of past demographic evolutions, slowly changing fertility behaviour, or requirements for specific skills that may require years to develop. Immediate short-term shortages, on the other hand, can be addressed through temporary labour migration programmes, which exist in most countries.

Labour market occupational requirements may be difficult to project over the medium term (see OECD 2002), a number of countries do identify occupational shortages on a current basis and use these as criteria favouring or facilitating entry, by means of an occupational shortages list. Potential immigrants in occupations on the list may receive extra points (Australia) in the immigrant selection process or have the processing of their residence and work permits accelerated (United Kingdom). However, employer projections of their own labour needs may not necessarily reflect their actual requirements, even in the

short term, as the experience of the dotcom bubble amply illustrated. Canada, by contrast, attaches less weight to specific occupational criteria, especially compared to the past, reasoning that general human capital considerations are more important and these workers may need to adapt to significant changes in labour market conditions over their working lives. This approach has some obvious limitations, at least in the short term, in addressing structural labour shortages in certain specialised professions or trades, such as medicine or plumbing.¹¹

The planning or target levels in place in Australia and Canada are in fact not meant purely to respond to labour market needs but have a settlement intention, that is, the immigrants selected are expected to settle permanently in the host countries and to become part of the resident population; there is no requirement that they have a pre-arranged job prior to arrival.

How the target levels are arrived at is not always entirely clear, however. No doubt historical migration levels and population and participation rate increases provide some guidance. There is, however, a concern relative to the ability of the economy and society to more or less smoothly integrate immigrants, without overly taxing domestic social infrastructure, creating adjustment problems and giving rise to xenophobic sentiments in the population. A heavy influx of immigrants will generally require increases in the housing stock and in social services, especially with respect to educational and health facilities, if family members accompany the workers that are admitted. The setting of levels involves a complex set of social and economic policy objectives that must be balanced in arriving at the targets; there is no formula or calculation that yields a precise number or range.

Regardless of how the exact numbers are determined, the management of immigration numbers through target levels or numerical limits is intended, among other things, to transmit the notion that the process is neutral and non-discriminatory for the candidates satisfying the selection criteria and that the governmental authorities are in control of the situation. The ability to set and meet publicly announced target levels that have been the object of some consultation is undoubtedly part of this strategy. However, it is a credible process only if the numbers, along with other means of short-term entry, reflect minimum labour requirements and if there are some reasonable accompanying actions that limit the possibility of illegal immigration and work as well as the temptation of “queue-jumping” for those whose chances may be limited under the existing system (see Box II.2). Establishing such annual target levels in an environment in which immigration is a highly charged political issue may not be quite the same process as in countries where there is a broad political consensus on immigration.

No doubt hybrid strategies are possible, in which target levels or relaxed employment tests are set in sectors or occupations where there is a consensus about labour needs and where immigration is relatively uncontroversial, but more stringent control measures where there is more uncertainty or concern about possible abuses. In any system in which numerical limits or ranges are specified and mandated, the question of how applications are to be processed to ensure that limits are not exceeded and of how to handle “excess” applications are issues of importance.

Box II.2. Immigration limits in a context of strong labour demand – the case of Italy and Spain (Einaudi 2003)

Both Italy and Spain have undergone a transformation from countries of emigration to countries of immigration in recent decades. Inflows initially were small but increased over time, expanding substantially towards the end of the nineties. As in most new immigration countries, initial entries generally occurred extra-legally, among other reasons because of limited national experience with the management of migration. In both cases, the initial extra-legal pattern tended to be exacerbated and perpetuated by the fact that the size of the underground economy was relatively large, providing more numerous employment opportunities for persons illegally present in the country, often in the domestic sector, and the fact that programmed migration levels have tended to be significantly lower than required by the labour market.

At periodic intervals, attempts have been made in both countries to regain control over the situation by means of regularisation programmes, the introduction of visas for nationals of countries with a significant immigrant presence, stronger sanctions against illegal migrants and against employers resorting to undocumented workers, and more extensive border and coastal control measures. At the same time, the reality of migration and of labour market needs were recognised through the introduction of national numerical migration limits and the allocation of quotas to regions and sectors, following consultations with employers and regional officials.

