

# **International Migration Outlook**

*Annual Report  
2008 Edition*



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RAPPORT ANNUEL 2008

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## Foreword

**T**his publication constitutes the thirty-second report of the OECD's Continuous Reporting System on Migration (known by its French acronym SOPEMI).

The report is divided into four parts plus a statistical annex. Part I contains three subsections. The first of these provides a broad overview of recent trends in international migration flows, both temporary and permanent and a look at population growth in countries undergoing demographic decline. In most countries whose population is still growing, migration already accounts for at least 40% of total population growth and as much as 80% in the countries of southern Europe, Austria and the Czech Republic. Special attention is devoted to labour migration in the context of the introduction of the free circulation regime. An overview of migration to and from selected potential new OECD countries, as well as accession countries, is presented. The flows from these countries to the OECD area currently account for a sixth of all immigration flows.

Part I also provides an overview of sectoral and occupational distribution of immigrants and a first glance at wage differentials between immigrants and native born across the OECD. The final section of Part I highlights major structural and institutional changes in the administration of migration policy and processes. It also includes measures to manage borders and to combat irregular migration and the illegal employment of foreigners. Recent developments in integration, residence and citizenship policies are described.

Parts II and III are devoted to special topics. The first examines the issue of managing lower-skilled labour migration. It looks at how migration of the lower-skilled is taking place and reviews the recruitment strategies, the use of labour market tests, shortage lists and caps in determining the size and the nature of inflows. The extent to which irregular migration meets part of lower-skilled labour demand is discussed, as well as policies such as regularisation programmes. The second special chapter focuses on return migration. It analyses the scope and different types of return migration and the determinants as well as the impact on sending countries.

Part IV presents succinct country-specific notes and statistics on developments in international migration movements and policies in OECD countries in recent years. Finally the statistical annex includes a broad selection of recent and historical statistics on immigrant flows, the foreign and foreign-born populations, naturalisations and migrant workers.

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*Editorial*

**Temporary Labour Migration:  
An Illusory Promise?**

Temporary labour migration is back in the headlines again. It had fallen into disrepute after the experience of the “guest-worker” era, when many of the guest workers who were present at the time of the first oil price shock remained in the host countries where they had found work. Recently, much of the debate on temporary labour migration has focused on so-called “circular migration”, which also incorporates the notion of repeated movements.

### Why temporary migration is back in the limelight

There are essentially three reasons for the resurgent interest in temporary migration. The first relates to the fact that returns of highly qualified migrants are seen as a possible response to concerns about brain drain. For example, in India and Chinese Taipei, the return of highly skilled migrants has had beneficial effects on the development of the native software and high-technology sectors. As a result, some have argued that this model of return migration could be applied more broadly, enabling origin countries to reap some benefits from the temporary loss of talented expatriates.

The second reason is related to the discovery of the large remittances transferred by immigrants, both high- and lesser-skilled, back to their origin countries. These remittances greatly improve the welfare of persons left behind and tend to be more common for recent or short-term immigrants than for those long-established in host countries. Temporary migration tends to spread the benefits of remittances and of skill transfers among more persons.

The third concerns the fact that lesser skilled migration continues to suffer from a bad image in many host countries, with less favourable labour market outcomes for immigrants with low education and, often, for their children as well. As a consequence, there is a general reluctance to acknowledge that there are labour market needs for low-skilled migrants and a belief that any needs which do exist should be dealt with by means of temporary flows.

But how often do immigrants return to their countries of origin after a stay in a host country? Can migration policy encourage returns to host countries? Is temporary/circular labour migration a workable solution? This publication provides some answers to these questions.

### Returns are non-negligible but they are not driven by policy

Depending on the country of destination and the time period considered, 20% to 50% of long-term immigrants leave the host country within five years after their arrival, either to return home or to move on to a third country (secondary emigration). There are also noticeable return flows around the age of retirement. Returns are generally spontaneous, taken at the initiative of the immigrant. They suggest that even longer term migration is more dynamic than is generally believed. The above rates of return apply even to countries such as Canada, the United States and New Zealand, which grant the right of permanent residence upon entry to long-term immigrants and where access to citizenship is relatively

easy. The more stable status granted to immigrants in these countries does not seem to result in more back-and-forth movements, except in some special cases.

Most returns are driven by individual determinants. Explicit policies by both host and home countries to encourage or attract returns have achieved little to date. Programmes for assisting voluntary return by host countries have had only a limited impact on returns. If the political, economic and social situation in the home country is stable and attractive, a certain number of returns occur spontaneously; otherwise, assistance and financial aid by the host country are rarely sufficient to convince many migrants to return. In any event, there is little incentive for long-stay immigrants to depart, especially if they have brought in their families and their children have been born and educated in the host country.

Similarly, efforts made by some origin countries to attract back their nationals residing abroad have had a limited impact. The empirical evidence suggests that returns tend to occur to origin countries when economic conditions are attractive and new opportunities exist. The returning emigrants to Ireland during the Celtic tiger era are a good illustration of this. When the returns do occur, the human and financial resources contributed by migrants can give a dynamic boost to growth already underway, especially if governments allow these resources to be put to effective use. But the basic growth fundamentals have to be already in place.

### Can temporary labour migration play an important role in the future?

In 2006, there were about 2.5 million entries of temporary labour migrants in OECD countries, about three times the number of entries of permanent labour migrants. These are migrants whose return is part of the conditions of entry into the host country. But many consist of intra-corporate transferees, working-holiday makers and free-circulation migrants, whose return (or not) poses little problem.

But some temporary labour migration programmes also exist for low-skilled persons from non-OECD countries. These are managed in the context of bilateral labour agreements. They offer examples of successful planned returns and are generally characterised by the involvement of all of the various stakeholders, including employers, employment agency staff and migration officials. They also concern jobs which are by their very nature temporary and have a finite duration, such as seasonal jobs.

What about permanent labour needs? Therein lies the crux of the problem. At least some of the current and future labour needs in OECD countries concern low-skilled jobs and many of the needs are likely to be long-term in nature. In many OECD countries currently, the same occupations are listed as shortage ones, for example, construction trades, hospitality, household work, cleaning work and personal care. The need for workers in these occupations is on-going. Indeed, the fact that there are few possibilities for legal entry for persons in these occupations may be one reason why many of the jobs are held by irregular immigrants in many countries.

Could temporary migration programmes satisfy labour needs in the occupations cited above? For this to work, one would need to cycle in and out repeated cohorts of temporary migrants to occupy the same jobs. From the employer perspective, this could be very costly, since it means an inability to retain experienced workers and the need to invest in repeated training of new arrivals. Governments could attempt to impose a temporary labour regime on employers, with strong enforcement mechanisms, but only at considerable economic

and political cost. Historically, economic rationality has generally won out over artificial or badly-designed regulations.

### **Temporary labour migration is at best a partial solution**

The expectation of temporary stay by labour immigrants does not appear to be a foundation on which one can construct a solid migration policy. Some labour needs, both high and lesser skilled, are of a permanent nature and need to be addressed by long-term migration. The contribution of immigrants to satisfying these needs has been critical in the past and may well become so again. Better to put in place the policies that can help avoid the integration problems of the past than to pretend that temporary migration can be made to work in all cases.

Likewise, some returns of high-skilled migrants to their countries of origin do occur and will undoubtedly continue to do so. But it is illusory to expect that migrants will return just because they are able to do so without jeopardising their status in the host country. Little from recent migration experience suggests that this is a major phenomenon, especially when the entire family is involved and when economic conditions in the origin country remain difficult. The presence of a favourable economic and institutional climate in the country of origin remains a necessary requirement.

In sum, temporary labour migration may have a limited role to play in certain sectors and occupations to complement existing “spontaneous” returns and it is doing so already. But it is unrealistic to expect this to become the cornerstone of any future labour migration policy.

John P. Martin



Director for Employment, Labour and Social Affairs

# Introduction

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*2008 Edition of International Migration Outlook  
shows an increase in migration flows to the OECD...*

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Permanent-type legal immigration of foreign nationals (about four million) continued to increase in 2006, an increase of about 5% relative to 2005, but a slowdown compared to recent years. There were large increases in inflows in the United States, Korea and Spain. The largest proportional increases occurred in Portugal, Sweden, Ireland and Denmark, while declines were evident especially in Austria and Germany. Over 2.5 million temporary labour migrants arrived in OECD countries, but temporary migration is increasing more slowly than permanent-type migration.

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*... notably in family migration and migration  
for employment...*

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Family migration continues to dominate among the inflows of permanent-type immigrants, except in Japan. Family migration remains the leading category in the United States (70%) whose migration regime is heavily family-based, and in France (60%), and has become important in Portugal, with the arrival of family members of recent labour migrants, many from Ukraine. Many European countries, among them Italy, Ireland, Spain and the United Kingdom appear as important labour migration countries, with some 30 to 40% of permanent-type immigrants arriving for work-related reasons. Free-movement migration is proportionally important in Europe. In Austria, Belgium, Denmark and Germany, such movements account for almost half of permanent-type migration and in Switzerland close to 70%, while in France, Italy and Portugal they are much more limited in scope (less than 20%). The United Kingdom, for example, currently satisfies all of its lesser skilled labour needs through free-movement migration

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*... while, the number of asylum seekers continues  
to decline*

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Asylum seeking in OECD countries declined for the fourth consecutive year in 2006. The United States was the largest receiving country at 41 000, with Canada, France and Germany and the United Kingdom all falling in the 20 000 to 30 000 range. Sweden, Austria and Switzerland, are the main receiving countries, in per capita terms. Irak, followed by Serbia and Montenegro are the most important countries of origin.

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*There are increasing inflows of international  
students*

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Overall, the number of international students increased by about 50% from 2000 to 2005, with the United States and the United Kingdom each showing an increase of 120 000 students,

France of about 100 000 and Australia of close to 85 000 students. Strong percentage increases have occurred in New Zealand, the Czech Republic, Japan, Korea and the Netherlands. Although international students are a potential source of highly skilled labour migrants for OECD countries, there is no systematic data as yet on stay rates after completion of study.

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*European migrants are far more common in Europe,  
but Asian migrants outside of Europe*

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In 2006, 60% of immigrant inflows in Europe were of European origin whereas movements from Asia to OECD countries outside of Europe accounted for almost 50% of total flows to that area. Latin American inflows into non-European OECD countries reflect largely the high inflows of Mexican nationals to the United States. The growing importance of Latin American migration to Portugal and Spain is evident. Although Europe is the destination for about 85% of movements from North Africa, about 60% of those from sub-Saharan Africa are to OECD countries outside Europe. Likewise, South Asia sent four times more, and East and Southeast Asia six to seven times more immigrants to OECD non-European countries than to European ones.

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*China accounts for almost 11% of the flows,  
Poland and Romania less than half this*

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The top twenty countries of origin in terms of inflows accounted for fully 60% of all inflows in 2006, with China, Poland, and Romania at the top of the list. Bolivia, Romania and Poland have seen the largest increase over the six years ending in 2006. Turkey, the Russian Federation and the Philippines, on the other hand, have seen moderate declines in inflows since the year 2000. Compared to movements over the past ten years, large increases in German and Polish migration flows to other OECD countries were registered in 2006. The increase in emigration from Germany is essentially to neighbouring countries, in particular Poland, Austria, Switzerland, the Netherlands and Denmark. Immigration from Poland increased in Sweden, Belgium, the Netherlands, Norway, Denmark and Germany.

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*Migration flows from potential new OECD  
members and from enhanced engagement  
countries account for a sixth of all immigration  
flows to the OECD*

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In May 2007, OECD countries agreed to invite Chile, Estonia, Israel, Russia and Slovenia to open discussions for membership in the OECD and offered enhanced engagement, with a view to possible membership to Brazil, China, India, Indonesia and South Africa. The flows from these countries to the OECD currently account for a sixth of all immigration flows to the OECD, but only some 10% of all immigrants, with China and India each having about 2 million former residents in OECD countries.

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*The foreign-born population has increased by about 18% since the year 2000*

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The foreign-born population in 2006 accounted for about 12% of the total population in OECD countries for which data are available, an increase of 18% to 2000. Certain countries have seen very high rates of increase in the immigrant share of the population since the year 2000, in particular Ireland, Finland, Austria and Spain.

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*The report focuses on the contribution of immigrants to the labour market in OECD countries*

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In 2006, persons born abroad represented a significant portion of the workforce and the employed population in OECD countries, although important variations exist among host countries. In Finland, immigrants account for less than 3% of total employment, in contrast this figure is as high as 25% or more in Australia, Switzerland and New Zealand. The increase of immigrants share in total employment was particularly notable in Spain, Ireland and Italy.

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*In most OECD countries, immigrants, both men and women, earn significantly less than their native born counterparts...*

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Immigrants earn less than the native-born, with the exception of Australia. Wages of immigrants are low compared to the native-born in the United States – median immigrant earnings are about 20% less than for the native-born and 15% less in the Netherlands. The immigrant/native wage gap tends to be smaller than the gender wage gap.

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*... and immigrants from non-OECD countries are at a particular disadvantage*

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There are several indications that the labour market seems to strongly value host country qualifications and experience, measured by years of residence. In addition, immigrants from non-OECD countries have significantly lower earnings. By contrast, immigrants who have naturalised earn more – even after controlling for duration of residence.

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*This year's report provides a review of structural and institutional developments in migration policies*

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Without major new perturbations in flows in 2006-07, many OECD member countries, such as France, Hungary, Romania and the United Kingdom, decided to introduce substantial changes in their migration policies. Some of the legislative or operational changes represent the continuation or completion of unfinished business, others are new initiatives (Canada, Finland, Japan, Norway, Poland and Portugal).



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*Two special chapters deal with topical issues...*

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Among OECD countries, competition is high to attract and retain the highly-skilled. But labour market shortages are also appearing in many lesser skilled jobs. The demand for workers for low-skilled jobs has been met partly through migration. The management of low skilled labour migration is a challenging issue in OECD countries. The primary concern regards the long-term employability of lesser skilled migrants and their integration in host countries. Temporary work programmes for immigrants are currently implemented in many OECD countries. The growing importance of temporary migration has created growing and renewed interest in return migration and its impact on the development of sending countries.

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*... the first chapter addresses the issue of the management of labour migration of the low-skilled...*

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Migration of the lesser skilled is taking place, both through managed migration schemes and through unmanaged (i.e. irregular) migration. This chapter analyses the presence and the role of low-skilled workers in the labour forces of OECD countries, as well as recruitment strategies for such workers. There is considerable experience in many countries with the management of low-skilled labour migration, and a number of temporary migration schemes appear to be working well. However, the persistence of unauthorised movements and of illegal employment of immigrants, suggests that existing policies are not entirely adequate. A careful assessment of labour market demand at regular intervals would appear to be the first essential element of a labour migration programme, in order to ensure that there is an adequate provision of work permits and of entry possibilities to satisfy the labour market needs of the host countries. Due to the employment-driven nature of low skilled migration programmes and the fact that permits are often tied to specific jobs, the possibility of abuse exists, highlighting the need for careful monitoring and inspection regimes to guarantee respect for workers' rights, but also to provide employers with incentives to respect legality. Finally, temporary migration programmes for permanent or ongoing needs may be problematic, since all parties can have an interest in preserving the employment relationship.

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*... and the second chapter presents a new perspective on return migration*

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What is the scope and nature of return migration? Which immigrants are more likely to return home? Why do some migrants settle permanently in the host country, while others choose to stay only a short time? What role should immigration policies play in this respect? Can return migration be well managed? Finally, what is its impact on the economic development of the home country? This chapter is an attempt to provide some answers to these questions. An initial finding is that return migration is a major component of migration flows. Return migration is concentrated at the extremities of the lifecycle. The characteristics of integration in the host country have an ambiguous impact on the propensity to return. Migrants plan their migration pathway, and their return, in light of their individual and family objectives, but they also take account of opportunities

in their home countries. In this context, it is important to take advantage of all the ways in which migrants can contribute to the development of their home country, without necessarily making return a precondition. Engaging the diasporas, through virtual or temporary returns, can also promote the transfer of skills and technologies. This will serve to reinforce ties with the home country, which for some will facilitate their reintegration if they return. Return migration can in this way support, if not actually initiate, the development process.

## PART I

# Recent Trends in International Migration

## A. Trends in Migration Flows and in the Immigrant Population

### 1. Introduction

#### ***Baby-boomers are retiring and youth cohorts are getting smaller***

OECD countries are currently entering what is likely to be a significant period with respect to international migration movements. The effect of the retiring baby-boom cohorts and of declining youth cohorts is beginning to make itself felt in almost all countries. There have been significant labour migration movements over the past decade in southern Europe, Ireland, Switzerland, the United Kingdom and the traditional settlement countries (Australia, Canada, New Zealand, the United States). Elsewhere, although long-term labour migration has tended to be more limited, there are far from negligible contributions to the labour force from family and humanitarian migrants, which together account for more than half of all permanent-type immigrants in many countries, as well as from free circulation movements in countries where such regimes exist. While there is a consensus about the desirability of higher skilled migration and, in many countries, concern about costs and risks associated with lower skilled migration, labour shortages are manifesting themselves in sectors where there are many lesser skilled occupations. The same sectors are appearing as shortage areas across many countries, in particular construction, hotels and restaurants, food processing, agriculture, household services, cleaning, personal care. Often the jobs involved are low paid and the working conditions unappealing to the domestic work force.

#### ***Countries are looking to greater participation but also to migration to make up the shortfall***

How economies and labour markets will react to these developing needs remains uncertain. Governments have already taken measures to prolong working life in many countries, but with a view more to keeping pension systems solvent than to addressing potential labour shortages. In most countries, there is still considerable potential for mobilising certain inactive groups. Moreover, as will be seen, the current scale of migration movements is often already at levels needed to maintain positive growth in the working-age population over the next decade and thus, at least in principle, in the size of the workforce. The appearance of labour shortages in this context suggests that the issue is not just one of volume, but also of type, that is, labour needs are manifesting themselves with respect to jobs for which there appear to be no, or rather, not enough takers in the domestic population. Adjustment of wages and working conditions in response to shortages may increase the domestic supply to some extent, but the increase required may be beyond what employers are willing or able to pay or may take some time to work its effect. Migration thus appears as one possible way to address developing mismatches between job requirements and the domestic skill supply in the short – and perhaps medium-term as well.

## 2. Permanent-type immigration

### **Permanent inflows increased by about 5% in 2006, a slowdown compared to recent years**

In a context of strong GDP growth (3.1%) and strong employment growth (1.7%), permanent-type legal immigration of foreign nationals into OECD countries rose to about four million persons in 2006, an increase of about 5% relative to 2005 (see Table I.1,<sup>1</sup> and Box I.1). This represents the second consecutive year in which there has been a slowdown in the growth of (legal) inflows of foreign nationals. The relative increases in the number of


**Table I.1. Inflows of foreign nationals, 2003-2006**

Permanent-type migration (standardised statistics)

	2003	2004	2005	2006	2005-2006	Per cent change 2006
Austria	51 900	57 100	56 800	46 400	-10 400	-18
Germany	231 300	263 900	241 400	216 000	-25 400	-11
New Zealand	48 400	41 600	59 400	54 800	-4 600	-8
United Kingdom	260 100	312 000	363 100	343 200	-19 900	-5
Netherlands	60 800	57 000	62 500	59 400	-3 100	-5
Canada	221 400	235 800	262 200	251 600	-10 600	-4
France	170 200	175 300	169 700	169 000	-700	0
Italy	120 100	153 100	199 200	204 300	5 100	3
Belgium	..	..	35 000	36 100	1 100	3
Japan	72 100	75 300	81 300	86 700	5 400	7
Australia	150 000	167 300	179 800	191 900	12 100	7
Norway	22 200	24 900	25 700	28 000	2 300	9
Finland	9 400	11 500	12 700	13 900	1 200	9
Switzerland	79 700	80 700	78 800	86 300	7 500	10
United States	703 500	957 900	1 122 400	1 266 300	143 900	13
Denmark	17 400	16 400	18 000	21 700	3 700	21
Ireland	42 400	41 800	66 100	88 900	22 800	34
Sweden	47 900	49 100	53 800	74 000	20 200	38
Portugal	11 000	13 100	11 500	25 100	13 600	118
<b>Total</b>	..	..	<b>3 099 400</b>	<b>3 263 600</b>	<b>164 200</b>	<b>5</b>
<b>Total less Belgium</b>	<b>2 319 800</b>	<b>2 733 800</b>	<b>3 064 400</b>	<b>3 227 500</b>	<b>163 100</b>	<b>5</b>
<b>% change</b>		<b>18</b>	<b>12</b>	<b>5</b>		

Inflows according to national definitions (usually published statistics)

	2003	2004	2005	2006	2005-2006	Per cent change
Hungary	19 400	22 200	25 600	19 400	-6 200	-24
Poland	30 300	36 900	38 500	34 200	-4 300	-11
Luxembourg	12 600	12 200	13 800	13 700	-100	-1
Turkey	147 200	148 000	169 700	191 000	21 300	13
Czech Republic	57 400	50 800	58 600	66 100	7 500	13
Korea	178 300	188 800	266 300	314 700	48 400	18
Mexico	29 100	34 000	39 300	47 600	8 300	21
Spain <sup>1</sup>	281 200	403 000	305 700	388 600	82 900	27
Slovak Republic	4 600	7 900	7 700	11 300	3 600	47
<b>Total</b>	<b>760 100</b>	<b>903 800</b>	<b>925 200</b>	<b>1 086 600</b>	<b>161 400</b>	<b>17</b>
<b>% change</b>		<b>19</b>	<b>2</b>	<b>17</b>		

StatLink  <http://dx.doi.org/10.1787/427003461010>

Note: Estimates exclude unauthorised migration and large-scale regularisations.

1. Data refer to a combination of "autorización de residencia inicial" for citizens of non-EU countries and of change of residence statistics from the municipal registers for citizens of EU countries.

Source: For information on the compilation of the standardised statistics, see [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).

### Box I.1. **The international comparability of immigration data**

In 2006 the OECD compiled, for the first time, statistics on “permanent type” entries of foreign nationals into the population of its member countries, for those countries for which it was possible to do so. The definition of “permanent-type” entries used for this compilation did not correspond to that given for long-term migration in the United Nations recommendations on international migration statistics (UN, 1998), namely changes of usual residence for a period of more than one year. This definition was not applied because it is not always possible to harmonise according to this definition using generally available national statistics (OECD, 2005), especially for some of the larger OECD countries.

The decision was therefore made to attempt to standardise the statistics according to the concept of “permanent-type” migration, which arguably corresponds more closely to generally accepted notions of what constitutes “immigration”. “Permanent-type” entries are entries into the resident population of persons with a residence permit that is either permanent or more or less indefinitely renewable. They thus exclude seasonal workers, international students, trainees, exchange visitors, etc. even if in some cases their duration of stay may be longer than one year. In some cases the stay may even exceed several years, for example when international students do not return to their home countries during the summer break. Nevertheless persons in such categories do not generally remain in the country after the reason for their stay has ended. Longitudinal analyses of immigrant data for Norway suggest that only some 15-20% of international students settled in Norway after they had completed their degree, whereas the proportion of family and humanitarian migrants who settled over a long period was around 70% (SSB, 2007).

A permit-based definition of the above kind, however, is problematical for persons moving under a free circulation regime for whom permits are not required. The most prominent such regime is that which exists between the countries of the European Union, although even here, a nominal “permit” may sometimes be issued or a registration required for the purpose of monitoring the scale of free movements. For such cases, the standardised statistics attempt to approximate what is measured in the permit-based entries, in so far as it is possible to do so.

The statistics also include so-called “changes in status”, that is, situations in which a foreign national has entered the country on a temporary basis of some kind, for example as a tourist or a student, but applies for and is allowed to remain on a permanent basis. Such persons are not always recorded as inflows in the year in which they actually entered, which can be several years prior to the reference year. For certain countries, in particular New Zealand and the United States, a significant proportion of “permanent-type” entries consist of changes in status.

The “permanent-type” statistics presented here are currently the only international statistics that attempt to standardise national data on international migration movements. They are admittedly subject to some limitations, but are calculated according to methods that are fully documented and transparent (see Lemaitre, Liebig, Thoreau and Fron, 2008). Despite their limitations, they present a more realistic picture of the relative scale of international movements in OECD countries than do the usually published national statistics, which differ substantially in their coverage. Indeed the use of national statistics presents a distorted picture of the relative size of movements, with some countries, for example, including many shorter term movements in their statistics (Germany) and others only the “permanent-type” entries described above (Australia or Canada).

Under the recent European Union directive on international migration statistics, European Union countries will be required to provide the Statistical Office of the European Union with migration statistics according to the United Nations definition. If EU member countries are able to comply, this initiative will provide a substantial impetus to international harmonisation. The nature of what the OECD releases as “standardised” flow data will evolve with developments in this area. However, it is expected that permit-based statistics concerning regulated movements will serve as a useful and necessary complement to those produced according to a strict application of the United Nations definition. Currently, in almost all countries, permit-base statistics are the main source of data, for example, on short-term movements.

entries were approximately 18% and 12% in 2004 and 2005 respectively. This slowdown essentially reflects the fact that migration levels for the United States are not increasing quite as quickly as in previous years, following the strong recovery in 2004 and 2005 from the depressed post-2001 levels. Movements in many other countries were relatively stable. The slowdown and/or stability have also occurred in the context of employment growth that was stronger than that of the previous two years, which suggests that OECD economies may be tapping their domestic labour supply as well as resorting to migration to satisfy growing labour needs. Indeed both unemployment and inactivity have declined in the OECD as a whole from 2005 to 2006. Some of this decline was cyclical in nature, but in the countries which have seen the most significant falls in the working-age population (Germany and Japan), participation rates have increased more strongly than elsewhere (see Box I.2).

### Box I.2. Labour force developments in countries undergoing demographic decline

It is generally said that labour needs arising as a result of ageing populations can be addressed in part through migration, but also by a mobilisation of the unused labour supply. A number of OECD countries are already undergoing declines in their working-age populations, namely Germany and Japan, and in both of these, labour migration policy has been fairly restrictive, although Germany has admittedly accepted many humanitarian and ancestry-based (ethnic German) immigrants over the past decade.

It is of particular interest to examine how labour markets have been reacting to the phenomenon of ageing workforces in these two countries, as an indication of the kinds of developments one might observe as declines set in elsewhere. This is necessarily going to be indicative, because of the difficulty in disentangling cyclical effects from those related to ageing.

The table below provides selected labour market data for each country and for the OECD as a whole, during a period of growth in employment, of about 4% in Germany, 1% in Japan and more than 4% for the OECD as a whole.

#### Changes in labour force characteristics, Germany and Japan, 2003-2006

	Working-age population (15-64)	Labour force	Employment-population ratio	Participation rate	Unemployment rate
	% change		Net change % age points		
Germany	-0.4	5.1	2.8	3.9	1.0
Japan	-2.0	-0.1	2.3	1.5	-1.1
<b>OECD total</b>	2.3	3.4	1.4	0.8	-0.9

StatLink  <http://dx.doi.org/10.1787/427324717750>

Despite declines in the working-age population, the size of the labour force has scarcely changed in Japan and indeed, even increased strongly in Germany. Part of this increase in Germany is likely due to labour market reforms implemented in 2005, but some of it predated the reforms. For both countries, the increases in the employment-population ratio and in the participation rate are larger than that observed for the OECD as a whole. Both Germany and Japan have mobilised their unutilised labour supply more than other countries to satisfy their labour needs. Note, however, that both countries are currently showing above average participation rates for the working-age population compared to that observed for the OECD as a whole (76% in Germany, 80% in Japan, 72% for the OECD). In other words, the possibilities for further large increases in participation are more limited there than elsewhere.

### **There were large increases in inflows in the United States, Korea and Spain ... but declines in Austria and Germany**

More than half of the total increase in immigration has come from an increase in green cards in the United States, with Korea and Spain also showing significant increases in immigration inflows. The largest proportional increases occurred in Portugal, Sweden, Ireland and Denmark (all over 20%), while declines – less common – were evident especially in Austria (–18%) and Germany (–11%). In some of the more recent immigration countries, in particular the Slovak Republic and Spain, national statistics show relative increases which have been especially large (30% or better), while Hungary has seen a decline of 24% in inflows, most of it due to a fall in immigration from EU countries. The observed increase among many of the newer migration countries (bottom panel in Table I.1, with the exception of Luxembourg), for which the statistics may include many short-term movements, was close to 20%.

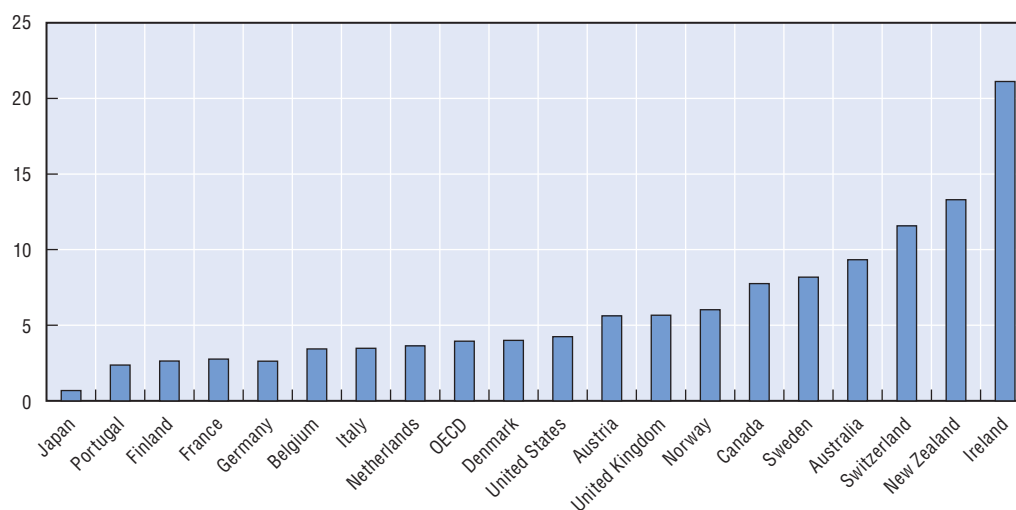
Free movement migration increased notably in the Nordic countries, whereas labour migration was up in Australia, Denmark, Japan and the United Kingdom. Humanitarian migration seemed to be stable or declining almost everywhere except in Sweden, due to exceptional circumstances (see below) and the United States. Family migration, on the other hand, rose in Austria, Portugal, Japan, the United Kingdom and the United States.

### **Movements were largest in Ireland, New Zealand and Switzerland**

As a proportion of the total population (Chart I.1), legal immigration movements were highest in Ireland, New Zealand and Switzerland which are (with Australia, Canada and Luxembourg) among the countries already having the largest immigrant populations in OECD countries in relative terms.<sup>2</sup> Thus past migration volumes appear to be maintaining themselves in these countries. Japan remains a low legal-immigrant-entry country as do Portugal, Finland and France. The United States level of inflows, along with that of the Netherlands and Denmark, is close to the OECD average of 39 immigrants per 1 000 population. However, data for the United States, as for most other countries, do not cover

**Chart I.1. Permanent-type inflows, standardised statistics, 2006**

Number per thousand persons in the population



StatLink  <http://dx.doi.org/10.1787/427133481271>

Note: For information on the compilation of the standardised statistics, see [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).



inflows of unauthorised immigrants, which are especially high. Including these would increase the United States immigrant numbers by an estimated 700 000-850 000 (Pew, 2006), ranking the United States between Norway and Canada with respect to relative immigration levels.

***But migration was insufficient to offset population decline in Japan, Germany and Hungary***

The numbers presented here also do not take into account outflows of immigrants or movements of native-born persons in general, which can be significant (Box I.3). Data which incorporate such movements are those on net migration, which measure inflows less outflows for all persons, whether citizens or non-citizens (Chart I.2). In a few

**Box I.3. Emigration at a glance in selected OECD countries**

In general this publication in the past has focused on inflows of foreign nationals, with some attention being directed at outflows of this same group on occasion (OECD, 2007a). The reason for this is that policy attention tends to centre on regulated movements. Movements of nationals of a country and outflows of non-nationals tend not to be subject to control. In recent years, however, outflows of nationals, and especially of the highly educated, have been receiving some attention because of the concern that some of the “best and brightest” may be leaving for what they perceive to be greener pastures. In a context of ageing populations and heightened international competition, this has been the source of concern in certain countries. Some of them have implemented measures designed to encourage the return of nationals studying or working in another country.

In practice it is difficult to address questions regarding emigration with flow data alone. If immigration data are subject to coverage and comparability problems, the situation is even more delicate for emigration statistics. A number of countries, among them France and the United States, have no formal way of capturing departures of residents. In other countries, emigrants are identified by a stated intention to leave the country; the period of intended absence, however, is not always specified. In population registers, departures tend to be less well recorded than arrivals. The emigrant who plans to return to the host country in the future may be reluctant to inform the authorities about his or her departure because it may mean losing rights related to presence on the register.

Emigration varies significantly across countries and is influenced by geographic and linguistic proximity, among other things. Over the last decade, countries with a long history of expatriation, such as Ireland, Italy, Portugal and Spain, have become significant immigration countries.

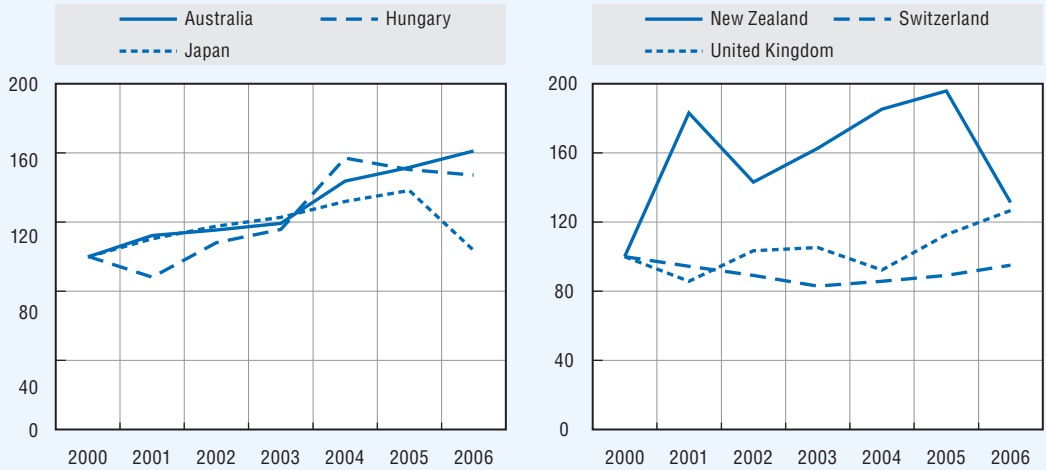
Enlargement of the European Union has had a significant impact on emigration from the new EU member states. Since May 2004 to the end of 2006, for example, Poland has seen more than 360 000 nationals registering as workers in the United Kingdom.

Overall about 1.7 million OECD country nationals moved to another OECD country in 2006.\* Emigration increased significantly in the United Kingdom where at least 155 000 British nationals moved to another OECD country. Immigration of British nationals to Australia and New Zealand (not counting working holiday makers) nearly tripled since 2000, due essentially to active selection policies. Migration of British nationals toward southern European countries for retirement is also an increasing phenomenon. Annual flows to Spain nearly multiplied by four between 2000 and 2006 to reach 40 000. In 2006 110 000 German persons migrated to an OECD country, as did 42 000 Canadians.

Not counting outflows from the United States and from southern European countries (Italy, Spain, and Greece), for which data are not available, outflows of foreign nationals from OECD countries numbered 1.4 million in 2006. This is almost as high as the level of outflows of OECD nationals from their countries (see above) and represents a relatively high percentage of the resident foreign population.

Box I.3. Emigration at a glance in selected OECD countries (cont.)

Outflows of foreign nationals in selected OECD countries (2000 = 100)

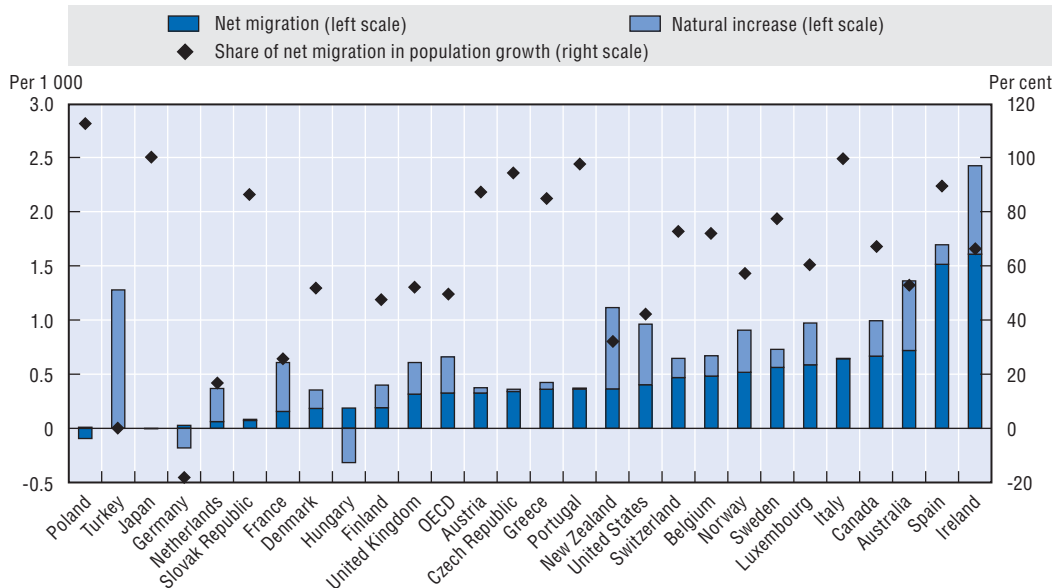


StatLink <http://dx.doi.org/10.1787/427336183280>

Source: OECD Database on International Migration.

