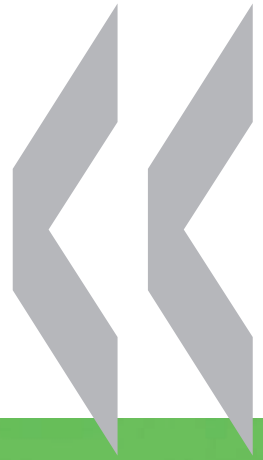


MIGRATION, EMPLOYMENT and INTEGRATION

Towards Responsive, Effective
and Fair Migration Policies



High-Level Policy Forum on Migration, Paris, 29-30 June 2009

Issues for Discussion

TOWARDS RESPONSIVE, EFFECTIVE AND FAIR MIGRATION POLICIES



Organisation for Economic Co-operation and Development
Directorate for Employment, Labour and Social Affairs

ISSUES FOR DISCUSSION

Towards Responsive, Effective and Fair Migration Policies

The current economic crisis is having significant short-term effects on immigrants' labour market outcomes, as well as on labour migration flows and policies. Some OECD countries are already adjusting their migration policies in order to limit new inflows and encourage unemployed migrants to return to their home countries.

Once the economy picks up again, however, the long-term challenges posed by population ageing will reassert themselves. Many OECD countries recognize that migration could play a role in helping to alleviate labour shortages, but they remain concerned by the difficulties encountered in managing migration flows, in particular in controlling irregular migration. At the same time, certain countries of origin are concerned by the departure of their qualified workers, while some would like to see OECD countries admit more lower-skilled workers.

The labour market integration of immigrants is also a topical issue in many OECD countries. There are several reasons for this. Immigrants – including recent arrivals – are among those who are hardest hit by the economic downturn, reinforcing the urgency of integration measures in the current context. More generally, the labour market outcomes of immigrants and their children tend to lag behind those of the native-born without a migration background, even when they have comparable socio-demographic characteristics. In addition, for immigration to help meet the long-term challenges of a slower growing labour force, due to population ageing, it is necessary that immigrants and their children be well “integrated” into OECD societies.

The first-ever OECD High-Level Policy Forum on Migration (to be held at the OECD Conference Centre, Paris, 29-30 June 2009) aims at offering Ministers and senior officials in charge of migration in OECD countries a platform to share their views and experiences on these topical issues. The 2009 *International Migration Outlook* and the OECD *Reviews on the Labour Market Integration of Immigrants and their Children* will provide the analytical background for these discussions.¹

1. OECD (2009), *International Migration Outlook*; OECD (2008), *Jobs for Immigrants (Vol. 2): Labour Market Integration in Belgium, France, the Netherlands and Portugal*; OECD (2007), *Jobs for Immigrants (Vol. 1): Labour Market Integration in Australia, Denmark, Germany and Sweden*.

The Forum will consist of three half-day sessions focusing on the following three themes:

1. **The current economic crisis and its likely impacts on international migration:** How have migration flows and policies been affected by the economic crisis? What are the expected medium to longer term impacts?
2. **Managing labour migration movements:** How can migration policies respond to labour needs, both high and lesser skilled, that are not being filled by the domestic workforce, and redirect irregular migration into legal channels?
3. **Labour market integration of immigrants and their children:** How do integration policies need to be designed in order to make the most of migrants' skills and to ensure a sustainable labour market integration of immigrants and their children?

Ministers and Heads of delegation will also be invited to a **working lunch**, hosted by the OECD Secretary-General on 29 June, to discuss the political economy of migration, and especially the issue of migration and public opinion.

This note suggests some questions to help guide the discussion among participants to the High-Level Policy Forum.

THEME 1: MIGRATION AND THE ECONOMIC CRISIS

With the unfolding economic crisis, labour market conditions have deteriorated rapidly in all OECD countries. This situation is threatening the progress made in recent years in terms of labour market outcomes of immigrants in a number of OECD countries, notably those where the crisis started sooner. In Ireland, Spain, the United Kingdom and the United States, the unemployment rate of the foreign-born has increased significantly, both in absolute terms and in relative terms vis-à-vis the native-born. Similar trends are identifiable to a lesser extent in most other OECD countries.