In practice, however, the national limits and associated quotas have been less than the numbers requested by employers and have proven to be significantly under actual labour market needs, if the extent of regularisations of persons with employment contracts is any indication. For example, about 700 000 requests for regularisation were presented in Italy in 2002, which corresponds to an average of about 175 000 entries per year since the previous regularisation in 1998. Total non-seasonal permit numbers provided for over the same period amounted to 249 000, or an average of about 62 500 per year. Likewise in Spain, programmed non-seasonal worker migration for the period 2002-2004 amounted to less than 100 000, but regularisation requests in 2005 totalled 700 000. In practice, some of the work permits provided for in the migration programmes have been granted to persons already in the country and have thus served as a regularisation tool rather than as part of normal procedures for recruiting from abroad.

The regular lack of concordance between the programmed migration levels and labour market needs meant that in practice, the levels had become almost irrelevant. Employers may well have become accustomed to a situation in which they could hire outside of legal channels with relative impunity, with a reasonable probability that the hiring would be formally recognised a few years hence through a regularisation. However, new migration regulations have been introduced in both Italy and Spain, including an increase in programmed migration to 179 000 (including seasonal workers) in Italy. Whether the new regulations will be effective remains to be seen. Redirecting irregular migration into legal channels would require programmed migration levels that are in line with labour market needs, an efficient processing of permit requests and perhaps as well, employer incentives to resort to legal hiring, at least in the early stages, until a revitalised permit system has proven itself adequate for employer needs.

5. Numerical limits and their management

Numerical limits to discretionary migration exist in a number of OECD countries. The way in which these are determined and managed differs from country to country. Numerical levels can be established for either total immigration, for some or all individual categories of immigrants, or both. When levels are set for total immigration, they clearly need to be larger than the expected level of non-discretionary immigrants. The number of

discretionary migrants is then determined residually as the difference between the numerical level for the total and the number of non-discretionary migrants admitted.

The numerical levels are treated in two different ways depending on the country: as limits not to be exceeded or as target levels to be attained. The latter is especially the case in settlement countries with a planned migration programme providing for target levels for entries of different categories of immigrants, such as skilled workers, self-employed, immediate family, parents, etc. The objective is to come as close to the target level as possible. There is generally a certain amount of leeway in the numerical levels because of difficulties in practice in managing precisely the flow of applications to ensure that the levels are met or that they are not exceeded.

In some countries, levels are set even for non-discretionary migration because the expected numbers are relatively predictable from past entries (spouses and children) or because of prior knowledge of applications on file and of processing times and recognition rates (recognised refugees). The number of applications for places in discretionary migration categories, on the other hand, can in principle be open-ended or at least significantly exceed the number of places specified in the migration programmes of countries.

Since there is a lag between the submission of an application and its processing, there needs to be a continuing supply of applications in the pipeline to ensure that there are sufficient numbers to meet target levels, especially if applications are subject to a point assessment. Adjusting the threshold points value for acceptance to ensure that there are sufficient numbers of candidates on hand but not a substantial oversupply seems to be a challenge, especially since the attempt to apply a higher threshold retrospectively to limit numbers has in at least one case not gone unchallenged. Achieving a specified target level or falling within a specified range in the case of discretionary migration categories seems to be handled generally by a judicious management of application processing procedures. One country (New Zealand) has introduced a two-step process in which interested migrants must identify themselves and satisfy a certain number of requirements prior to being formally invited to apply for residence. This procedure provides an automatic control over numbers.

In other cases where there may not be enough places to satisfy demand and where a cut-off of applications seems problematical (*e.g.* immigration of parents or of other relatives), a significant backlog can (and in some cases, has) build up, leading to substantial frustration on the part of candidates for entry and their sponsors in the host country.

The details of how the numerical or target levels are determined for a number of countries (Australia, Canada, New Zealand, Switzerland and the United States) and of how the flow of applications is managed to ensure that the levels are (more or less) respected is described in Annex II.A2.

Conclusion

With the perceived need for worker immigration in many countries in the near future, in connection with labour shortages arising out of the retirement of the baby-boom generation, has arisen the issue of how the numbers required are going to be determined and their entry managed. Employment tests have traditionally been used in many countries to assess labour market needs, but a certain number of countries, among them Australia, Canada, New Zealand, the Switzerland and the United States, control

immigration levels by means of maxima not to be exceeded or target levels to be attained, at aggregate level or by individual immigrant categories.

