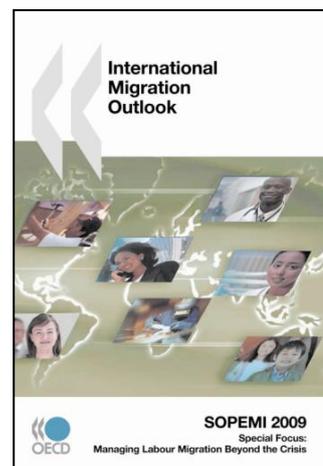


International Migration Outlook: SOPEMI 2009

Summary in English



- Migration to OECD countries has been sharply rising over the past two decades and in recent years labour migration has significantly increased.
- This publication first examines the economic crisis and its impact on international migration, describes how flows and migration policy have been recently affected by the crisis, and analyses the forecast medium and long-term impact.
- Then, it turns to the management of labour migration, both of the highly and lesser skilled. It examines how countries should prepare now for future labour market demand and how best to redirect irregular migration into authorised channels.
- A dynamic link (StatLink) is provided for each table and graph. It directs the reader to a web page where the corresponding data are available in Excel® format. Readers are also invited to visit www.oecd.org/els/migrations/pmi, where country notes, trend analysis and a statistical annex will be available from October 2009.

Introduction

With fewer young people entering the labour market and baby-boomers retiring, many OECD countries have been looking to labour migration to help fill the expected shortfalls in labour supply over the coming decades. By 2015, persons moving into retirement in OECD countries will exceed in numbers cohorts entering the workforce, a phenomenon that will continue for many years. Although international migration is not the only way to address the labour force shortfall – technology, outsourcing and greater mobilisation of the domestic labour supply are others – it may play an important role in satisfying needs in certain occupations and in certain countries.

For the present, however, the economic crisis has substantially changed the picture and created a lull in labour market pressures. Net migration has tended to decline during past economic downturns, because employers need fewer workers, there are fewer job opportunities to attract immigrants and because governments themselves modify policies to reduce entries, for example by setting lower numerical limits on labour migration where these exist or by removing certain occupations from labour shortage lists.

The current crisis is no exception. It has had adverse effects on labour market conditions in general in OECD countries, dampening labour migration movements but also rolling back most of the progress in the labour market achieved by immigrants in recent years.

Countries where the crisis hit first show large increases in unemployment rates and decreases in employment rates of immigrants both in absolute and relative terms vis-à-vis the native-born. Immigrants tend to be harder hit than native-born workers during an economic downturn, for a number of reasons, among them because they are overrepresented in cyclically sensitive sectors, they have less secure contractual arrangements and they are subject to selective hiring and firing. In addition both immigrants arriving and those who lose their jobs during the downturn seem to have particular difficulties entering or re-entering the ranks of the employed on a stable basis. For the first time in many years, the percent of immigrants employed in the United States has dropped below the comparable figure for the native-born.

Governments need to be vigilant, to ensure that deteriorating immigrant labour market outcomes do not mortgage the possibility of further migration when growth resumes. Integration programmes need to be maintained, anti-discrimination measures reinforced and immigrants profit equally from active labour market policies for the unemployed.

The need to manage labour migration movements more generally does not go away as a result of the downturn. Some shortages persist and higher flows can be expected to resume with the recovery. These will only be manageable if countries take a comprehensive long-term perspective. Policies need to be developed that ensure the responsiveness of migration to labour needs, that aim to reduce irregular movements and that encourage better long-term integration of immigrants and their children.

In recent decades, most governments have favoured high-skilled labour migration, introducing measures which facilitate the recruitment and stay of high-skilled migrants, but they need to recognise that there is demand for lower skilled migrants as well, in some occupations and sectors. Whether to admit such migrants is a policy choice, one which needs to be assessed in the light of the costs and benefits for the destination country. In practice, most countries have also been considering opening up channels for migration into lower skilled jobs. There is a growing recognition that offering limited possibilities of legal entry for low-skilled jobs when there is strong demand for such jobs may create a fertile ground for irregular migration and that enforcing such a policy may be difficult and expensive.

Among countries willing to entertain migration for low-skilled jobs, many would prefer to manage low-skilled migration through organised temporary migration programmes. But temporary migration only makes economic sense when labour needs are truly temporary. It may be difficult and costly to ensure that migration remains temporary if labour needs are permanent. Both immigrants and employers then have an interest in maintaining the employment relationship.

OECD countries need to put in place labour migration regimes, which address needs at all skill levels and which are demand-driven. Such regimes need to incorporate incentives for both employers and immigrants to follow the rules, and safeguards to protect immigrant as well as domestic workers. Formal means of recruitment need to be put in place for low-skilled jobs if legal avenues are to have any chance of competing with the informal face-to-face methods currently used by employers and irregular migrants. Migration programmes thus need to:

- Identify labour market needs;
- For low-skilled migration, establish formal recruitment channels;
- Issue sufficient numbers of visas and process them quickly;
- Provide efficient ways to verify residence and immigration status;
- Implement effective border control and workplace enforcement procedures.

With such regimes in place, there should be low tolerance for the hiring of irregular migrants, with efficient means of enforcement and penalties for employers who break the rules.

Highly-skilled migration has changed in recent decades, from a world where the movements took place largely within OECD countries to one where immigrants are largely of third-country origin, with qualifications and work experience that are often discounted by employers. This can result in a waste of human resources as well as lead to frustration if the expectations of immigrants with regard to returns on their qualifications and experience are not realised. Many of the less favourable outcomes, however, concern situations where immigrants have arrived without jobs and without always having accurately assessed their prospects in the host-country labour market prior to arrival.

The most sensible way to address the asymmetry between expectations of skilled immigrants and their eventual labour market outcomes is to reduce the likelihood of its occurring, by taking appropriate measures upstream, before immigrants arrive. In practice, this means:

- Favouring potential immigrants with prior job offers;
- Assessing language proficiency and qualifications before admission;
- Implementing, where appropriate, more comprehensive assessment and certification procedures for foreign qualifications and work experience.

Recruiting international students who complete their studies in the country is one way of ensuring that immigrants enter the labour market with qualifications that are needed and recognised. Increasing the enrolment of international students can create a new pool of potential immigrants with domestic qualifications from which to recruit, with less risk of adverse effects on origin countries, because the cost of training is partly borne by receiving countries or migrants themselves, than recruitment from the ranks of qualified workers abroad.

OECD countries need to do a better job of integrating immigrants and especially their children. Although labour migrants may have work upon arrival, this is no guarantee of long-term employability, especially for the lower-educated. This is especially the case during the current downturn, since immigrants are generally harder hit during adverse economic conditions. Policies need to address the geographic and social isolation of immigrant communities, which hampers language learning and access to employers and employment opportunities. Measures to foster early exposure to the host-country language and pre-primary education for immigrant children need to be re-enforced.

If well-managed labour migration can be advantageous for

destination countries, it can also bring significant benefits to origin countries. Remittances significantly improve the welfare of those who receive them. A significant portion used for investment in health and education, which adds to the human capital in the origin countries fostering potential growth. Returns to origin countries can be associated with transfers of knowledge and technology and investment in business activities.

But expectations need to be kept in perspective. Labour migration numbers are not likely to be large relative to most origin-country populations. Countries with high proportions of migrants will especially benefit.

OECD countries can contribute by favouring diaspora contacts, removing return disincentives such as the loss or lack of portability of pension contributions or the loss of stay rights as a result of temporary absences, and reducing barriers to the mobility of persons for temporary high-skilled assignments.

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