As documented in the 2009 *International Migration Outlook* (Chapter 1), immigrants are indeed among those most affected by the worsening of labour market conditions, because they tend to be concentrated in industries which are more sensitive to business-cycle fluctuations and they have, on average, less secure contractual arrangements in their jobs. Self-employment may sometimes act as a shelter in the context of severe labour market slack, but again immigrant businesses seem to be more vulnerable to economic shocks, notably because they are smaller and have less access to credit. Previous economic downturns indicate that the impact on immigrants' labour market outcomes may be long-lasting, particularly for those who have entered the labour market most recently and for those displaced from declining industries.

Recessions have historically resulted in lower net migration flows, although they have not generally affected long-term migration trends. Even if it is still too early to identify the full impact of the current economic crisis, migration inflows have shrunk in a number of countries. Labour migration flows are generally more sensitive to economic changes, while family and humanitarian migration are less affected in the short run and may even increase. In this context, several OECD countries have adjusted their policies to reduce temporary labour migration by *i*) reducing numerical limits; *ii*) reducing the scope of shortage occupation lists; and/or *iii*) reinforcing the role of labour market tests.

Some countries have also put in place policies to encourage return migration among unemployed immigrants. Past experience, however, shows that these schemes generally have limited impact. Migrants can be deterred from returning home if they risk losing their right to come back to the destination country. In addition, the economic situation in most origin countries may not encourage return given the global nature of the crisis.

During periods of economic crisis and higher unemployment, the perception grows that immigrants are competing for scarce jobs with native-born unemployed, even if that may not be a reality. Hence, calls grow for a major tightening in controls on inflows and for unemployed immigrants to be encouraged to return home. The current economic crisis is stress-testing the capacity of current migration management systems to react quickly to changing economic conditions. While economic crises may justify restrictions on labour migration in the short-term, it is important to consider the longer term consequences of policy changes, and to leave room for quick adaptations during the recovery phase. There is also the risk that the adoption of more restrictive measures may induce perverse unwanted effects on irregular migration.

Questions

- Should labour migration be adjusted in the face of the current economic downturn, and, if so, how should this occur? How should structural, longer-term needs be taken into account?
- What is the role of return policies for unemployed migrants during adverse economic conditions?
- How should labour market and integration policies address the particular vulnerability of immigrants during the economic crisis?

WORKING LUNCH ***IMMIGRATION AND PUBLIC OPINION***

Immigration policies, especially those concerning labour migration and integration, have risen to the top of the political agenda in many countries. Migration policies are the outcome of a complex process in which many different actors have a say: individual citizens, large organised groups (such as trade unions, employer associations, political parties and non-governmental organisations), the media, and governments.

There are large differences in the perception of immigration across countries. These are shaped inter alia by perceptions of the labour market impact of immigrants, social and fiscal costs and benefits of immigration, preference or aversion for cultural diversity and a country's history of migration and relevant institutional frameworks.

While the relatively favourable economic conditions and decreasing unemployment of the recent years had somewhat attenuated the often negative public perception of immigration in a number of OECD countries, the current economic crisis might well see the resurgence of anti-immigrant sentiment. Indeed, some have already voiced concerns that immigrants compete unfairly with natives on the labour market. Dealing with this potential additional source of social tension will be an important challenge for the governments of OECD countries.

Questions

- What should be done to prevent and/or to respond to anti-immigration sentiment during the current economic downturn?
- How can governments foster a balanced public debate on migration, which contributes to public support in the medium to long term?

THEME 2: MANAGEMENT OF LABOUR MIGRATION

Most OECD countries will face a decline in their working-age population over the coming decades, as baby-boomers begin to retire in large numbers and youth cohorts shrink. A number of responses to labour shortages are possible, including increasing domestic labour force participation, especially among older people and women, and/or through improving productivity. This may not be enough to meet all needs and many countries may increase their recourse to labour migration. Chapter 2 in the 2009 *International Migration Outlook* provides a preliminary roadmap for managing labour migration, both high-skilled and low-skilled.

While some labour shortages may disappear during the current economic downturn, those involving specialised training may still remain and will not necessarily be filled from the ranks of the unemployed or of new entrants. The same may be true for some of the so-called “3D jobs” (dangerous, difficult or dirty). Once the economic recovery sets in and unemployment begins to fall significantly, the longer-term challenges brought by ageing populations will reassert themselves.