In all countries currently, there are non-trivial numbers of immigrants entering, over which countries exercise little discretionary control. These involve spouses and children of current residents and persons fleeing persecution. Their entry is governed by international convention or generally recognised human rights. In the countries cited above (Switzerland excepted), their numbers account for between 18 and 39% of immigration, whereas in France, Italy and Sweden, it is 61, 64 and 73% respectively. Free movement of EU/EFTA citizens accounts for a further 21, 11 and 22% of movements in the latter countries, respectively, and fully 63% in Switzerland.

Any pro-active migration policy is going to involve supplementing these current entries with selective labour migration, where either employers or the national administration take on the role of identifying appropriate candidates. The numbers to be admitted can continue to be determined, in those countries where this is the current system, by means of employment tests, with the risk that this entails with regard to negative externalities. The risks can be reduced, however, by constraining the employer selection process, for example by specifying the minimum skill or wage of levels or the eligible occupations for entering immigrant workers.

Alternatively, the candidates can be chosen nationally according to specific criteria, with characteristics deemed to ensure better insertion into the labour market favoured. This can include a specific job offer or accepted candidates can enter the labour market following entry just as any other new entrant. The number of immigrants to be admitted under such a government-selection scheme needs to be determined, however. In practice, countries have adopted a number of strategies involving setting maximum numbers not to be exceeded or target levels to be attained, whether overall or by specific migration category. The process by which these levels are established is far from transparent. The determining of this figure and the procedures introduced to ensure that it is respected are not without difficulty, however, especially if the levels are set below actual requirements or if processing procedures lead to extensive application backlogs.

In addition, the process is credible only in an environment in which illegal migration and work are or can be placed under reasonable control. If the setting and meeting of target levels is intended in part to convey the impression that immigration is a planned and orderly process, this can be defeated if irregular migration movements are proliferating in parallel.

The regulation of migration over the past decades has rarely been a simple process and it is even less so in an environment of facilitated international travel, the possibility of instantaneous communication about labour market conditions and requirements in other countries, and a huge supply of workers around the world willing to displace themselves and their families to countries where living, working and economic conditions appear more favourable. Guaranteeing a certain degree of freedom of movement for citizens of other countries while ensuring that rules concerning entry and stay are respected, requirements for labour that the domestic market is not satisfying are met and that the process remains politically and socially acceptable, remains a daunting policy challenge.

Any pro-active migration policy in the near future, to respond to labour shortages, needs to first take into account the significant number of immigrants entering over which

countries exercise little discretionary control and which are a source of labour supply. If this is insufficient to satisfy labour market needs, then there are a number of tools available to manage the entry of the additional workers that will be needed. Establishing numerical limits or target levels is but one method among others, one which is not necessarily easy to manage, as the experience of a number of countries has shown, and which entails a certain number of risks if the levels are set at levels that are either too high or too low.

Notes

1. The target numbers in these countries generally bear on “green card” type migration, that is, migration in which persons admitted are accorded the right of permanent residence upon entry. In most other OECD countries, the right of permanent residence is rarely granted upon entry, except perhaps to resettled refugees, but is generally accorded after a certain number of years of residence in the host country and indeed, in some cases, comes only with naturalisation. A proactive migration policy, in a situation in which potential migrants are faced with a number of competing offers, may well involve some recruitment incentives, among which an extended residence permit might figure.
2. Irregular migration will not be considered in this document.
3. As will be seen, only a fraction of persons admitted as permanent migrants are actually selected on the basis of characteristics in these countries.
4. In principle, until recently applying for permanent residence status from within the country was discouraged in Canada. However, the possibility to apply from the territory of a near neighbour was not excluded and it may be that some temporary migrants or visitors availed themselves of this opportunity.
5. For an overview of bilateral agreements and other forms of recruitment of foreign workers, see *Migration for Employment: Bilateral Agreements at a Crossroads*, OECD, 2004.
6. Germany, however, has admitted (and continues to admit) considerable numbers of “ethnic Germans”, who are descendants of Germans who settled in parts of Eastern Europe and the Soviet Republics several centuries ago and who, once their German ancestry has been established, are granted German nationality upon entry into the country. It could be argued that this is immigrant selection based on rudimentary selection criteria. This is not labour migration strictly speaking, however, even though such migrants can enter the labour market after entry.
7. The selection of countries for Tables II.1 and II.2 was dictated by the availability of, and easy access to, permit or migration control data that could be broken down or estimated according to the categories in the Table II.1.
8. For the purposes of this document, immigration into Switzerland under the Swiss agreement with the European Union concerning the free movement of persons is considered non-discretionary migration. The reason is that the data presented for Switzerland are for 2004 and after June 2004, native workers no longer have priority over EU citizens for jobs, nor is there a control on the wages and working conditions of the latter. Although this form of longer term migration continues to be subject to numerical limits until 2008, in practice persons entering in excess of the prescribed limit are given (renewable) short-term permits until a long-term permit becomes available in a subsequent year.
9. The classification of national migration categories according to the discretionary/non-discretionary distinction is given in Annex II.A1 for the countries appearing in Tables II.1 and II.2.
10. As the 2002 regularisation in Italy indicated, inflows into that country have included substantial numbers of irregular labour migrants (on average about 175 000 per year over the 1999-2002 period).
11. Canada also has a provincial nominee program which allows Provinces to select permanent immigrants on the basis of specific economic needs.