\* This estimate was obtained from the statistics on inflows of the receiving countries and includes considerable numbers of short-term movements for some countries. It may also cover emigration of OECD nationals from a country other than their own.

Chart I.2. Contribution of net migration and natural increase to population growth, 2006



StatLink <http://dx.doi.org/10.1787/427158436323>

Note: Data for Canada, Ireland, Luxembourg, Portugal, Spain and Turkey are for 2005.

Source: Labour Force Statistics, OECD, 2007.

countries, among them Japan, Germany and Hungary, the total population is declining and migration was insufficient in 2006 to offset the excess of deaths over births. Poland is losing population to out-migration.

In most countries whose population is still growing, migration already accounts for at least 40% of total population growth and as much as 80% in the countries of southern Europe, Austria and the Czech Republic. For the labour supply, however, it is less what is happening to the total population than to the working-age population that matters (see below).

### 3. Immigration by category of entry

In the statistics by category presented in this year's edition, a new category has been introduced, namely "free movement". This applies essentially to movements of persons within the European Economic Area and between Australia and New Zealand. Previously an attempt had been made to disaggregate this group according to work and family.<sup>3</sup> However, it seems more appropriate to identify free movement separately and to restrict the category of work-related migration to discretionary worker migration, that is, movements of workers subject to regulatory control. Although there continue to exist transitional arrangements in some EU countries for some of the new EU accession countries, workers from these countries do generally get preferential treatment in the attribution of work permits. For this reason and to avoid the complexity of dealing with the considerable variation in arrangements across countries, all persons from enlargement countries, whatever the EU country of destination, are considered to be within the free-movement regime of the European Union for the purposes of this analysis. Excluded from the "free movement" category, however, are international students, persons on exchange programmes, au pairs, short-term workers, etc., in short persons whose stay in the host country is generally intended to be temporary.

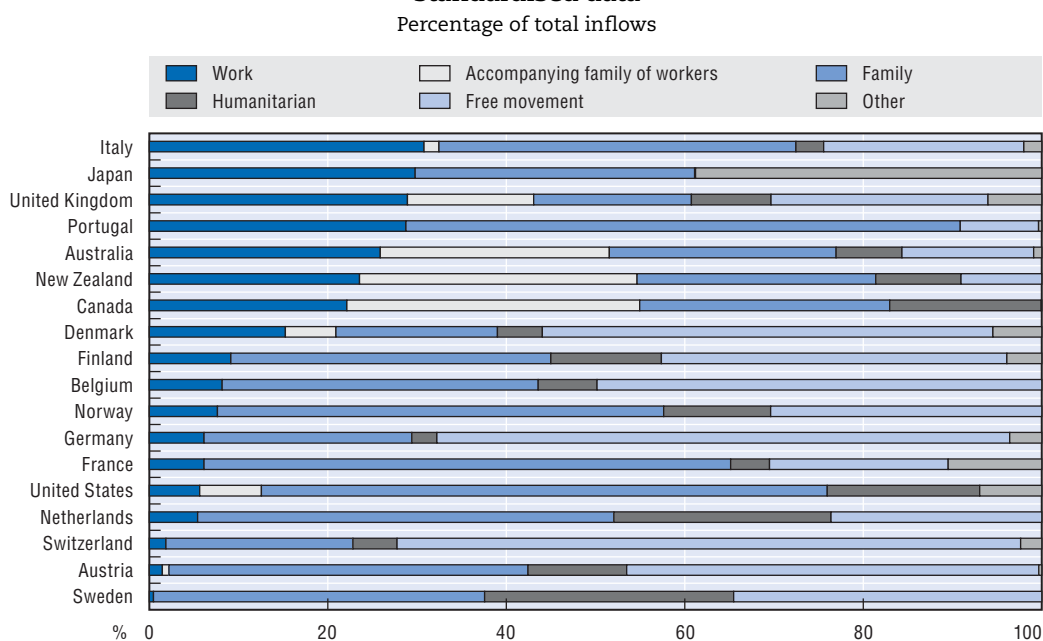
#### ***Free-movement migration is proportionally important in Europe...***

Chart I.3 gives the distribution of permanent-type inflows by category of entry. As is evident, persons moving under the free-movement regime of the European Economic Area make up significant proportions of all permanent-type migration movements in many European countries. In Austria, Belgium, Denmark and Germany, such movements account for almost half of permanent-type migration movements and in Switzerland close to 70%, while in France and Portugal they are much more limited in scope (less than 20%). Thus a significant proportion of migration movements in many European countries are intra-European, which are not, or only temporarily in the case of the new accession countries, subject to regulatory control. The increase in such movements following the enlargement of the European Union and the removal of the transitional restrictions on labour migration for citizens of these countries may have had the effect of pre-empting, at least temporarily, the need for potential migrants from third countries. The United Kingdom, for example, is satisfying all of its lesser skilled labour needs through free-movement migration. The former low-skilled programmes, namely the Seasonal Agricultural Workers Scheme and the Sector-Based Scheme, are now restricted to citizens of Bulgaria and Romania (see below).

#### ***... but labour migration tends to be more significant outside of Europe***

With the separate accounting of free-movement migration, Italy, Japan, the United Kingdom and Portugal followed by the three settlement countries of Australia, New Zealand and Canada now appear as the OECD countries with the highest proportion of discretionary labour migration. For Japan, this is a consequence of the fact that other

Chart I.3. **Permanent-type immigration by category of inflow, 2006, standardised data**



Note: For information on the compilation of the standardised statistics, see [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).

categories of migration, in particular family and humanitarian migration, are limited relative to other countries. For no country, however, does the proportion of discretionary labour migrants exceed one third of all permanent-type movements. In many European countries, discretionary permanent-type labour migration (from outside the EU) remains limited, at less than 10% of total immigration.

Family migration remains important in the United States and France, (at about 60% of all movements) and has become important in Portugal, with the arrival of many family members of recent labour migrants, mainly from the Ukraine. Humanitarian migration accounted for over 20% of all movements in the Netherlands and Sweden, which are the highest percentages among OECD countries. In the case of Sweden, this is the consequence of a review of asylum seekers who had previously been refused a residence permit but were still present in Sweden. Many of these were granted such a permit following the review. The large “other” category for Japan consists largely of persons of Japanese ancestry from Latin America, in particular Brazil.

#### **About 44% of total migration was family-related and 14% was labour**

For OECD countries for which statistics by category of entry are available, about 44% of total migration was family-related. This includes both family reunification and marriage migration, that is, entries of fiancés or recently married spouses of residents or citizens. Family-related migration has shown the strongest increase among migration categories in 2006, again largely reflecting developments in the United States.

Labour migration accounted for 14% of all migration and the accompanying family of immigrant workers 9%. Humanitarian migration, including both recognised asylum seekers and resettled refugees, has increased from about 8% of total migration in 2003 to about 12% in 2006, essentially due to a significant rise in the United States, especially from China, Colombia and Cuba.

Free movement migration has seen steady increases of about 15% per year since 2004 as a result of EU enlargement. The free movement entries shown here, however, which reflect longer term movements, are significantly smaller than the total free movement entries being recorded in European destination countries, which suggests that many of the movements may be temporary in nature. In the United Kingdom, for example, the Worker Registration Scheme recorded about 550 000 registrations between 2004 and 2006, but the estimated number of long-term entries over the same period was approximately 220 000 (Box I.4).<sup>4</sup>

**Box I.4. The employment impact of the introduction of free-circulation regimes on labour migration from countries not covered by the regimes**

In recent years, there have been a number of situations in which free circulation regimes have been introduced in Europe, suddenly opening up channels of entry for labour migration which had only existed in a limited way before. The most noteworthy examples are the opening of the labour markets of Ireland, Sweden and the United Kingdom to the new EU accession countries in May 2004 and the earlier entry into force of the free circulation regime between Switzerland and the European Union and European Free Trade Association in 2002.

In the latter case, labour migration from the European Union to Switzerland was already well established and the controls with respect to wages and working conditions and the priority given to Swiss residents were not lifted until 2004. In addition, numerical limits remained in force until 2007. As a result there was little increase in long-term labour migration from EU15/EFTA countries into Switzerland until 2004 and only gradual increases over the next two years compared to what was observed in Ireland and the United Kingdom from 2004 on. In addition, shorter term labour migration from EU/EFTA countries actually declined as of 2004, perhaps in part because of the more readily available annual permits for EU/EFTA citizens, which were no longer subject to control. The accession countries with the exception of Cyprus and Malta are still subject to control until at least 2009.

In Ireland, 2004 saw an increase to over 58 000 in Personal Public Service Numbers (PPSN) for persons from accession countries, compared to less than 9 000 in the previous year (see table below and notes). The next two years saw additional entries of over 100 000 persons from the new accession countries. Likewise, the United Kingdom saw entries expand from barely 2 000 in 2003 to 126 000 in 2004 (see under Worker Registration Scheme), followed by additional inflows of over 200 000 in the two succeeding years. Switzerland, on the other hand, saw much smaller increases in permits granted to EU/EFTA nationals from 2004 to 2006.

What impact did such increases have on permits requested and granted for persons from third countries? It is evident from the table below that any impact observed was minor relative to the scale of the increased inflows from EU accession countries. PPSNs issued to persons from the rest of the world fell by about 20% from 2003 to 2004 but began rising immediately after and had already exceeded the 2003 level by 2006. The UK saw a strong decline in permits granted to third-country nationals through the Sector-Based Scheme in 2005, a programme that was scheduled to be phased out at year's end 2006 before being retained and reserved for nationals from Bulgaria and Romania. There was little discernible impact on work permits and first permissions or on the Seasonal Agricultural Workers' Scheme. Likewise there was scarcely any impact observed on the limited work-related permits granted to third-country nationals in Switzerland.

Why is this? Note, first of all, that the work permit systems in these countries are employer-driven, that is, employers initiate requests for permits for specific workers whom they would like to hire. Requests of this kind would decline if employers were able to find workers with the desired skills in the domestic labour market at offered wages. Potential candidates might have included nationals of

### Box I.4. The employment impact of the introduction of free-circulation regimes on labour migration from countries not covered by the regimes (cont.)

accession countries arriving to find work. As we have seen, however, requests for work permits for third-country nationals either did not fall or declined modestly relative to the number of persons from accession countries arriving.

The most likely explanation is that the opening up to nationals of EU accession countries in Ireland and the United Kingdom brought in workers who were largely complementary to those coming in under the permit schemes. The Work Permit System in the United Kingdom was generally oriented towards highly skilled workers, whereas persons coming in from the new accession countries often came to take on lesser skilled jobs, not infrequently for short periods. The seasonal agricultural workers' scheme, on the other hand, actually saw an increase in permits granted to third country nationals, undoubtedly because such jobs were being deserted by nationals from new accession countries, who undoubtedly saw much better opportunities in other sectors of the British economy. In Switzerland, the lack of any impact on arrivals of non-EU annual or shorter term permits likely reflects the nature of the movements, involving specialised workers in specific sectors or occupations.

#### Labour migration in the context of the introduction of free circulation regimes

		2002	2003	2004	2005	2006
<b>Ireland<sup>1</sup></b>						
Personal Public Service Numbers	Enlargement countries	9 000	9 000	58 100	107 500	127 700
	Rest of world (non-EU)	38 700	31 500	24 800	26 400	34 100
<b>United Kingdom<sup>2</sup></b>						
Worker Registration Scheme	Enlargement countries	n.a.	n.a.	125 900	205 000	227 900
Work permits and first permissions	Poland/Czech Republic	2 200	2 300	500	–	–
	Rest of world	83 500	83 000	88 500	86 200	96 700
Sector-based scheme	Enlargement countries	n.a.	2 800	700	–	–
	Rest of world	n.a.	5 000	16 200	7 400	3 600
Seasonal agricultural workers scheme	Enlargement countries	9 900	n.a.	3 500	–	–
	Rest of world	9 500	n.a.	16 200	15 700	16 100
<b>Switzerland<sup>3</sup></b>						
Annual permits + short-term > 12 months	EU/EFTA	21 200	21 800	27 300	29 000	34 300
	Non-EU/EFTA	3 900	2 900	3 200	3 600	3 900
Shorter duration permits	EU/EFTA	120 200	106 900	87 600	79 900	87 600
	Non-EU/EFTA	20 000	20 700	20 800	21 700	25 300

StatLink  <http://dx.doi.org/10.1787/427353617187>

n.a.: not applicable or not available.

1. The Irish Personal Public Service Number is the unique reference number assigned to residents to access benefits and information from public service agencies. An allocation of a PPSN to a foreign national is taken to be an arrival to Ireland.
2. The Worker Registration Scheme was introduced at the time of EU enlargement in order to monitor the number of workers arriving to work in the United Kingdom. Work permits and first permissions were the standard work permits issued to skilled workers with job offers. First permissions were essentially work permits issued to persons already in the United Kingdom on another status. The Sector-Based Scheme was established in 2003 to address shortages in lower skilled occupations. It was initially limited to the food processing and hospitality sectors and capped at 10 000 for each sector. This was reduced by 25% with the accession of the new EU member states in 2004. The Seasonal Agricultural Workers Scheme has had a varying quota, set at 10 000 during the 1990s, rising gradually to 25 000 in 2003 but reduced by 35% in 2004.
3. The "annual" rubric here covers both annual permits granted at the time of entry, as well as persons with short-term permits who have been in Switzerland for more than one year. The figures for short duration include permits for less than four months, for service providers and for musicians and dancers as well as permits for stays of between 4 and 12 months.



## 4. Unauthorised migration

### ***Unauthorised immigration continues, but there is little hard data on this***

Although unauthorised migration is generally believed to be continuing, there is little hard evidence on the scale of the phenomenon. Statistics are available periodically as a result of regularisation programmes or estimates produced using certain procedures (see OECD, 2006), but only the United States publishes regular estimates on the stock of the unauthorised immigrant population (Hoefer *et al.*, 2007). These estimates are generated using a “residual” methodology, which consists of accounting for all sources of legal migration and subtracting this figure from an estimate of the total foreign-born population obtained from a large-scale sample survey (the American Community Survey). For this methodology to work, the coverage of the unauthorised population in the survey must be similar to that of the authorised population. In other words, unauthorised immigrants must respond to the survey in a significant way. In practice, this does seem to be the case. An estimate based on the foreign-born population identified in the 2000 population census, for example, yielded a figure of 8.5 million unauthorised immigrants in January 2000. The current estimation methodology produced an estimate for 2006 of approximately 11.6 million persons, or about 4% of the total population. It appears that unauthorised immigrants in other countries are not responding in population censuses or surveys to the same extent as in the United States. From the estimates for 2000 and 2006, one can deduce an annual net inflow of some 500-550 000 unauthorised immigrants per year for the United States. If the 750 000 to 800 000 estimates of unauthorised inflows (Pew, 2006) are approximately accurate, they would imply a return rate of some 40% (see chapter on return migration later in this publication) of unauthorised immigrants to the United States.

### ***Most unauthorised migrants enter legally and overstay after finding work***

The most visible manifestation of unauthorised immigration comes from apprehensions of persons at borders attempting to enter illegally and of persons identified as unauthorised during identity checks or raids. Media attention tends to be focused on unauthorised entry, especially in boats or across green borders, but many entries of persons who eventually become unauthorised are in fact legal, through tourist, family visit or other types of visas. Data for Italy<sup>5</sup> based on identity checks and arrests indicate that about 60-65% of unauthorised immigrants are overstayers, another fourth persons who entered with fraudulent documents and the remainder persons who entered illegally, by sea or across borders. Similar statistics for Japan show that some 75-80% of violators of the Immigration Control Act (for illegal entry or landing plus overstaying) consisted of overstayers (SOPEMI, 2007). For the United States, which has a long land border with Mexico, it is estimated that 45% of the current unauthorised population entered the country legally (Pew, 2006).

What this suggests is that it is difficult to reduce unauthorised migration through border control measures alone. Such measures do not address the fact that many immigrants are able to enter the country legally and to find work after arrival, for example through contacts with other immigrants, acquaintances or assistance groups. When there exist genuine labour needs and employers have limited means for recruiting abroad, legal entry, followed by job search and overstay, seems to be one way used in practice to match up supply and demand, although not necessarily the most advantageous one for either the immigrants themselves or the labour market of the host country.

## 5. The continents, regions and countries of origin of immigrants

### **European migrants are far more common in Europe, but Asian migrants outside of Europe**

Immigrant inflows into OECD countries appear to be split evenly between European and non-European destination countries in 2006 (Table I.2). However, the distribution across regions and continents of origin was substantially different. 57% of immigrant inflows in Europe were of European origin whereas movements from Asia to OECD countries outside of Europe accounted for almost 50% of total flows to that area. The Central American inflows into non-European OECD countries (26%) reflect largely the high inflows of Mexican nationals to the United States. The growing importance of Latin American migration to Portugal and Spain is evident in the significant percentage (over 13%) of immigrants from that portion of the world going to Europe.


Geographical proximity is not necessarily a major factor in explaining the size and distribution of the flows. Although Europe is the destination for about 85% of movements from North Africa, 57% of those from sub-Saharan Africa are to OECD countries outside of Europe. Likewise, South Asia sends four times more, and East and Southeast Asia six to seven times more immigrants to OECD non-European countries than to European ones.

The various areas of the world are unevenly represented in the migration flows. It is Europe and Central and Latin America, followed by Oceania which are the most over-represented, each having two to three times as many outflows to OECD countries in

**Table I.2. Immigrant inflows to OECD countries by region or continent of origin, 2006**

Percentages

	Population of source regions or continents		Inflows from source regions or continents		
	% share	Over (> 1)/Under (< 1) representation in OECD inflows	Total OECD	OECD Europe	OECD outside of Europe
			% share		
<b>All continents</b>	<b>100</b>	<b>n.a.</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Europe</b>	<b>11.1</b>	<b>3.0</b>	<b>33.8</b>	<b>56.8</b>	<b>11.7</b>
<b>Asia</b>	<b>60.4</b>	<b>0.5</b>	<b>33.0</b>	<b>15.2</b>	<b>50.1</b>
Western Asia	3.3	1.2	3.9	5.4	2.5
Central and Southern Asia	25.4	0.3	7.2	4.1	10.1
South Eastern Asia	8.6	0.9	7.9	2.1	13.6
Eastern Asia	23.2	0.6	13.9	3.6	23.8
<b>Central and Latin America</b>	<b>8.6</b>	<b>2.3</b>	<b>19.7</b>	<b>13.4</b>	<b>25.8</b>
<b>Africa</b>	<b>14.3</b>	<b>0.6</b>	<b>8.8</b>	<b>11.4</b>	<b>6.3</b>
North Africa	2.9	1.5	4.4	7.5	1.3
Sub-Saharan Africa	11.4	0.4	4.4	3.8	5.0
<b>North America</b>	<b>5.1</b>	<b>0.6</b>	<b>3.2</b>	<b>2.6</b>	<b>3.9</b>
<b>Oceania</b>	<b>0.5</b>	<b>2.1</b>	<b>1.1</b>	<b>0.3</b>	<b>1.9</b>
<b>Unknown</b>	<b>-</b>	<b>n.a.</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
<b>Total OECD (thousands)</b>	<b>..</b>	<b>..</b>	<b>4 420</b>	<b>2 170</b>	<b>2 250</b>

StatLink  <http://dx.doi.org/10.1787/427037775370>

Note: For this table, national inflow data which are not strictly comparable have been aggregated. Caution should therefore be exercised in interpreting the results.

Over- and under-representation are estimated as the ratio of the percentage of inflows from an area to the percentage of the total population from the same area.

n.a.: not applicable.

Source: OECD Database on International Migration.



relative terms as they have population. On the other hand, Sub-Saharan Africa and Central and Southern Asia are the regions least represented, each having less than half the number of migrants one would expect on the basis of their population.


### **China accounts for almost 11 percent of the flows, Poland and Romania less than half this**

The top twenty countries of origin in terms of inflows (Table I.3) accounted for 60% of all inflows in 2006, with China (10.7%), Poland (5.3%) and Romania (4.6%) at the top of the list. However, the statistics for Mexico (3.6%) do not take account of the large number of unauthorised migrants from that country to the United States, which are estimated to be in the vicinity of 400 000 (Mohar, 2007). Another limitation of the numbers is the fact that they do not include entries for Ireland and the United Kingdom, for which breakdowns by nationality are not available from official national sources. This has the effect of underestimating the movements from the new accession countries from 2004 through 2006.

Among the top 20 migration countries, Bolivia, Romania and Poland have seen the largest increases over the six years ending in 2006, all of them having more than doubled

Table I.3. **Top 20 countries of origin in 2006 for immigrant inflows into OECD countries and change since 2000**

	Immigration inflows (thousands)			Immigration inflows (% of total)	Annual increase in %
	2000	2005	2006	2006	2000-2006
China	301	411	473	10.7	7.8
Poland	106	215	235	5.3	14.2
Romania	89	190	205	4.6	14.9
Mexico	180	172	186	4.2	0.5
Philippines	171	178	159	3.6	-1.2
United Kingdom	97	151	150	3.4	7.5
India	113	158	142	3.2	3.9
Morocco	100	119	112	2.5	1.9
United States	111	104	106	2.4	-0.8
Germany	78	100	105	2.4	5.1
Brazil	71	98	101	2.3	6.0
Ukraine	58	95	89	2.0	7.4
Bulgaria	88	89	89	2.0	0.2
Colombia	67	56	82	1.9	3.4
Viet Nam	52	78	80	1.8	7.4
Russian Federation	90	88	75	1.7	-3.0
Bolivia	5	41	74	1.7	56.7
Korea	58	66	68	1.5	2.7
France	71	61	68	1.5	-0.7
Turkey	85	72	62	1.4	-5.1
Top 20 in 2006	1 994	2 544	2 660	60	4.9
% of total immigration	54	61	60		
All others	1 677	1 628	1 761	40	0.8
% of total immigration	46	39	40		
Total	3 671	4 172	4 421	100	3.1

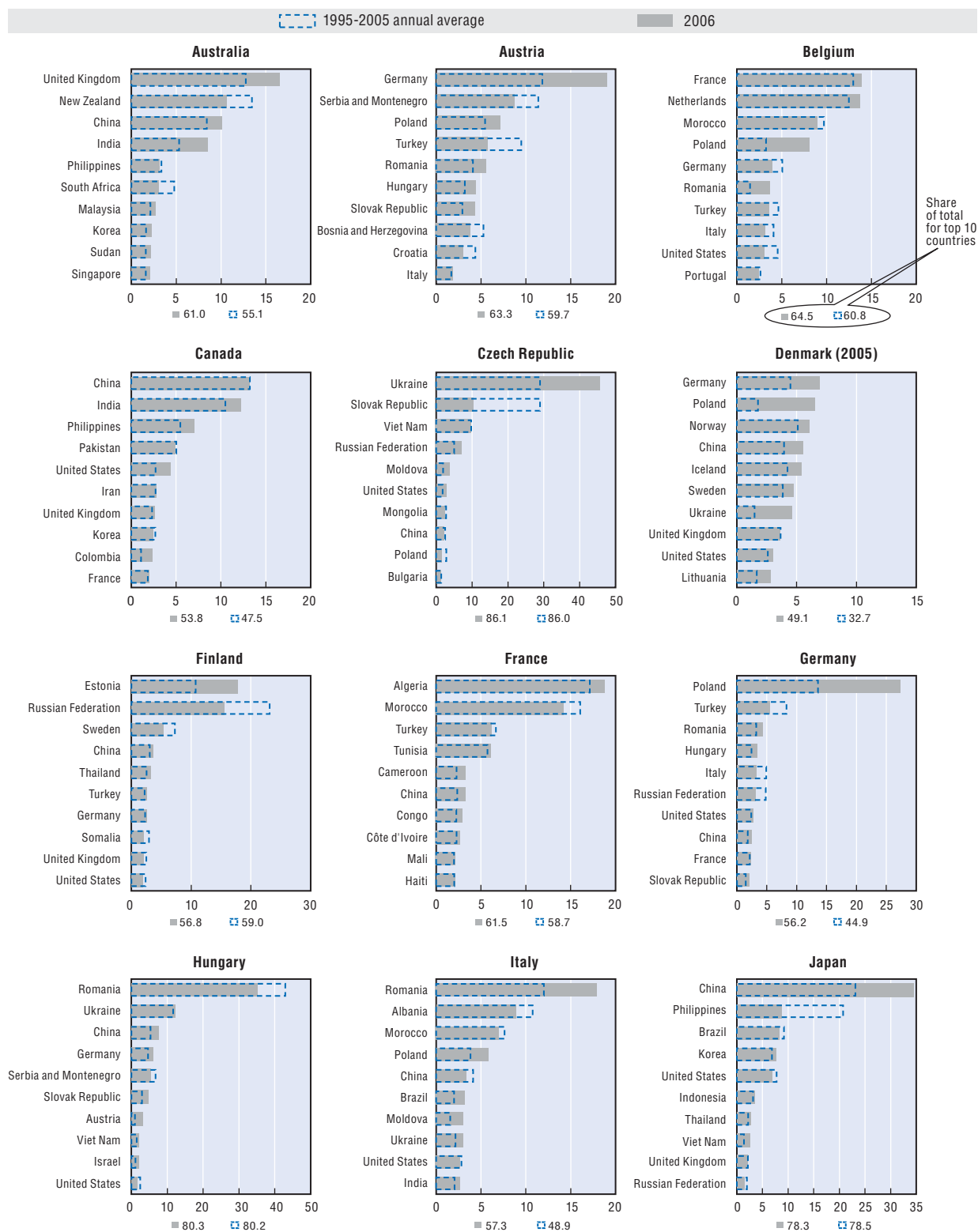
StatLink  <http://dx.doi.org/10.1787/427042672738>

Note: This table involves summing up inflows across different countries that may not be comparable and which may introduce some distortion in the estimates. They are provided here as indicative of the inflows from the countries shown. Some caution needs to be exercised in (over)interpreting the differences across source countries.

Source: OECD Database on International Migration.

Chart I.4. **Change in inflows of migrants by country of origin, selected OECD countries, 1995-2005 and 2006**

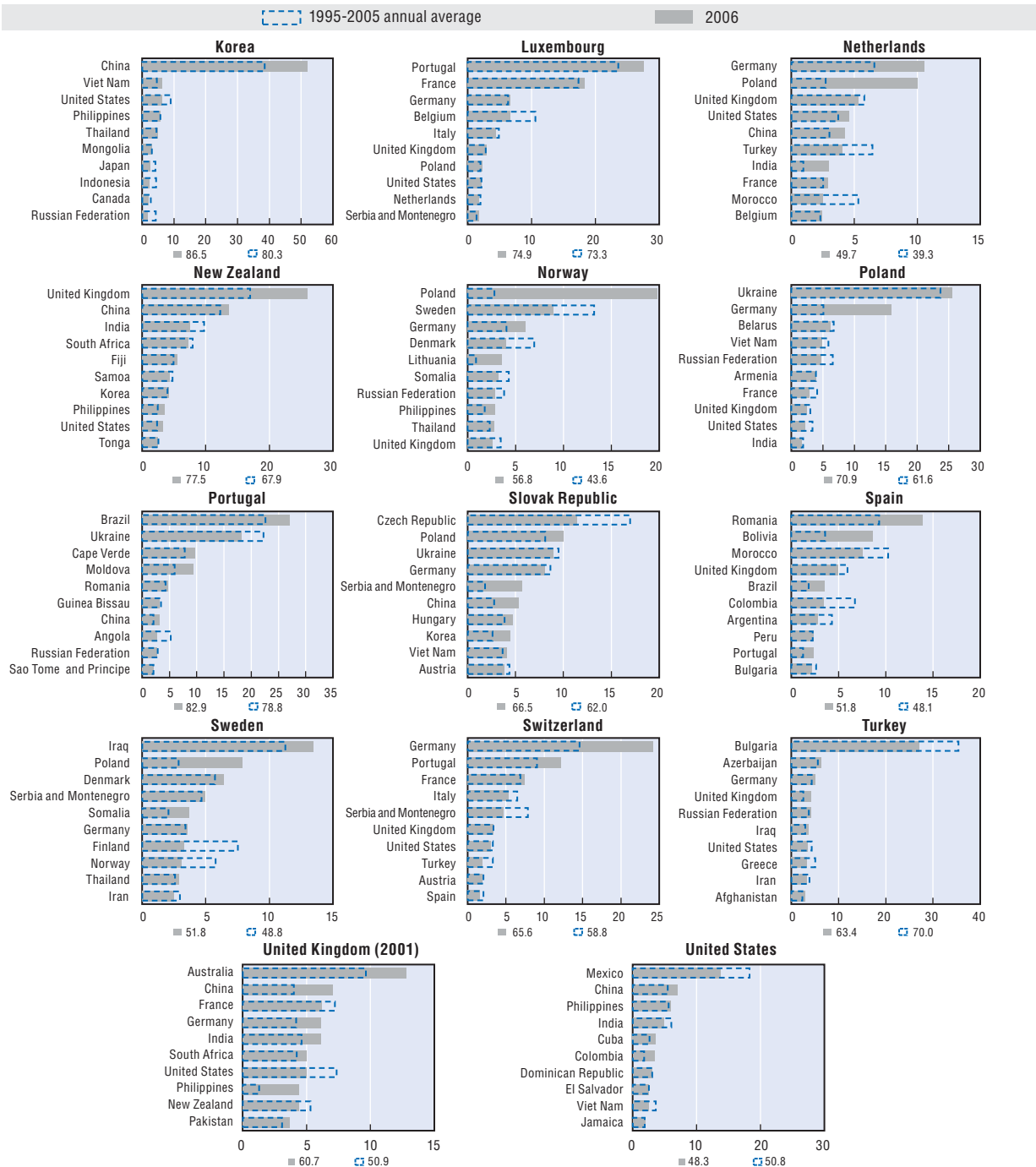
2006 top ten countries of origin as a % of total inflows<sup>1</sup>



StatLink <http://dx.doi.org/10.1787/427164525031>

Chart I.4. **Change in inflows of migrants by country of origin, selected OECD countries, 1995-2005 and 2006 (cont.)**

2006 top ten countries of origin as a % of total inflows<sup>1</sup>



StatLink <http://dx.doi.org/10.1787/427236470364>

1. The top 10 source countries are presented in decreasing order of the number of immigrants in 2006. Data for Australia, Canada, New Zealand and the United States refer to inflows of permanent settlers by country of birth, for France, Italy and Portugal to issues of certain types of permits (see sources below). For the United Kingdom, the data are from the International Passenger Survey. For all other countries, figures are from Population registers or Registers of foreigners. The figures for the Netherlands, Norway and especially Germany include substantial numbers of asylum seekers. Annual average flows for the period 1995-2005 except for Austria, Italy, Poland (1998-2005), Spain (1997-2005), Portugal (2001-2005), Slovak Republic (2003-2005), United Kingdom (1996-2000) and Korea (2000-2005).

Source: National Statistical Offices. For details on definitions and sources, refer to the metadata relative to Tables B.1.1. of the Statistical Annex.

the volume of their flows. Turkey, the Russian Federation and the Philippines, on the other hand, have seen moderate declines in inflows since the year 2000.

Large increases in German and Polish flows to other OECD countries in 2006, compared to movements over the previous ten years, were evident in quite a few countries (Chart I.4). Increases in emigration from Germany were essentially to neighbouring countries, in particular Poland, Austria, Switzerland, the Netherlands and Denmark. Immigration from Poland increased not only in Sweden which had opened up its labour market without restrictions to EU accession countries in 2004, but also in Belgium, the Netherlands, Norway, Denmark and Germany. These increases were prior to the review of the transition period restrictions in 2007. In short, although labour markets outside of Ireland, Sweden and the United Kingdom were restricted, it is clear that job possibilities also materialised outside of these three countries for accession country nationals.

Immigrants from China are becoming more common in Japan and Korea, while Romanians have a strong presence in Italy and Spain. Migration from India has picked up in Australia and Canada, but also in the Netherlands, while legal migration from Mexico to the United States has dropped, compared to 1995-2005 average levels. Finally immigration from the Ukraine is showing up increasingly in all of the countries of Central Europe and is strong relative to previous levels in the Czech Republic but also in Denmark.

A number of future potential OECD countries are already important immigration countries in their own right (Israel and Russia), while both these as well as countries to which OECD countries are offering enhanced engagement are significant and growing sources of immigrants to OECD countries (Box I.5).

#### **Box I.5. Overview of migration to and from selected “potential” new OECD countries**

In May 2007, OECD countries agreed to invite Chile, Estonia, Israel, Russia and Slovenia to open discussions for membership in the Organisation and offered enhanced engagement, with a view to possible membership, to Brazil, China, India, Indonesia and South Africa. Inflows from these countries towards OECD countries represented about 900 000 persons in 2006 of which more than 800 000 came from one of the so-called “BRICs” (Brazil, Russian Federation, India, and China). China accounted for over one half of all the flows, followed by India, Brazil and the Russian Federation. The flows from these countries to the OECD currently account for a sixth of all immigration flows to the OECD area, but only some 10% of all immigrants (see table), with China and India each having about 2 million former residents in OECD countries.

##### **Overview of migration in three selected potential new OECD members**

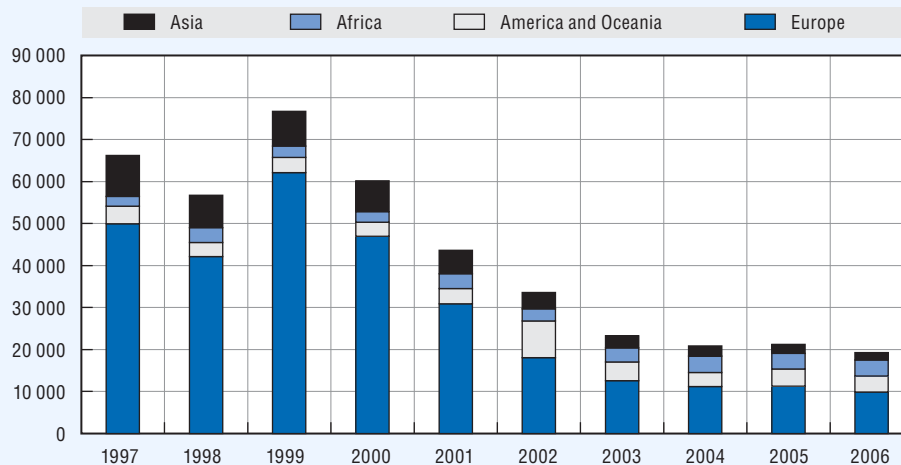
###### **Israel**

According to the Statistical Office, the population of Israel was around 7.2 million in 2006. This figure includes Jewish localities in the West Bank. One third of the population was not Jewish (mainly Arabs) and 34% of the country’s Jewish and non-Arab population was born abroad. Three million people have immigrated into Israel since 1948, more than one million of them since 1990. The largest foreign-born group came from the former USSR (950 000). Of the remainder, 157 000 were born in Morocco, 110 000 in Romania, 77 000 in North America, 70 000 in Iraq, 70 000 in Ethiopia and 64 000 in Poland.

Recent immigrants into Israel have employment qualifications similar to those of the Israeli workforce, with two-thirds of immigrants from the former Soviet Union having been employed there as professionals, scientists, engineers and technical staff. Today, the employment rate of immigrants who came to Israel in the first half of the 1990s is similar to that of native-born Israelis.

**Box I.5. Overview of migration to and from selected “potential” new OECD countries (cont.)**

The level of inflows of permanent residents (19 300) in 2006 is the lowest since 1988. Recent inflows of temporary residents have been increasing since 2003. In 2006, 33 000 temporary foreign workers arrived from Asia (24 400 – Thailand, Philippines, China) and from Eastern Europe (former USSR and Romania).

**Inflows of permanent residents in Israel by origin**

StatLink  <http://dx.doi.org/10.1787/427402563254>

Note: Data include changes of status from temporary to permanent.

Source: Central Bureau of Statistics.

**Slovenia**

In Slovenia there is a striking difference between the share of foreign nationals and that of persons born abroad. At the end of 2006, 2.7% of the population of Slovenia had the status of foreigners, while 11.3% of the population was born abroad. Many of the latter were born in other parts of former Yugoslavia and were living in Slovenia at the time of independence, which in effect made them foreign-born persons but Slovenian nationals.