The proportion of persons with scientific and technical training among the working-age population is also not always keeping pace with demand. Shortages have appeared in some occupations (*e.g.* health professionals) because of short-term fiscal measures impacting on labour supply, or because working conditions are not always satisfactory. As a consequence, many firms in OECD countries have been looking abroad for skilled workers, sometimes at the expense of needs in origin countries, particularly when the shortage is global in nature.

High-skilled labour migration is viewed favourably by almost all OECD countries, and recent changes in migration policies have made it easier in most countries for the highest skilled migrants to be admitted on a temporary or permanent basis. Nonetheless, some high-skilled migrants who arrive without jobs may end up in employment that does not correspond to their educational qualifications, a phenomenon which is more common among immigrants than native-born workers.

Low-skilled migration is generally less welcome in most countries, even where it is allowed. Even so, most OECD countries have seen a rise in low-skilled migration. Temporary migration programmes, which are generally favoured over permanent migration for low-skilled workers, make sense when labour needs are truly temporary, and can be made to work. If needs are permanent, however, such programmes are less successful. Permanent programmes are more appropriate in this case. They should be based on realistic assessment of labour demand and immigrants’ foreseen integration outcomes. Despite persistent efforts to control borders, irregular migration has recently been significant in a number of countries where labour demand was strong but possibilities of legal entry for low-skilled jobs were limited and workplace enforcement insufficient.

Questions

- To what extent can labour migration contribute to meeting future labour needs in OECD countries, while also benefiting origin countries?
- What is the role of government, employers and trade unions in determining which labour needs (temporary/permanent; high-skilled/low-skilled) should be met through migration?
- How can irregular movements be reduced or redirected into legal channels?

THEME 3: LABOUR MARKET INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN

Past experiences have shown that immigrants are among those hardest hit in the labour market during a downturn. They are also at a higher risk, compared with native-born jobseekers, of experiencing worse employment outcomes when the recovery finally gets underway. Consequently, integration policies will be key during the current economic downturn.

On a longer-term perspective, for migration to play the role expected of it in the context of ageing populations and in helping to fill labour shortages, labour market integration is a prerequisite. Indeed, labour market integration is the single most important factor to ensure that immigrants and their children make their way and are accepted in the societies of OECD countries. The *OECD Reviews on the Labour Market Integration of Immigrants and their Children* provide in-depth analyses of this issue for selected OECD countries.

In almost all OECD countries, immigrants have a higher incidence of unemployment than the native-born. At the same time, their labour market participation tends to be below that of the native-born, particularly in the case of women. The employment gap between native- and foreign-born is increasing with their level of education, mainly because of difficulties in transferring education and work experience across countries. Lack of host-country language proficiency may also explain part of the difficulties which immigrants face on the labour market. Other factors, such as lack of access to networks and of knowledge about the functioning of the labour market, or clustering of immigrants in disfavoured neighbourhoods, also play an important role in many countries. While there is evidence that discrimination is present in most, if not all, OECD countries, it is important to ensure that employers have adequate information to assess the education and work experience of migrants from countries with which they may have little familiarity.

Integration issues are not only a matter of concern for recent immigrants and those already settled, but also for their children. Their labour market outcomes indeed still tend to lag behind those of comparable children of natives. Since most of the children of immigrants have been raised and educated in the host countries, achieving equal outcomes for this group can be considered a “benchmark” for successful integration policy.

To overcome the disadvantages which immigrants and their children face in the labour market, a growing number of OECD countries have implemented diversity policies and/or taken measures to promote immigrants’ employment in the public sector. Many measures have also been developed to provide immigrants with a first foothold in the labour market, often on a project-type basis at the *local* level which makes the effectiveness of such measures difficult to assess, thereby hindering the diffusion of good practices. Many countries have also implemented specific integration programmes for new arrivals.

Questions

- What integration and labour market policies and programmes (including introduction programmes/settlement support and citizenship rights) work best to foster the integration of immigrants and their children?
- How can policies help ensure that the skills of immigrants are effectively used in the labour market?
- What are effective measures to enhance diversity and combat discrimination?