Bibliography

- CHALOFF, Jonathan (2004), SOPEMI report for Italy, OECD Continuous reporting system on migration.
- De COULON, Claire (2004), Rapport SOPEMI pour la Suisse, Système d'observation permanente des migrations de l'OCDE.
- DHS (2004), *2003 Yearbook of Immigration Statistics*. Office of Immigration Statistics, US Department of Homeland Security, Washington, DC.
- DUDLEY, Jill (2004), *Control of Immigration: Statistics United Kingdom, 2003*. Home Office Statistical Bulletin, London.
- EINAUDI, Luca (2003), "Programmation de quotas, régularisations et travail au noir : les politiques de l'immigration en Italie et Espagne (1973-2003)" 2nd Stockholm Workshop on Global Mobility Regimes, June 2004.
- EINAUDI, Luca (2005), Personal communication.
- HAGOS, Michael (2004), SOPEMI report for Sweden, OECD Continuous reporting system on migration.
- LEBON, André (2003), Rapport SOPEMI pour la France, Système d'observation permanente des migrations de l'OCDE.
- LITTLE, Marilyn (2004a), SOPEMI report for New Zealand, OECD Continuous reporting system on migration.
- LITTLE, Marilyn (2004b), "New Zealand's Skilled Migration Policy: An Overview of the New Selection Framework". OECD Working Party on Migration DELSA/ELSA/WP2(2004)4, Paris.
- OECD (2002), *Trends in International Migration*, Organisation for Economic Co-operation and Development, Paris.
- OECD (2004), *Migration for Employment: Bilateral Agreements at a Crossroads*, Organisation for Economic Co-operation and Development, Paris.
- RIZVI, Abul (2004), SOPEMI report for Australia, OECD Continuous reporting system on migration.
- RUDDICK, Elizabeth (2004), SOPEMI report for Canada, OECD Continuous reporting system on migration.
- SALT, John (2004), SOPEMI report for the United Kingdom, OECD Continuous reporting system on migration.
- SMITH, Shirley (2004), SOPEMI report for the United States, OECD Continuous reporting system on migration.

ANNEX II.A1

Defining Discretionary and Non-discretionary Migration

Non-discretionary migration is considered to consist of four types of migrants:

- spouses and own children;
- fiancés and adopted children;
- recognised asylum seekers or persons in need of protection;
- persons entering for a long term stay under a free movement regime.

In practice, there may be special rules or conditions concerning fiancés and spouses, to ensure that current or planned marriages are legitimate and are not being used purely as a means of entry into the country.

Discretionary migration, on the other hand, includes:

- all economic migrants, whether identified by employers or selected by the receiving state;
- accompanying family of economic migrants;
- relatives that are not members of the immediate family;
- resettled refugees;
- other categories specific to a country.

The statistics in Table II.1 are based on a classification of the various categories of (permanent) entries into each country, based on national official statistics. For settlement countries (Australia, Canada, New Zealand and the United States), “permanent” entries refer to admissions of persons with the right of permanent residence. In some cases, such persons may have actually entered the country with a temporary status and had their status changed to a permanent one. In non-settlement countries “permanent” entries consist of persons who may have a temporary permit at the time of entry but which is more or less indefinitely renewable and who will likely settle in the host country with their families. For this reason, certain categories such as international students or diplomatic personnel, who are not considered to be permanent residents, have been excluded from the statistics of some countries.

The following lists the categories included under discretionary and non-discretionary immigration, according to national terminology. The classification of the categories as “discretionary” or “non-discretionary” was carried out by the OECD Secretariat; it does not originate in the national sources that are cited.