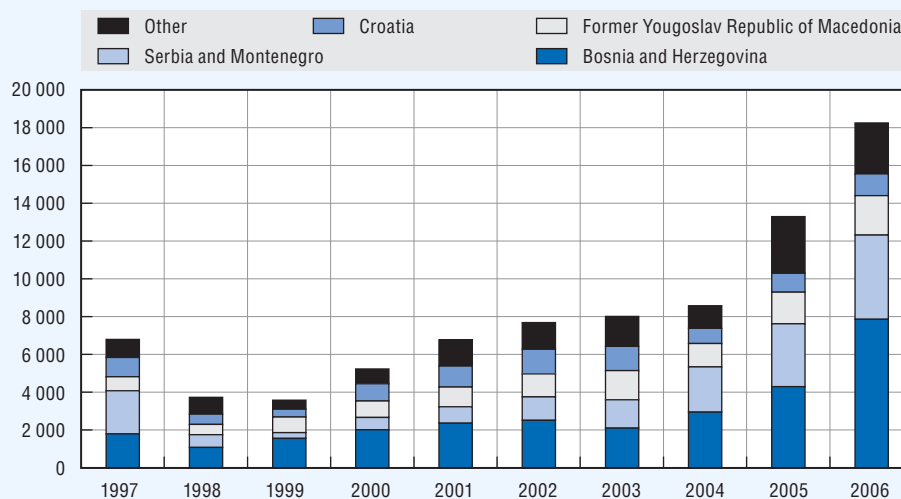
Since 2005 international migration flows to Slovenia have intensified. In 2006 almost 2.5 times more people immigrated into Slovenia than in 2004 (18 250 foreigners all told). Immigration from Bosnia and Herzegovina (7 900 in 2006) and from Serbia and Montenegro (4 500 also in 2006) has increased steadily since 2000. Among foreigners who emigrated to Slovenia, 85.3% were citizens of ex-Yugoslav Republics.

The main reason for migration is the possibility of better employment or the possibility to perform seasonal work. Most of the foreign migrants came for the purpose of regular work and employment (44%), followed by those who came for seasonal work (30%) and those who came for family reunification (16%). However most of the foreign immigrants come to Slovenia for less than a year.

Recent immigrants in Slovenia tend to be low-educated. Most immigrant workers who arrived in Slovenia in 2005 had elementary education (64%), 30% had secondary education and only 6% had post secondary education. About 64% of foreigners who immigrated into Slovenia worked in construction, followed by manufacturing with about 9%.

## Box I.5. Overview of migration to and from selected “potential” new OECD countries (cont.)

## Inflows of foreigners in Slovenia by main nationalities



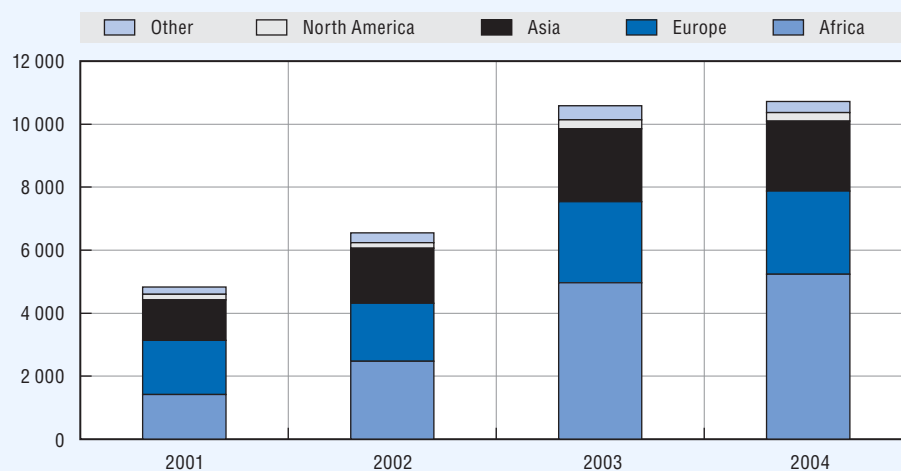
StatLink  <http://dx.doi.org/10.1787/427415143578>

Source: Statistical Office of the Republic of Slovenia.

## South Africa

According to the 2001 census, the foreign-born population accounted for 1 025 000 persons including 690 000 persons born in southern African countries, 230 000 from Europe and about 42 000 from the rest of Africa. The immigrant population accounted for 2.3% of the total population compared to about 1% for the foreign population. The next census is scheduled for 2011. Migration to South Africa increased since 2003 to reach about 11 000 in 2004. About half of inflows to South Africa come from other African countries, followed by European and Asian countries. Most of the authorised immigrants to South Africa are not economically active, mainly families with children or retired people, the balance being persons in professional, managerial and administrative occupations.

## Inflows of foreigners in South Africa by region of previous permanent residence




StatLink  <http://dx.doi.org/10.1787/427416263302>

Source: Statistics South Africa, Documented migration Report.

## Box I.5. Overview of migration to and from selected “potential” new OECD countries (cont.)

## Immigrant population from selected non-OECD countries of birth in OECD countries, circa 2001

Country of residence	Countries under accession process					Enhanced engagement countries					Total foreign-born
	Chile	Estonia	Israel	Russian Federation	Slovenia	Brazil	China	India	Indonesia	South Africa	
Australia	22 470	2 220	5 790	13 750	6 450	4 190	134 700	88 240	43 360	68 860	3 860 220
Austria	800	140	1 380	6 130	20 340	2 410	6 300	7 250	800	1 700	923 690
Belgium	3 340	80	2 280	–	–	3 280	6 020	7 940	2 650	2 270	1 019 300
Canada	24 240	6 280	14 720	44 550	9 190	12 460	318 130	306 860	9 970	33 570	5 355 210
Czech Republic	30	60	110	12 230	250	100	1 130	230	90	130	436 970
Denmark	1 260	480	1 310	2 140	60	1 420	3 560	3 340	590	900	319 300
Finland	200	6 160	390	1 210	10	250	1 750	990	100	180	112 430
France	9 860	600	6 600	15 740	2 520	13 080	31 330	26 400	3 440	2 880	5 600 200
Greece	390	60	650	65 790	110	1 970	540	6 970	250	5 140	999 910
Hungary	90	70	480	6 170	690	140	3 610	230	30	80	275 490
Ireland	150	500	210	1 970	30	1 120	5 500	3 110	160	5 010	332 990
Italy	7 920	290	2 090	12 360	20 420	34 850	35 590	24 030	1 210	4 330	2 020 930
Japan	–	–	–	2 250	–	157 870	227 440	5 030	13 820	–	1 142 370
Luxembourg	120	20	70	400	70	440	910	280	80	150	129 760
Mexico	3 410	10	850	1 130	30	1 930	1 620	400	60	60	241 460
Netherlands	–	–	–	1 560	–	1 820	4 460	–	180 940	4 420	1 419 950
New Zealand	710	110	460	2 190	180	610	35 990	18 430	3 410	19 880	624 090
Norway	5 520	430	310	5 930	40	1 280	3 680	5 130	620	690	305 920
Poland	20	280	280	53 660	120	220	630	270	30	130	737 730
Portugal	170	200	60	2 120	30	45 190	2 130	6 560	90	9 120	585 930
Slovak Republic	10	10	40	1 650	40	10	110	20	–	10	113 180
Spain	15 520	–	900	12 040	180	29 280	23 520	7 780	520	1 180	1 914 920
Sweden	26 200	6 220	1 640	7 020	690	3 350	8 160	10 550	1 670	1 150	933 830
Switzerland	4 910	210	1 780	5 720	3 780	12 970	7 020	7 170	2 230	4 080	1 454 190
Turkey	–	–	2 330	17 660	–	–	1 420	480	–	–	1 130 550
United Kingdom	4 760	1 850	10 260	13 280	1 200	13 990	47 850	454 490	6 070	124 650	4 503 470
United States	75 840	8 710	107 730	287 540	5 880	199 590	1 129 640	958 060	70 320	60 100	31 389 930
<b>OECD (above mentioned countries)</b>	<b>207 920</b>	<b>34 970</b>	<b>162 730</b>	<b>596 140</b>	<b>72 300</b>	<b>543 780</b>	<b>2 042 730</b>	<b>1 950 220</b>	<b>342 480</b>	<b>350 660</b>	<b>67 883 910</b>

StatLink  <http://dx.doi.org/10.1787/427452145024>

Source: Database on Immigrants in OECD countries (DIOC).

## 6. Temporary migration

Temporary migration covers a broad range of migrants, from artists to trainees, service providers, installers, seasonal workers, international students, exchange visitors, researchers, medical interns. Data on this kind of migration is almost exclusively from permits and the number of separately identified categories tends to vary considerably across countries. This is generally not because certain types of temporary migration do not exist in some countries, but either because the numbers are small or because the categories are considered too numerous or specialised to mention. One can be reasonably certain that virtually every category of migration is present in every country. In some countries (Japan, Korea, the United States) the permit systems are very detailed, with a separate permit for each type of temporary migration; in others only a handful of permit

types exist, each of which covers broad categories of workers, which are not generally separately specified, although the information does exist. More detailed statistics in this area can reveal some significant movements, for example that of foreign medical interns, whose presence can be important for ensuring certain services in hospitals in some countries.

### **Temporary labour migration**

The data compiled in the area of temporary labour migration are far from complete. Many countries are still not represented in the statistics (Table I.4). Certain categories show up as temporary migration in some countries, but may be split between temporary and permanent in others, depending on the intended duration of stay. Intra-corporate transfers are a case in point. They appear entirely as temporary labour migrants in the United States except when they change status and obtain green cards, but many are permanent-type migrants in the United Kingdom. Exchange visitors may be carrying out remunerative work, but may not be considered temporary labour migrants.

Temporary movements in the context of free circulation regimes can be particularly difficult to capture, because reporting requirements may be entirely waived. The statistics also may not specifically identify the skill level of temporary migrant workers, a matter of particular interest, although here too, the information may be available but not published. For certain categories, the work carried out may be incidental, that is, the main purpose of the migration may be tourism (working holiday makers), training (trainees) or study (international students). Indeed the categories of “working holiday makers” and “trainees” have been used to satisfy lesser skilled labour needs when national circumstances have made it difficult to resort to overt low-skilled labour migration. Each of these were considered to be relatively low-risk forms of migration that could be mobilised to this end. Note that international students are not included in the statistics presented here, because not all international students work and because the statistics on students may be subject to more serious comparability problems than the other categories, particularly with respect to the levels of education covered.

### **Temporary labour migrants are around three times the number of permanent ones...**

In 2006, based on the data compiled to date which cover 20 countries (Table I.4), over 2.5 million temporary labour migrants arrived in OECD countries, which is around three times the number of permanent-type labour migrants, if one includes the labour component of free circulation movements in the permanent-type movements. About 20% of temporary labour migrants were working holiday makers and another 20% seasonal workers. About 40% fell into the residual category “other temporary workers”, which for some countries may include workers belonging to some of the other categories. Although the picture is not complete, the statistics include many of the major countries and thus account for a significant proportion of the total movements of legal temporary labour migrants.


### **... but temporary migration is increasing more slowly than permanent-type migration**

Temporary labour migration has increased by about 15% from 2003 to 2006, whereas total permanent-type migration has risen by over 40% over the same period and permanent-type labour migration (including free circulation long-term labour migration) by over 50%. Working holiday makers and trainees have each risen by over 20% and other temporary workers by about 15%.



Table I.4. **Inflows of temporary labour migrants, selected OECD countries, 2003-2006**

Thousands					Distribution (2006)
2003	2004	2005	2006		
Working holiday makers	442	463	497	536	21
Trainees	146	147	161	182	7
Seasonal workers	545	568	571	576	23
Intra-company transfers	89	89	87	99	4
Other temporary workers	958	1 093	1 085	1 105	44
<b>All categories</b>	<b>2 180</b>	<b>2 360</b>	<b>2 401</b>	<b>2 498</b>	<b>100</b>
					Per 1 000 population (2006)
Australia	152	159	183	219	10.7
Austria	30	27	15	4	0.5
Belgium	2	31	33	42	4.0
Bulgaria	–	1	1	1	0.1
Canada	118	124	133	146	4.5
Denmark	5	5	5	6	1.1
France	26	26	27	28	0.5
Germany	446	440	415	379	4.6
Italy	69	70	85	98	1.7
Japan	217	231	202	164	1.3
Korea	75	65	73	86	1.8
Mexico	45	42	46	40	0.4
Netherlands	43	52	56	83	5.1
New Zealand	65	70	78	87	21.1
Norway	21	28	22	38	8.2
Portugal	3	13	8	7	0.7
Sweden	8	9	7	7	0.8
Switzerland	142	116	104	117	15.7
United Kingdom	137	239	275	266	4.4
United States	577	612	635	678	2.3
<b>All countries</b>	<b>2 180</b>	<b>2 360</b>	<b>2 401</b>	<b>2 498</b>	<b>2.6</b>
<b>Annual change (%)</b>	n.a.	8.3	1.7	4.0	

StatLink  <http://dx.doi.org/10.1787/427045515037>

Source: OECD Database on International Migration.

Switzerland and New Zealand are the countries where the movements are largest relative to the total population. Germany and Japan, which show little discretionary permanent-type labour migration, are much more present in the realm of temporary labour migration, with on average over 400 000 and 200 000 workers each year over the period 2003-06, although the numbers in Japan remain relatively modest relative to the population. As was the case for permanent-type migration, the United States accounts for approximately one-fourth of all temporary labour migration, with the numbers having steadily increased since 2003. However, these remain less than the estimated 750 000 to 800 000 unauthorised immigrants who arrive every year, most of whom are workers. The other settlement countries of Australia, Canada and New Zealand all have significant levels, with only Canada among the three showing temporary labour migration levels that are lower than its permanent-type intake for all categories. The large increase in the United Kingdom for 2004 and the high levels thereafter reflect the impact of the

enlargement of the European Union and the arrival of many workers from Central Europe. The impact of enlargement is less visible, if at all, in other European countries.

### Asylum seekers


Movements of asylum seekers have been grouped under temporary migration, even if this may not correspond to the intentions of the migrants themselves. The reason is that recognitions of asylum claims and grants of permanent status tend to be modest and because asylum seekers are expected to return to their countries of origin if their claims are refused. In other words, destination countries consider such movements as permanent-type movements only if the claims for refugee status are recognised.

### Asylum seeking keeps falling and contributes less and less to permanent migration

Asylum seeking in OECD countries declined for the fourth consecutive year in 2006, falling below 300 000 for the first time since 1987 (Table I.5). The United States was the largest receiving country at 41 000, with Canada, France, Germany and the United Kingdom

Table I.5. **Inflows of asylum seekers in OECD countries, 2000-2006, trends and levels**

	Index of the number of asylum seekers			Total number 2006	Number per million population 2006	Main country of origin (% of all asylum seekers)	
	2000	2005	2006			2006	
Australia	100	25	27	3 500	171	China	30
Austria	100	123	73	13 300	1 612	Serbia and Montenegro	19
Belgium	100	37	27	11 600	1 099	Russian Federation	14
Canada	100	61	67	22 900	701	Mexico	22
Czech Republic	100	47	34	3 000	294	Ukraine	19
Denmark	100	19	16	1 900	353	Iraq	27
Finland	100	113	74	2 300	443	Bulgaria	20
France	100	128	79	30 700	501	Serbia and Montenegro	10
Germany	100	37	27	21 000	255	Serbia and Montenegro	15
Greece	100	294	398	12 300	1 100	Bangladesh	30
Hungary	100	21	27	2 100	210	Viet Nam	19
Ireland	100	40	39	4 300	1 019	Nigeria	24
Italy	100	61	66	10 300	177	Eritrea	21
Japan	100	178	442	1 000	7	Myanmar	63
Korea	100	958	647	300	6	Nepal	26
Luxembourg	100	129	84	500	1 138	Serbia and Montenegro	39
Netherlands	100	28	33	14 500	885	Iraq	19
New Zealand	100	22	18	300	67	Iraq	12
Norway	100	50	49	5 300	1 139	Iraq	19
Poland	100	149	97	4 400	116	Russian Federation	91
Portugal	100	51	57	100	12	Democratic Republic of the Congo	16
Slovak Republic	100	228	185	2 900	533	India	25
Spain	100	66	67	5 300	120	Colombia	42
Sweden	100	108	149	24 300	2 678	Iraq	37
Switzerland	100	57	60	10 500	1 408	Serbia and Montenegro	12
Turkey	100	69	80	4 600	62	Iran	50
United Kingdom	100	31	29	28 300	467	Eritrea	10
United States	100	96	101	41 100	137	China	23
<b>Total</b>	<b>100</b>	<b>58</b>	<b>53</b>	<b>282 600</b>	<b>264</b>	<b>Iraq</b>	<b>8</b>

StatLink  <http://dx.doi.org/10.1787/427081547188>

Source: UNHCR database ([www.unhcr.org](http://www.unhcr.org)).

all falling in the 20 000 to 30 000 range. Among significant destination countries, large declines were evident in France and Germany, but also in Austria and Belgium. However, numbers increased by over 40% in Sweden, somewhat less so in Canada, Greece and the Netherlands. Sweden, Austria and Switzerland are the main receiving countries in per-capita terms, while Japan, Korea and Portugal show insignificant entries of persons in this category.

Iraq, followed by Serbia and Montenegro are the most important countries of origin. The main country of origin in destination countries accounts for some 25-30% of asylum seekers on average. Largest declines in 2006 were observed for asylum seekers from Serbia and Montenegro and the Russian Federation and the largest increases from Iraq and Eritrea.

Since asylum seeking as a channel of entry has been declining and recognition rates seldom exceed 20%, asylum seeking is becoming a less and less important source of permanent entries in OECD countries. A stricter application of the Geneva convention, stronger visa requirements and border control measures and especially, improving conditions in many origin countries, both politically and economically, each have their share in the falling asylum request numbers. By end-2006, there remained about 400 000 asylum claims not yet decided on in Europe and North America. Despite the decline in asylum seeking, humanitarian migration nonetheless accounted for some 375 000 permanent-type entries in 2006, 215 000 of which were in the United States.

### **International students**

#### ***The increase in international students appears to be slowing down***

International study continued to increase from 2004 to 2005 in OECD countries, at a rate of about 5%. However, the rate is smaller than that observed on average over the 2000 to 2005 period (8%) (Table I.6).

Note that most of the 2000-2005 change data do not actually refer to international students, but rather to students having the nationality of another country, some of whom may have been born or arrived in the country of study as children.<sup>6</sup> Nevertheless, the overlap is substantial (about 80% on average) so that the statements being made here concerning the change in foreign students can be expected to apply as well to students coming to the country to study.

Overall the number of international students increased by about 50% from 2000 to 2005, with the United States and the United Kingdom each showing an increase of 120 000 students, France of about 100 000 and Australia of close to 85 000. Strong percentage increases (close to or more than one hundred) have occurred in New Zealand, the Czech Republic, Japan, Korea and the Netherlands.


Outside of English-language countries, which are in a privileged position with respect to attracting international students, strategies appear to differ across countries with respect to attracting international students.

#### ***Even countries whose language is scarcely spoken outside their borders are attracting students***

In some countries, English-language programmes have been introduced in order to attract students from other countries, especially when the language of the country is not or is hardly spoken outside its borders. This is the case, for example, in the Nordic

Table I.6. **International and/or foreign students in OECD countries, 2000 and 2005**

	International students		Foreign students				Number of students 2005	
	As a percentage of all tertiary enrolment		As a percentage of all tertiary enrolment		Index of change in the number of foreign students, total tertiary, 2005 (2000 = 100)	Index of change in the number of foreign students, total tertiary (2005/2004)	Foreign students	International students
	Total tertiary	Advanced research programmes	Total tertiary	Advanced research programmes				
<b>OECD countries</b>								
Australia <sup>1</sup>	17.3	17.8	20.6	28.3	167	106	211 300	177 000
Austria <sup>1,3</sup>	11.0	15.4	14.1	20.2	114	102	34 500	27 000
Belgium <sup>1</sup>	6.5	19.9	11.7	30.8	117	103	38 200	21 100
Canada	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	111 000
Czech Republic	n.a.	n.a.	5.5	7.2	339	124	18 500	n.a.
Denmark <sup>1</sup>	4.4	6.9	7.5	18.5	135	102	17 400	10 300
Finland <sup>2,3</sup>	3.6	7.3	2.8	7.3	152	107	8 400	11 000
France <sup>1,5</sup>	10.8	34.4	n.a.	n.a.	173	100	236 500	236 500
Germany <sup>2</sup>	n.a.	n.a.	11.5	n.a.	139	100	259 800	204 600
Greece <sup>1,3</sup>	0.4	n.a.	2.4	n.a.	182	109	15 700	n.a.
Hungary <sup>1</sup>	2.7	7.9	3.1	8.6	137	105	13 600	11 900
Iceland	n.a.	n.a.	3.2	12.7	120	99	500	n.a.
Ireland <sup>2,5</sup>	6.9	n.a.	n.a.	n.a.	174	102	12 900	12 900
Italy	n.a.	n.a.	2.2	4.3	180	111	44 900	n.a.
Japan <sup>1</sup>	2.8	16.3	3.1	17.1	189	107	125 900	114 900
Korea	n.a.	n.a.	0.5	n.a.	459	144	15 500	n.a.
Luxembourg	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Netherlands <sup>3</sup>	4.7	n.a.	5.6	n.a.	225	149	31 600	26 400
New Zealand <sup>1</sup>	17.0	16.6	28.9	38.3	845	101	69 400	40 800
Norway <sup>1</sup>	1.9	5.2	4.8	18.6	154	106	10 200	4 000
Poland	n.a.	n.a.	0.5	3.2	166	125	10 200	n.a.
Portugal	n.a.	n.a.	4.5	7.3	152	105	17 000	n.a.
Slovak Republic <sup>1</sup>	0.9	0.7	0.9	0.8	107	102	1 700	1 600
Spain <sup>1,3</sup>	1.0	7.6	2.5	18.9	112	109	45 600	17 700
Sweden <sup>1</sup>	4.4	n.a.	9.2	20.3	154	108	39 300	18 900
Switzerland <sup>2,3</sup>	13.2	43.3	18.4	43.2	142	103	36 800	26 500
Turkey	n.a.	n.a.	0.9	2.9	103	119	18 200	n.a.
United Kingdom <sup>1</sup>	13.9	40.0	17.3	41.4	143	108	394 600	318 400
United States <sup>1,5</sup>	3.4	24.1	n.a.	n.a.	124	103	590 200	590 200
<b>OECD total</b>	<b>6.7</b>	<b>16.5</b>	<b>7.6</b>	<b>17.5</b>	<b>149</b>	<b>105</b>	<b>2 318 400</b>	<b>1 982 700</b>
<b>OECD total for common countries</b>							<b>1 338 300</b>	<b>1 032 100</b>

StatLink  <http://dx.doi.org/10.1787/427102408253>

n.a.: means not available.

1. International students are defined on the basis of their country of residence.
2. International students are defined on the basis of their country of prior education.
3. Percentage in total tertiary underestimated because of the exclusion of certain programmes.
4. Excludes private institutions.
5. The 2005/2000 index and the foreign-student total are based on international students.

Source: *Education at a glance*, OECD, 2007. See [www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007).

countries and the Netherlands. Students in these countries can thus, in principle, live and stay in the country without necessarily having to learn very much of the national language. Although an extended presence in the country of study may enhance the likelihood of an eventual permanent stay, study in English unquestionably prepares students for work in

English-language workplaces which are not common in these host countries outside of multinational enterprises, even if substantial proportions of the residents and workers of the country are able to understand and speak English. The ability of an international study graduate being able to function at a high level in the language of the country of study under these conditions is far from assured. Whether the expanded use of English in workplaces and in commercial transactions will be sufficient to make direct recruitment of highly skilled persons into jobs a common phenomenon is uncertain.

Other countries, such as Belgium, France, Switzerland and Spain have national languages that are broadly spoken outside of their borders and are in a privileged position to attract many international students to programmes offered in the host-country language.

Other countries have managed to attract significant numbers of students for programmes in the host- country language, although there may also be some courses and programmes offered in English. These include Germany, Italy, Japan and Korea. Often such students have to do a preparatory year to acquire the needed language proficiency before they are able to follow a programme entirely in the host country language. This does not seem to be an insurmountable obstacle, given the numbers of international students which Germany and Japan are able to attract, 205 000 and 110 000, respectively. In Germany, tuition fees are quite low for international students, which may be a significant incentive if affordability is a significant issue.

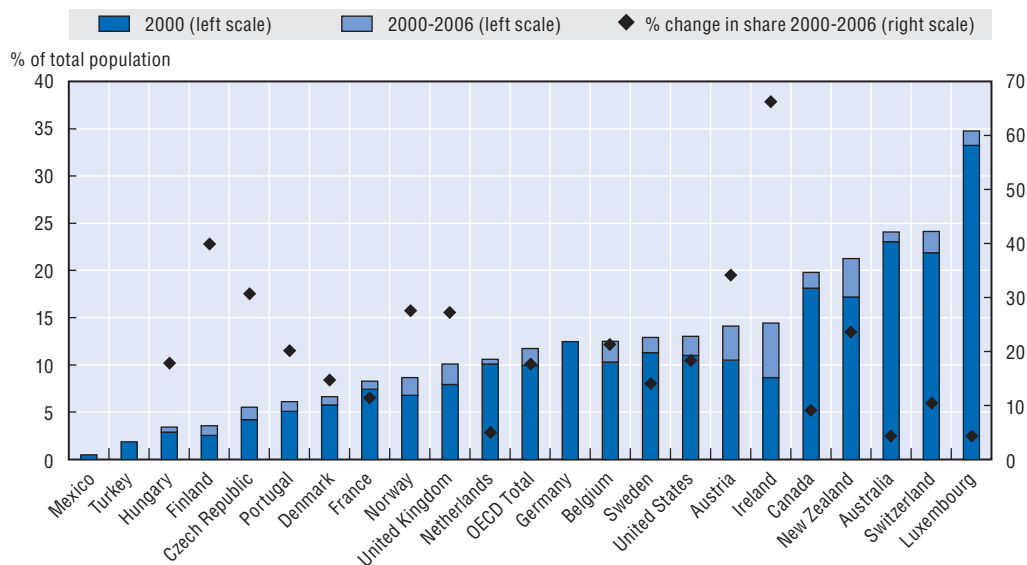
Although international students are a potential source of highly skilled labour migrants for OECD countries, there is no systematic data as yet on stay rates. Results from a number of countries suggest that at best 15-20% of graduates may be staying on (OECD, 2007a), with differences by country of origin. Because many countries formerly had so-called “quarantine” provisions for students from developing countries, that is, the requirement that students return to their countries of origin for a certain number of years before they can apply for migration to the country of study, the numbers in the past were relatively limited and often restricted to situations in which the student married a citizen of the host country. In recent years, most OECD countries have introduced measures which allow students who have completed their studies to search for work during a certain time period following the end of their studies and to stay on if they are offered a job in their field of study. Generally the job has to be in a technical or scientific field, which tends to reduce the pool of potential candidates. On average, some 10-15% of international students are studying in each of engineering, manufacturing and construction; health and welfare; and the sciences. For this restricted pool of candidates, the effective stay rates may actually be higher. Still, with the expansion of international study, the absolute number of students returning to their countries with an education obtained in an OECD country is likely to have increased over the past decade.

## 7. The immigrant population – its size and characteristics

### ***The foreign-born population in OECD countries***

#### ***The foreign-born population has grown by 18% since the year 2000***

The foreign-born population in 2006 accounted for 11.7% of the total population in OECD countries for which data are available. This is an 18% increase relative to the year 2000. The observed rate of change has tended to be higher in countries which have had less migration in the past (Chart I.5).

Chart I.5. **The foreign-born population in OECD countries, 2000-2006**

StatLink  <http://dx.doi.org/10.1787/427243430285>

Note: For details on definitions and sources, refer to the metadata for Tables B.1.4 of the Statistical Annex.

Certain countries have seen very high rates of increase in the immigrant share of the population since the year 2000, in particular Ireland (66%), Finland (40%) and Austria (34%). Countries with existing large immigrant populations (Australia, Canada, Luxembourg, Switzerland) have seen the share of immigrants grow by at most 10%. The one exception in this regard is New Zealand which has seen the share of immigrants increase from 17 to 21%, an increase of about one-fourth over the period.

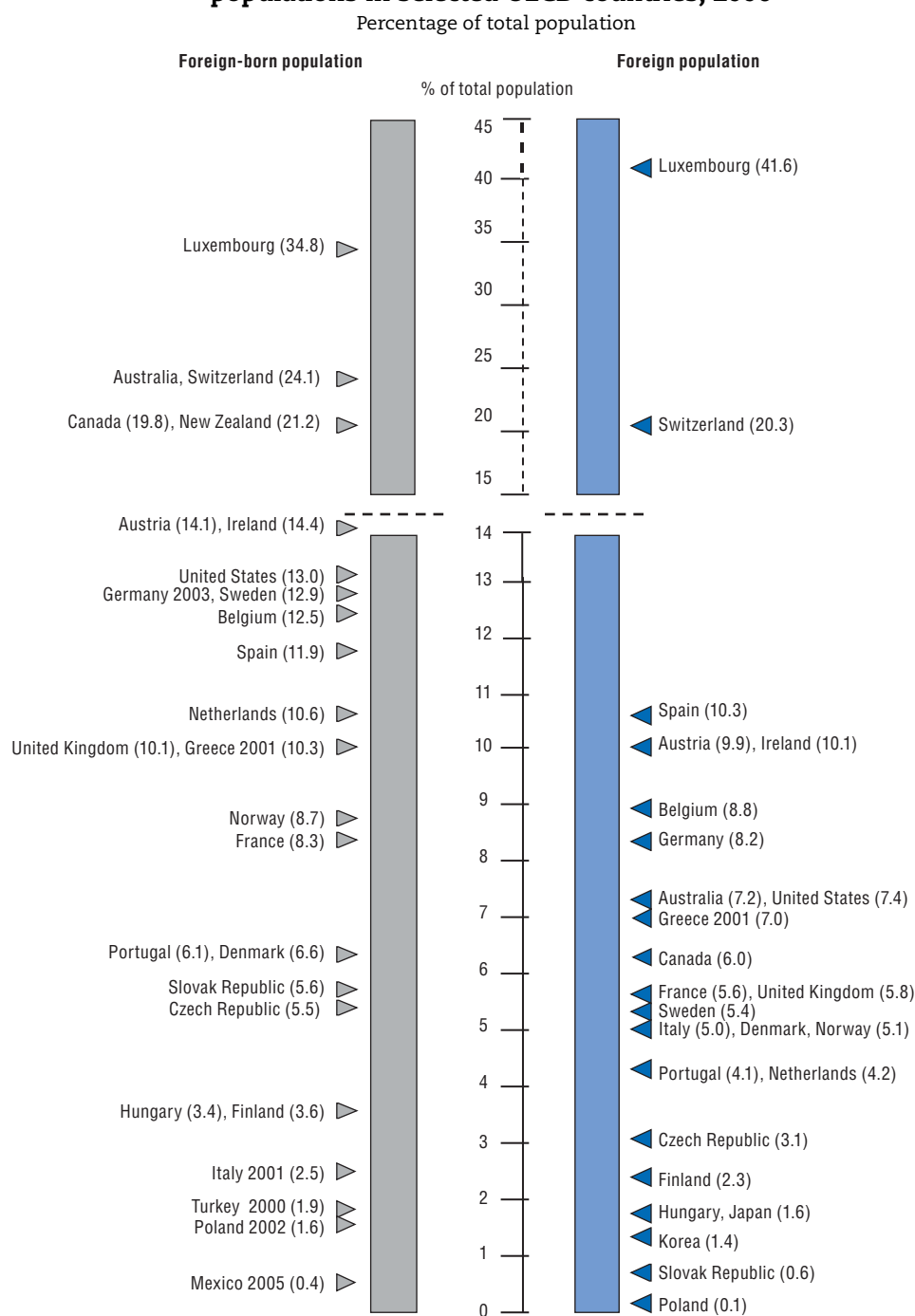
More than one half of OECD countries had immigrant populations that exceeded 10% of their total populations in 2006 (Chart I.6). Among traditional immigration countries, France and the United Kingdom have immigrant populations (at 8.3% and 10.1%, respectively) that seem rather modest compared to new migration countries such as Greece, Ireland and Spain.<sup>7</sup>

### **Future prospects for the working-age population in OECD countries at current migration levels**

#### ***The working-age population will decline over the period 2005-2020 without migration***

Last year's edition of the *International Migration Outlook* examined expected changes in the working-age population over the period 2005-2020 in the absence of migration. The results showed that over the 2010-2015 period, over three-quarters of OECD countries would be showing declines in their working-age population without migration. The assumption of no net migration was entirely hypothetical, however. Even in the absence of labour migration, OECD countries admit every year many family and humanitarian migrants of working-age. This section refines last year's analysis by examining the prospects for the working-age population, were migration levels to remain at the average level observed over the 2001-2005 period. For the purposes of this analysis, it was assumed that 80% of net migration concerns persons 15-64 years of age.<sup>8</sup> This reflects a fairly typical net migration age distribution.

Chart I.6. **Stock of foreign and foreign-born populations in selected OECD countries, 2006<sup>1</sup>**



StatLink  <http://dx.doi.org/10.1787/427251401067>

1. 2006 unless otherwise stated.

Source: Foreign-born population: estimates by the Secretariat for the Czech Republic, France, Germany, Luxembourg, Portugal, Slovak Republic, Switzerland, United Kingdom; for other countries, please refer to the metadata for Table A.1.4. of the Statistical Annex.

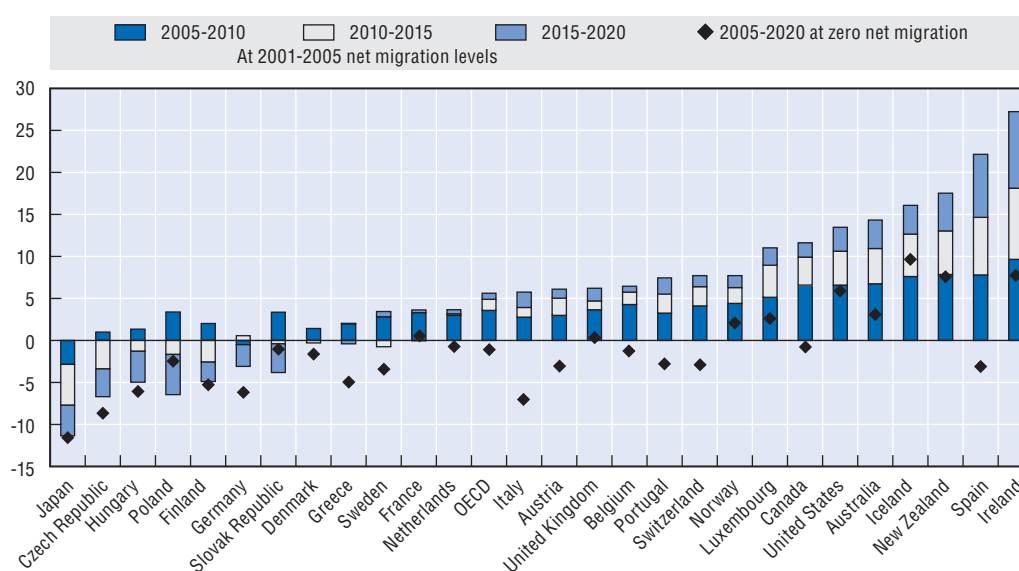
Foreign population: please refer to the metadata for Table A.1.5. of the Statistical Annex.


Data for Ireland are from the 2006 census.

### At recent migration levels, some countries look in good shape, others less so

As Chart I.7 indicates, the picture changes substantially for many countries if one takes current migration levels into account. All but seven OECD countries now show an increase in the working-age population over the period. Only Japan, Central European countries, Finland and Germany now find themselves with a contracting working-age population from 2005-2020 at recent migration levels. However, for five others (Denmark, Greece, Sweden, France and the Netherlands), the working-age population increases by less than 5%, a modest increase over fifteen years compared to historical levels. In addition, after 2010, there is essentially no growth in the working-age population for these countries.

Chart I.7. **Expected net change in the working-age population over the period 2005-2020, at 2001-2005 net migration levels, as a percentage of the population in 2005**



StatLink  <http://dx.doi.org/10.1787/427272714051>

Source: Labour force Statistics, OECD, 2007.

All other countries show more significant increases in the working-age population over the period and indeed, over each of the three sub-periods. For some countries current net migration levels are more than enough to significantly offset the ageing impact of the current demographic structure of the population. For some countries, in particular Austria, Portugal and Spain, migration at current levels, should this continue, can be expected to strongly offset declining workforces.

The reduction in the working-age population poses a problem because it means a decline in the pool of potential prime-age workers. In practice this could result in lower GDP per capita, all other things being equal, unless productivity growth can offset it. Higher immigration levels, but also increased participation by women and older workers, can reduce the reliance on productivity growth to maintain GDP per capita growth rates.



***There may be enough workers in some countries, but will they have the right skills?***

The question of whether there will be the right kind of workers in the working-age population to satisfy employers' labour requirements is a different issue and a growing one. Educational attainments have increased substantially in many OECD countries and the pool of persons willing to take on certain types of employment viewed as lower paid, of low status or with unappealing working conditions (in construction, hotels and restaurants, cleaning, food processing and the household sector) appears to be declining. In addition, most persons arriving in the context of family and humanitarian migration do not have a job upon arrival in the host country, and their skills may not always correspond to what the labour market is looking for. In short, even if non-discretionary migration may be addressing demographic aspects of the labour supply, the ability to satisfy precise labour needs may well depend on more targeted labour migration.

**8. Migration of the highly educated*****Every country wants highly skilled immigrants, but not all countries attract them to the same extent***

Despite the concordance of views across countries about the desirability and benefits of highly skilled migration, there is considerable variation across OECD countries in the percentage of highly educated immigrants among all immigrants aged 15 and above. These ranged from about 11% in Austria, the Czech Republic and Poland to a little over 40% in Ireland in around 2001 (Table I.7). The reasons for this variation are numerous.


