

*Editorial:*

**Ensuring that Migrants are Onboard  
the Recovery Train**

The recent recession has slowed migration, especially that driven by labour demand. Yet, migration did not come to a halt – in part because family and humanitarian movements are less sensitive to changes in labour market conditions, but also because of structural needs and demographic trends. Concealed behind a slack labour market, the ageing of the population is starting to reduce the working-age population in many countries.

The crisis has also had the effect of throwing many immigrant workers out of work, at a higher rate than for native-born workers. Many were recent migrants, but not all. The road to steady employment for migrants in the past has often been a long one. With job loss, the return to such employment in the wake of the crisis could also be long. Add to this the fact that, even in good times, labour market integration for immigrants and their children in many OECD countries has not always met expectations.

The current situation for immigrants, particularly youth, is a particularly difficult one. The sharpest decline in employment is observed among immigrant youth, particularly in the countries hardest hit by the crisis. There is a real threat that this will have a long-term negative impact on their integration outcomes.

It is important to remember that migrants were contributors to the national economy when times were good; they should not be seen as a burden when times are bad. Those who are without work should be given equal opportunity with native-born unemployed to develop their skills and to re-integrate the ranks of the employed during the recovery. Jobs are the best insurance against social exclusion and marginalisation of migrants and their children. Employment contributes to their integration and to broader social cohesion. It also addresses the concerns of public opinion towards immigration.

There is no escaping the fact that more labour migration will be needed in the future in many OECD countries as the recovery progresses and the current labour market slack is absorbed. There are several reasons for this, which it is useful to recall.

More and more new jobs in OECD economies are highly skilled, but many countries are struggling to meet increasing demand for highly-skilled workers. Recruitment from abroad is one possible solution to which many countries will have recourse in the future as they did prior to the recent recession.

Many lesser-skilled jobs are not finding enough takers among young entrants to the workforce. Immigrants are the ones who often have been taking on these jobs in food processing, cleaning, hotels, restaurants and construction. Without immigrants, services in these areas would be harder to obtain and prices higher.

Personal care is another sector where there will be large labour needs, both to look after dependent older persons but also after children whose mothers wish to pursue their careers or enter the workforce. One likely source of workers in these occupations is the immigrant workforce.

Public pensions and health-care systems are largely financed by the contributions of persons who are working. The drop in the birth rate which occurred in the 1970s means that there will not be enough workers to pay for the pensions of persons retiring and their

additional health expenses. After raising the participation rate of the resident population, one way to reduce the need for higher taxes and pressure on public finances is to bring in immigrant workers, who contribute to pension and health-care regimes, but do not draw on them immediately.

But participation rates in many OECD countries are already high. Although mobilising domestic labour resources is the best way to address expected declines in the working-age population, it may not be sufficient. Further increases to participation rates will be harder and harder to come by, making a greater recourse to labour migration likely.

Under what circumstances is additional labour migration politically possible? There are two main requirements. The first is good outcomes for immigrants already here. The second is labour migration that corresponds to real labour market needs.

Good labour force outcomes for immigrants are not just desirable. They are an imperative which OECD economies cannot afford to ignore. Immigrants need to be actively engaged in the labour market and to be as self-sufficient as native-born persons of comparable education and skill. This means that as the recovery train pulls out of the station and employment grows again, immigrants have to be on board. Demography should provide a helping hand, because more and more baby-boomers will be retiring every year. But this does not ensure that everybody will get on the train – measures to address immigrant-specific obstacles to skill development, labour market entry and stable jobs need to be reinforced.

Better language proficiency needs to be encouraged and financed – good labour market-oriented training is costly, but a wise investment. Links to employers and to jobs, which immigrants have fewer of, must be fostered. Training for available jobs should be organised and adapted for immigrants as well as the native-born. In a world where labour is becoming scarcer, immigrants are a valuable resource and employers need to see this. Discrimination, whether based on prejudice or on inaccurate information, needs to be combated effectively. The recovery needs to be one for everyone, both immigrants and natives.

As for new labour migration, more than ever this must be in accordance with real labour market needs. Tackling slack in the labour market should have priority: where resident unemployed workers are available or can be easily trained to fill a job, this should be the first option before workers are recruited from abroad. But it is admittedly not always easy to determine if this is the case. Safeguards can be introduced, by means of a close and regular monitoring of the labour market, by lowering the costs of domestic hiring (for example, via wage subsidy or training programmes) or by raising the costs of recruitment from abroad, and by more effective border control and workplace enforcement.

Ensuring that both settled immigrants and newcomers to OECD countries from varied cultural and social backgrounds play a productive role requires good policies to ensure good outcomes. And immigrants' productive role needs to be recognised as such. The crisis has not made it easier to achieve good outcomes, but in the face of an ageing future, this has become more necessary than ever before.

John P. Martin



Director for Employment, Labour and Social Affairs