Australia (Source: Rizvi 2004 and www.immi.gov.au/statistics/publications/immigration_update/Update_June04.pdf)

Discretionary

- all skilled immigrants;
- parent;
- preferential/other family;
- refugee and SHP (Special Humanitarian Program).

Non-discretionary

- spouse/interdependency;
- child;
- fiancé;
- special eligibility;
- permanent protection visa;
- onshore SHP;
- New Zealand citizens and other non programme migration.

Canada (Source: Ruddick 2004)

Discretionary

- all economic immigrants;
- parents and grandparents;
- government assisted refugees;
- privately sponsored refugees.

Non-discretionary

- spouses and partners;
- sons and daughters;
- refugees landed in Canada;
- refugee dependents;
- other immigrants.

France (Source: Lebon 2003)

Discretionary

- parents of French nationals;
- parents of French children;
- salaried and non salaried workers;
- spouses of scientists;
- visitors;
- re examination cases;
- pensioners due to a work accident > 20%.

Non-discretionary

- family reunification;
- family members of French nationals;
- foreigners born in France;
- personal and family ties;
- foreigners in France > 10/15 years;
- children of French nationals;
- minors in France since at least the age of 10;
- statutory refugees and accompanying minors;
- beneficiaries of territorial asylum;
- families of refugees and stateless persons;
- free movement of EEA nationals.

Italy (Sources: Shaloff 2004, Einaudi 2005, http://demo.istat.it/altridati/trasferimenti/index_e.html)

Discretionary

- dependent workers;
- self-employed;
- accompanying family of labour migrants;
- migration for religious motives;
- elective residence (persons with private means).

Non-discretionary

- family reunification (including parents with no means of support in origin country);
- adopted children;
- recognised asylum seekers;
- free movement of EEA nationals.

New Zealand (Source: Little 2004a and www.stats.govt.nz/tables/tables_tourism_2003.htm)

Discretionary

- general skills;
- employees of businesses;
- entrepreneur category;
- investor/business investor;
- family parent and other;
- quota refugees;
- samoan quota;
- other.

Non-discretionary

- family marriage and child;
- recognised refugees;
- humanitarian family;
- Australian citizens.

Data for permanent and long term entries of Australian citizens are proxied by arrivals of permanent and long term non New Zealand citizens from Australia.

Sweden (Source: Hagos 2004)**Discretionary**

- labour market reasons;
- refugee resettlement;
- free movement of EEA nationals.

Non-discretionary

- family ties;
- adoption;
- humanitarian reasons;
- recognised refugees or other protection;
- EU/EEA free movement.

Note: Only total family members for all refugees were available. These were allocated to each of the humanitarian categories in proportion to the number of persons in each category.

Switzerland (Source: De Coulon 2004)**Discretionary**

- foreigners with remunerated activity subject to limits (except trainees);
- foreigners without remunerated activity not subject to limits (except civil servants of foreign administrations);
- foreigners without remunerated activity;
- other relatives;
- returns to Switzerland;
- other entries into Switzerland.

Non-discretionary

- spouses and children;
- recognised refugees;
- humanitarian motives;
- EU/EEA free movement.

Note: For Switzerland, accompanying family of immigrants are not identified separately in the statistics but included under a general family reunification rubric along

with spouses, children and other relatives. Thus, spouses/children and other accompanying family of immigrants needed to be estimated. It was assumed, first of all, that EU/EFTA workers would normally be arriving with their families, that students and stagiaires are not married or with their families and that non-EU/EFTA workers would be arriving alone (as the law does not grant them the right to arrive with their families unless they have an establishment permit). Family reunification statistics were available separately for EU/EFTA countries. It was then assumed that the share of family migration accounted for by EU and EFTA workers arriving with their families was proportional to their share of total EU and EFTA non-family, non-student migration. The derived average family size was then applied to other forms of non-family non-student discretionary migration to estimate total accompanying family migration for these categories. The residual family reunification numbers were considered to be non-discretionary family migration.

The agreement between Switzerland and the EU/EFTA countries concerning the free movement of persons within their respective territories came into force in 2002. Although numerical limits will continue until 2008, for the purposes of this document, migration of EU/EFTA nationals is considered non-discretionary. The reason is that the statistics presented are for 2004 and as of June 2004, there is no longer an employment test carried out, nor are the wages and working conditions verified for workers from these countries. In addition, even if the numerical limit has been attained every year since 2002, in practice, it is not operable because persons entering in excess of the limit are given short-term permits which are renewed until a longer-term permit becomes available.