Certain countries, such as Australia, Canada and New Zealand select immigrants on the basis of characteristics deemed to be conducive to a successful integration in the labour market and educational attainment is among the most important of these. One would expect that the selection process would result in an immigrant population that is on average of higher attainment than in countries where no such selection occurs. Still, it is important to remember that at best about 25% of immigrants in these countries are directly selected. The rest arrive as accompanying family, as fiancés or spouses or as humanitarian migrants. Because persons tend to marry persons of similar educational attainment, however, the selection process has a much stronger effect than that which one might expect on the basis of the percentage of persons directly selected.

Secondly, even where there is no selection carried out by the national administration and where labour migration occurs at the initiative of the employer, the national government may nonetheless impose certain criteria such as a base salary or a minimum level of educational attainment which effectively screen out lesser educated labour migrants. This has been the case in Ireland, the United Kingdom and the United States.

Where no such criteria are imposed, the needs of employers will determine the skill level of migrants and these can be for low- as well as high-skilled workers. In many European countries, guest worker programmes from the 1950s through the 1970s resulted in the arrival of many lesser educated immigrants to take on low-skilled jobs in manufacturing and construction, among others. The labour migration restrictions introduced after the first oil crisis in 1973 largely put a stop to the immigration of lower educated workers. Many of those who were already there stayed. Some were already present with their families. Some whose families had remained behind brought in their spouses and children. In both cases, the spouses of low educated immigrants were often themselves low educated.

Table I.7. **Impact of the country-of-origin mix and of immigrant qualifications on the percentage of immigrants with tertiary attainment, circa 2001**

	Immigrants with tertiary attainment	Country-of-origin mix effect	Immigrant qualifications effect
	Percentages	Percentage points	
Austria	11.3	-10.6	-9.8
Poland	11.9	-31.8	-16.2
Italy	12.2	-8.6	-14.1
Czech Republic	12.8	-24.3	-9.5
Slovak Republic	14.6	-18.0	-7.8
Greece	15.3	-9.9	-7.5
Turkey	16.6	-30.0	-5.4
Finland	17.0	-2.4	-15.7
France	18.1	-16.5	-1.2
Portugal	19.3	-15.7	-5.8
Denmark	19.4	-4.4	-9.5
Hungary	19.8	-13.9	-4.6
Belgium	21.5	-12.7	-3.7
Luxembourg	21.7	-17.7	0.9
Spain	21.8	-8.9	-3.3
Switzerland	23.9	-12.1	1.4
Sweden	24.1	-12.0	-3.4
Australia	25.7	-9.5	-5.7
United States	25.8	-6.3	2.5
New Zealand	31.0	-6.9	-3.2
Norway	31.1	-3.9	-0.8
United Kingdom	35.0	-9.9	0.7
Mexico	37.8	-23.1	3.9
Canada	37.9	-0.9	5.7
Ireland	41.0	-13.2	6.0
<b>All countries</b>	25.3	n.a.	n.a.
<b>Correlation with percentage of tertiary-educated immigrants</b>	n.a.	0.36	0.83

StatLink  <http://dx.doi.org/10.1787/427115680127>

Note: For each destination country, the effects are measured taking into account only countries of origin that are represented in the destination country. See text for an explanation of the calculations.

Source: Database on Immigrants in OECD countries (DIOC).

In addition, migration currents tend to perpetuate themselves. Unmarried immigrants or children of immigrants may return to the country of origin for vacation or visit and find or meet potential spouses while there. These may be less educated on average than persons of comparable age in the country of residence, thus perpetuating the lesser skilled bias of past migration.

The origin and educational composition of the immigrant population reflects at once national migration policies, labour market needs, the history of migration in the country and network effects, among others. Although these various influences manifest themselves in different ways in different countries, one can nevertheless consider in general the question of the extent to which particular countries “attract” immigrants of particular educational levels. Do countries have immigrant populations with high levels of tertiary attainment because they tend to receive or to attract immigrants from countries whose expatriates are generally highly educated (country mix effect) or because they tend on average to attract the more highly educated expatriates from origin countries (immigrant qualifications effect)? The latter might also have been designated the

“selection effect”, except that in many countries, there has been little discretionary labour migration in recent decades, so that little direct selection of immigrants has occurred.

One might expect, for example, that a destination country which currently recruits largely from OECD countries would tend to have highly qualified immigrants, because expatriation tends to be more common among the highly educated and because the educational attainment of OECD countries has increased considerably in recent decades.

Table I.7 summarises the results of an analysis carried out to examine the nature of immigration into OECD countries in this way, focusing in particular on the population of immigrants having a tertiary qualification.<sup>9</sup> The first column gives the observed percentage of foreign-born persons having a tertiary degree or diploma.

### ***More diverse immigrant populations tend to be more highly educated on average***

The second column gives the difference between the tertiary attainment percentage of immigrants in each destination country and the percentage one would obtain if the country mix of immigrants were that for the OECD as a whole but the tertiary attainment percentage for each country of origin were unchanged.<sup>10</sup> When one averages over all OECD countries, there is a balancing effect which occurs; the concentration of immigrants from a particular country of origin at the OECD-wide level is always less pronounced. What then is the impact of a more balanced distribution of immigrants from origin countries? As the table indicates, every OECD country has a lower immigrant tertiary attainment level with its own country mix rather than that for the OECD as a whole.

Why is this so? The results suggest that a higher share of immigrants from a particular origin country in a given destination country tends to be associated with a lower percentage of immigrants from that country with tertiary attainment. This is indeed the case. The correlations are not large (they vary from  $-0.03$  for Norway to  $-0.24$  for Italy) but they are negative for all countries. Mass migration generally seems to mean more migration of persons with lower attainment levels. The initial wave of immigrants consists of persons for whom the expected benefits outweigh the costs of emigration. Following the initial waves, the immigrant population already settled in the host country can transmit back to potential migrants in the origin country information concerning job prospects, living costs, cheaper travel, etc., which will have the effect of lowering the uncertainty concerning migration and the costs associated with this. As result, persons with lower expected returns from migration will find it advantageous to migrate, which would tend to reduce the percentage of immigrants with higher attainment levels.

The OECD country distribution averages out the effects of concentrations from specific origin countries. The countries least affected by the origin-country mix in this exercise are the Nordic countries (with the exception of Sweden) and the historical settlement countries (Canada, New Zealand and the United States), with the exception of Australia. Only somewhat further down are the labour migration countries of southern Europe (Greece, Italy and Spain) and Australia, Sweden and the United Kingdom. This diverse group of countries can be characterised as either countries with immigrant selection strategies, countries with high levels of humanitarian migration or countries which have had high levels of labour migration, often unauthorised. On the other hand, most of the countries showing the largest effect of country mix are countries with small immigrant populations, such as Poland, Turkey, Mexico and the Czech and Slovak Republics, each of which has one immigrant group which accounts for 40% to 65% of its total immigrant population.

**Not surprisingly, countries with selective migration programmes and high admissions tend to have more than their share of highly qualified immigrants**

The third column in the table shows the impact of reversing the previous procedure, that is, of applying the OECD-wide tertiary attainment percentages for origin countries to the country mix of each destination country. Here, one is looking at the tendency for a destination country to attract more highly educated immigrants on average, given its country of origin mix. In this case, seven countries show a more favourable attainment picture compared to a situation in which the percentage of immigrants with tertiary attainment for a given country of origin is that for the OECD as a whole. The countries are Ireland, Canada, Mexico, the United States, Switzerland, Luxembourg and the United Kingdom. For all other countries, the OECD tertiary attainment percentages for origin countries yield immigrant populations that are more highly educated than their own. Note that Australia and New Zealand, although showing a negative impact of immigrant qualifications, are nonetheless among the countries for which the effect is relatively small.

**Selection is more important than diversity in ensuring highly qualified migration**

Which effect has the stronger impact on the percentage of tertiary attainment among immigrants in destination countries? Not entirely surprisingly, it turns out that the “immigrant qualifications effect” is much more strongly correlated than the “country mix effect” (0.83 vs. 0.36) with the prevalence of tertiary attainment among immigrants.

The message for migration policy here is not a simple one. There is a certain inertia to the country mix of immigrants because of network effects and because a significant proportion of migration is non-discretionary and is associated with signed treaties or conventions or generally recognised human rights (for example, the right to live with one’s family or to marry whom one wishes). The structure of non-discretionary migration is the consequence of past history and of past policy choices, on which it is difficult to turn back the clock. There are certain measures, however, which can change the structure of migration flows. One country (the United States) has attempted to introduce more diversity into its immigrant flows by granting residence permits through a lottery for which only candidates from countries that are poorly represented in the United States are eligible. The evidence also suggests that discretionary labour migration with selection criteria based on qualifications, as is currently done in the settlement countries, can also offset the downward biasing effect of origin country concentration on educational attainment. Such strategies have the effect of both changing the country mix by favouring countries with higher attainment levels and of favouring more educated candidates for immigration from all countries.

Highly educated immigrants will be beneficial to the host country labour market and economy if immigrants are in occupations for which there are shortages or more generally, if their skills are complementary to those of the native-born in the destination country. The dilemma for many OECD countries currently is that shortages appear to be showing up at least as much in occupations which require lower levels of education, despite the significant numbers of lesser educated immigrants who are already arriving through family and humanitarian migration. Redressing the education imbalance, if imbalance exists (see below), means admitting more highly qualified immigrants. The question is whether this corresponds to the needs of the labour market.

## 9. The evolution of the educational attainment of immigrants

### ***The educational attainment of immigrants is changing at the same time as that of the native-born...***

Generally analyses of the attainment levels of immigrants compare their education levels to those of the native-born population and tend to show, with some notable exceptions, somewhat higher tertiary attainment levels for immigrants compared to the native-born (OECD, 2004). These are static comparisons, which give little information on how the trends in education levels of immigrants relative to the native-born have evolved over past decades. However, historical data that might provide some direct evidence on this are not generally available. In what follows, the expedient of examining attainment levels by age has been adopted.

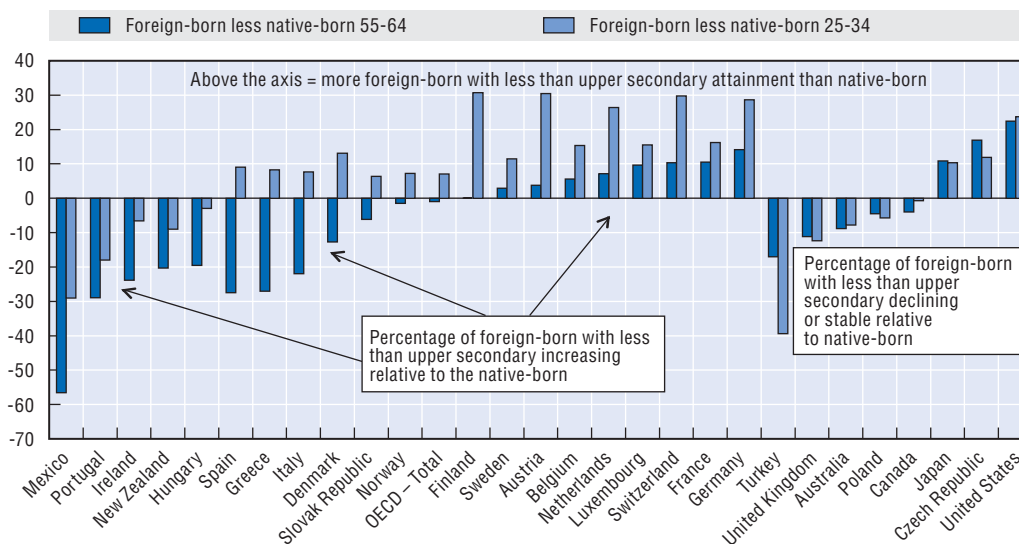
This is not ideal, since an immigrant cohort arriving in a particular year will include persons of all age groups, young and old, even if immigrants tend to be concentrated in the younger prime-age groups. Comparisons of the educational attainment of different age cohorts will thus involve persons of different ages having arrived in the destination country at the same time as well as persons in each age group having arrived at different times. This makes it difficult to distinguish between effects attributable to the period of arrival of immigrants and those due to differences in the educational attainment of different age cohorts. The educational attainment of persons arriving at different times may be influenced by various factors, among them the labour market needs in the destination country but also changes in regulations governing migration movements. Still, the comparison is an informative one, in showing the evolution in the differences in human capital which immigrants and native-born persons of the same age are bringing to the labour market.

One qualification that needs to be made, however, is that the picture does not take into account emigration, that is, departures of persons who immigrated at some time in the past, whether to return to their country of origin or to migrate to another country. Departing immigrants may introduce distortions in the observed trends if they tend to be less or more educated than immigrants who remain in the host country. Older cohorts will have had more departures, all things being equal. If persons leaving tend to be less educated, recent arrivals will tend to show lower education levels in relative terms than older ones.

The data presented here are mostly from the 2000-round of population censuses in destination countries and apply to the population 25-64 (see OECD, 2008). Charts I.8a and I.8b show the difference between foreign-born and native-born persons in the percentage having less than upper secondary and tertiary attainment, respectively, for the 55-64 and 25-34 age groups. The values for the age-groups in between tend to vary smoothly between the two age extremes.<sup>11</sup>

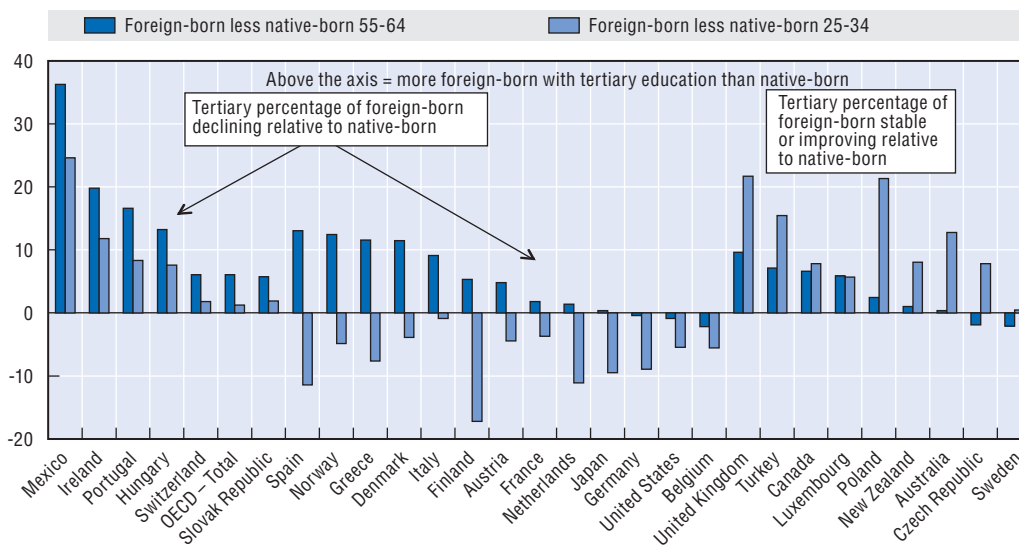
With the improvement in educational attainment levels in all countries, the attainment of both native-born and foreign-born persons can be expected to improve at younger ages. The question is whether or not the progress of immigrants with decreasing age is faster or slower than for the native-born. There is some uncertainty in the data, however, because of data censoring at lower levels, that is, the precise attainment level for persons with less than upper secondary attainment could vary from no formal education at all to 9 or 10 years of education, yet all are grouped here within the same category. There

Chart I.8a. **Difference between the percentage of foreign-born and of native-born persons with less than upper secondary education, 25-34 years old compared to 55-64 years old**



StatLink <http://dx.doi.org/10.1787/427288174571>

Chart I.8b. **Difference between the percentage of foreign-born and of native-born persons with tertiary education, 25-34 years old compared to 55-64 years old**



StatLink <http://dx.doi.org/10.1787/427307454318>

Source: Database on Immigrants in OECD countries (DIOC).

could be considerable progress within this category which would not then be detectable by looking only at the percentage which manages to attain higher levels. Still, in OECD countries currently, upper secondary level is considered the minimum level required in order to satisfy the needs of the labour market. Thus the extent to which immigrants are moving towards this level provides some indication of their potential success in the labour market.

**... but the educational attainment of immigrants relative to the native-born appears to be declining in many countries**

For OECD countries as a whole, the essential result is that the educational attainment of immigrants relative to that of the native-born appears to be declining for younger cohorts compared to their elders. To put it another way and, indeed in contrast to what one might have expected, the educational attainment of immigrants is not improving as fast as that of the native-born. Relative to the native-born population, the immigrant population in OECD countries has “gained” 8 percentage points at the less than upper secondary level and “lost” 5 percentage points at the tertiary level, if one compares attainment levels with those of the native-born for 55-64 and 25-34 year-olds, respectively. This is an average. For many countries, the decline in the relative education of immigrants is much larger than this.

The overall result described above hides a rather contrasted picture across countries. In a number of countries, in particular Australia, Canada, Japan, Poland, the United Kingdom and the United States, the percentage of lesser educated immigrants has been declining at about the same rate as that of lesser educated native-born persons. Only in the Czech Republic and Turkey does one see fewer lesser educated immigrants at younger age groups relative to the native-born population. For the tertiary level, the attainment of immigrants has improved relative to the native-born population in Australia, the Czech Republic, New Zealand, Poland, Turkey and the United Kingdom, whereas it has seen little change in Canada, Luxembourg and Sweden. For some of these countries, namely Australia, Canada, New Zealand and the United Kingdom, this undoubtedly reflects immigrant selection strategies.

For most other European countries as well as the United States, younger immigrants have lost ground relative to the educational attainment of non-immigrants compared to their elders. For most countries, the declining education level of immigrants reflects at once a relatively slower decline in levels of persons with low attainment as well as slower growth in the percentage of persons with high attainment compared to the native-born population.

Why this should be so is not entirely clear. The declining education of immigrants relative to the native-born population has been documented for the United States (Borjas, Freeman and Katz, 1997), where it largely reflects the impact of movements from Latin America, in particular Mexico. If one excludes Mexico and Turkey from OECD source countries, then the declining relative education of immigrants is seen to be essentially in the aggregate absent for immigrants from OECD source countries and thus largely the result of immigration from non-OECD countries. The question then is whether this reflects educational developments in non-OECD source countries or trends in migration patterns by educational attainment.

For Mexico and Turkey themselves, which have been important source countries for OECD migration, one can compare the evolution of educational attainment by age for their residents compared to their expatriate populations. For Mexico, the improvement in educational attainment levels among emigrants, as measured by age group, has been less than among the population resident in Mexico. For Turkey, on the other hand, the progress in attainment levels among expatriate and resident populations has moved hand-in-hand and expatriates have been positively selected, that is, the percentage of expatriates having low and high attainment levels is respectively lower and higher, than among residents of

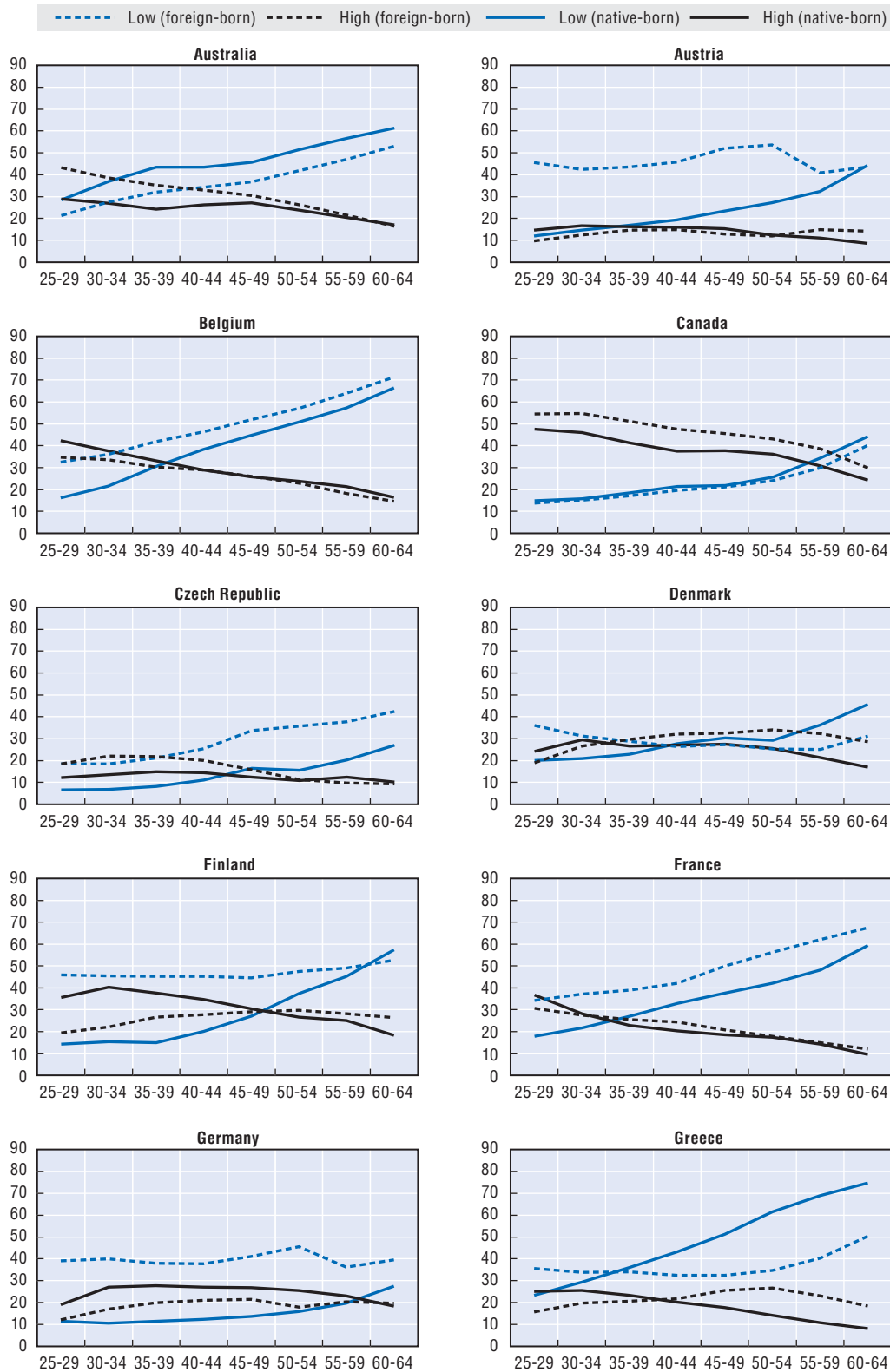
Turkey. However, this is not the case for Mexican expatriates. Thus the situation is likely to vary across origin countries and the trend towards declining educational attainment among immigrants relative to the native-born may reflect more the strong progress recorded in educational levels in OECD countries themselves.


It would be hasty to draw a link between the declining relative education of immigrants in many countries and the often unfavourable labour market outcomes of immigrants from non-OECD countries that have been observed over the past decade. Labour market outcomes of immigrants in the countries of southern Europe, for example, have been quite favourable, even if these are among the countries which have seen the largest declines in the education of immigrants relative to the native-born.

In any event, it seems unlikely that with labour shortages developing ostensibly in lesser skilled occupations in most countries, educational levels of future immigrants will reverse the general trend towards immigrants who are relatively less educated than the native-born, even if they are more educated than past immigrant cohorts. Policy changes in the direction of more selective migration, observed in some countries, could reverse the trend, but even in countries with strong selection systems, there are initiatives underway to make immigration policy more demand-driven. Satisfying the needs of the labour market may thus well mean broadening the range of attainment and occupational levels among immigrants admitted.

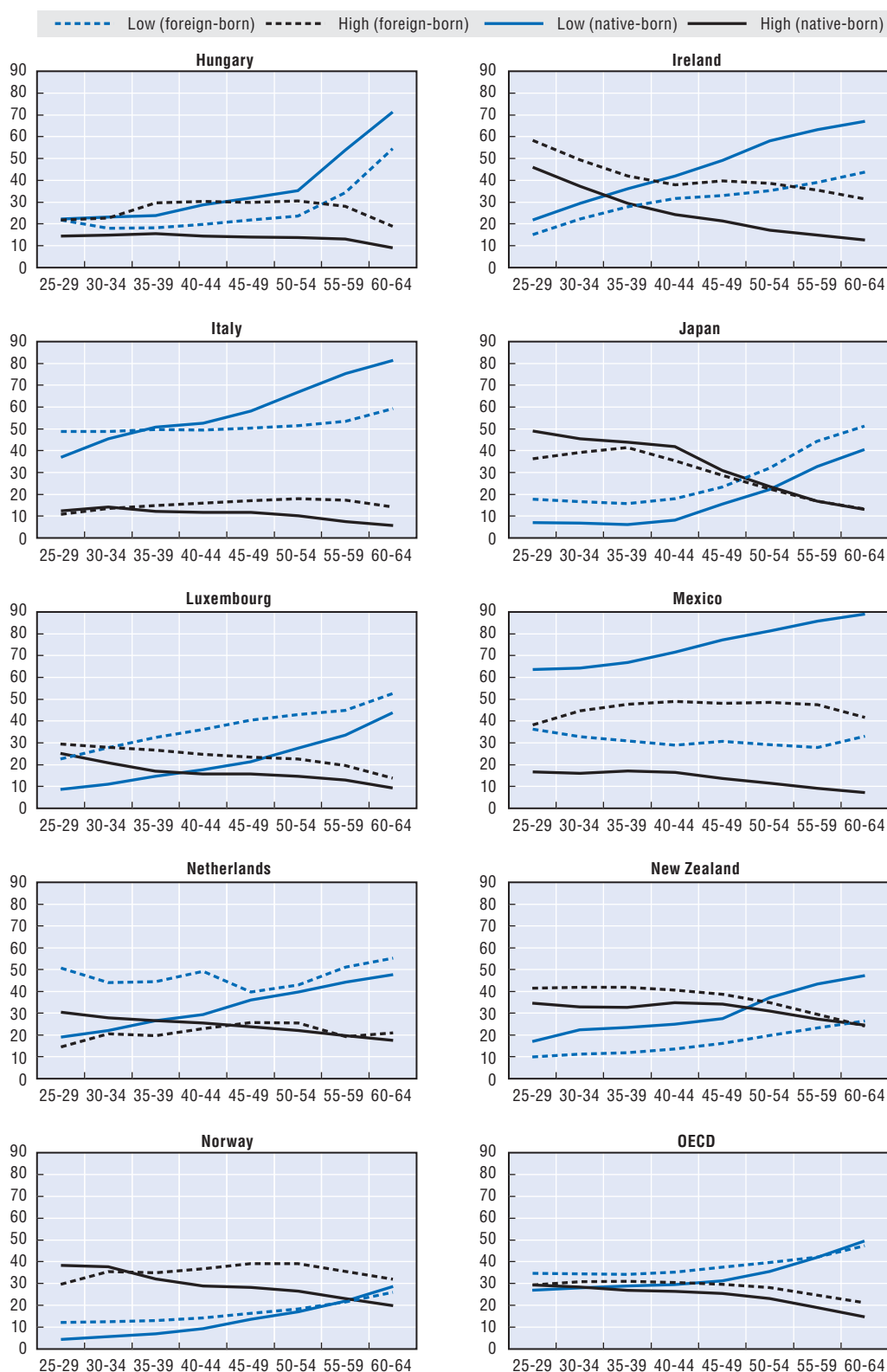



Annex Chart I.A.1. **Percentage of native-born and foreign-born with low and high attainment levels, by age, circa 2001**



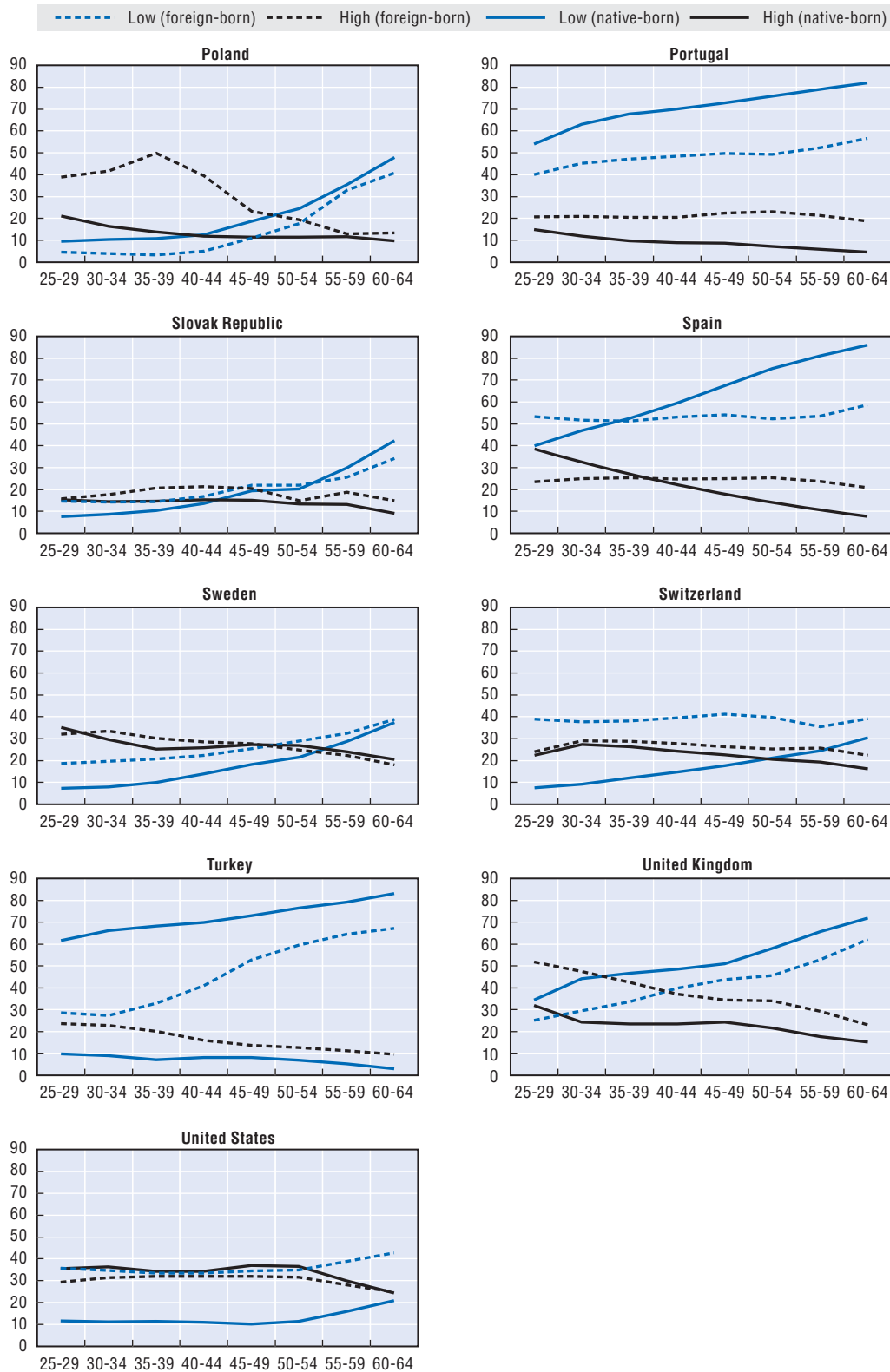
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Annex Chart I.A.1. **Percentage of native-born and foreign-born with low and high attainment levels, by age, circa 2001 (cont.)**



StatLink  <http://dx.doi.org/10.1787/427462077232>

Annex Chart I.A.1. **Percentage of native-born and foreign-born with low and high attainment levels, by age, circa 2001 (cont.)**



StatLink  <http://dx.doi.org/10.1787/427462077232>

Source: Database on Immigrants in OECD countries (DIOC).

## B. Immigrants and the Labour Market

### 1. Introduction

This section looks at the recent trends in immigrant employment in OECD countries in the light of overall labour market dynamics. It also considers the situation of immigrants in terms of their integration into the labour market. Finally, it offers a preliminary approach to the issue of pay differences between immigrant and native-born workers, and a comparative analysis for selected OECD countries.

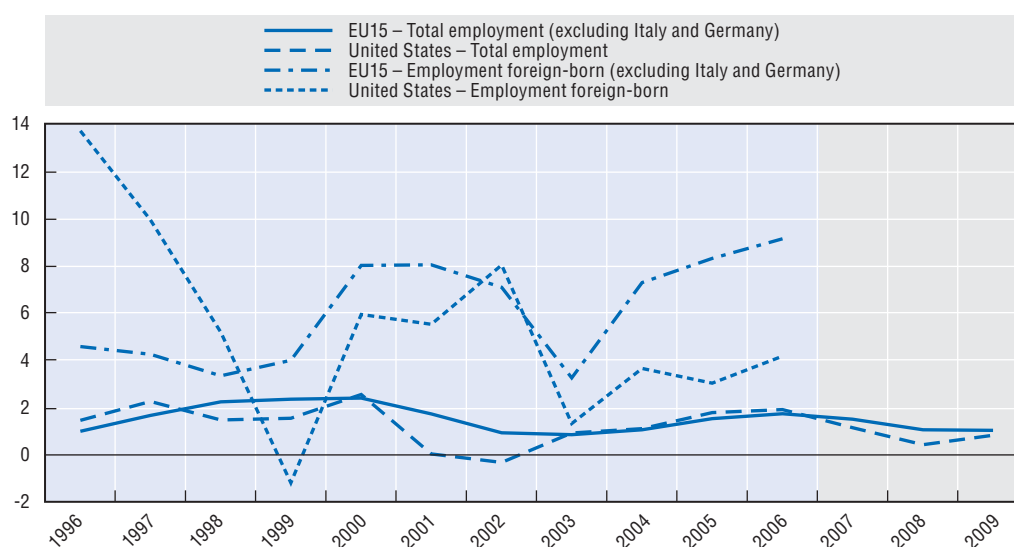
### 2. Labour market dynamics in OECD countries: the contribution of immigrant employment

Employment rose across the OECD area as a whole by 1.7% in 2006, a pace far faster than that of the previous year (1.1%) particularly in the European countries of the OECD (OECD, 2007). In the United States, the economic slowdown in 2006 had no noticeable effect on the labour market, while employment rose significantly in Canada and Mexico. In Japan, employment grew by only 0.4% in 2006, despite the pickup in the economy. In most OECD countries, employment growth exceeded the increase in the workforce, leading to lower unemployment rates (with 2.5 million fewer unemployed than in the previous year).

#### **The overall employment situation has improved...**

Employment growth in OECD countries must be viewed against a longer-term trend that began in the mid-1990s (Chart I.9). In the European countries of the OECD, total employment grew by an annual average of around 1.1% between 1996 and 2006. Three distinct phases can be identified over that time: a steady increase in employment until 2000, followed by a short decline, which ended promptly in 2002-2003. Employment

Chart I.9. **Employment growth of total and foreign-born population, 1996-2009**  
Annual percentage growth



StatLink  <http://dx.doi.org/10.1787/427506060604>

Note: The shaded part corresponds to forecasts.

Sources: OECD, *Employment Outlook*, 2007; European countries: *European Union Labour Force Survey* (data provided by Eurostat); United States: *Current Population Survey*, March supplement.

behaved similarly in the United States. It was more stable and sustained in Australia, but less favourable in Japan.

Immigrant employment has shown similar trends, with growth rates that have been at times higher but also more erratic. The average annual growth of immigrant employment exceeded 6% over the past 10 years in the European Union,<sup>12</sup> and 4.5% in the United States. This finding offers an initial illustration of the contribution that immigrant workers have made to employment growth dynamics in OECD countries.


### ... and immigrant employment has grown in OECD countries...

In 2006, persons born abroad represented a significant portion of the workforce and of the employed population in OECD countries. There were however some important variations among host countries, reflecting differences in terms of immigration in general (Table I.8). In Finland, and in the countries of Central and Eastern Europe, immigrants account for less than 3% of total employment. In Australia, Switzerland and New Zealand, by contrast, this figure is as high as 25% or more, and it is nearly 44% in Luxembourg.

Table I.8. **Share of the foreign-born in total population, labour force and employment, 15-64 years old**

Percentages

	Share in the total population		Share in the total labour force		Share in employment	
	2002	2006	2002	2006	2002	2006
Australia	26.6	27.6	24.7	25.7	24.7	25.6
Austria	13.2	17.0	13.3	16.2	12.7	15.4
Belgium	12.4	13.5	11.3	12.3	10.1	11.1
Canada	18.4	19.8	19.9	21.2	19.8	..
Czech Republic	2.0	2.0	1.9	1.9	1.8	1.8
Denmark	6.7	7.1	5.7	6.0	5.5	5.8
Finland	2.5	3.3	2.4	3.1	2.2	2.8
France	12.4	12.5	11.7	12.0	11.0	11.2
Greece	6.4	7.6	7.4	8.3	7.2	8.3
Hungary	1.3	1.7	1.3	1.7	1.4	1.8
Ireland	9.3	13.1	9.5	13.9	9.4	13.7
Italy	4.1	7.6	5.1	8.6	5.0	8.5
Luxembourg	37.7	40.4	41.4	44.6	41.1	43.8
Netherlands	13.1	12.8	11.3	11.0	11.0	10.3
Norway	7.0	8.5	6.5	7.8	6.2	7.4
Portugal	5.8	7.4	6.3	7.9	6.2	7.8
Slovak Republic	..	0.7	..	0.7	..	0.7
Spain	6.8	13.6	7.8	15.1	7.6	14.6
Sweden	14.0	14.9	12.4	13.5	11.7	12.5
Switzerland	..	26.1	..	25.4	..	24.4
United Kingdom	9.7	11.8	8.8	11.2	8.6	11.0
United States	14.8	15.6	14.7	15.7	14.6	15.8

StatLink  <http://dx.doi.org/10.1787/427512430656>

Note: For Italy, the value in the 2002 column is for 2001; the target population consists of persons aged 15 years and over and excludes non-permanent residents.

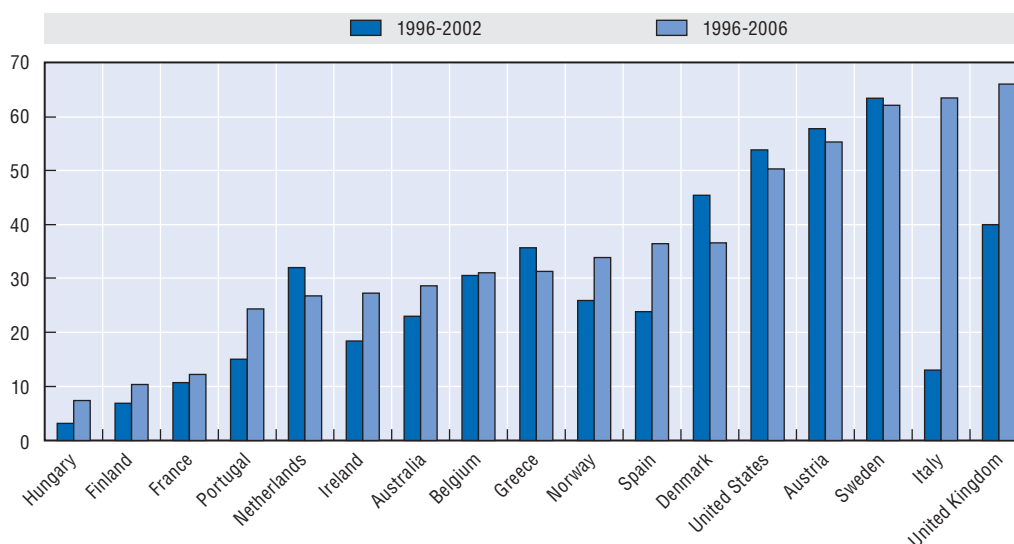
Sources: European countries: *European Community Labour Force Survey* (data provided by Eurostat), and census of population 2001, for Italy; Australia: *Labour Force Survey*; Canada: 2001 and 2006 population censuses; United States: *Current Population Survey, March Supplement*.


In most OECD countries, immigrants represented a larger share of employment in 2006 than in 2002. The increase was particularly notable in Spain (more than seven percentage points), and also in Ireland, Italy and New Zealand (3.5 to 4.5 percentage points), and to a lesser extent in Austria, the United Kingdom and Luxembourg (about 2.5 percentage points). The Netherlands is an exception here: it was the only OECD country to see the immigrant employment share decline between 2002 and 2006 (down by 1.5 percentage points). Thus, while about 11% of that country's jobs were held by foreign-born workers in 2002, this figure was only 10.3% in 2006 (or more than one percentage point below the EU15 average).

In some European countries, immigrant employment has grown faster in recent years, while in other countries it seems to have slowed. Ireland, for example, has seen a continuing and accelerating increase: immigrant employment grew by around 10% between 1996 and 2002, and then by nearly 14% between 2002 and 2006, and by 24% between 2005 and 2006. The picture is similar for Austria, where immigrant employment rose by 0.9%, 6.6% and 9.8% over those same periods. On the other hand, growth slowed gradually in some southern European countries, especially in Portugal (1996-2002: 9%; 2002-06: 5.7%; 2005-06: 1.7%) and to a lesser extent in Spain (1996-2002: 30%; 2002-06: 23%; 2005-06: 17%). In Greece, immigrant employment actually declined by 4% between 2005 and 2006, after more than a decade of steady growth.

Chart I.10 shows the immigrant share in employment growth in selected OECD countries between 1996 and 2002, and over the last 10 years. In most cases, the contribution of immigrant workers to employment is much greater than their share of total employment at the beginning of the period. In the United States, for example, employment has increased by nearly 15.3 million since 1996, while immigrant employment rose by 7.7 million (50% of the total). In the United Kingdom, employment rose by nearly

Chart I.10. **Immigrants' share in net change in employment, 1996-2002, 1996-2006**  
Annual percentage change



StatLink  <http://dx.doi.org/10.1787/427522181287>

Note: Data for Hungary refer to 1997 instead of 1996.

Sources: European countries: *European Community Labour Force Survey* (data provided by Eurostat), Australia: *Labour Force Survey*; United States: *Current Population Survey, March Supplement*.

1.8 million over the same period, of which 1.2 million was accounted for by persons born abroad (66% of the total). Comparable figures are to be found in Italy and Sweden, where immigrant employment represents more than 60% of employment growth.<sup>13</sup> Since 2002, immigrant employment has risen faster than total employment, in absolute terms, in Portugal<sup>14</sup> and in the United Kingdom.<sup>15</sup> In these two cases, immigrant employment and total employment increased while native-born employment declined.

In the United Kingdom and in the United States there has been a slight decline in participation and employment rates for native-born persons over the last five years, together with an increase for immigrants. The situation in southern Europe and in Ireland is quite different: there, despite the many recent immigrant arrivals, employment and participation rates have improved for all categories.

The above findings illustrate the importance of immigration in the labour market dynamics of OECD countries, but they do not by themselves point to a causal link. The question thus arises: is it the emergence of tensions in the labour market, following an era of sharp growth, that encourages the hiring of foreign workers, or is it the added availability of manpower that makes the labour market more dynamic? These two phenomena are not mutually exclusive, and they may coexist to varying degrees, depending on the country and period considered (growth or recession). The complementarity between native and foreign-born labour plays an important role here, one that will depend on the types of skills and the sectors concerned, as well as the geographic and occupational mobility of resident workers.

### **... and the arrival of new migrant workers has boosted these trends**


An analysis of the components of immigrant employment growth sheds further light on recent trends. There are two factors that, in combination, seem to explain the behaviour of immigrant employment: better integration into the labour market (reflected in a higher employment rate) and the entry of new migrant workers into the market. Table I.9 presents the results of a "shift share" analysis that identifies these two elements. It shows that in all countries considered, the dominant effect is that associated with the immigrant population trend. In several countries, rising immigrant employment can in fact be attributed solely to the increase in that population, since its employment rate has declined over the period of observation. Between 2002 and 2006, Austria, Finland, France, Luxembourg, Norway, Portugal and Sweden fell into this category. Employment growth, then, does not necessarily signify that immigrants are being better integrated into the labour market.

In most countries, the impact of new immigrants arriving on the labour market has been reinforced since 2002. Ireland and the United Kingdom provide examples here that must be appreciated in the context of the opening of the British labour market to immigrants from the new member states of the European Union. Belgium, Denmark, the United States, Greece, the Netherlands and Sweden reveal a different situation, however. In these countries, newly arrived immigrant workers played a more important role between 1998 and 2002 than in the four subsequent years. Stricter immigration controls or perhaps a dampening of labour market dynamics may explain these findings in part.

Table I.9. **Components of change in the growth of employment among immigrants**

Percentages

	Change in employment rate		Change in population stock		Interaction factor		Total employment growth	
	1998-2002	2002-2006	1998-2002	2002-2006	1998-2002	2002-2006	1998-2002	2002-2006
Australia	0.8	1.2	1.3	2.7	–	0.1	2.2	4.0
Austria	0.6	–0.9	0.3	7.7	–	–0.3	0.9	6.6
Belgium	0.5	0.8	3.8	2.8	0.1	0.1	4.4	3.7
Denmark	0.4	0.7	5.0	1.3	0.1	–	5.5	2.1
Finland	4.7	–0.3	7.9	7.7	1.8	–0.1	14.5	7.3
France	0.9	–0.3	1.5	1.6	0.1	–	2.4	1.2
Greece	0.8	0.8	6.4	4.3	0.2	0.1	7.4	5.2
Hungary	0.2	1.5	–6.8	5.3	–	0.4	–6.6	7.2
Ireland	1.7	1.7	7.4	11.0	0.6	0.9	9.7	13.6
Italy	..	4.8	..	9.0	..	2.2	..	16.0
Luxembourg	1.6	–0.2	2.1	2.8	0.1	–	3.8	2.6
Netherlands	2.8	–1.4	6.4	–0.1	0.8	–	10.0	–1.5
New Zealand	..	2.2	..	5.7	..	0.6	..	8.5
Norway	0.4	–0.9	6.2	6.3	0.1	–0.2	6.7	5.1
Portugal	3.5	–0.8	4.9	6.8	0.8	–0.2	9.1	5.7
Spain	2.7	1.2	23.4	20.4	3.9	1.4	29.9	23.0
Sweden	4.8	–0.2	11.0	2.4	2.8	–	18.6	2.2
Switzerland	..	–	..	1.0	..	0.3	..	1.4
United Kingdom	0.3	1.1	2.6	5.6	–	0.3	2.9	6.9
United States	–0.2	0.7	4.8	2.2	–0.1	0.1	4.5	3.0

*StatLink*  <http://dx.doi.org/10.1787/427560373880>

Note: The calculation for Hungary covers the period 1999-2002, and for Switzerland 2003-2006. Data for 2002 for Italy and New Zealand are from the 2001 censuses. The target population for New Zealand is aged 15 years and over.

Sources: European countries: *European Community Labour Force Survey* (data provided by Eurostat), and 2001 population census for Italy; Australia: *Labour Force Survey*; United States: *Current Population Survey*, March Supplement.

### 3. The sectoral and occupational distribution of immigrants

Table I.10 shows the sectoral breakdown of immigrant employment in 2005-06 in the OECD countries. Immigrants tend to be over-represented in the construction, hotel and restaurant sectors, and also in healthcare and social services, where their share in employment is on the whole higher than their weight in the overall labour force.

The sectoral breakdown varies considerably from one country to another, however. Around 6% of immigrants work in agriculture in Spain, 29% in the mining and manufacturing industries in Germany, 29% are in construction in Greece, 18% in the wholesale and retail trade in Poland, 13% in hotels and restaurants in Austria, 16% in education in the United States, 24% in healthcare and social services in Norway and 30% in other services in the Netherlands.


A comparison of the current situation with that prevailing five years earlier (in 2000) reveals several interesting facts. The immigrant share of employment in construction has expanded remarkably in Spain (from 10% to 19.7%), in Ireland and Italy (from about 9% to over 14%), as well as in Denmark (from 1.6% to 4.4%). A growing share of immigrant labour is employed in the hotel and restaurant industry in Austria and Ireland (up by 2.5 percentage points). A smaller but still noticeable increase can be seen in the health sector in the United Kingdom (up two percentage points) and in all the Nordic countries, especially Finland (from 7.3% to 14%). On the other hand, the immigrant share of employment in manufacturing declined in relative terms between 2000 and 2005-06 in all OECD countries.



Table I.10. **Employment of foreign-born by sector, 2005-2006 average**

Percentage of total foreign-born employment

	Agriculture and fishing	Mining, manufacturing and energy	Construction	Wholesale and retail trade	Hotels and restaurants	Education	Health and other community services	Households	Admin. and ETO	Other services
Austria	1.3	<b>21.0</b>	<b>10.0</b>	14.1	<b>12.6</b>	3.8	<b>9.4</b>	<b>0.4</b>	3.4	<b>23.9</b>
Belgium	1.1	16.7	<b>7.2</b>	13.0	<b>8.2</b>	6.4	10.4	<b>0.6</b>	<b>11.6</b>	<b>24.7</b>
Czech Republic	3.4	29.8	<b>10.5</b>	<b>15.5</b>	<b>5.9</b>	4.4	6.2	–	4.0	<b>20.3</b>
Denmark	1.7	<b>17.0</b>	4.4	12.0	<b>7.2</b>	<b>7.8</b>	<b>20.2</b>	–	3.4	<b>26.2</b>
Finland	–	17.4	6.0	<b>16.0</b>	<b>7.1</b>	6.2	13.9	–	2.4	<b>28.5</b>
France	1.9	13.7	<b>10.8</b>	12.8	<b>6.1</b>	5.8	9.8	<b>5.6</b>	6.4	<b>27.1</b>
Germany	1.1	<b>29.0</b>	6.3	<b>14.7</b>	<b>7.6</b>	4.5	9.9	0.8	2.9	23.1
Greece	6.2	<b>15.4</b>	<b>29.1</b>	10.6	<b>10.2</b>	1.7	2.3	<b>13.9</b>	1.4	9.2
Hungary	2.5	22.9	<b>10.0</b>	<b>16.4</b>	<b>5.0</b>	<b>10.4</b>	<b>8.2</b>	–	4.3	20.3
Ireland	2.3	<b>16.0</b>	<b>14.2</b>	11.8	<b>12.3</b>	5.5	<b>10.8</b>	<b>1.1</b>	2.5	23.6
Italy	3.5	<b>23.6</b>	<b>14.2</b>	11.3	<b>8.7</b>	2.4	4.7	<b>10.4</b>	1.8	19.6
Japan	0.5	52.5	1.0	9.2	7.4	8.2	..	..	..	21.3
Luxembourg	0.9	9.1	<b>13.1</b>	10.9	<b>6.5</b>	2.9	7.4	<b>3.3</b>	13.0	<b>32.9</b>
Netherlands	1.5	<b>17.3</b>	4.0	12.9	<b>7.1</b>	5.5	14.6	–	6.9	<b>30.1</b>
Norway	1.1	12.3	4.9	12.0	<b>8.2</b>	<b>8.6</b>	<b>25.4</b>	–	3.9	<b>23.5</b>
Poland	<b>17.8</b>	13.0	5.5	<b>18.1</b>	–	<b>13.1</b>	<b>9.3</b>	–	–	<b>18.5</b>
Portugal	2.0	13.8	<b>14.8</b>	14.6	<b>8.2</b>	<b>8.0</b>	<b>8.0</b>	<b>4.9</b>	<b>7.3</b>	<b>18.5</b>
Slovak Republic	–	26.8	–	11.2	–	<b>9.3</b>	<b>8.6</b>	–	–	<b>24.3</b>
Spain	<b>5.6</b>	13.0	<b>19.7</b>	11.2	<b>14.2</b>	2.9	2.8	<b>13.3</b>	1.1	16.1
Sweden	0.8	<b>16.9</b>	3.1	10.8	<b>7.3</b>	<b>11.4</b>	<b>19.1</b>	–	3.9	26.8
Switzerland	1.1	<b>18.4</b>	<b>8.6</b>	14.2	<b>7.7</b>	6.4	<b>13.2</b>	<b>1.5</b>	3.5	25.3
United Kingdom	0.5	11.9	4.9	13.0	<b>8.5</b>	8.1	<b>15.7</b>	<b>0.7</b>	5.3	<b>31.4</b>
United States	<b>2.3</b>	<b>13.7</b>	<b>11.8</b>	13.3	<b>11.9</b>	15.6	..	..	2.5	28.9
EU25	2.3	19.3	<b>9.9</b>	12.7	<b>8.6</b>	5.3	9.6	<b>4.5</b>	4.1	<b>23.8</b>

StatLink  <http://dx.doi.org/10.1787/427565247217>

Note: The numbers in bold indicate the sectors where foreign-born are over-represented (i.e. the share of foreign-born employment in the sector is larger than the share of foreign-born employment in total employment). “–” indicates that the estimate is not reliable enough for publication. ETO means extra-territorial organisations. For Japan, “Health and other community services”, “Households” and “Admin. and ETO” sectors are included in other services. For the United States the “Health and other community services” sector is included in “Education” and the “Households” sector in “Other services”. Data for Japan cover the foreign population. Data for Germany refer to 2005 only, for Japan to 2006 only.

Source: European countries: *European Community Labour Force Survey* (data provided by Eurostat); Japan: *Labour Force Survey*; United States: *Current Population Survey*, March Supplement.

In most OECD countries, the service sector now accounts for a preponderant share of employment in general and of immigrant employment in particular. This finding applies more to the highly skilled occupations than to those that do not require specific qualifications, a dichotomy that reflects essentially the nature of labour needs in the host countries.

Table I.11 shows the breakdown of immigrant employment in OECD countries in 2005-06, by major occupational category. Immigrants are over-represented in the managerial professions, especially in Belgium, Luxembourg and the United Kingdom, which are home to the head offices of many multinational corporations. The picture is the same in Central and Eastern European countries, no doubt reflecting the heavy flows of foreign direct investment in those countries. Immigrants are also over-represented among professional occupations in the Nordic countries and in Ireland.

On the other hand, immigrants are greatly under-represented among office workers, where a command of the host country language is a key element, and where there is a

Table I.11. **Employment of foreign-born by occupation, 2005-2006 average**

Percentage of total foreign-born employment

	Legislators, seniors officials and managers	Professionals	Technicians and associate professionals	Clerks	Service workers and shop and market sales workers	Skilled agricultural and fishery workers	Craft and related trades workers	Plant and machine operators and assemblers	Elementary occupations
Austria	5.5	9.6	13.1	6.1	<b>16.1</b>	1.0	<b>15.2</b>	<b>9.3</b>	<b>24.2</b>
Belgium	<b>14.6</b>	18.5	8.8	11.1	<b>13.3</b>	1.2	<b>11.0</b>	7.0	<b>14.4</b>
Czech Republic	<b>10.0</b>	<b>13.1</b>	13.8	4.4	<b>15.0</b>	<b>1.6</b>	15.7	<b>16.5</b>	<b>9.9</b>
Denmark	6.8	<b>15.7</b>	17.0	5.5	<b>19.4</b>	–	8.0	<b>8.1</b>	<b>18.4</b>
Finland	<b>9.7</b>	<b>19.2</b>	12.5	5.2	<b>17.2</b>	–	11.7	8.0	<b>14.0</b>
France	<b>9.3</b>	<b>13.0</b>	12.5	8.2	<b>12.6</b>	2.0	<b>15.0</b>	9.0	<b>18.5</b>
Germany	5.3	10.7	14.8	7.3	<b>13.8</b>	0.8	<b>18.5</b>	<b>12.4</b>	<b>16.5</b>
Greece	3.3	4.2	2.2	3.0	<b>14.4</b>	3.2	<b>33.8</b>	6.4	<b>29.6</b>
Hungary	<b>8.5</b>	<b>20.3</b>	11.0	<b>9.4</b>	14.1	–	17.3	8.8	<b>8.9</b>
Ireland	10.5	<b>18.6</b>	6.1	9.3	<b>19.3</b>	–	<b>14.6</b>	7.4	<b>13.4</b>
Italy	5.1	4.7	9.4	5.1	<b>12.6</b>	1.6	<b>23.9</b>	<b>12.5</b>	<b>25.1</b>
Luxembourg	<b>8.0</b>	<b>22.8</b>	13.7	10.1	8.6	–	<b>11.9</b>	<b>7.1</b>	<b>17.1</b>
Netherlands	7.7	16.1	15.7	11.6	13.8	1.2	<b>9.7</b>	<b>7.7</b>	<b>16.6</b>
New Zealand <sup>1</sup>	16.5	<b>24.6</b>	<b>13.0</b>	12.1	18.2	..	..	5.4	10.2
Norway	3.7	<b>14.6</b>	19.1	5.6	<b>26.8</b>	0.7	10.0	7.3	<b>12.2</b>
Poland	<b>8.6</b>	<b>26.3</b>	<b>12.8</b>	4.1	<b>16.8</b>	<b>16.5</b>	7.0	3.9	4.1
Portugal	7.1	<b>14.1</b>	<b>10.3</b>	10.0	<b>16.2</b>	1.4	16.5	6.3	<b>18.2</b>
Slovak Republic	<b>12.8</b>	<b>21.0</b>	18.4	–	11.5	–	10.2	14.8	–
Spain	4.7	6.5	5.8	4.4	<b>19.0</b>	1.9	<b>18.5</b>	6.6	<b>32.7</b>
Sweden	3.7	17.1	14.2	7.3	<b>23.2</b>	1.1	8.7	<b>13.2</b>	<b>11.6</b>
Switzerland	6.0	17.4	15.4	8.7	<b>16.3</b>	1.4	<b>17.7</b>	<b>7.5</b>	<b>9.5</b>
United Kingdom	<b>15.0</b>	<b>18.5</b>	<b>13.6</b>	10.3	<b>17.4</b>	0.4	5.4	<b>6.8</b>	<b>12.6</b>
United States	9.0	<b>6.9</b>	1.3	4.4	11.6	<b>12.0</b>	24.9	<b>10.0</b>	<b>19.9</b>
EU25	7.7	11.9	12.0	7.5	<b>15.0</b>	1.5	<b>15.4</b>	<b>9.5</b>	<b>19.4</b>

StatLink  <http://dx.doi.org/10.1787/427602315765>

1. “Technicians and associate professionals” includes trade workers.

Note: The numbers in bold indicate the professions where foreign-born are over-represented (i.e., the share of foreign-born employment in the profession is larger than the share of foreign-born employment in total employment). “–” indicates that the estimate is not reliable enough for publication. Data for Japan cover the foreign population. Data for Germany refer to 2005 only, for New Zealand and Japan to 2006 only.

Sources: European countries: *European Community Labour Force Survey* (data provided by Eurostat); Japan: *Labour Force Survey*; New Zealand: 2006 Census; United States: *Current Population Survey*, March Supplement.

potentially large pool of resident workers. Immigrants are over-represented among unskilled workers, in services and in manufacturing jobs. In southern Europe, and especially in Greece, Italy and Spain, between 25 and 33% of immigrants are employed as labourers or unskilled workers. The figure is 24% in Austria, and about 20% in the United States.

#### 4. Integration of immigrants into the labour market in OECD countries

The integration of immigrants into the labour market remains an issue of major concern in most OECD countries. For the first time, this report presents a “scoreboard” of immigrant employment (Table I.12) summarising recent developments and trends over the last five years, by gender and in comparison to the native-born population. The presentation is designed to be readily interpretable for comparing the employment situation of immigrants in OECD countries. The principal labour market indicators (employment rate, participation rate, and unemployment rate) are published in Annex I.B1 by gender, place of birth, and nationality.

Table I.12. Change in the employment rate of the foreign-born population by gender, 2001-2006

▲ Improvement (or reduction in the gap between native-born and foreign-born)				– No significant change				▽ Deterioration (or increase in the gap between native-born and foreign-born)																
Total				Women				Men																
Country ranking	(1a)	(2a)	(3a)	Change in the gap between native-born and foreign-born employment rates	(4a)	2006/05	2006/01	Country ranking	(1b)	(2b)	(3b)	Change in the gap between native-born and foreign-born employment rates	(4b)	2006/05	2006/01	Country ranking	(1c)	(2c)	(3c)	Change in the gap between native-born and foreign-born employment rates	(4c)	2006/05	2006/01	
	2006	controlled for education						2006	controlled for education							2006	controlled for education							
Austria	11	10	▲	▽	–	–	▽	10	9	–	▽	▽	▽	10	9	–	▽	9	11	▲	▲	▲	▲	▽
Belgium	20	20	–	▲	–	–	▲	20	19	▲	▲	▲	▲	20	19	▲	▲	20	20	–	–	–	–	–
Czech Republic	14	9	▽	..	▽	..	..	15	13	–	..	..	..	13	6	–	..	13	8	–	..	..	..	..
Denmark	10	13	▲	▲	▲	▲	▲	7	6	▲	▲	–	–	12	12	▲	▲	12	12	▲	▲	–	–	▲
Finland	15	15	▲	▲	▲	▲	▲	11	11	▲	▲	▲	▲	17	14	▲	▲	17	14	▲	▲	–	–	–
France	18	19	▽	▽	▽	–	–	18	18	–	–	–	–	19	19	▽	▽	19	19	▽	▽	▽	▽	▽
Germany	17	14	▲	▲	–	–	–	14	12	▲	▲	–	–	14	12	▲	–	16	13	▲	–	–	–	–
Greece	7	8	▲	▲	–	–	–	12	15	▲	▲	–	–	12	15	▲	–	1	3	–	–	–	–	–
Hungary	13	17	▽	▲	▽	▲	▲	13	17	▽	▲	▽	▲	13	17	▽	▲	10	16	–	–	–	–	–
Ireland	3	7	▲	▲	▲	▲	▲	4	7	▲	▲	▲	▲	4	7	▲	–	6	7	▲	▲	▲	▲	▲
Italy	9	11	▲	▲	▲	▲	▲	17	16	▲	▲	▲	▲	17	16	▲	–	3	4	–	–	–	–	–
Luxembourg	6	6	–	–	–	–	–	5	8	–	–	–	–	5	8	–	–	7	6	–	–	–	–	–
Netherlands	16	16	–	▽	▽	▽	▽	16	14	▽	▽	▽	▽	16	14	▽	–	15	17	–	–	–	–	–
Norway	8	3	▲	▲	▲	▲	▲	3	1	▲	▲	–	–	3	1	▲	–	11	10	▲	▲	▲	–	–
Poland	21	21	▲	..	▲	▲	..	21	21	▲	..	..	..	21	21	▲	–	21	21	▲	..	..	..	..
Portugal	2	4	–	–	–	–	–	1	3	–	–	–	–	1	3	–	–	8	9	▽	▽	▽	▽	▲
Slovak Republic	19	18	▲	..	–	–	..	19	20	–	..	..	..	19	20	–	–	14	14	▲	..	..	..	..
Spain	5	5	–	▲	▽	▽	▽	9	10	▽	▲	▽	▽	9	10	▽	–	4	5	▲	▲	▲	–	–
Sweden	12	12	–	–	–	–	–	8	4	–	–	–	–	8	4	–	–	18	18	▲	–	–	–	–
Switzerland	1	1	▲	..	–	–	..	2	2	▲	..	..	..	2	2	▲	–	5	2	–	..	..	..	..
United States	4	2	▲	–	▲	▲	▲	6	5	▲	–	–	–	6	5	▲	–	2	1	▲	–	–	–	–
Australia	[6-7]		▲	▲	–	–	–	[4-5]		–	–	–	–	[4-5]		–	–	[8-9]		▲	▲	▲	–	–
United Kingdom	[8-9]		▲	▲	–	–	–	[16-19]		–	–	–	–	[16-19]		–	–	[8-9]		▲	▲	▲	–	–

Note: Column (2a) refers to the ranking of OECD countries according to the employment rate of foreign-born, assuming that their educational distribution is identical to that of native-born and applying the employment rates by level of education observed for the foreign-born. “..” indicates that the change is lower than 1 percentage point and “–” means not available.

Sources: European countries: *European Community Labour Force Survey*, population aged 15 to 64 (data provided by Eurostat), except for Denmark (Population Register, 1995, 2000); Australia: *Labour Force Survey*; United States: *Current Population Survey, March Supplement*.

Interpretation: Switzerland ranks first in column (1a), which means that it is the country with the highest employment rate for the foreign-born. Australia and the United Kingdom are not included in the ranking controlling for education because data on education were not available. Numbers in square brackets indicate the position of these countries in the ranking on the basis of employment rates.


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Table I.12 comprises four columns, showing the ranking of OECD countries as a function of i) the immigrant employment rate in 2006 and ii) the immigrant employment rate corrected for education differences *vis-à-vis* native-born workers; iii) changes in the immigrant employment rate over the last year and last five years; and iv) changes in the gap between the immigrant and native-born employment rates over the last year and last five years.

In the past, cross-country comparisons of labour market outcomes of immigrants in this publication have generally been presented relative to those of native-born persons. This approach does not take account of particular national labour market influences that affect both immigrants and the native-born. In Table I.12, the outcomes of immigrants in different countries are presented directly, without reference to the labour market situation of native-born persons from the same countries. They thus represent the impact of national labour market institutions as well as of differences in integration policies or in immigrant intake.

The country rankings presented in Table I.12 are given to provide a quick way to determine where each country situates itself with respect to other countries for the labour force outcomes shown in the table. Caution should be exercised in (over)interpreting the rankings, which are based on statistics subject to sampling error and reflect at best partial measures of integration. Such measures summarise a whole panoply of labour market and societal influences, some of which may have little to do with the immigrant experience.

The results in Table I.12 highlight the progress made in most OECD countries with respect to immigrant employment. Nevertheless, a few countries reveal deterioration in all of the global indicators shown. In France, for example, the immigrant employment rate sank by 1.4 percentage points over the last five years, while it dropped by 3.4 points in the Netherlands. These declines have occurred in countries which are near the bottom of the OECD ranking and are a cause for concern.

Belgium is another country where the immigrant employment rate was among the lowest in the OECD area. In 2006, only one immigrant in two was employed in Belgium. The outcome improves considerably when the education profile is taken into account (57%), but not enough to change Belgium's position. Belgium has made considerable progress since 2001, however, especially in the case of immigrant women. Austria's indicators are better, but they are deteriorating in both absolute and relative terms (down 4 percentage points for male employment and 1.6 points for female employment since 2001).

It is in Switzerland, with a score of 72.7%, where the immigrant employment rate was the highest in 2006 (or 75% when corrected for education level). In the countries of Southern Europe, where immigration is more recent and essentially labour-market driven, the results are also good. There they are relatively less so, however, for women, especially in Greece and Italy, where the ranking for women is 15 slots lower than for men.

Some OECD countries, mainly in Northern Europe, appear to do better when it comes to integrating female immigrants into the labour market than they do in the case of men: this is the case for Finland and Denmark, but especially for Sweden and Norway. These results reflect overall labour market access conditions for women in these countries, and suggest that immigrants benefit from them as well. Yet it is Portugal where the employment rate at 67% for female immigrants was the highest in 2006.

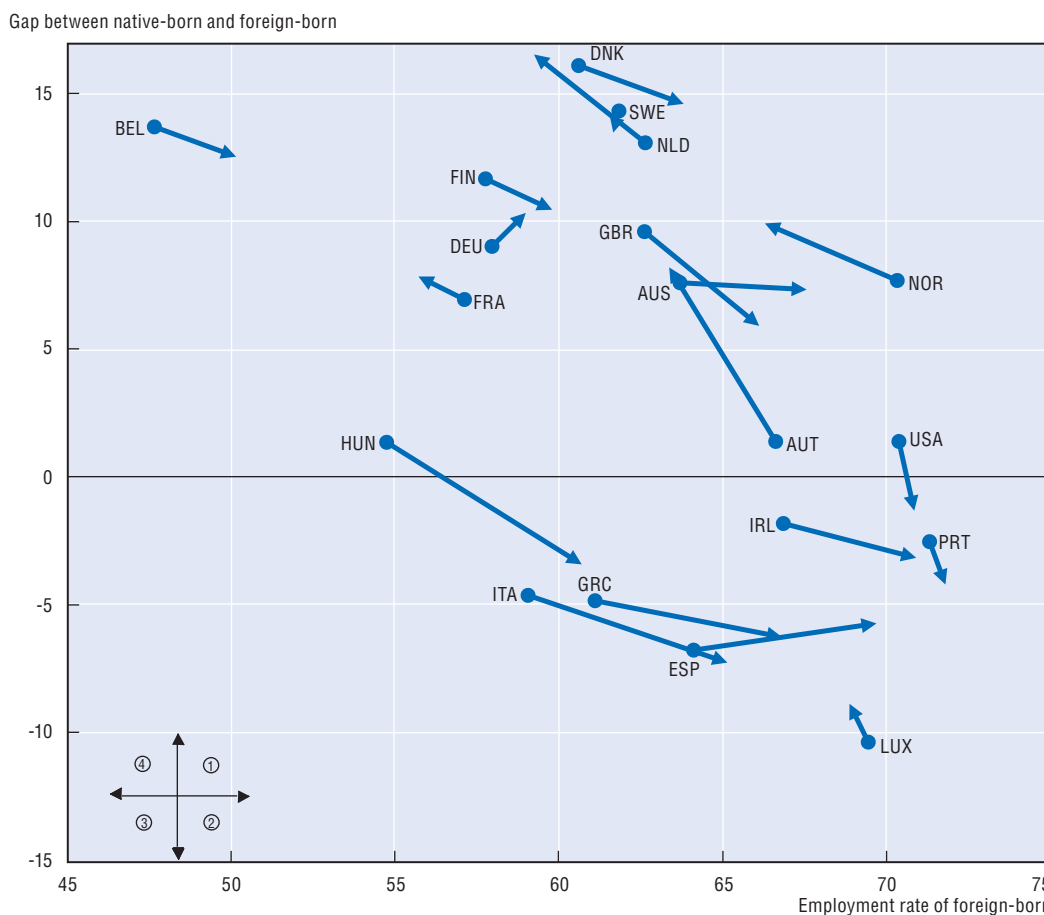
The non-European OECD countries generally do well in terms of integrating immigrants into their labour markets. The immigration selection process and the characteristics of their labour markets account for this result in part. In Australia and in the United States, the immigrant employment rate is close to or greater than 70% and the gap


vis-à-vis native-born workers is minimal. These two countries, moreover, have recorded progress in nearly all indicators and periods considered.

The trend in immigrants' access to employment must be assessed in light of the overall trend in the employment rate. The presentation in Chart I.11 combines the immigrant employment rate and the gap vis-à-vis the native-born population in 2001 and 2006. All the right-pointing arrows signify progress, but only those located in the second quadrant indicate improvement in both the immigrant employment rate and the foreign/native-born gap. On the other hand, the arrows in the fourth quadrant imply a deterioration of both indicators. The length of the arrows indicates trend intensity.

For most countries considered (with the exception of Austria, the Netherlands and France),<sup>16</sup> labour markets have clearly become more accessible for immigrants over the last five years. Some countries (e.g. Portugal and the United States) have reduced the foreign/native-born gap more quickly, while in others the immigrant employment rate has improved but the gap has remained constant (e.g. Australia). The situation in Germany, and to a lesser extent Spain, is less favourable, in that the increase in the immigrant

Chart I.11. **Evolution in the employment rate of the foreign-born and gap with native-born, 2001-2006**



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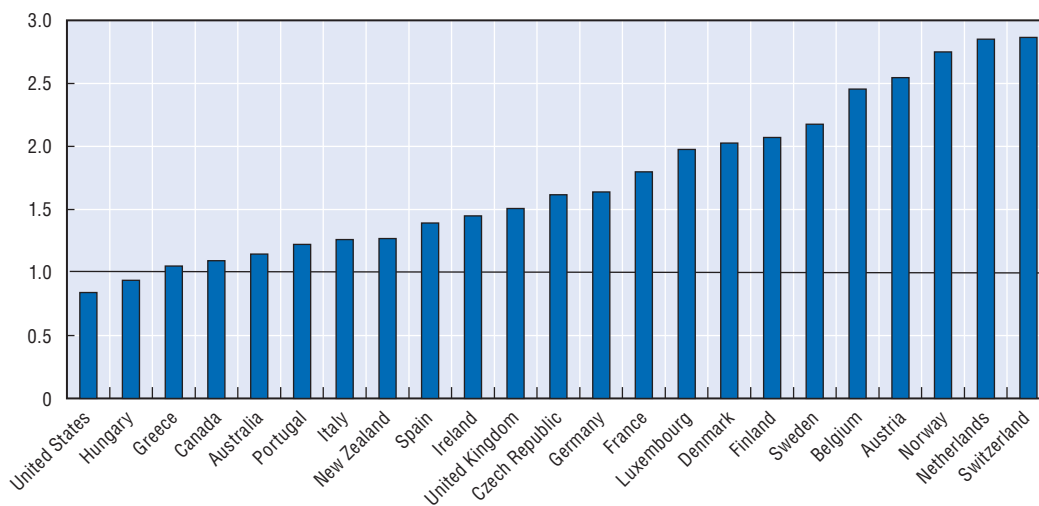
Note: The points at the beginning of the segment tally with the year 2001 and the arrow at the end with the year 2006.  
Sources: European countries: *European Community Labour Force Survey* (data provided by Eurostat) and 2001 population census for Italy; Australia: *Labour Force Survey*; Canada: 2001 and 2006 population censuses; United States: *Current Population Survey, March Supplement*.

employment rate has gone hand-in-hand with a widening of the gap with the native-born. In Spain (and this is also true for Ireland and the other countries of Southern Europe), the immigrant employment rate is in fact higher than that for the native-born. It may be noted that the United States fell into this category as well in 2006.

More recently (between 2005 and 2006), Denmark and Finland have made notable progress in integrating immigrants into the labour market: there, the immigrant employment rate has risen by more than four percentage points and the gap with the native-born has narrowed by 2.2 and 3.7 percentage points respectively. In Denmark, this progress is more noticeable for women, while in Finland the reverse applies.

As is the case with employment, the gap in terms of unemployment between the native-born population and immigrants has, in most member countries, tended to narrow over the past ten years. Important differences nevertheless persist (Chart I.12). In all OECD countries, with the exception of Hungary and the United States, the unemployment rate of immigrants in 2006 was higher than that of the native population. In the Nordic countries and in Austria, Belgium and Switzerland, immigrants are over-represented among the unemployed by a factor of at least two compared to their share in the labour force (in other words, their unemployment rate is at least twice that of the native-born). In France, in Germany and even in the United Kingdom, those born abroad also suffer a notably higher rate of unemployment. On the other hand, in the main settlement countries (Australia, Canada, New Zealand and the United States) and in recent immigration countries (especially Greece and Portugal), place of birth makes little difference to the unemployment rate.

Chart I.12. **Unemployment rate of immigrants relative to the native-born, 2006**



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Sources: European countries: *European Union Labour Force Survey* (data provided by Eurostat); Australia: *Labour Force Survey*; Canada: *Census of population, 2006*; United States: *Current Population Survey, March supplement*.