United Kingdom (Source: Salt 2004 and Dudley 2004)

Discretionary

- work permit holders (long term) and accompanying family;
- UK ancestry;
- refugees granted settlement on arrival;
- parents, grandparents and other relatives;
- grants of settlement to persons on permit free employment; businessmen, persons of independent means and their spouses and dependents;
- other grants on a discretionary basis;
- category unknown.

Non-discretionary

- spouses and fiancés;
- children seeking settlement;
- recognised refugees and dependents;
- persons with exceptional leave and dependents;
- free movement (EU);
- accepted for settlement on arrival.

Data on dependents of work permit holders do not distinguish between short and long-term permit holders; for the purposes of this document, the dependents are assumed to be exclusively those of long-term permit holders.

United States (Source: Smith, 2004 and DHS, 2004)

Discretionary

- IRCA legalization;
- family-sponsored immigrants;
- employment-based immigrants;
- refugee adjustments;
- other immigrants (including diversity).

Non-discretionary

- immediate relatives of US citizens;
- asylee adjustments.

ANNEX II.A2

National Examples of Numerical Limits or Targets and their Management

For the United States, the 1990 Immigration Act specified a worldwide level of migration for certain categories of immigrants with a limit varying from 421 000 to 675 000 depending on the previous year's admissions. Employment-based immigrants and diversity immigrants¹ currently are assigned specific upper limits of 140 000 and 55 000, respectively (including accompanying immediate family). Family-related immigrants (excluding immediate family of United States citizens) are assigned a limit that is the larger of 226 000 or 486 000 less immediate relatives of US citizens admitted in the previous year, any unused employment-related places from the previous year and a number of other smaller categories. Likewise, any unused family-related immigrant places can be transferred to employment-related immigration in the following year. There are no limits to immediate relatives of United States citizens (333 000 in 2003). Finally, although the arrivals of resettled refugees and of asylum seekers were capped at 70 000 and 10 000 respectively in 2003, grants of permanent resident status to these groups are exempt from limits. In 2003 the number of refugees and asylum seekers changing from temporary to permanent status was 45 000. Per-country limits are set for the numerically limited categories, at 7% of the total allowed for independent countries and at 2% for dependent areas. (DHS 2003)

In any such system in which numerical limits or ranges are specified and mandated, the question of how applications are to be processed to ensure that limits are not exceeded and of how to handle "excess" applications are issues of importance. In the United States' immigration system, both of these have met with some problems. There has been a significant backlog in the processing of applications over the past decade. Applications for entries of relatives who are not immediate family (a discretionary group), for example, were subject to over two and one-half years delay in processing as of mid-2004, but a concerted effort seems to have reduced this to one year by end-2004.² On the other hand, at the end of fiscal year 2003, there were over 1.2 million applications pending on the part of persons already present in the United States and awaiting a decision on a green card (DHS 2003). Reduction of delays in processing, however, may not ensure immediate entry if the statutory numerical limitations do not allow it. It may take several years before an applicant's turn in the queue comes up. If most of the 2003 end-year change-in-status applications were to be approved, for example, it would take a minimum of two to three years at current immigrant admission levels before a green card could be awarded to persons in this group.

In Australia, numbers for the Migration Program and the Humanitarian Program are managed independently. Specific planning levels are specified by the Minister for Immigration in April for the following fiscal year. For 2004-2005, for example, planning levels were 105 000 to 115 000 places under the Migration Program (plus an additional 5 000 places for the new Skilled Independent Regional Visa) and 13 000 places under the Humanitarian Program. These levels are not maxima strictly speaking, but rather targets to be attained, that is, the main objective is not to ensure that the planning levels are not exceeded (although this is an additional objective), but rather that they are met. It would be considered a policy failure if migration levels were to fall significantly below the planning levels.

In the Humanitarian Program, 6 000 of the humanitarian places are for overseas refugees and 7 000 are for the Special Humanitarian Program (SHP), which admits sponsored victims of substantial discrimination. However, recognized asylum seekers also fall under the SHP total, so that high numbers for the latter group can effectively reduce the number of places available for the standard SHP target group.