## 5. A first glance at wage differentials between immigrants and native-born across the OECD

**Wages are an important measure of integration, but cross-country data are difficult to obtain**

The earnings of immigrants in comparison to those of the native-born have been the subject of extensive empirical research, starting with the seminal paper of Chiswick (1978)

who found, after controlling for socio-economic characteristics, that immigrants in the United States earn about 3% less than comparable native-born. In recent years, there has been concern about a widening of the wage-gap in OECD countries, notably in the United States (*e.g.* Borjas, 1999) and Canada (Aydemir and Skuterud, 2005a; 2005b; Picot and Sweetman, 2005). Empirical studies on the wages of immigrants have also been undertaken in many European OECD countries. These include, among others, studies for Denmark (Nielsen *et al.*, 2004), France (Insee, 2005), Germany (Lang, 2005), the Netherlands (Zorlu, 2002), Norway (Barth, Bratsberg and Raaum, 2002), Spain (Canal-Domínguez and Rodríguez-Gutiérrez, 2008), Sweden (Lundberg, 2007) and the United Kingdom (Blackaby *et al.*, 2002).

Up to now, however, there has been no systematic overview of the wages of immigrants across OECD countries (Box I.6).<sup>17</sup> An attempt at a meta-analysis on the basis of the available country-specific studies would be hampered by the widely differing specifications and underlying definitions of the variables. To overcome this deficiency, the OECD has collected data on the basis of country-specific microdata sources from nine OECD countries. This section provides a first overview of wage differentials between immigrants and the native-born in a number of OECD countries.

Examining wages allows one to shed light on some aspects of immigrants' integration into the labour market that cannot be analysed by looking only at the employment status. For example, wages can provide an indication of the returns to years to schooling, and thereby on incentives to invest in education. More generally, (expected) wages translate

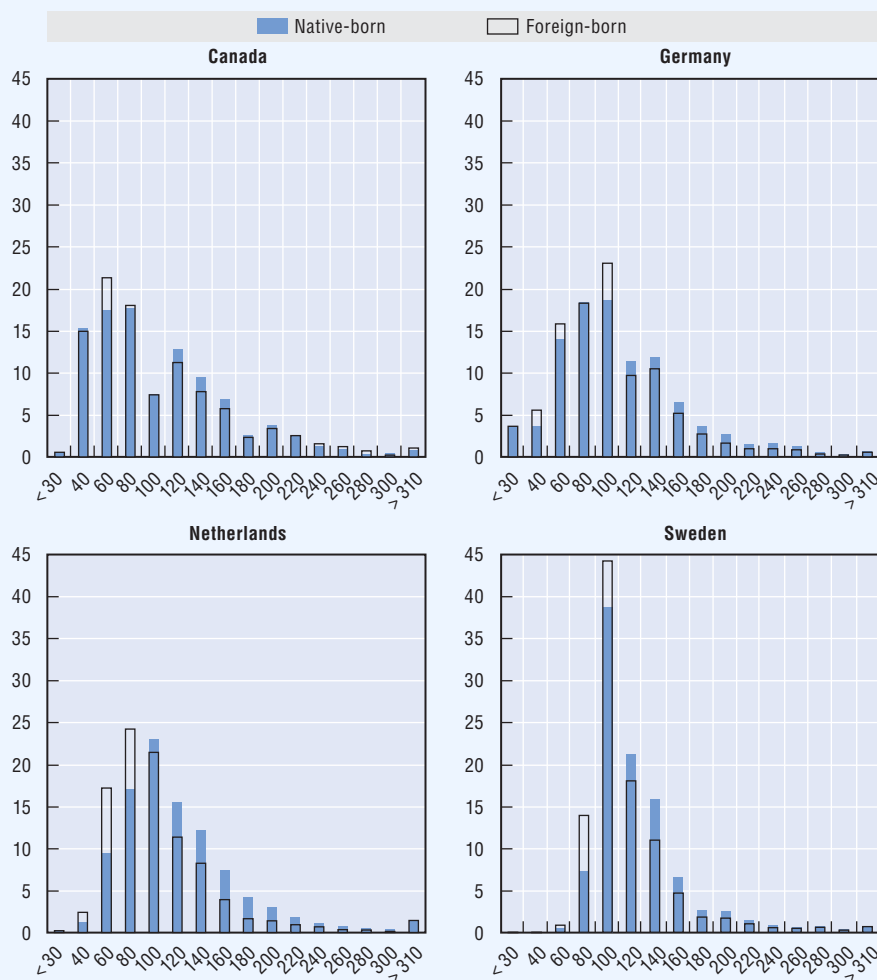
**Box I.6. Data sources and methodological issues in comparing cross-country wages of foreign- and native-born populations**

There are few international datasets which have information on both wages and immigrant status. Two commonly used datasets that have such data for a range of OECD countries are the Luxembourg Income Study [LIS] and the European Union Statistics on Income and Living Conditions [EU-SILC]. The latest available wave of the LIS, however, dates back to 2000/01. The EU-SILC has more recent information, but tends to have small sample sizes for individual countries. This hampers its use for the analysis of cross-country differences in wages of immigrants vs the native-born, particularly with respect to subgroups within the immigrant population (*e.g.* high-qualified women). In addition, the underlying national surveys have significant under-representation of immigrants in several countries. The data used in this overview are derived from large-scale country-specific microdata sources from nine OECD countries, in most cases for the years 2005/2006. Data for Sweden come from the national register; for Australia from the Household, Income and Labour Dynamics Australia Survey; for Germany from the Microcensus; for the United States from the *Current Population Survey* (March supplement); for the Netherlands from register-linked data from the Employment and Wage and Labour Force Surveys; and for all other countries from the national labour force surveys. The median gross hourly wages of the employed population aged 15-64 are taken as the reference. While this is a measure that is not influenced by a few individuals who are very high earners, it nevertheless conceals differences in the distribution of wages. Box 1.7 shows the distribution of the wages of the native- and foreign-born populations for some of the countries included in this overview. A number of adaptations were necessary for individual countries to ensure comparability. These are specified in a separate methodological Annex published under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).



### Box 1.7. Distribution of the wages of immigrants and native-born

% employed in each wage interval



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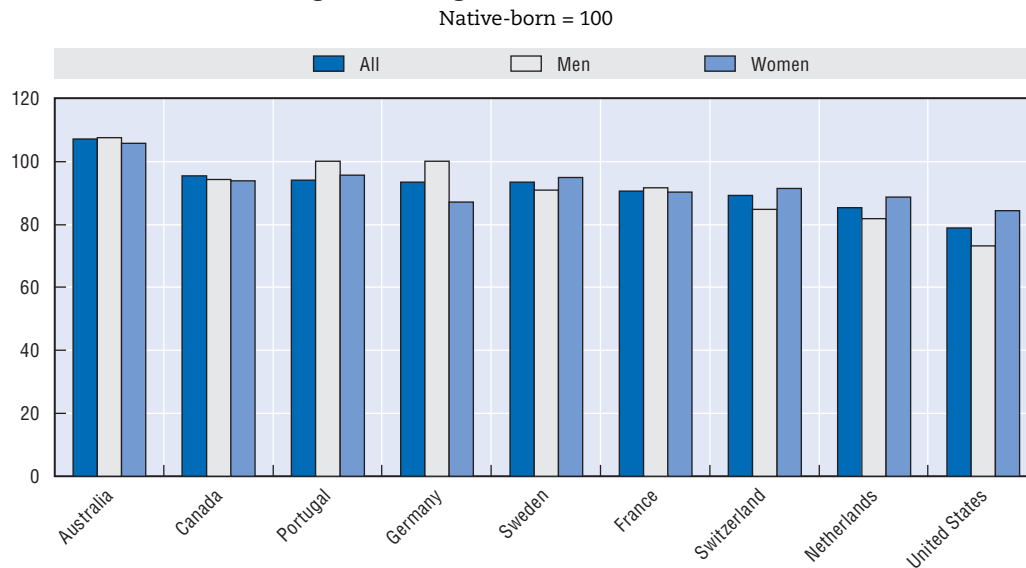
Sources and Note: See methodological Annex under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008). The figures on the x-axis indicate the mid-point of each respective interval (e.g. 100 = 90%-110% of the hourly median wage). The y-axis shows the percentage of the respective total employed population whose earnings are in those intervals.

into incentives to participate in the labour market and can thereby help to explain differences in employment. In addition, wages are an important factor in attracting and retaining immigrants in the destination country.

#### **In most OECD countries, both immigrant men and women earn significantly less than their native-born counterparts – but the immigrant/native wage gap tends to be smaller than the gender wage gap**

The first observation is that immigrants tend to earn less than the native-born (Chart I.13) in all OECD countries covered by this overview, with the exception of Australia. This favourable outcome is undoubtedly linked to Australia's selection policy.



Chart I.13. **Median wage of immigrants relative to the native-born, 2005-2006**

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Sources and Note: See methodological Annex under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).


By contrast, wages of immigrants are particularly low compared to the native-born in the United States – the median (employed) immigrant earning about 20% less than the native-born. To give an idea of the magnitude, the wage differentials between immigrants and the native-born can be compared with the gender wage gap. The United States is, together with the Netherlands, the only country for which the immigrant vs. native wage-gap is larger than the gender wage gap – which is about 20% for the United States and 15% for the Netherlands, respectively. For all other countries, it is significantly smaller. On average, for the nine countries included in this overview, the immigrant wage gap is about half of the size of the gender wage gap (less than 8% versus more than 14%).

Again with the exception of Australia, lower wages for immigrants are observed for both genders. The wage gaps for immigrant women are, by and large, broadly similar to those of immigrant men compared to their native-born counterparts. However, this observation needs to be qualified in two important ways. First, it should be noted that this “immigrant wage gap” adds to the gender wage gap which women face in general (see OECD, 2002). In combination with tax and benefit systems, low wages can result in unemployment/inactivity traps, which could be one possible explanation for the observed low employment of immigrant women (see OECD, 2006).

For the limited number of countries for which data are available, however, one observes no clear relationship between the employment of immigrants and their wages relative to the native-born (Chart I.14). This indicates that other factors such as the composition of the migration flows are probably more important in shaping labour market outcomes.

Secondly, and linked with the first, the employed are not a random sample of each group. Generally, the more able and better skilled tend to participate in the labour market, whereas immigrants in general and immigrant women in particular tend to participate less, *ceteris paribus*. The observed differentials may thus underestimate the underlying differences in wages.<sup>18</sup>

Chart I.14. **Median wage and employment of immigrants relative to the native-born**

StatLink  <http://dx.doi.org/10.1787/427683261736>

Sources and Note: See methodological Annex under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).

### **Immigrants from non-OECD countries are at a particular disadvantage**

OECD and non-OECD immigrants show clear differences with respect to immigrant wages (see Table I.13). The former tend to earn at least as much as the native-born – with the exception of Switzerland for men and France for women. In marked contrast, immigrants from non-OECD countries earn less than the native-born in all countries with the exception of Australia for both gender and Portugal for men. Table I.13 also shows that the large wage differences between immigrants and the native-born for migrants from the OECD in the United States are attributable to the fact that Mexicans, who are by far the largest immigrant group in the United States, have very low earnings.


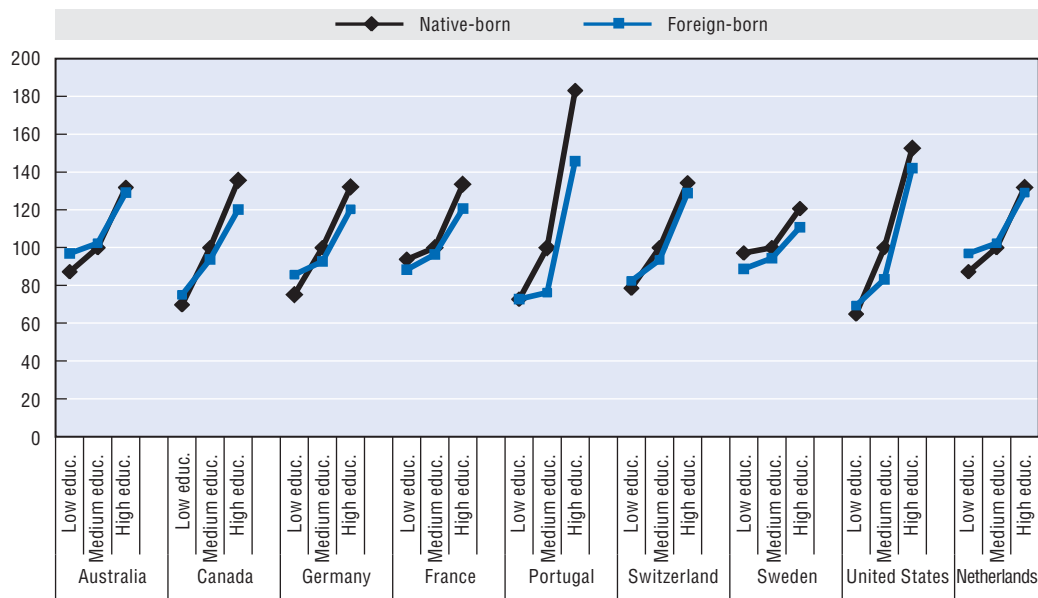

### **Only part of the lower wages can be explained by educational attainment levels**

One of the most important factors driving wages is educational attainment. Chart I.15 shows that in all countries, wages increase strongly along with educational attainment, in particular in the United States and in Portugal. In all countries, however, wages of immigrants increase more slowly with educational attainment than the wages of natives. Indeed, with the exception of France and Sweden, low-qualified immigrants earn more than low-qualified native-born. In contrast, high-qualified immigrants earn in all countries less than native-born with the same qualification level.

How much would wages of immigrants and native-born differ if both groups had the same educational attainment? Chart I.16 indicates that differences in the educational attainment of immigrants versus native-born explain generally a rather small proportion of

Table I.13. **Median wage of immigrants relative to the native-born, by country of origin and gender**

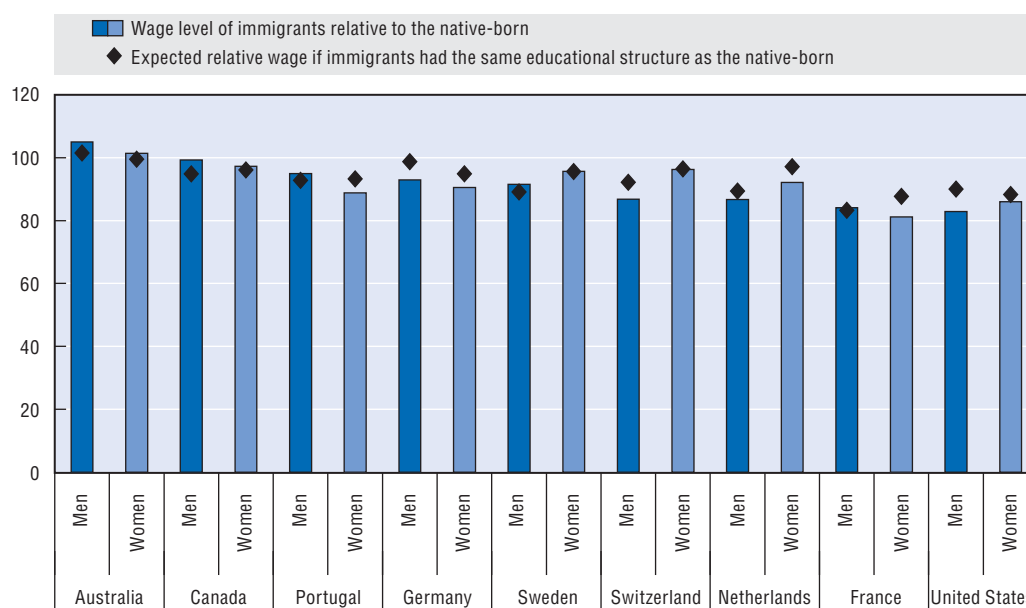
Median wage	Men			Women		
	Born in OECD	Born in OECD (excl. Turkey and Mexico)	Born outside the OECD	Born in OECD	Born in OECD (excl. Turkey and Mexico)	Born outside the OECD
Australia	113	112	101	111	110	104
Canada	102	102	87	100	100	89
France	105	109	86	92	92	88
Germany	100	100	88	92	97	87
Portugal	100	100	100	114	112	86
Sweden	98	100	87	101	102	91
Switzerland	89	91	80	96	97	86
United States	68	114	81	78	106	84
Netherlands	..	99	78	..	98	83

StatLink  <http://dx.doi.org/10.1787/427685657402>Sources and Note: See methodological Annex under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).Chart I.15. **Median wage by education level for native-born and foreign-born**  
Native-born with medium education = 100StatLink  <http://dx.doi.org/10.1787/427726620433>Source and Note: See methodological Annex under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).

the wage differences (based on mean wages) between these two groups within countries, but they explain a significant proportion of the differences in the wages for these groups that are observed between countries. Indeed, cross-country wage levels (relative to the native-born) are remarkably similar.

A growing number of OECD countries have implemented pathways for foreign graduates of domestic tertiary education institutions to become permanent immigrants (see Part I.C). One of the reasons for this is that immigrants with domestic qualifications are familiar with the host country and thus tend to be “pre-integrated”.<sup>19</sup> This has

Chart I.16. **The impact of differences in educational attainment on the wages of immigrants**



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Note: All data in Chart I.16 refer to average wages.

Sources and Note: See methodological Annex under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).

contributed to higher employment (OECD, 2007b). As these graduates have domestic qualifications, employers have fewer problems in evaluating their degree, which should also result in higher returns in terms of wages. Indeed, in all countries for which data are available, immigrants with domestic (tertiary) qualifications tend to earn more than those who have acquired their qualifications abroad (Table I.14).

However, as these descriptive figures indicate, even the returns to education in the host country tend to be lower for the foreign-born than for native-born in most countries. There is some evidence that this also holds after controlling for a broad range of observable characteristics other than education (see, for example, Aydemir and Sweetman, 2006).

Table I.14. **Median wage of persons with tertiary education, immigrants compared to native-born, by origin of education and gender**

	Men		Women	
	Education acquired abroad	Education acquired domestically	Education acquired abroad	Education acquired domestically
Portugal	49	88	52	100
United States	80	104	79	113
Sweden	81	88	89	95
Canada	86	95	79	99
Germany	86	100	83	95
France	88	86	77	110
Australia	99	93	94	102

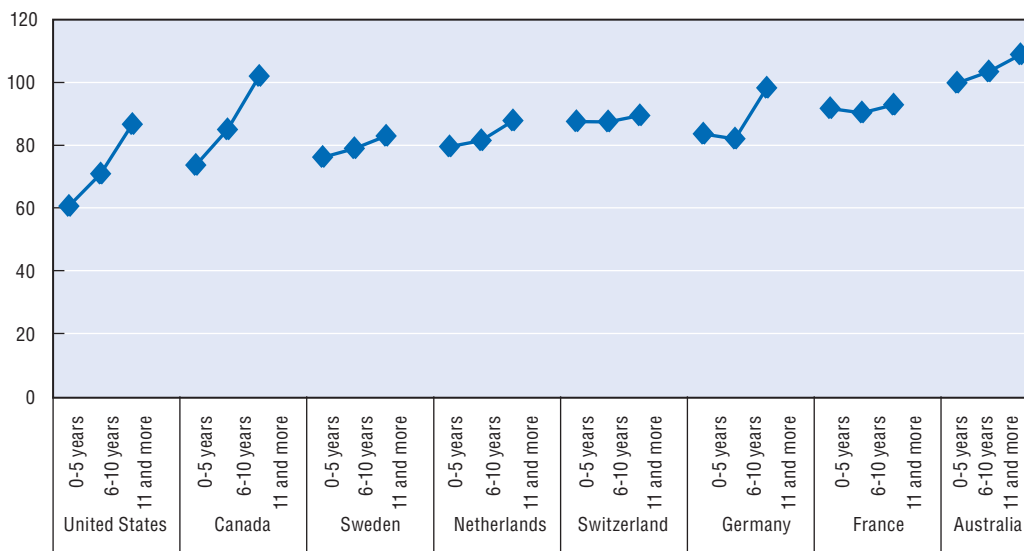
StatLink <http://dx.doi.org/10.1787/427762127038>

Sources and Note: See methodological Annex under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).

### **Wage levels are significantly higher for immigrants who have been longer in the country**

If host-country specific human capital is an important determinant of wages, then one would expect that the earnings of immigrants increase over time. Indeed, as Chart I.17 shows, the wages of immigrants who have been longer in the country are higher than those of recent arrivals in all countries. The increases along with duration of residence are particularly pronounced in the United States and in Canada. Note, however, that the cross-sectional data used for Chart I.17 provide crude evidence for assimilation. Firstly, cohort effects may be at work. This appears to be notably the case for the United States and Canada. In the United States, a larger proportion of more recent arrivals consists of low-qualified irregular migrants, who tend to earn little. In Canada, there is evidence that shifts in the composition of immigrants are a driving force behind the observed decline in the wages of immigrants in recent years (see Aydemir and Skuterud, 2004; Green and Worswick, 2004).

**Chart I.17. Wage levels of immigrants compared to native-born, by duration of residence**



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Note: For Switzerland the years-of-residence are: 0-5, 5-8, 8 and more.

Sources and Note: See methodological Annex under [www.oecd.org/els/migration/imo2008](http://www.oecd.org/els/migration/imo2008).

Perhaps even more importantly, years of residence are strongly correlated with experience in the domestic labour market, which is an important determinant of wages for both immigrants and the native-born. However, longitudinal studies have confirmed that there is indeed wage assimilation for immigrants over time (Hu, 2000; see also Borjas, 1998 and Duleep and Regets, 1999).

In sum, the picture that emerges from this first descriptive look into the wages of immigrants is essentially one where immigrants tend to earn less than the native-born, but differences in earnings are not particularly large in most OECD countries. This is tentative evidence that problems with respect to labour market integration may relate mainly to entry into employment (see OECD, 2007b), but further analysis is required to ascertain this.

A notable exception is the United States where the immigrants have relatively high employment rates, but where the wage gap *vis-à-vis* natives is on the order of 20 percentage points. This may be linked with the fact that many immigrants are relatively recent, low-qualified migrants with an irregular status. However, even for long-term and for qualified immigrants, the wage gaps and the relative employment rates are higher than elsewhere. This could be associated with the more flexible labour market in the United States where immigrants' difficulties in labour market integration tend to translate into lower wages, in contrast to many European countries where they rather tend to result in lower employment (for some recent evidence on this, see Ottaviano and Peri, 2006 on the United States and d'Amuri, Ottaviano and Peri, 2008 on Germany).

There are several indications that the labour market seems to strongly value host country qualifications and experience (measured by years of residence). In addition, immigrants from non-OECD countries have significantly lower earnings. By contrast, for the limited range of countries for which information on nationality is available, immigrants who have naturalised earn more – even after controlling for duration of residence.<sup>20</sup> These are indications that the labour market values familiarity with the host country and other signs of integration, and this observation seems to hold across the OECD.

The above has presented a preliminary overview of the earnings differences between immigrants and the native-born across the OECD. Many other factors would need to be examined – such as the wage-structure of the economy, the sectoral and occupational distribution of employment, the incidence of part-time and full-time employment; as well as the interaction of different factors – to better understand the reasons for the observed differences in the wages of immigrants and natives, both within and across countries.

Annex Table I.B.1. Labour market situation of foreign- and native-born populations in selected OECD countries, 1995, 2000 and 2005-2006


	Participation rate (%)						Unemployment rate (%)						Employment/population ratio (%)													
	Native-born			Foreign-born			Native-born			Foreign-born			Native-born			Foreign-born										
	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006						
<b>Men</b>																										
Austria	80.4	79.6	77.7	80.5	84.0	83.3	76.8	80.3	3.6	4.3	4.1	3.3	6.6	8.7	11.8	9.8	77.5	76.2	74.5	77.8	78.5	76.1	67.8	72.5		
Belgium	72.4	73.9	73.4	73.6	70.9	72.9	71.7	72.1	6.3	4.2	6.3	6.2	16.9	14.7	14.8	15.8	67.8	70.8	68.7	69.0	58.9	62.2	61.1	60.8		
Czech Republic	..	..	82.2	78.3	..	..	79.1	76.9	..	..	6.2	5.8	..	..	10.4	8.4	..	..	73.3	73.7	..	..	..	70.8	70.4	
Denmark	84.2	83.8	84.2	84.6	64.4	65.2	74.8	76.2	6.4	3.4	4.0	3.2	20.5	9.5	7.2	7.4	78.9	80.9	80.8	82.0	51.2	59.0	69.4	70.6		
Finland	75.1	79.4	76.6	78.7	..	78.9	76.0	79.2	17.7	10.3	8.0	8.6	..	..	16.6	16.0	61.8	71.2	70.5	71.9	..	..	50.4	63.4	66.5	
France	75.0	75.6	74.7	74.6	78.8	78.0	76.2	76.4	9.1	7.7	8.1	8.5	16.6	14.5	13.3	15.5	68.2	69.8	68.7	68.3	65.7	66.7	66.1	64.6		
Germany	..	79.3	80.7	81.7	..	76.2	80.0	80.7	..	6.9	10.6	9.4	..	12.9	17.5	16.6	..	73.8	72.2	74.0	..	..	66.3	66.0	67.3	
Greece	77.0	76.6	78.4	78.4	81.9	86.3	88.3	88.3	6.1	7.4	5.9	5.8	14.0	9.5	6.4	5.3	72.3	70.9	73.8	73.9	70.4	78.1	82.7	83.6		
Hungary	..	67.5	67.6	68.6	..	71.8	74.2	74.9	..	7.3	7.0	7.2	..	..	..	..	..	..	62.6	62.8	63.6	..	..	69.4	72.7	71.8
Ireland	76.0	79.1	79.4	80.3	76.7	79.2	83.8	86.1	12.0	4.4	4.5	4.4	16.8	..	6.0	6.0	66.9	75.6	75.8	76.7	63.9	74.9	78.8	80.9		
Italy	72.4	73.6	73.9	73.7	84.8	88.2	86.9	86.9	9.3	8.4	6.2	5.5	..	6.5	6.1	5.7	65.6	67.4	69.4	69.6	78.9	82.4	81.6	82.0		
Luxembourg	72.2	74.2	71.0	70.0	83.0	80.2	83.6	83.1	..	..	3.0	2.7	..	..	4.2	4.7	70.7	73.2	68.8	68.1	81.3	78.1	80.1	79.2		
Netherlands	81.0	85.5	84.6	85.0	69.9	74.0	78.3	76.2	4.9	1.8	3.6	3.3	19.5	5.4	11.9	10.4	77.0	84.0	81.6	82.2	56.2	69.9	69.0	68.2		
Norway	..	85.2	82.1	81.5	..	80.0	76.5	78.7	..	3.4	4.2	3.1	..	6.8	12.5	8.9	..	82.3	78.7	79.0	..	..	74.6	67.0	71.7	
Portugal	76.5	78.0	78.4	79.2	73.0	83.7	85.7	83.6	6.6	3.1	6.8	6.9	..	3.9	8.5	8.2	71.5	75.5	73.1	73.7	65.4	80.5	78.4	76.8		
Slovak Republic	..	..	74.0	76.4	..	..	78.3	77.2	..	..	15.7	12.3	..	..	23.0	..	..	..	64.1	67.0	..	..	..	66.1	69.6	
Spain	74.2	78.3	80.0	80.3	78.9	85.9	87.9	88.8	18.0	9.5	7.0	6.1	24.4	12.4	9.5	7.7	60.8	70.8	74.4	75.4	59.7	75.2	79.5	81.9		
Sweden	82.7	79.9	82.8	82.0	73.3	69.9	75.9	75.9	7.9	5.1	7.9	6.0	24.8	12.3	15.6	13.6	76.2	75.9	76.3	77.1	55.1	61.3	64.1	65.6		
Switzerland	..	..	87.4	87.9	..	..	87.4	87.5	..	..	2.7	2.4	..	..	7.7	6.8	..	..	85.1	85.8	..	..	..	80.6	81.6	
United Kingdom	83.7	83.5	81.8	81.7	78.5	78.7	78.2	82.4	9.9	5.9	4.7	5.5	14.2	9.6	7.4	7.4	75.4	78.6	77.9	77.1	67.4	71.1	72.4	76.2		
Australia	85.2	84.2	84.4	84.2	82.1	79.0	78.1	79.5	8.4	6.6	4.7	3.8	10.7	6.6	5.0	4.3	78.0	78.7	80.5	81.0	73.4	73.8	74.3	76.1		
Canada	83.0	82.1	..	..	84.4	82.0	..	..	8.6	5.7	..	6.6	10.4	6.1	..	6.2	75.9	77.4	..	..	75.6	77.0	..	..		
United States	81.6	80.8	78.2	78.3	83.8	85.9	86.0	86.5	6.2	4.5	6.3	5.8	7.9	4.5	5.1	4.1	76.5	77.2	73.3	73.8	77.2	82.0	81.7	82.9		





Annex Table I.B.1. Labour market situation of foreign- and native-born populations in selected OECD countries, 1995, 2000 and 2005-2006 (cont.)

	Participation rate (%)						Unemployment rate (%)						Employment/population ratio (%)												
	Native-born			Foreign-born			Native-born			Foreign-born			Native-born			Foreign-born									
	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006					
<b>Men and women</b>																									
Austria	71.4	71.1	71.8	74.4	72.8	72.7	68.8	70.2	4.1	4.3	4.3	3.8	6.9	8.0	10.8	9.8	68.5	68.0	68.7	71.6	67.8	66.8	61.4	63.4	
Belgium	62.7	66.0	67.4	67.4	56.3	59.0	59.8	60.6	8.4	5.6	6.9	7.0	19.5	15.8	17.1	17.3	57.5	62.4	62.8	62.7	45.3	49.7	49.6	50.1	
Czech Republic	..	..	70.2	70.4	..	..	70.7	68.4	..	..	7.7	7.1	..	..	12.9	11.5	..	..	64.7	65.4	..	..	61.6	60.5	
Denmark	80.1	80.6	80.4	81.4	58.5	59.3	66.5	69.0	7.3	3.9	4.5	3.7	20.6	9.5	9.8	7.5	74.2	77.5	76.8	78.4	46.4	53.6	59.9	63.8	
Finland	72.4	76.8	74.9	77.0	..	65.8	69.8	73.0	17.0	11.1	8.2	8.7	..	..	18.3	18.1	60.1	68.3	68.8	70.3	..	45.1	57.0	59.8	
France	68.4	69.6	69.6	69.9	66.7	67.4	66.6	66.5	11.2	9.4	8.6	9.0	17.6	16.7	14.7	16.2	60.7	63.1	63.6	63.6	55.0	56.2	56.8	55.7	
Germany	..	72.1	74.8	76.5	..	64.8	68.7	70.4	..	7.4	10.4	9.4	..	12.6	17.0	16.2	..	66.7	67.0	69.3	..	56.7	57.0	59.0	
Greece	59.9	62.6	66.3	66.5	66.0	70.3	73.3	73.8	9.0	11.1	9.7	9.0	17.1	14.6	10.2	9.4	54.5	55.6	59.8	60.5	54.7	60.0	65.8	66.8	
Hungary	..	59.9	61.1	61.9	..	61.0	65.6	65.3	..	6.6	7.2	7.5	..	..	4.6	7.0	..	..	55.9	56.7	57.3	..	58.5	62.6	60.7
Ireland	61.6	67.3	69.8	70.7	62.6	68.9	73.0	75.4	12.0	4.3	4.1	4.2	16.2	5.7	6.0	6.0	54.2	64.4	67.0	67.7	52.4	64.9	68.7	70.9	
Italy	57.3	59.8	61.9	62.0	66.7	69.3	70.1	71.2	11.9	10.9	7.4	6.7	13.1	12.1	9.5	8.5	50.4	53.3	57.3	57.9	58.0	60.9	63.5	65.1	
Luxembourg	56.4	61.6	62.1	62.0	67.7	68.4	73.3	73.7	2.6	2.0	3.6	3.3	3.4	2.9	5.6	6.5	54.9	60.4	59.8	60.0	65.4	66.4	69.2	68.9	
Netherlands	70.4	76.7	78.2	78.7	59.0	63.4	67.9	66.3	6.0	2.3	4.0	3.8	19.6	6.3	10.8	10.7	66.1	74.9	75.1	75.8	47.4	59.4	60.5	59.2	
Norway	..	81.2	78.9	78.6	..	73.5	70.8	72.3	..	3.3	4.2	3.0	..	6.1	10.6	8.3	..	78.5	75.6	76.2	..	69.0	63.3	66.3	
Portugal	67.5	70.4	72.7	73.4	65.2	75.8	79.9	79.5	7.2	3.9	7.5	8.0	12.1	4.5	9.0	9.8	62.7	67.6	67.2	67.6	57.3	72.4	72.7	71.8	
Slovak Republic	..	..	68.6	68.7	..	..	70.2	64.1	..	..	16.3	13.4	..	..	25.5	..	..	..	57.5	59.5	..	..	52.3	55.2	
Spain	59.4	64.9	68.6	69.6	64.2	71.4	78.7	78.5	22.8	13.9	9.1	8.1	27.0	15.9	11.3	11.2	45.8	55.9	62.3	63.9	46.8	60.0	69.8	69.7	
Sweden	81.1	78.3	81.0	80.1	68.3	66.6	71.3	71.2	7.3	4.7	7.9	6.2	21.7	11.6	14.9	13.4	75.2	74.6	74.6	75.1	53.5	58.9	60.7	61.7	
Switzerland	..	..	81.7	82.1	..	..	78.4	79.0	..	..	3.1	2.8	..	..	8.6	8.0	..	..	79.2	79.8	..	..	71.6	72.7	
United Kingdom	75.3	76.3	75.6	75.9	67.7	67.7	68.8	71.6	8.5	5.3	4.3	5.1	12.8	8.8	7.3	7.6	68.9	72.2	72.4	72.0	59.0	61.8	63.8	66.1	
Australia	75.9	76.2	78.2	78.1	70.5	69.0	70.1	70.9	8.0	6.4	4.8	4.1	10.1	7.0	5.1	4.7	69.8	71.3	74.4	74.9	63.4	64.2	66.5	67.5	
Canada	75.9	76.2	..	..	73.7	73.3	..	..	9.1	6.0	..	6.4	11.7	7.3	..	7.0	68.9	71.7	..	..	65.1	68.0	..	..	
United States	75.4	76.0	73.4	73.4	71.1	73.6	73.1	74.1	5.8	4.4	5.8	5.3	8.0	4.9	5.1	4.4	71.1	72.7	69.2	69.5	65.4	70.0	69.4	70.8	

StatLink  <http://dx.doi.org/10.1787/427830451278>

The sign “..” means not available; “-” means insufficient sample sizes at B threshold; “i” means a break in series.

Source: European countries: European Community Labour Force Survey, population aged 15 to 64 (data provided by Eurostat) except for Denmark (Population Register 1995, 2000); Australia: Labour Force Survey; Canada: Survey of Labour and Income Dynamics for 1995, 2000 and Population Census (15+) for 2006; United States: Current Population Survey, March Supplement.

Annex Table I.B.2. Labour market situation of foreigners and nationals in selected OECD countries, 1995, 2000 and 2005-2006

	Participation rate (%)						Unemployment rate (%)						Employment/population ratio (%)												
	Nationals			Foreigners			Nationals			Foreigners			Nationals			Foreigners									
	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006					
<b>Men</b>																									
Austria	80.3	79.5	77.5	80.4	85.6	85.2	77.9	81.0	3.7	4.4	4.4	3.6	6.2	8.6	12.7	10.3	77.3	76.0	74.1	77.5	80.3	77.9	68.0	72.6	
Belgium	72.6	73.7	73.2	73.6	68.7	73.9	72.9	71.8	6.1	4.3	6.6	6.6	19.8	15.1	14.8	15.8	68.2	70.6	68.3	68.7	55.0	62.7	62.1	60.5	
Czech Republic	..	78.9	78.1	78.2	..	90.1	88.6	84.8	..	7.4	6.3	5.9	..	7.7	..	..	..	..	73.1	73.2	73.6	..	83.2	86.6	81.9
Denmark	84.1	83.5	84.0	84.2	58.1	59.8	72.8	80.2	6.6	3.6	4.1	3.2	23.2	10.1	..	8.3	78.6	80.5	80.5	81.5	44.6	53.8	67.7	73.6	
Finland	75.0	79.3	76.7	78.7	58.2	82.0	72.6	80.0	17.9	10.2	8.2	8.7	..	28.6	14.4	17.6	61.6	71.3	70.4	71.8	45.4	58.6	62.1	65.9	
France	74.7	75.1	74.8	74.9	76.0	76.5	76.0	74.2	9.3	7.9	8.3	8.8	20.2	18.0	15.3	17.3	67.8	69.2	68.6	68.3	60.7	62.7	64.3	61.4	
Germany	79.7	79.0	80.7	81.8	79.0	77.2	79.9	78.1	6.2	7.1	10.7	9.7	15.1	13.6	20.3	18.9	74.8	73.4	72.0	73.9	67.0	66.7	63.6	63.4	
Greece	77.1	76.6	78.5	78.5	86.7	89.4	89.2	89.6	6.3	7.5	6.0	5.8	..	7.4	4.4	4.2	72.2	70.9	73.8	73.9	77.7	82.8	85.3	85.9	
Hungary	..	..	67.6	68.6	..	..	76.7	78.1	..	..	7.0	7.2	..	..	..	..	..	..	..	62.9	63.7	..	..	76.3	75.4
Ireland	76.2	79.3	79.5	..	73.4	74.5	84.2	..	12.1	4.4	4.5	..	..	..	6.2	..	66.9	75.8	75.9	..	60.6	70.1	79.0	..	
Italy	72.4	..	..	73.9	84.6	..	..	89.0	9.3	..	..	5.5	..	..	..	5.4	65.6	..	..	69.8	78.7	..	..	84.2	
Luxembourg	73.6	75.8	72.4	71.4	80.1	77.4	81.0	80.6	..	..	2.6	2.3	..	..	4.6	5.0	72.2	75.0	70.5	69.7	78.0	75.0	77.2	76.6	
Netherlands	80.8	84.6	84.2	84.4	63.9	70.1	74.1	71.6	5.4	2.0	4.2	3.8	23.2	..	13.4	12.2	76.5	82.9	80.7	81.2	49.0	66.3	64.2	62.9	
Norway	..	84.9	81.8	81.2	..	82.5	79.8	84.2	..	3.6	4.5	3.1	..	..	13.5	12.2	..	81.9	78.1	78.6	..	78.1	69.0	73.9	
Portugal	76.4	78.9	78.6	79.2	64.3	80.1	86.7	87.1	6.8	3.2	6.8	6.9	..	..	9.8	9.6	71.3	76.4	73.3	73.8	59.3	74.1	78.2	78.8	
Slovak Republic	..	76.4	76.1	76.4	..	81.1	..	89.9	..	19.5	15.8	12.3	..	..	..	..	..	..	61.6	64.1	67.0	..	..	..	..
Spain	74.2	78.4	80.2	80.4	84.0	84.4	87.7	88.9	18.1	9.6	7.0	5.4	20.3	13.8	10.1	9.8	60.8	70.9	74.5	75.5	66.9	72.7	78.8	81.8	
Sweden	82.6	78.0	82.3	81.5	69.7	63.1	74.8	74.5	8.3	5.5	8.4	6.6	23.5	16.1	18.5	14.7	75.8	73.7	75.4	76.1	53.3	52.9	61.0	63.5	
Switzerland	..	89.6	87.4	87.9	..	88.5	87.4	87.5	..	1.4	2.8	2.4	..	5.0	7.6	7.0	..	88.3	85.0	85.8	..	84.0	80.7	81.4	
United Kingdom	83.6	83.4	81.7	81.7	75.8	75.9	76.3	81.9	10.0	6.0	4.8	5.6	16.6	11.7	8.9	8.0	75.3	78.5	77.8	77.2	63.2	67.0	69.5	75.4	

Annex Table I.B.2. Labour market situation of foreigners and nationals in selected OECD countries, 1995, 2000 and 2005-2006 (cont.)


	Participation rate (%)						Unemployment rate (%)						Employment/population ratio (%)												
	Nationals			Foreigners			Nationals			Foreigners			Nationals			Foreigners									
	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006					
<b>Women</b>																									
Austria	62.1	62.4	65.6	67.9	64.2	64.4	61.7	59.9	4.7	4.1	4.6	4.7	7.8	9.1	10.7	11.0	59.2	59.8	62.5	64.7	59.1	58.5	55.1	53.3	
Belgium	53.0	58.1	60.5	60.4	38.0	41.3	49.4	50.3	11.0	7.8	8.3	8.5	31.5	16.4	17.8	19.8	47.1	53.6	55.4	55.3	26.0	34.5	40.6	40.3	
Czech Republic	..	63.6	62.1	62.3	..	52.8	65.1	69.5	..	10.6	9.8	8.9	..	..	14.1	10.2	..	56.9	56.1	56.8	..	49.3	55.9	62.4	
Denmark	75.7	77.0	76.1	77.6	44.3	45.5	53.7	62.6	8.5	4.4	5.4	4.4	25.5	11.3	13.2	8.4	69.2	73.6	72.0	74.2	33.0	40.4	46.7	57.4	
Finland	69.4	74.2	73.3	75.2	65.9	61.9	54.9	62.9	16.2	11.8	8.4	9.0	30.4	..	26.9	24.7	58.2	65.4	67.1	68.4	45.9	43.4	40.1	47.4	
France	61.5	63.4	64.6	65.0	46.8	48.6	51.0	50.1	13.6	11.5	9.4	10.0	24.4	25.6	21.6	20.6	53.1	56.1	58.5	58.6	35.4	36.2	40.0	39.8	
Germany	62.3	64.4	68.3	71.0	50.6	49.7	52.7	53.6	9.3	8.1	10.4	9.7	14.9	11.6	18.9	17.6	56.5	59.2	61.2	64.2	43.1	43.9	42.7	44.2	
Greece	44.1	49.5	54.3	54.8	56.3	55.8	58.2	58.8	14.0	16.9	15.4	13.8	18.2	17.6	14.1	13.5	37.9	41.1	46.0	47.2	46.1	46.0	50.0	50.9	
Hungary	..	..	54.9	55.5	..	..	62.2	54.9	..	..	7.4	7.8	..	..	..	..	..	..	50.9	51.2	..	..	..	57.3	46.5
Ireland	47.1	55.8	60.3	..	44.6	53.5	60.4	..	11.9	4.2	3.6	..	..	..	6.3	..	41.5	53.4	58.1	..	..	36.1	49.7	56.6	..
Italy	42.5	..	..	50.4	49.3	..	..	58.6	16.3	..	..	8.6	22.8	..	..	13.4	35.6	..	..	..	46.1	38.1	..	..	50.7
Luxembourg	40.2	47.8	53.4	54.4	51.2	56.8	62.0	63.5	..	..	4.2	4.0	..	..	7.8	8.9	38.7	46.7	51.1	52.3	48.5	54.6	57.2	57.8	
Netherlands	59.2	66.7	70.9	71.2	39.8	46.1	47.6	50.6	8.2	3.3	4.9	4.9	24.3	9.7	10.0	9.5	54.3	64.5	67.4	67.7	30.1	41.6	42.8	45.8	
Norway	..	76.7	75.2	75.3	..	68.3	66.2	63.7	..	3.3	4.5	3.3	..	..	7.4	5.8	..	74.2	71.9	72.8	..	65.3	61.3	60.0	
Portugal	59.2	63.7	67.4	68.2	35.1	68.8	75.6	73.7	8.0	4.8	8.3	9.3	..	..	14.0	13.0	54.4	60.6	61.8	61.9	28.0	61.9	65.0	64.2	
Slovak Republic	..	62.9	61.3	60.9	..	43.6	..	..	..	18.6	17.1	14.8	..	..	..	..	..	..	51.2	50.8	51.9	..	..	..	..
Spain	44.9	51.7	57.1	58.9	48.6	58.2	70.4	68.2	30.6	20.6	12.1	10.9	27.0	17.6	13.5	16.2	31.2	41.0	50.2	52.5	35.5	48.0	60.9	57.2	
Sweden	79.2	74.2	78.2	77.1	60.2	60.3	62.0	62.0	7.1	4.6	8.4	7.1	15.6	13.0	14.2	12.5	73.6	70.8	71.6	71.6	50.8	52.4	53.1	54.2	
Switzerland	..	72.8	75.4	75.8	..	66.4	69.9	70.8	..	2.4	3.8	3.3	..	6.5	10.8	10.8	..	71.1	72.6	73.3	..	62.1	62.4	63.2	
United Kingdom	66.5	68.5	69.1	69.6	55.5	56.2	60.5	63.7	6.8	4.8	3.8	4.6	11.8	8.0	8.1	8.9	62.0	65.2	66.5	66.4	49.0	51.7	55.6	58.0	

Annex Table I.B.2. Labour market situation of foreigners and nationals in selected OECD countries, 1995, 2000 and 2005-2006 (cont.)

	Participation rate (%)						Unemployment rate (%)						Employment/population ratio (%)												
	Nationals			Foreigners			Nationals			Foreigners			Nationals			Foreigners									
	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006	1995	2000	2005	2006					
<b>Men and women</b>																									
Austria	71.1	70.9	71.5	74.1	75.5	74.7	69.7	70.4	4.1	4.3	4.5	4.1	6.8	8.8	11.8	10.6	68.2	67.9	68.3	71.1	70.4	68.2	61.5	62.9	
Belgium	62.8	66.0	66.8	67.0	54.8	58.3	61.6	61.2	8.2	5.8	7.4	7.5	23.5	15.6	16.0	17.4	57.7	62.1	61.9	62.0	42.0	49.2	51.8	50.6	
Czech Republic	..	71.2	70.1	70.3	..	73.0	77.7	77.6	..	8.8	7.9	7.2	..	7.3	6.9	6.2	..	64.9	64.6	65.2	..	..	67.6	72.3	72.8
Denmark	79.9	80.3	80.1	81.0	51.4	52.6	62.0	70.6	7.5	4.0	4.7	3.8	24.2	10.6	10.0	8.3	74.0	77.1	76.3	77.9	39.0	47.0	55.8	64.7	
Finland	72.2	76.8	75.0	76.9	61.9	72.9	63.3	71.4	17.1	11.0	8.3	8.8	26.3	29.0	20.0	20.8	59.9	68.4	68.8	70.2	45.6	51.8	50.6	56.5	
France	68.0	69.2	69.6	69.9	62.3	63.0	63.5	62.1	11.3	9.6	8.8	9.3	21.7	20.9	17.8	18.7	60.3	62.6	63.5	63.4	48.8	49.8	52.2	50.5	
Germany	71.0	71.7	74.5	76.5	66.2	64.3	66.7	65.6	7.5	7.5	10.6	9.7	15.1	12.9	19.8	18.3	65.6	66.3	66.6	69.1	56.3	56.0	53.5	53.5	
Greece	60.0	62.7	66.4	66.6	70.2	71.8	74.0	74.2	9.2	11.3	9.9	9.1	13.8	11.6	8.1	7.9	54.4	55.6	59.8	60.5	60.5	63.5	68.0	68.4	
Hungary	..	..	61.1	61.9	..	..	69.0	66.8	..	..	7.2	7.5	..	..	..	..	..	..	..	56.7	57.3	..	..	66.2	61.4
Ireland	61.7	67.6	69.9	..	58.2	64.4	73.3	..	12.0	4.3	4.1	..	18.1	6.4	6.3	..	54.3	64.6	67.0	..	47.7	60.2	68.7	..	
Italy	57.3	..	..	62.1	66.7	..	..	73.7	11.9	..	..	..	12.9	..	..	8.6	50.4	..	..	57.9	58.1	..	..	67.3	
Luxembourg	57.2	62.6	63.0	62.8	65.9	66.7	71.5	72.1	2.5	1.6	3.3	3.1	3.6	3.4	6.0	6.7	55.7	61.6	60.9	60.9	63.5	64.4	67.3	67.2	
Netherlands	70.1	75.8	77.6	77.9	53.1	58.1	60.7	60.6	6.5	2.6	4.5	4.3	23.6	7.2	12.0	11.0	65.5	73.8	74.1	74.6	40.6	40.6	53.9	53.4	53.9
Norway	..	80.8	78.6	78.3	..	75.5	72.5	73.4	..	3.4	4.5	3.2	..	..	10.6	9.3	..	78.1	75.1	75.8	..	..	71.8	64.9	66.6
Portugal	67.5	71.1	73.0	73.7	49.9	74.7	81.1	80.3	7.3	3.9	7.5	8.0	..	..	11.8	11.1	62.6	68.3	67.5	67.8	43.8	68.3	71.6	71.4	
Slovak Republic	..	69.6	68.7	68.6	..	..	66.1	79.6	..	19.1	16.4	13.4	..	..	..	..	..	56.3	57.4	59.4	..	..	59.9	77.0	
Spain	59.4	65.0	68.7	69.8	65.9	70.7	79.0	78.6	22.9	13.9	9.1	8.1	22.8	15.5	11.6	11.5	45.8	56.0	62.5	64.1	50.8	59.8	69.8	69.5	
Sweden	81.0	76.2	80.3	79.4	64.7	61.7	68.2	68.1	7.7	5.1	8.4	6.8	19.7	14.6	16.5	13.7	74.7	72.3	73.5	73.9	52.0	52.7	56.9	58.8	
Switzerland	..	81.1	81.3	81.8	..	78.3	79.2	79.7	..	1.9	3.3	2.8	..	5.6	8.9	8.6	..	79.6	78.7	79.4	..	..	74.0	72.2	72.8
United Kingdom	75.1	76.1	75.3	75.6	65.0	65.4	68.1	72.6	8.6	5.4	4.3	5.2	14.4	10.0	8.5	8.4	68.7	71.9	72.1	71.7	55.6	58.9	62.3	66.5	

“..” means not available, “-” means insufficient sample sizes at B threshold, “I” means a break in series.

Source: European Community Labour Force Survey, population aged 15 to 64 (data provided by Eurostat) except for Denmark (Population register (1995,2000)).

StatLink  <http://dx.doi.org/10.1787/427840426145>

## C. Migration Policy Development<sup>21</sup>

### 1. Introduction

For the most part, 2006-07 has been a relatively “quiet” period in international migration for OECD members, without new major perturbations in flows. This has provided governments with time to reflect on their policies, introduce new measures and in some cases embark on substantial structural and institutional changes in the organisation of their administration of migration policy and process. Some of the legislative or operational changes represent the continuation or completion of unfinished business, others are new initiatives. During the period under review almost all OECD countries brought in legislative change. Australia, Finland, France, Mexico, the Netherlands and Sweden had changes of government, the consequences being that proposed Bills fell with the old government and/or new directions were taken by their successors with new programmes for dealing with migration. In the United States, failure to get agreement on new legislation has created a hiatus, pending new elections in 2008.

As the EU expanded in May 2004 and January 2007, national jurisdictions found it necessary to set in train a process of new and amended legislation and procedures that is still continuing. EU legislation has also had an impact on policy developments in virtually all OECD countries which are EU members.

This subsection C of Part I presents a systematic review on a topic by topic basis of the main areas addressed by new policy developments. Its objective is to identify those areas where policy has been most active and to indicate what the main directions have been. It begins by reviewing a range of structural and institutional developments in ministries and agencies in the delivery of policy objectives. The next two points adopt a more inter-state perspective, reviewing international agreements and, for the European OECD countries, the specific effects of EU legislation and EU enlargement. Specific policy areas follow, namely border control, labour migration, social integration and residence, citizenship, humanitarian policy and international students. Each point shows the particular perspective on the theme adopted by countries, pointing out similarities and differences. An overarching question is: are OECD countries moving in similar directions and hence what degree of commonality can one observe in the developments and changes that have occurred?

### 2. Structural and institutional reforms in the development and delivery of policy

The evolving face of international migration and the consequent need for governments to adapt their policies and procedures have caused a number of them to undergo a range of structural or institutional changes in the way they deliver policy. In some cases there have been fundamental reorganisations of or within ministries. They include strategic shifts such as the United Kingdom’s introduction of a points-based system (PBS), or new specialised ministries or ministerial departments, as in Finland, France, Hungary and Romania. In others institutional developments have been confined to certain elements of policy only. They reflect greater state involvement in the delivery of services, together with clearer lines of responsibility, closer linking of migration and integration – formerly the responsibility of different areas of government, better

monitoring and data systems and better co-ordination between regional and national governments.

### **Major structural changes**

Four countries, the United Kingdom, France, Hungary and Romania, have carried through major structural shifts, placing migration policy and service delivery within separate, semi-autonomous governmental units.

In the United Kingdom, the transition to a new points-based system for immigration, commencing in February 2008, has occurred in the context of a fundamental overhaul of the Home Office's Immigration and Nationality Department (IND). This has involved the creation of the Borders and Immigration Agency (BIA), to replace the IND, initially as a "shadow agency" of the Home Office from April 2007, becoming a fully-fledged agency in April 2008.

The Agency will make decisions related to the details of operations and will have significant operational freedom in this regard. BIA representatives will be on the front-line on immigration issues that receive media attention and will be held accountable to Parliament and the public for agency performance. The objective is to clarify lines of accountability regarding the operational aspects of policy implementation and to establish clearer lines of responsibility for ministers, civil servants and central and regional administrators.

Within the BIA, two new advisory committees, established in 2007, aim to guide immigration policy and help steer its implementation. The Migration Advisory Committee (MAC) will attempt to identify skill gaps in the labour market and establish a shortage occupation list for migration purposes. Its first report is due in the summer of 2008. The Migration Impacts Forum (MIF), which had its first meeting in 2007, will assess the wider, more qualitative, social implications of immigration in local regions and help ensure that public services, such as housing, education, health and social care can respond to its challenges.

France, too, engaged in significant structural reform to create a central ministry dealing with all major aspects of immigration, the Ministry of Immigration, Integration, National Identity and Co-development. These include better management of immigration and combating irregular movements; fostering integration; maintaining national identity and citizenship; and promoting development in sending countries, especially those of the South.

Two other countries have also undergone major structural change in policy delivery. Following the 2006 elections, the Hungarian Ministry of the Interior, formerly in charge of alien administration, ceased to exist, to be replaced by the Ministry of Justice and Law Enforcement, within which a separate Department for Migration was established to co-ordinate migration policy with other policy fields. The new Department is now responsible for developing a migration strategy for Hungary and the associated long-term migration policy measures necessary.

As in Hungary, Romania established a new Office for Immigration in 2007, bringing together parts of the Ministry of the Interior. Its remit includes entry visas, employment and stay, according to the provisions of the laws. It also has responsibilities in the field of asylum, including decision making and return to safe third countries. It manages records relating to foreigners and liaises with similar institutions abroad. The Office has also taken

over responsibility from the Ministry of Labour and Family for matters relating to migrant employment. These include setting employment conditions, issuing work permits, specifying the categories of immigrant workers and identifying shortage occupations.

### ***New institutional developments within countries***

Although falling short of major structural reform of the delivery of immigration policy, a number of countries have made institutional changes to parts of their operations. These have tended to be connected with the delivery of integration services. Examples are found in Portugal, Norway, Finland, Poland, Japan, Ireland, Canada and New Zealand.

During 2007, the High Commissariat for Integration and Ethnic Minorities in Portugal was reformed, given more financial and administrative autonomy and renamed the High Commissariat for Immigration and Intercultural Dialogue (ACIDI). It has responsibility for integration matters through “one-stop shops” in Lisbon and Porto as well as for developing links with other institutions at local level. Associated with ACIDI’s creation, the government has also approved a plan for immigrant integration, covering a range of measures and identifying the government bodies responsible for each measure, and has established goals for 2009.

Similar developments have occurred in Finland and Norway. In the former, the administration of migration issues was reorganised at the beginning of 2008 through the creation of a single entity within the Ministry of Interior responsible for migration and integration. Certain units from within the Ministry of Labour along with selected bodies concerned with asylum will be relocated together. The change will be accompanied by a new data system for migration and asylum issues which is due to come into operation during 2009. In Norway, in October 2007 the Ministry of Children and Equality was given co-ordinating responsibility for all forms of discrimination. A new Plan of Action relates to labour, welfare, social exclusion, language, gender equality and participation. Overall there are 28 measures involving eight ministries.

Other examples of new institutions are found in Poland, where the government has established a Migration Policy Commission to review all aspects of policy, and in Japan where a new reporting system on the employment of foreigners has been introduced. In Ireland, the new Minister of State responsible for integration now has his/her own Office.

Among the settlement countries, Canada has seen two institutional developments. First, in 2007 the new Foreign Credential Referral Office was launched. It will help internationally trained individuals, both overseas and in Canada, find appropriate information to put their skills to work in the Canadian labour market. Second, a Memorandum of Understanding between the federal, Ontario and City of Toronto governments, the first such collaboration across the three levels of government, focuses on improving immigrant outcomes in employment, education, training, citizenship and civic engagement. Other framework agreements between federal and provincial authorities related to the Provincial Nominee system, the aim being to increase the number of skilled immigrants. Finally, New Zealand implemented a range of measures during 2007 as part of the Settlement National Action Plan. The measures were designed to identify best practice and cover gaps in service delivery for migrants across a range of policy areas.



### 3. International agreements between countries

Several countries have signed bilateral agreements, for diverse reasons. Some relate to irregular migrants, either for the purposes of protection or readmission. For example, in 2006 Romania concluded an agreement with Spain concerning the protection of unaccompanied Romanian minors living in Spain. It also concluded agreements with Luxembourg and the Netherlands on the readmission of persons in an irregular situation. Conversely, the limited effectiveness of repatriation with respect to irregular migration has led to proposals in Spain for bilateral co-operation framework agreements, including elements of labour migration. The Slovak Republic is in the process of negotiating an agreement with Ukraine on cross-border co-operation. Italy made an agreement with Morocco, signed in 2005 and adopted in 2007 to govern entry to Italy of Moroccans for paid seasonal and non-seasonal employment.

A different approach to international co-operation occurred in Bulgaria where Parliament amended the Law on Personal Data Protection to allow the authorities to restrict the emigration of young people if they had committed a crime abroad.

### 4. The implications of EU legislation

Unlike other OECD countries, EU member countries have had to respond to directives and regulations from the European Commission and to decisions taken in the Council (see Box I.8). This usually involves incorporating measures from the supra-national body into their own legislations. In the normal course of events this is a continuous process. In anticipation of the 2004 and 2007 enlargements most of the existing member countries decided to impose transition periods before granting full access to their labour markets to citizens of some or all of the new accession countries. Over the last couple of years the EU15 governments have been reviewing these policies and the associated legislation, with a view to either extend the transition or to end it and allow full access. Governments of the EFTA countries, which are also signatories to freedom of movement conventions, have behaved likewise. Governments of the new EU members have faced a different situation. They have been engaged in a process of legislative change to conform to EU legislation (*acquis communautaire*).

#### **Policy developments induced by EU enlargement in EU15 countries, Norway and Switzerland**

Over the last few years, all of the EU15 countries have taken steps to manage access to their labour markets of citizens of the new members. EFTA members have also been changing their legislation to accommodate the free movement provisions of the EU. For the most part, transitional arrangements for the A8 accession countries are coming to an end. Any remaining restrictions are confined to Bulgaria and Romania.

The Netherlands, among the older EU members, has taken action to increase access to its labour market for citizens of the acceding countries. Initially, the Dutch government opted for a transitional period of two years in which workers from the new EU member countries did not have access to the Dutch labour market but still needed a temporary work permit. In May 2006, this transitional measurement was prolonged for another year. However already by 2006 many restrictions on foreign workers from Poland and other CEE countries had been annulled. Although foreign workers from the new member countries of 2004 still needed a temporary work permit, these were issued more easily and often



### Box I.8. **Developments in EU immigration policy**

During 2007 developments occurred in four areas.

#### **a) Adoption of a harmonised legislative framework**

The European Union's legislative efforts are clearly moving towards economic immigration.

In 2007 the Commission adopted two proposals for directives. The first was aimed at establishing a common set of rights for all third country nationals admitted to work in the European Union and at implementing a single permit covering both residence and access to work. The initiative not only concerns migrant workers, but also persons admitted to the European Union on another basis (family members, students, etc.) who also have access to the labour market. This proposed directive does not concern the conditions of admission of migrant workers, which will continue to be the responsibility of member States, in particular with regard to the volume of immigration.

The second proposal for a directive concerns the admission of workers for the purpose of highly qualified employment. It is aimed at facilitating and accelerating the admission of appropriate third country nationals through the creation of a "Blue Card" that will grant them a more advantageous status than that provided for under ordinary law; this is aimed at making the European Union more attractive in the global competition among countries to attract the most highly skilled labour. For a Blue Card to be issued, the applicant must present a work contract or a binding job offer valid for at least one year. The member State receiving an application must respond within 30 days, and may conduct labour market tests. The Blue Card is in principle valid for two years, during which any change in employment conditions or the employment relation is subject to the prior authorisation of the member States.

#### **b) Co-operation in combating irregular immigration**

Internal border controls in the Schengen area were eliminated for land borders in December 2007 for the 15 earlier member States and for 9 of the 10 of the new member States (except for Cyprus) that entered the EU in 2004 and for airports in March 2008. This process will be extended to Romania, Bulgaria and Cyprus once they have proven in the Schengen evaluation process that they satisfy all the required compensatory measures.

In the fight against irregular immigration, in May 2007 the Commission proposed a directive providing for sanctions against employers of illegally staying third country nationals. The objective is to reduce the employment available to illegally staying persons – which is a major pull factor within the European Union that acts as a magnet to would-be illegal immigrants – punishing those who employ illegally staying third country nationals.

A new Regulation creating Rapid Border Intervention Teams was adopted in July 2007. It is designed to enable the Frontex Agency for the Management of Operational Cooperation at the External Borders to deploy, at the request of a member State faced with an exceptional influx of persons trying to enter its territory illegally, a rapid intervention team composed of national border guards of other member States.

#### **c) Co-ordination of management of legal migration flows**

In December 2007, the Commission adopted a communication entitled "Towards a Common Immigration Policy" in which it outlined future policy development. It argued in favour of a renewed commitment to developing a common policy by focusing on the need for the Union and its member States to co-operate more effectively in its implementation.

As part of this process, in August 2007 the Commission proposed to formalise the European Migration Network (EMN) and to improve the flow of statistics on migration and international protection to Eurostat. The creation of financial funds within the general programme "solidarity and the management of migration flows" is intended to make it possible to deepen co-operation between the Commission and member States and among the States themselves.

**Box I.8. Developments in EU immigration policy (cont.)**

Integration policy was marked by the first informal meeting of the European ministers responsible for integration, held in May 2007, which led to the adoption of conclusions on the strengthening of integration policies in the EU by the Council of Ministers for Justice and Home Affairs.

**d) Integration of immigration policies and foreign relations**

The intention to implement the Rabat Action Plan on Immigration and Development (July 2006) and the Tripoli Declaration on Migration and Development (November 2006) was confirmed at the second EU-Africa Summit held in Lisbon in December 2007, during which an action plan for the 2008-10 period was adopted with a view to implementing the new strategic partnership between Africa and the European Union. One of the eight priority actions concerning “migration, mobility and employment” is in fact aimed at implementing the Tripoli Declaration.

During 2007 readmission agreements were concluded with Russia, Ukraine, Moldova, Montenegro, Macedonia, Bosnia Herzegovina and Serbia. This progress in the East and the Balkans, which contrasts with the status quo of negotiations with Africa, was made possible by offering these countries agreements aimed at facilitating the granting of short-stay visas.

A new policy initiative is the Commission’s communication on circular migration and mobility partnerships between the European Union and third countries issued in May 2007. Under circular migration, migrants who have already been admitted into the EU and respect the rules governing the length of their stay would be offered facilities enabling them to go back and forth between their country of origin and the European Union. Examples include seasonal workers, students and occupational trainees, researchers, persons participating in intercultural exchanges and volunteers.

without a resident labour market test. Norway, meanwhile, in 2006 extended transitional regulations for A8 nationals until 2009, with further easing since January 2008. Bulgaria and Romania have been included in these arrangements since 2007.

From June 2007, the Swiss labour market has been open to immigrants from the EU15 although restrictions (i.e. a labour market test, controls on earnings, jobs and numerical limits) still apply to salaried workers from the eastern European countries which joined the EU in 2004. High standards of qualifications for cross-border service providers (in construction, horticulture, domestic and industrial cleaning, security) will be maintained and also for workers with residence permits of less than four months (who are not subject to the numerical limits).

The accession of Bulgaria and Romania required changes in existing systems. In most cases restrictions have been applied. Switzerland decided not to grant similar access to workers from Bulgaria and Romania as that for the 2004 accession countries while Norway, Luxembourg, Greece and Belgium have included Bulgaria and Romania in their existing transitional arrangements from 2007. However, there have been exceptions. In 2007 Italy put in place a provisional regime for one year for certain categories of Bulgarian and Romanian workers but opened up the principal sectors immediately, particularly for agriculture, tourism, domestic work and construction and also entertainment and some metalworking. Like Italy, Hungary has opened up its labour market for Romanian and Bulgarian citizens partially. Where the Hungarian labour market is in need of labour, access into the labour market is facilitated; in occupations where there are no labour shortages,

work permits are still required for Bulgarians and Romanians. The United Kingdom, which had allowed virtually free access to its labour market to the A8 countries, imposed transitional arrangements for Bulgaria and Romania, citizens of which have privileged access to the Seasonal Agricultural Workers Scheme and the Sector-Based Scheme. These are the former low-skilled migration programmes which are being slowly phased out.

### **Changes in Central and Eastern Europe resulting from EU accession**

Central and Eastern European countries have been busy incorporating EU legislation into their own. Legislative changes particularly relate to long-term residence, humanitarian policy and free movement for EU nationals. In 2006-07 the Czech Republic, Lithuania, the Slovak Republic, Hungary, Bulgaria and Romania all introduced new legislation to incorporate the legal provisions required by EU legislation. In Bulgaria and Romania new provisions were introduced which related to the free movement for member nationals and to the treatment of asylum seekers as well as the expulsion of foreigners and the mutual recognition of decisions taken by another member state. Lithuania amended its Law on the Legal Status of Aliens, in order to accommodate EU directives relating to EU nationals and their families. Legislative developments in the Slovak Republic involved EU-induced changes to the permit system. The period of residence before a permanent residence permit could be granted was reduced from ten to five years and a simplified entry procedure now allows for the possibility of obtaining a long-term visa and a business licence at the same time. In late 2007, following an EU directive, an amendment to the Act on Residence of Aliens established a new procedure for admitting third country nationals for the purposes of scientific research.

Several new member countries have changed their asylum legislation as a result of joining the EU. Cases in point are the Czech Republic, where changes now allow refugees to take up employment without a resident labour market test and Bulgaria, which amended its refugee law to allow participation in the EU fund supporting integration and protection measures, thus providing more resources for refugees.

Hungary was alone in both accepting the right of free movement but also adopting the principle of reciprocity. The government passed a new Act in 2007 accepting the right of free movement inherent in the EU treaties and extending the provisions to resident third country nationals. A major result of the new regulation is the provision of the right of permanent stay, seen as a key element of the promotion of social cohesion. The Act ensures the right of permanent stay to all EEA citizens and their family members following five years of uninterrupted and legal stay in Hungary. Hungary applied reciprocity in the labour market in the first phase of the transitional period as from 1 May 2004 with regard to existing member countries which applied restrictions in their national legislation *vis-à-vis* Hungarian citizens. In 2006, Hungary was the only member country from the EU8 to keep such measures in force towards older member countries.

### **Adapting to the Schengen system**

The Eastern European countries, together with Switzerland, have been adapting to the EU's information systems. In 2007, Romania began to implement the EURODAC fingerprint database system. In anticipation of the Czech Republic joining Schengen, the possibility of prolonging a Schengen visa granted by other EU countries has now been incorporated into Czech law. In 2006 travel documents with biometric data were introduced. Lithuania also took the necessary steps to accede to the Schengen accords. During 2007 the Slovak Republic

made preparations for joining Schengen, particularly on its eastern border with Ukraine where a new surveillance system has been put in place. Changes were also made to border crossings with Poland and Hungary. In the autumn of 2008 Switzerland will become a full signatory to the Schengen and Dublin agreements, adopting full co-operation on security, a common policy on short-stay visas, and individual responsibility for granting asylum. Hitherto, its participation in committees and councils has been provisional.

## 5. Border control and illegal migration

Countries are continuing to introduce new measures to deter those who do not have the right to be on their territory. Broadly speaking, three themes dominate policy making. The first is to manage their borders in such a way that unauthorised entry is strictly controlled. The second is the attempt to prevent trafficking and the associated abuse of individuals. The third focuses on those who are already in the country but are in an unauthorised position.

### **Management of borders**

Stricter border management is a common theme among OECD members, related to issues of security as well as the control of irregular flows. For the most part, developments have either been in the form of reorganisation of control authorities and/or better operational management. New Zealand and the United Kingdom have introduced both. The New Zealand government has established an interdepartmental group (Border Sector Governance Group) to improve border control, make operational improvements and provide better information. There have also been operational innovations: in 2007 a Risk Targeting Programme was launched to profile potential risk passengers. In the same year, the United Kingdom Borders Act created a single border force to guard ports and airports with new police-like powers. All visa applicants are fingerprinted, and the Act introduces a new system to count people arriving and departing and to bring in ID cards.

In the United States border control has become more tangible, with the Secure Fence Act of 2006. Procedures have also been tightened: the Western Hemisphere Border Initiative of 2007 requires nearly all travellers entering the United States to show passports, including United States citizens and others from western hemisphere countries, formerly allowed in upon showing birth certificates.

For most countries which have introduced new measures, policy is geared to reducing flows of irregular migrants and sending them home. Better border management in Spain is at the heart of the strategy for dealing with irregular migration and is based on three pillars: improving entry management, better regulating legal channels of flow and assisting countries of origin. In order to develop the strategy, a parliamentary sub-commission was set up with the aim of bringing about administrative and regulatory reforms deemed necessary to modernise management. The resulting plan involves the co-ordination of eight ministries. A new plan for security in the Canaries is aimed principally at preventing irregular migration. As in other countries, Spain is exporting its border controls. Attaches from the Interior Ministry have been deployed in several West African countries to help in the fight against irregular migration, in effect pushing the border overseas. Negotiations and collaboration are underway with African transit and origin countries to speed up the process of identification and repatriation. Its longer term strategy is to increase levels of communication between countries and develop shared responsibility. The limited

effectiveness of repatriation is to be overcome by bilateral co-operation framework agreements.

### ***Human smuggling and trafficking***

Attempts by government to combat people smuggling and human trafficking reflect both local concerns and legislative changes to incorporate international agreements.

Some countries are more on the front line than others. Bulgaria and Mexico are examples of the former. The Centre for Co-operation with the Black Sea Countries, established in Bulgaria, was strengthened in 2007 with a view to better protecting its border. A Southern Border strategy was designed by Mexico, at the heart of which is the need to provide better border security. It includes better documentation of border crossings, supervision of border flows and strong action against people smuggling and trafficking. Better international co-operation against smuggling gangs includes international treaties and better mechanisms regarding extradition.

Countries more remote from the main sources of smuggled and trafficked migrants have also developed policies to combat trafficking. Norway introduced a Plan of Action against human trafficking to extend over the period 2006-09. However Norway, like some other countries, has also introduced measures designed to help the victims of trafficking. In part these measures are designed to encourage trafficked individuals to come forward or stay and testify against the traffickers. In part, they are a response to the abuses of personal security that trafficking entails. A temporary residence permit for the victims of trafficking in Norway is extended to six months and includes access to health care and social assistance. Outreach activities among foreign prostitutes have been strengthened and there are plans for witness protection. Victims of trafficking in Finland may be granted a permanent residence permit. Two other countries have brought in measures sympathetic to the plight of trafficked persons. The Slovak Republic has made amendments to residence law that allow victims of trafficking to stay for a period of forty days while their circumstances are being clarified; the period is extendable. Bulgaria has taken the practical steps of opening reception centres for the victims of trafficking.

### ***Measures to deal with unauthorised migrants within countries***

The measures in this context are targeted at various groups and include punishment of employers of illegal workers; repatriation and deportation; readmission; and policies for groups of unauthorised migrants. In contrast to other countries, Turkey has introduced more lenient policies.

Several countries have introduced measures aimed at employers of unauthorised workers. Employer sanctions legislation introduced in Australia in 2007 makes it a criminal offence knowingly to allow an illegal worker to work or to refer an illegal worker for work. In the United Kingdom, the new Points-Based System imposes on sponsors the need to check documents. A hierarchy of penalties that include prosecution is aimed at both employers and workers and is designed to prevent illegal working. Austria has introduced new rules to prevent undeclared household and care work.

One of the drivers behind new legislation in France, applicable in 2007, was the fight against irregular immigration. Three main measures relating to deportation were tightened: interdictions to entering French territory; escort to the French borders of persons in France without adequate papers; arrest and deportation of persons who

constitute a danger to public order or to the State. In December 2006 a circular revised the system for repatriation of unauthorised immigrants. It included measures concerning those returning voluntarily with a plan for resettling in their country of origin; providing financial assistance, counselling, administrative support, dialogue with the country of origin to facilitate resettlement; help with preparing to leave and dialogue with the country of origin to plan resettlement; ensuring humanitarian repatriation; and helping those immigrants involuntarily deprived of employment and who wish to return home. In a similar effort to dispatch those without a right to stay, Norway is engaged in readmission negotiations with six more countries in addition to the 18 already in existence.

As with France, Switzerland incorporated specific measures to deal with irregular migration in its new general legislation. A new law coming into effect in January 2008 redefines the principles and conditions pertaining to immigrants into Switzerland from non-EU countries. The law has tougher measures to deal with smugglers, illegal employment and marriages of convenience.

The policy situation in the United States is fluid. 2006 saw intensified debate within Congress, State and local authorities about immigration. Border control remained the key issue, but discussions included the possibility of a new guestworker programme. Measures by the federal government to strengthen the southern border were accompanied by actions among some local jurisdictions which, concerned about lax enforcement, approved their own ordinances regarding unauthorised aliens. These included making English the local jurisdiction's official language, punishing businesses illegally employing immigrants and landlords who rent to them. In contrast, other municipalities declared themselves "sanctuary cities" passing ordinances that prohibited municipal employees from helping to enforce federal immigration law. The result is that central control over border policy and policies that address unauthorised migration have been weakened.