The Migration Programme is subdivided into individual categories, covering largely family immigrants (immediate family, parents and other relatives) and skilled migrants (employer-sponsored, skilled independent and skilled Australian relative-sponsored, etc.). Planning levels are specified for each individual category. Despite the aggregate level maximum range, there is no cap on entries of immediate family members (spouses, dependent children, adoptee and orphan unmarried relatives) and they are processed on a priority basis. However, the numbers for these categories are apparently highly predictable, so that the actual outcome for the year is generally close to the planning levels. Limits may be placed on the “parent” and “other family” categories if these show signs of exceeding significantly their planning levels. Planning levels for the remaining skilled migrant categories reflect at once the distribution of skilled migration by the specified categories for the past year as well as policy choices.

How are applications managed? Each regional office indicates the number of places it expects to deliver (approximately) in each migration category and manages the processing of applications to ensure that the required number of places (more or less) is attained. However, this does not exclude the possibilities of backlogs per se, so some fine-tuning is necessary. For categories where there may be caps, once a cap is reached, applicants wait in a queue for the visa to be granted in the following year(s), subject to available places. In July 2003, for example, there were about 16 400 applications in the Parent visa queue, with some applications dating back as much as three to four years.

For the skilled migration stream, on the other hand, for which the number of applications could in principle be open-ended, a different system is in place. Here immigrants are selected on the basis of certain characteristics deemed to be important for integration into the labour market. Points are awarded depending on where potential migrants stand with respect to these characteristics.³ A certain minimum number of points are necessary in order for an application to be accepted. Applicants with less than the required number but above a certain minimum are placed in a pool, where they can remain for two years. Clearly, if the threshold value for acceptance is too low, the number of applicants accepted for admission may be excessive and the planning level or range exceeded. Thus, in practice, a relatively high threshold value is used, which is adjusted downward as required to ensure the “right” number of admissions. The limited two-year

stay in the pool of non-selected applicants then avoids the build-up of an excessive backlog. All of these procedures are made clear to potential immigrants upon application.

A comparison of the Australian migration programme planning levels and the corresponding outcomes is given in Table II.A2.1 for fiscal year 2003-2004.

Table II.A2.1. Migration programme planning levels and outcomes, 2003-2004

Category or component	Planning level	Outcome
Spouse/interdependency	30 200	27 320
Fiancé	5 200	5 030
Child	2 800	2 660
Parent ¹	7 000	4 930
Other relative	1 900	2 290
Total family	47 100	42 230
Skilled Australian sponsored	11 800	14 590
Skilled independent	33 400	40 350
ENS /LA/RSMS/STNI ²	10 500	10 400
Business skills	7 400	5 670
Distinguished talents	200	230
Total skill	63 300	71 240
Special eligibility	1 100	890
	+/-5 000	
Total	106 500-116 500	114 360

1. Includes parent contingency reserve of 6 500.

2. Employer Nomination Scheme/Labour Agreement/ Regional Sponsored Migration/State-Territory Nominated Independent Scheme. For definitions of the specified categories, see www.immi.gov.au/migration/#migration.

Source: 2003 and 2004 SOPEMI reports.

Statlink: <http://dx.doi.org/10.1787/144261102365>

In Canada, there is a legal requirement for the Minister of Citizenship and Immigration to table in Parliament on or before 1 November of each year, the number of permanent residents admitted in that year and the number planned for the following year, following consultation with the provinces. Parliament is not explicitly involved in the process, but there is formal Cabinet approval for the planning levels before they are tabled. The planning levels are given in terms of ranges, both overall and for each category of migration, that is, as in the Australian case the levels constitute number of immigrants to be admitted, not limits not to be exceeded.

There is an additional constraint which was announced by the Minister some years ago and which the government has tried to adhere to, namely that 60% of the total level be allocated to economic migrants (skilled workers and dependents, business immigrants, provincial/territorial nominees, live-in caregivers) and 40% to family migrants (spouses, partners and children, parents and grandparents) and refugees (government and privately assisted, refugees landed in Canada, refugee dependents, human compassionate cases).

In practice, there is a specific target level for resettled refugees which is closely respected, in particular because immigrants in this group are provided with significant settlement services, for which planning is required. Spouses and dependent children are processed on a priority basis with no limits. Their number, however, as in Australia tends to be relatively predictable. The number of recognised refugees is subject to variability in the number of claimants and in processing times, but the number of claimants in the channels is known. The number of parents and other relatives to be admitted is then

determined residually, subject to the 40% constraint on the overall total on the combined family/humanitarian categories. In practice, this has resulted in a squeezing of the numbers in this category, because the other categories under the family rubric are non-discretionary. As a result, special measures were announced in April 2005 to reduce the inventory of applications from parents and grandparents.

For economic migrants, the system is fairly similar to Australia's, with each overseas mission delivering a certain number of admissions in each category. The independent skilled category is assessed on the basis of a points system with a threshold value for acceptance. The overall target range as well as the individual category ranges are respected by means of a management of the application processing flow. There is no fixed-time waiting pool as in the Australian case, and candidates are assessed on the basis of the points threshold in existence at the time they applied. The system can generate accumulating backlogs if there are systematically many more candidates with points exceeding the threshold than there are allotted places.⁴

The New Zealand Immigration Programme is set on an annual basis, with current levels at 45 000 ($\pm 5 000$). The total is allocated to three migration streams as follows: 60% to the skilled/business stream; 30% to the family sponsored stream; and 10% to the international/humanitarian stream. There are specific quotas assigned within the latter stream to resettled refugees (865), Samoans (1 100) and Pacific countries with which New Zealand has close cultural and historical ties (a total of 650). Aside from these three categories, there are no specific numerical targets for any other categories within the various streams.

Within the skill stream, a two-tier system of assessment has recently been introduced, which provides more control over the flow of applications (Little, 2004b). Candidates for immigration are evaluated on the basis of language ability, health, character, employability and contribution to capacity building. Persons scoring a certain minimum level are placed in a pool of people who have expressed an interest in migrating to New Zealand. Persons in this pool are then ranked by their point scores and, depending on verification of information provided and on available places, may be invited to formally apply for residence. Backlogs are effectively eliminated by this approach, because only persons invited to apply at the second stage can do so.

This is not the case for the family sponsored stream, in which the number of applications for residence has been growing steadily. At the end of the 2003/2004 financial year, there were 11 660 applications waiting to be processed. Since the family stream level is currently set at 13 500, it is clear that any further increases in family applications may result in numbers exceeding the annual allocation and the subsequent build-up of a backlog. There does not seem to be currently a priority accorded to immediate family over parents and other relatives.

The international/humanitarian Stream currently contains a number of categories allowing for entries under specific policies, in addition to the allocated quotas described above.

In Switzerland, only certain types of labour migration are subject to numerical limits. There is no cap on total migration *per se*. There is a "dual" migration regime in Switzerland, covering, on the one hand, movements of citizens of the European Union and the European Free Trade Association and, on the other, citizens of all other countries. The former essentially have the right of free movement and employment within Switzerland, but their

number is subject to a numerical limit of 15 000 workers. This limit is managed through a monitoring of residence permits granted on request to citizens of EU and EFTA countries who present a contract of employment. Once the limit of 15 000 is reached, in principle no further permits are issued. Family members are not counted in the limit and are allowed to accompany the migrant and to work.

Non-EU and non-EFTA workers, on the other hand, can receive an annual work permit if their putative employer can show that no qualified current resident of Switzerland can occupy the vacant position on offer. In addition, their number is subject to a numerical limit of 4 000, for half of which each canton has an allocation, the balance being allocated at the federal level, irrespective of canton. No further permits are issued once the limit has been reached. Family members are not allowed entry in the first instance. This system was the one prevalent in Switzerland for all foreigners until the signature of the free movement agreement with the EU and EFTA, which came into effect in 2002. Prior to the signature of the free movement regime with the EU and EFTA, the numerical limits for many years were significantly higher than the number of workers actually admitted. The employment test thus seems to have acted as a strong preliminary brake, with the set maximum playing no effective role and certainly not constituting, as in the Australian and Canadian cases, a target level to be attained.

Notes

1. This is a category of immigrants reserved for nationals of countries who have had less than 50 000 permanent immigrants to the United States in the last five years. Persons are drawn at random from a file of qualified entries and are invited to apply for permanent residence.
2. (see <http://uscis.gov/graphics/aboutus/repstudies/BEPQ4v7.pdf>.)
3. Some characteristics have threshold values, that is, an application will not be accepted if the individual, for example, is more than forty-five years old and does not have a good command of the English language.
4. See, for example, www.cic.gc.ca/english/press/05/0531-e.html.