The current period has not been one of large new regularisations; nevertheless, measures of this kind continue in various forms. New legislation in Greece in 2007 reopened a prior regularisation by broadening eligibility. For example, unauthorised migrants who had attended public educational institutions were made eligible for regularisation. Spain adopted a discretionary continuous regularisation mechanism for those unauthorised immigrants who can demonstrate their integration into Spanish society.

Both Germany and the Netherlands have made it easier for some unauthorised groups to stay. The Dutch parliament decided to give a "general pardon" to asylum seekers who had applied for asylum before 2001 and who were still present in the Netherlands. Germany has taken action to make it easier for some people without a residence permit to stay. Foreigners whose deportation has been suspended and who have lived in Germany for many years were, from July 2007, granted a right to stay "on a trial basis" for a period of two and a half years with the possibility of extension. They must show they can earn their own living. After four years they are given unlimited access to the labour market.

More practically, in Turkey a new shelter for irregular migrants was opened in Istanbul. The accession of Bulgaria and Romania has meant a form of "quasi-regularisation" for their citizens who were formerly living under an irregular status in other EU member countries. In Japan those living unlawfully in the country now have access to medical care and other welfare services.

## 6. Policies with respect to labour migration

Most OECD governments have changed or adopted new policies towards labour immigration. A few have also concerned themselves with emigration and/or return. Among the former the overall trend is to focus on skilled workers, including the highly skilled, especially with respect to shortage occupations.

### **Skilled workers, selection and shortages**

All OECD countries are seeking highly qualified workers and many of them are also in the market for skills at the trade or technical level. These requirements are reflected in new policy developments in a number of countries. For many governments a principal objective of labour immigration policy is to acquire and maintain a favourable position in attempts to attract highly qualified workers.

This is a policy that is being developed in several countries. Following a Cabinet policy paper in 2006 (“Towards a modern migration policy”) the Dutch government announced a general shift in its immigration policy towards a more proactive and selective approach to attracting high-skilled migrants. Other countries behaved similarly. Amendments to Germany’s immigration legislation brings in new rules which are designed to attract highly qualified persons especially those needed to promote economic development. New legislation in France, entering force in November 2007, gives precedence to labour immigrants who satisfy particular skill needs. The French government drew up a list of 150 occupations, including some less-skilled, for which the new EU members of 2004 were eligible and a shorter list of 30 mostly technical occupations open to third-country nationals.

In the United Kingdom the new points-based system is specifically designed to select persons with those skills regarded as beneficial to the national economy (Box I.9). Tier 1, the old Highly Skilled Migrant Programme, includes four categories: General (highly skilled migrants and the self-employed), Entrepreneurs, Investors (high net-worth individuals) and Post-Study (international graduates from United Kingdom universities). Qualifying individuals will be offered unrestricted access to the United Kingdom labour market without a prior job offer or sponsor for a defined period of time – two years for Post-Study applicants and three years for the other categories that can lead to settlement. Points will be awarded against primary attributes, such as age, qualifications, the availability of sufficient funds to support themselves and their dependants, and English language capabilities (Box I.9). Tier 2, based on the old work permit system, will allow employers to become sponsors of foreign workers. The Tier will include intra-company transferees who automatically have the right to enter; shortage occupations from a list compiled by a new Migration Advisory Committee; and other skilled occupations which will be subject to a resident labour market test.

Several countries have introduced a type of “green card”. The Employment Permits Act of 2006 in Ireland introduced one for skill shortage occupations which do not require a resident labour market test. Overall, the reformed system is part of a policy of meeting most labour needs from within the enlarged EU with relatively small numbers of very highly skilled coming as work permit holders in the future. The card is issued for two years in the first instance with the expectation that it will result in long-term residence. The occupation list is a restricted one for jobs paying 30-60 000 Euros, but more extensive for those paying more than 60 000. At the lower end of the salary band, shortages are of labour rather than of skills. Card-holders are



entitled to be accompanied by their spouses and families. The Act also made changes to the conditions for intra-company transferees coming as temporary management staff. These transferees have also been the subject of policy developments in Japan where an amendment in 2006 to the Immigration Control Act granted the staff of foreign companies a new and separate residence status (Intra-company transferee).

Attracting skilled workers and dealing with shortage occupations have been preoccupations in Denmark which has also introduced a new points-based “green card” scheme. Coming into operation from October 2007 it sets out conditions whereby points may be accumulated based on salary, qualifications and a shortage list. It allows skilled

#### Box I.9. A comparison of the Australian and UK points systems

The new points-based management system (PBS) in the United Kingdom is modeled to some extent on the Australian General Skilled Migration (GSM) points test. There are significant differences, however, notably that the GSM grants permits of unlimited duration whereas PBS permits (Tiers 1 and 2) are always temporary, even if the migration movements may be for permanent settlement. Tier 2 in particular can include some movements of workers arriving for temporary assignments.

The table below compares the distribution of points in the two systems for Tier 1 (General) in the United Kingdom and GSM in Australia. Both are intended to lead to permanent settlement. The GSM programme is designed to attract skilled people and their families as migrants to Australia. Tier 1 in the United Kingdom has replaced the former Highly Skilled Migrant Programme. It is designed to allow highly skilled potential migrants to apply for entry to the United Kingdom without already having a job offer; in this it differs from the new Tier 2 which will also use a points system but will be for temporary migrants only.

In the United Kingdom Tier 1, 95 points must be accumulated. Of these, 10 come from a compulsory language test to prove that the migrant speaks English to the required standard and 10 from demonstrating maintenance through possession of sufficient funds to support the migrant in the United Kingdom. Anyone unable to pass the language and maintenance tests cannot qualify. A further 75 points are required from four attributes: age, qualifications, previous earnings and United Kingdom experience. In the GSM, 120 points are required to pass, and a level 100 to enter the pool for possible future consideration.

The GSM points allocation covers a more comprehensive range of attributes which partly overlap with that in the PBS but there are also major differences. Australia specifies a target level of GSM migrants accepted each year whereas there is no cap or quota for Tier 1 migrants in the United Kingdom. This absence of any numerical limit in the United Kingdom system reflects the fact that it is more selective than the Australian one. Despite devolution to Assemblies in Scotland, Wales and Northern Ireland, immigration policy remains in the hands of central government. In consequence, there is no “regional” component in the United Kingdom comparable with Designated Area Sponsorship or State/Territory Nomination in Australia, for example.

Perhaps the most important difference is that the United Kingdom emphasises past earnings as being the best guide to likely future labour market success for Tier 1 migrants, based on experiences with the Highly Skilled Migrant Programme. Previous salary is measured relative to rates in the country in which it was earned. In contrast, in the Australian GSM, points for shortage occupations and occupations on a skilled occupation list, in addition to work experience and other factors, are taken as predictors for successful labour market integration. For the new Tier 2 in the United Kingdom, points will be allocated for shortage occupations; however, the final points list for Tier 2 workers in the United Kingdom is not yet finalised.



**Box I.9. A comparison of the Australian and UK points systems (cont.)**

	UK/HSMP	Australia/GSM
Language ability	10	15-25
Maintenance	10	
Age	5-20	15-30
Qualifications/Academic	30-50	5-25
Skilled Occupation		40-60
Work experience in occupation		5-10
Recent earnings	5-45	
Spouse/partner skills		5
Shortage occupation		15-20
United Kingdom/Australian work experience	5	10
Regional Study		5
Designated area sponsorship		25
State/Territory Government Nomination		10
Professional Language skill		5
<b>Number required</b>	<b>95</b>	<b>100 – 120</b>
		<b>pool – pass</b>

migrants the right to stay in Denmark and apply for jobs for up to six months. Further, in order to attract skilled workers, the existing job card scheme was expanded in 2007 with more shortage occupations added to the list open to third country nationals.

Portugal has modified its quota system and labour market test. The system was put in place at the end of 2007. The resident labour market is tested for local candidates through the internet and the global network of Portuguese embassies and consulates is mobilised to obtain candidacies from abroad. The Ministry for Employment and Social Solidarity has the option of an “exclusion” list for occupations for which no authorisation will be granted, although it has not yet exercised this option. The procedure is that a foreign worker responds to the offer, obtains a work contract and then gets a residence visa. It relies on a high level of co-ordination among the various parts of the administration and the effectiveness of the database linking internal labour demand with applications from foreign workers. The new United Kingdom system will also rely on a new IT system linking its embassies and consulates.

Elsewhere, the new Alien’s law in Switzerland, in force since January 2008, abolished constraints on professional and geographical mobility by skilled foreign workers within the country. Japan is also looking to attract certain highly skilled immigrants: researchers and data processors in facilities and businesses located in special zones may now stay for five years instead of three.

Global competition for skills is spreading. Some of the eastern European countries are now also actively encouraging immigration by the highly skilled as well as developing policies to confront labour shortages. During 2007 the Czech Ministry of Industry and Trade began work on the expansion, planned for 2008, of green cards offered to selected groups of professionals in short supply on the Czech labour market. Entry procedures are to be speeded up, reducing the administrative burden on both employer and worker, a change that should make it easier for highly qualified people, including intra-company

transferees, to enter the labour market. Green cards will be issued initially for a maximum of three years after which it will be possible to apply for permanent residence.

Lithuania, too, is seeking foreign workers to counter shortages of professionals resulting from high levels of emigration. From the end of 2006, the procedure for issuing work and residence permits for aliens whose profession is in shortage in Lithuania was simplified. Multiple entry visas are available and the list of shortage occupations is revised every six months. This change is expected to increase labour migration. In Poland, growing shortages have led to further easing of the requirements for access to the labour market. Employment without a work permit is now legal for global company executives engaged in business activity for three months over a six-month period. Recruitment has also become cheaper for employers: in 2007 fees paid when applying for a work permit or for an extension of a work permit were reduced considerably. Changes to Romania's work permit scheme include a new residence permit for work purposes, replacing two separate permits.

In Bulgaria in contrast, the government has sought to prevent Bulgarian employers from taking on foreign labour, with increased fines for those doing so without permission. At the same time, however, government-supported studies have identified certain labour shortages, leading to debates about appropriate measures to deal with them, including attracting labour from Viet Nam, Macedonia and Thailand, although no actual steps have yet been taken.

The traditional settlement countries have been reviewing their policies as well, with the intention of attracting in more skilled people. In September 2007 the Australian government introduced a broad range of changes to the General Skilled Migration (GSM) categories to improve their efficiency and effectiveness in selecting migrants who are able to enter the labour market quickly. Greater emphasis was placed on English language ability and skilled work experience in allocating points. These changes are underpinned by a new, simpler visa structure, reducing the previous 11 classes to four. In addition, all GSM visa applications can be lodged electronically from anywhere in the world. In addition, changes to the regional visa system mean that it is easier for students and working holiday makers ("backpackers") who have work experience in Australia to stay. In 2008 the new Australian government laid down a marker for its policy direction, increasing the GSM target with an emphasis on skilled immigrants.

The New Zealand government decided in 2007 to encourage employers to accept foreign professional and technical staff by providing them with guidance and advice on how to improve their management of foreign workers. For example, employers are obliged to help foreign workers find another job in cases of redundancy. Changes were also made to the Skilled Migrant Category to align points more closely to match migrant characteristics with labour market needs.

### ***Managing inflows of low skilled workers***

Several countries now acknowledge shortages in low skilled occupations and have adopted measures designed to manage better flows of workers to fill them. In Poland, the right to employ seasonal workers from Ukraine, Belarus and Russia without a work permit has been extended from agriculture to other sectors of the economy. Workers may be employed for six out of 12 months, rather than three out of six months, granting more flexibility to extend stay. In Switzerland between November 2006 and November 2007, the Federal Council raised the quota of short-stay permits (one to two years) for non-EU

immigrants. Their distribution between the cantons has been revised; the Confederation also reserves the right to award higher quotas to those cantons which need them. High standards of qualifications for cross-border service providers (in construction, horticulture, domestic and industrial cleaning, security) will be maintained and also for workers with residence permits of less than four months. Korea, too, has relaxed its work permit rules for foreign workers by giving them more opportunity to extend their stay.

The settlement countries have been reviewing their policies towards low skilled workers. In 2006-7 Canada announced a number of improvements to the Temporary Foreign Workers Programme. They included extending the maximum duration of the work permit for those with less formal training from one to two years, and for live-in caregivers from one to three years. Since mid 2006, working holidaymakers in Australia, who form a large element of the country's temporary migrants in low-skilled jobs, can now study or train for up to four months (previously three) and work for up to six months (previously three) for one employer. A new Recognised Seasonal Employer policy was introduced in New Zealand in 2007 to meet the needs of horticulture and viticulture. After resident workers, Pacific Islanders are prioritised.

### ***Emigration and return of migrants***

Emigration and return migration are an issue that particularly affects sending countries. Changes related to this have been notably reported in the new EU member countries, although strategies vary significantly. For example, the Bulgarian government continues to support emigration of its citizens and is trying to encourage other countries to open their borders to them. In contrast, Lithuania has adopted a strategy, for which the Ministry of Social Security and Labour has prime responsibility, which aims to increase the activity rate of the workforce and to achieve zero net migration. It has sought to encourage economic migrants to return to Lithuania, by facilitating close contacts with Lithuanians living abroad and increasing co-operation with all institutions involved in migration.

In a similar vein, in 2006 the Portuguese government removed the special financial benefits, such as special interest rates and tax exemptions, given to Portuguese emigrants.

### ***Labour markets and EU enlargement***

Accommodating their labour markets to the enlarged EU has led to varying responses, with Bulgaria and Romania coming under particular scrutiny. The United Kingdom has delayed the introduction of its low-skilled Tier 3 in the new Points-Based System, for the moment allowing vacancies to be filled only by nationals of those two countries. Ireland has followed a similar track to that of the United Kingdom. It, too, opened its labour market to the new member countries in May 2004 and its new policy reforms have the aim of meeting most labour needs from within the enlarged EU with relatively small numbers of very highly skilled coming as work permit holders in the future.

Belgium and Luxembourg have put Bulgarians and Romanians on the same footing as those from the A8: they must have a work permit but can benefit from the faster processing to gain a permit for occupations where there is a shortage. The provisional measures taken in May 2006 governing the issuing of work permits in Luxembourg for A8 citizens have been extended for another three years and since January 2007 include those workers coming in from Bulgaria and Romania. Switzerland has decided that labour market restrictions imposed on A8 citizens prior to May 2004 will still apply to salaried workers (i.e. preference for some nationalities, controls on earnings, jobs and quotas). Hungary decided

that its reciprocity measures *vis-à-vis* EU member countries should also be applied to Romania and Bulgaria. Italy and Spain have imposed nominal registration requirements.

### **Other labour policy areas**

Three other sets of measures relate to the rules on entry of entrepreneurs, migration agents and the treatment of au pairs.

New legislation in Germany has made it easier for the self-employed to set up business: their ventures can have a lower investment amount than hitherto and the number of jobs that need to be created has been reduced. In the United Kingdom the old investors category has been incorporated within Tier 1 of the new Points-Based System. A new Active Investor Migrant Policy came into effect in New Zealand in November 2007. It is sub-divided into three categories based on the level of investment and the assessed level of risk and, as in the United Kingdom, will operate through a points system.

Measures designed to increase the professionalism of migration agents have been adopted by both Australia and New Zealand. Australia has introduced a new entry level course which is now prescribed for those wanting to become agents. New Zealand passed an Immigration Advisers Licensing Act in 2007 in order to make the provision of advice a licensed, recognised profession. The Act establishes an Immigration Advisers Authority to administer the licensing process which will come into operation during 2008 with licensing mandatory from 2009.

Two countries have introduced new measures relating to au pairs. In both Norway and Denmark conditions for granting them permits have been tightened in order to prevent abuse.

## **7. Integration, residence and citizenship policies**

During the period under review a majority of OECD countries have introduced new measures relating to entry and entitlement to residence permits and/or to promote integration. Two themes dominate: the linking of residence and work permits and a general trend towards measures designed to promote faster economic and social integration.

Closely linked with this, the route to permanent residence and citizenship, as well as the conditions under which it is granted, has become a major political issue in a number of OECD countries. There are complex reasons for this. In some cases security concerns underlie a perceived need for immigrants to show commitment to the rights and privileges associated with the citizenship of their adopted country. Several countries have introduced measures to strengthen the immigrants' links and loyalty to the host society. In other cases, citizenship ceremonies and language tests have become a reaction to what some see as the perceived failures of multiculturalism. More pragmatically, in some countries success in integration is measured by the extent to which incoming communities naturalise. On the whole, countries have moved towards making it more difficult for immigrants to naturalise.

### **Entry and residence permits**

For the most part new legislation or rules adopted by OECD countries have relaxed conditions under which residence permits are issued for labour migrants, whereas entry conditions for family migrants have been tightened. In some cases legislation relating to

entry and residence is part of a much more comprehensive package. Germany's new Immigration Act, for example, brings together in one legislative package a number of existing ordinances relating to rights of residence and employment. It creates the legal basis for justifying a right of residence for employment purposes and through a "one-stop shop" a work and residence permit will be issued together. Third country nationals in Germany who have lived there for five years can be granted permanent residence and can take any paid employment.

The Irish government's proposals are also wide ranging and comprehensive. The Employment, Residence and Protection Bill (2008) proposes to reform systems for dealing with a broad range of matters relating to immigration, residence and removal from the state. Provisions relate to: visas; entry into Ireland; residence permits and the rights that go with them; detention and removal; marriages involving foreign nationals; judicial review of decisions; a reformed system of dealing with asylum applications.

Among other countries which have tightened their rules with respect to entry and residence are France and Belgium. The conditions governing benefits for foreigners resident in France who wish to have their families join them have been tightened. In Belgium, foreigners wishing to marry a non-EU national now have to be aged at least 21 instead of 18 and there are checks to ensure that over a three-year period spouses are actually living together. Greece has combined its work and residence permits into a single residence permit which allows labour market access. The rules which govern the granting of a residence permit for purposes of study are now similar to those governing family reunification. Finland has redefined its residence permit rules to include the right to work and study. In Hungary the upper limit for the duration of a residence permit is now five years. A relaxation of residence permit rules is occurring. In Italy, the process of obtaining a permit has been changed. At the end of 2006 the Italian government established a new procedure for granting and renewing residence permits through the network of post offices so it is no longer necessary to go to an immigration office. This was further modified as the application procedure moved onto the Internet in late 2007, eliminating the large queues at post offices. A Decree in 2007 also simplified procedures for business people and tourists who no longer have to obtain a residence permit for stays of less than three months, a requirement that was in any event largely ignored.

Japan and Korea have both modified their policies. In the former, new guidelines in 2006 relaxed conditions associated with "a contribution to Japanese society" making it easier to obtain permits. In an effort to eliminate overstay, a new measure in Korea will mean that foreign workers who do not break laws and acquire minimum level skill qualifications will be given a residence permit. In New Zealand, from July 2007 the cap on the number of residence places for overseas partners and dependent children of New Zealand citizens was lifted.

### **Social integration**

Achieving better social integration is an ongoing objective in all OECD countries and it is no surprise that many of them have introduced new measures in this area. Constraints on immigrants are tending to be relaxed, immigrant groups are better targeted by policies and there is a growing tendency for more coherence in service provision between different levels of government.

Switzerland's new legislation, coming into effect at the beginning of 2008, is designed to improve the situation of foreigners resident in Switzerland legally and will relax some of the constraints on them particularly when changing occupation, job position, canton or when family reunification is involved. If integration has been successful after five years (instead of ten as previously), a settlement permit will be granted. Family unification where there are children of less than 12 months will be speeded up to enable faster integration. The right to remain will be upheld in the event of separation or divorce provided integration has been successful.

In several countries integration policy involves partnerships at different levels of government. In both Switzerland and Austria improved integration is a joint project of federal and regional governments; in Italy and Canada the central government is working with municipalities. The Swiss view is that integration should be improved by co-operation between the Confederation, the cantons and the communes. Priorities are: courses for special training and for language learning for both foreigners in the labour market and for refugees; promotion of coexistence in the communes; and developing skills centres. In Austria, although responsibility remains with the regional authorities for the most part, in 2007 the government set up a central "integration platform" to co-ordinate efforts in integration policy. In the same year, Germany held its second national integration summit, a key outcome of which was greater flexibility in the provision of integration courses. In Italy, a new financial law in 2006 created a new fund for municipalities to finance initiatives aimed at the social inclusion of migrants and their families. Canada in 2006 made new funding available to large urban centres to support integration measures and a long-term plan was launched towards attracting, integrating and retaining French-speaking immigrants in communities across Canada.

Partnership in integration policy is also a characteristic of the Danish approach. A new multiparty welfare agreement in 2006 aims to improve employment for immigrants and their descendants, using wage subsidies, measures to increase activity rates, partnerships between the central government, the social partners and municipalities, and more job advisors. Subsidies to local authorities from 2008 are designed to incite them to increase their integration efforts.

Often, particular immigrant groups are directly or indirectly targeted. This tends to focus on children of immigrants and on women. For example, in 2007 the Danish Ministry for Integration initiated an integration programme for immigrant women designed to increase their employment opportunities and further the integration of their children. Luxembourg has also targeted immigrant children by preparing them alongside *Letzeburgisch* for the international *baccalauréat* as a step towards social integration.

### **Encouraging integration in labour markets**

A perennial problem in OECD countries is the exclusion, or insufficient inclusion, of immigrants and their children in labour markets. This is an ongoing area of policy in most countries where reducing unemployment levels and increasing participation rates are essential if social inclusion is to be achieved. More often than not, improving qualifications and language skills are seen as essential. In some countries, governments are relying on measures to improve training programmes and the efficiency of labour markets more generally; in others special measures are focused on immigrants.

Germany and Sweden have adopted the former approach. The priority in Germany is to improve the qualifications and activity rates of all those outside the labour market, rather than bringing in new migrants to fill gaps and shortages. Such groups include women, older persons and persons of a migration background who are already living in Germany. Vocational training, counselling and skills evaluation are part of the integration strategy. Sweden too has adopted a holistic approach to the integration of disadvantaged groups into the labour market, although there is a strong focus on the particular difficulties faced by immigrants. The government's proposals for a new system for labour immigration include a broad package of reform. It will become easier to start and run a business; language instruction and mentoring will help immigrants into jobs; there will be training initiatives for young people; and special job packages for the long-term unemployed among whom immigrants are over-represented. Specific initiatives include the subsidisation of payroll costs for persons excluded from the labour market, aimed particularly at persons above the age of 55 and young people.

A white paper was presented in Norway in April 2008, discussing future labour needs and proposing appropriate policy measures for the entry and stay of labour migrants. Concern about the degree of responsibility exercised by employers has prompted an action plan against "social dumping" designed to protect wage levels and working standards. The plan includes better inspection of employers, responsibility of contractors to ensure that sub-contractors pay legal rates and introduction of ID cards for construction workers.

In other countries better labour market integration is promoted as the key to better relations between immigrants and non-immigrants. In Finland, the relationship between work and residence permits is being changed to allow working rights to be included in most residence permits (with the exception of work in certain sensitive fields).

### ***The role of language testing***

A particularly important aspect of integration policy consists of measures to improve migrants' ability to speak the language of the host country. Much migration research has demonstrated that this is the most important factor in successful integration into society and the labour market. This is reflected in the allocation of points to language ability in all countries operating points-based systems (Box I.9).

It is not surprising, therefore, that language training is in the suite of policies adopted by countries to improve both social and labour market integration. In Sweden, for example, a broad package of reform contains measures to promote language instruction and mentoring to help immigrants into jobs. A new scheme, "Step-in jobs", introduced in July 2007 offers new arrivals the opportunity to combine language training with part-time employment and is intended for asylum-seekers and their dependents. For Switzerland, the priorities in integration policy are courses for special training and language learning for refugees and foreigners in the labour market, helping to promote coexistence in the communes, opening up institutions and developing skills centres. In Finland too, increased language instruction is to be provided in order to promote integration.

Passing a language test is or is to become compulsory for those migrants wanting a long-term stay in an increasing number of countries. In Germany, the priorities and main tasks of the Federal Government's integration policy are to promote occupational integration and the teaching of the German language. From August 2007 a new ordinance provides more flexibility in teaching as well as more targeting on young people and those

who are illiterate. Participation in these courses is generally compulsory for those lacking a basic knowledge of German. The more stringent family reunion requirements in Germany now include passing a language test. An amendment to the Aliens Residence Act in the Czech Republic has introduced the need to prove knowledge of the Czech language as a necessary precondition for permanent residence, while in the Slovak Republic the language test prior to citizenship is to become more rigorous. In Denmark, since 2006 refugees and other immigrants applying for permanent residence must sign an integration contract which includes a commitment to pass a language test. Spousal reunion will only be allowed if the resident immigrant has passed an immigration test in Danish language skills and knowledge of Danish society. Foreigners aged 16-64, wishing to come to France for purposes of family reunion, must take a test in their country of residence for proficiency in French and understanding of French values; if they fail they must undergo a course of instruction and retake the test. The test also applies to foreigners married to a French citizen when they apply to stay for longer than three months.

### **Citizenship and civic integration policy**

During 2006-07, some governments took the opportunity to clarify their naturalisation laws, especially in relation to children. Furthermore, debates in national media about what it means to be a citizen have tended to polarise opinion while at the same time encouraged governments to look hard at how to treat those who come to settle. Turning denizens into citizens has become an important element of policy.

Policies towards citizenship have taken a number of forms, sometimes within the broader context of civic integration strategies, often involving some form of test. The Netherlands, Norway, Poland, Australia, United Kingdom, Austria, Portugal, the Slovak Republic and Lithuania have all taken steps in this direction.

Since 1998, the Netherlands has a system of civic integration programmes; including compulsory language courses for newly arrived immigrants. In March 2006, this system was complemented by the Civic Integration Abroad Act, by which foreign nationals between the ages of 16 and 65 coming to the Netherlands for marriage or family reunification as well as to reside here as a spiritual leader or religious teacher, must sit a civic integration test prior to entering the Netherlands. The exam is taken orally, in Dutch and consists of two parts. In Part 1, knowledge of Dutch society is tested, including Dutch geography, history, political organisation, parenting and education and the Dutch health system. Part 2 tests knowledge of the Dutch language. Only when they pass this civic integration exam, are migrants eligible for a provisional residence permit necessary to enter the Netherlands.

The significance of national identity lies behind legal changes in Poland. In September 2007 a new Act defined what it means to belong to the Polish nation and applies to those of Polish origin living in the former USSR. Applicants need proof that at least one parent or grandparent or two great grandparents were Polish. They must also have some knowledge of the Polish language and cultural traditions. Those who meet these requirements are entitled to a residence visa and can take up employment on the same basis as Polish nationals.

In several cases, governments have brought in new and comprehensive citizenship Acts. Examples include Norway and Australia. A new Nationality Act came into force in Norway in 2006 and contains an extensive list of conditions for Norwegian citizenship.



Applicants are generally not allowed dual nationality, have to have lived in Norway for seven years and must have language skills. At the age of 12 a child of foreign parents can apply for Norwegian nationality without the consent of the parents.

The Australian Citizenship Act came into effect in July 2007, replacing a 1947 Act. The duration of lawful residence in Australia required prior to an application for naturalisation, was increased from two to four years, including one year of permanent residence. Other conditions concern security issues; strengthened revocation provisions in the event of criminality; new provisions for children; and removal of age limits for registration of citizenship by descent. There is also now a citizenship test which includes English language and knowledge of Australia and of the responsibilities and privileges of Australian citizenship. Most permanent residents applying for naturalisation will be required to pass the test.

In its latest (2008) pronouncement on citizenship, the United Kingdom government is proposing a fundamental overhaul of the system for acquiring British citizenship. It consists of a three stage route to citizenship, including a new probationary period of citizenship, requiring new migrants to demonstrate their contribution to the United Kingdom at every stage or leave the country. Full access to benefits is being delayed until migrants have completed the probationary period. Migrants have to improve their command of English to pass probation. Persons committing an offence resulting in prison are barred from becoming a citizen. Those committing minor offences will have a longer probationary period of citizenship. Migrants who contribute to a new community fund for managing the transitional impacts of migration or who get involved in their communities through volunteering are able to acquire British citizenship more quickly. The proposals have opened up a vigorous debate.

Elsewhere acquiring the nationality of the host country has been made more difficult. The reformed Alien Law in Austria, which came into effect in 2006, introduced barriers to family reunion and formation by requiring the sponsoring partner in Austria to have a regular income at or above the minimum wage. It also made it harder to gain Austrian citizenship. The Slovak Republic amended its Act on Citizenship during 2007 to allow closer screening of applicants as well as other changes in the rules. Waiting periods have been increased, from five to eight years for a foreigner residing in the Slovak Republic and from three to five years for a foreigner married to a Slovak citizen.

In contrast to the developments in other countries which tended to make access to citizenship more difficult, a new regulatory framework for facilitating the access to Portuguese nationality by the children of foreign parents came into force at the end of 2006. If both parents are born abroad, their child can obtain Portuguese nationality either at birth or later, provided the parent has lived in Portugal for five years. Attendance of basic schooling in Portugal or having lived in Portugal for ten years when the age of 18 is reached can facilitate naturalisation.

In Lithuania, citizenship policy has taken on an element of selection. The amended (in 2006) Law on Citizenship now allows Lithuanian citizenship to be granted to foreign nationals who are regarded as of merit and whose naturalisation is in the public interest. Such people do not have to meet the same requirements as do others. More restrictively, a decision by the constitutional court in late 2006 meant that dual citizenship is now granted only in exceptional cases whereas formerly it was freely available.

### **Citizenship ceremonies**

Citizenship ceremonies are not new and have been common practice in New World OECD countries but rare in Europe. This is changing. The Dutch in 2006 brought in a national “naturalisation day” to give the reception of Dutch citizenship a more ceremonial character and to emphasise the importance of obtaining Dutch citizenship. Participation in the naturalisation ceremony is compulsory. Citizenship ceremonies are also being introduced on a broader basis in other countries, for example in Germany, but are generally not compulsory.

## **8. Developments in humanitarian policies**

About half of OECD countries have introduced new measures to deal with asylum issues. A majority relate to changes of procedures but measures dealing with the conditions under which asylum seekers are allowed to stay and integrate into labour markets are also important. Other issues tackled relate to returns to countries of origin, conformity to EU legislation and the treatment of children.

### **Changes in procedures**

Changes in procedures introduced by governments are mainly designed to simplify and speed up the asylum decision process, although a range of other issues are involved. These include changing the balance of responsibility in federal states, dealing with backlogs and modifying appeals procedures.

Belgium, France, Switzerland and Ireland have sought to speed up the process, although in different ways. In Belgium only one step (rather than two) is now involved and it is estimated that the complete asylum procedure will take one year maximum. New legislation in France implies that since mid-2007, rejected asylum applicants may not remain in official reception centres for more than one month; in some cases their stay may be longer than one month until alternative accommodation is found (*e.g.* a hotel); their rights to social services cease after one month, unless their medical condition requires urgent care.

Substantial revisions to the 1999 asylum law have introduced new conditions that will come into effect in stages during 2007 and 2008 in Switzerland. The principal changes are that appeals may be lodged in registration centres and at airports; a new admission status providing for provisional stay was created; and new models for financing the stay and support of asylees were developed. As a result, the policy of refusing entry on the grounds of insufficient documentation has been revised to encourage asylum seekers to retain all their documentation; entry will be granted where the absence of papers can be explained, the quality of the asylum seeker is obvious and where there is the possibility of further investigation. To help this, the maximum period of detention prior to deportation has been extended from nine to 18 months – and for 15 to 18 year olds to 12 months. Financial support for repatriations will be improved except for EU citizens who may not benefit (from May 2007). In contrast, those awaiting deportation are not entitled to social benefits. There has also been a shift in the balance of responsibility between the cantons and the federal government. Cantons may issue a residence permit if an asylum seeker has been living in Switzerland for five years from the time of the original request and if there is evidence of integration – cantons have the opportunity to regularise some outstanding cases. There will be a new system of financing between cantons and the confederation regarding social

benefits to refugees – cantons will be compensated by the confederation and there will be a flat rate for recognised refugees and those with a temporary residence permit. The confederation will develop a programme for repatriation, chiefly financial aid and incentives. From 2008, asylum procedures will be simplified and speeded up – cases will be reviewed at Federal level instead of by the individual cantons as at present.

The Irish Employment, Residence and Protection Bill of 2008 proposes a reformed system of dealing with asylum applications as part of its overall review of immigration law. It should result in a simplified procedure. Proposed changes include a shift to a single determination procedure meaning that all protection claims, including claims for both asylum and subsidiary protection, would be examined under a similar procedure. Applicants would be obliged to set out all grounds on which they wish to remain in the State (including non-protection-related reasons for permission to remain) at the outset of their claim, and all of these matters would be examined together. The Bill also proposes the establishment of a Protection Review Tribunal, replacing the Refugee Appeals Tribunal.

In Norway, as in Ireland, new legislation adopts a broader refugee concept, going beyond the 1951 Convention to include those deemed worthy of subsidiary protection status. The right of family reunion for refugees is strengthened. While at present those who are eligible for subsidiary protection must be able to support their family economically this will no longer be the case when refugee status is conferred. However, the rules regarding subsistence requirements will be tightened. Minor procedural changes were also made in Finland where the Act on Integration of Immigrants and Reception of Asylum seekers, amended in 2006, clarified responsibilities among authorities. This was supplemented in the same year to provide services for the victims of trafficking. Finally, in New Zealand, a new policy was implemented in July 2007 to allow refugees to sponsor family members.

Procedural changes in Sweden relate to the appeals system. In spring 2006 migration courts replaced the Aliens Appeals Board, moving appeals from an administrative to a judicial process. With the new procedures, the grounds on which a residence permit is granted or rejected were clarified. If the Migration Board rejects an appeal, the Board and the asylum-seeker meet together in the Migration Court – previously the appellant would not have been there. Hence the system is made more transparent. Further changes were that the new Aliens Act extends the concept of refugee to include those in fear of persecution because of their gender or sexual orientation. In addition, from mid-2006 municipalities assumed responsibility for accommodating unaccompanied asylum-seeking children.

In Lithuania and Denmark, for example, the policy focus has been on return. In the former in 2006 the Ministries of Interior and Social Security signed an agreement with the European Social Fund for money to increase the efficiency of asylum procedures and to improve conditions for asylum seekers. Projects focused on voluntary returns and reintegration assistance. Denmark amended its Aliens Act in 2006, introducing new rules concerning the education and activity of rejected adult asylum seekers. The measures aim to prepare such people for return to their countries of origin. Following this, in June 2007 a further amendment introduced a new contract scheme for rejected asylum seekers who agree to voluntarily return. It allows certain groups of these to benefit from six to nine months of education and training in Denmark prior to return. At first the scheme will only apply to Iraqis but if successful, it may be extended to other nationalities.

Changes in procedure in Bulgaria and Romania are mainly a response to EU membership. In 2006 the refugee law in the former was amended to allow participation in the EU fund supporting integration and protection measures, thus providing more resources for refugees. In 2007 the Law on Asylum Seekers and Refugees was amended to harmonise the Bulgarian legal framework with EU requirements on matters such as dealing with asylum applications, minimum standards for temporary protection and family reunion. In the summer of 2006 a new ordinance in Romania, dealing with the legal provisions necessary for joining the EU, included measures to harmonise the treatment of asylum seekers with EU norms.

### **Entitlements and conditions for asylum seekers**

Issues here mainly relate to access to labour markets. Switzerland, Sweden, Germany, and the Slovak and Czech Republics have adopted policies extending access, in Belgium the reverse is the case.

As part of its major review, Belgium has changed the conditions under which asylum seekers may live while their cases are being considered. They may no longer benefit from a temporary work permit; they will not get financial aid but will still get material support while their case is being examined (shelter in a detention centre, food, clothing, medical care, social psychological and legal aid and some pocket money).

Swiss revisions to its asylum law also include changes to access to the labour market for asylum seekers but in the opposite direction. Access to the labour market has been improved for provisionally admitted persons; family reunification can take place after three years and after five years there is the possibility of a permanent residence permit. Sweden has also taken steps to improve labour market access. From January 2007, municipalities were given additional funding to facilitate the entry of refugees into the labour market.

Under new German legislation, refugees who are entitled to asylum according to the Geneva Convention are also entitled to a residence permit giving access to the labour market. Other groups, with a lesser asylum status and with a residence permit are granted only secondary access to the labour market.

Some of the eastern European countries have been changing their asylum policies, mainly to bring them into line with EU norms. In the Slovak Republic, amendments to labour legislation allow work permits to refugees and those whose cases are still being considered and those granted asylum are entitled to an enhanced social benefit. An amendment to the Asylum Act introduces the notion of supplementary protection for those not granted asylum but who are in need of humanitarian protection from unjust treatment in their own countries. The protection extends to spouses and children, is for a period of one year and is renewable. In the Czech Republic, the law was also changed to allow refugees to take up employment without a resident labour market test.

## **9. International students**

In recent years there has been a growing awareness of the role played by the international migration of students in the global mobility system. Until the early 1990s, the prevailing paradigm was “education for aid”. Student mobility was predominantly from poorer (usually former colonies) to richer (colonial power). It was characterised by a generally philanthropic (some might say paternalistic) approach, associated with low fees

for overseas students. Over the past fifteen years, “education for trade” evolved as the prevailing paradigm. International students were seen as cash cows for educational institutions, reducing the need for state funding. Fees were increased and immigration rules amended to allow them to work while studying. They were seen as contributors to the economy instead of requiring subsidisation. Postgraduates especially were seen as new knowledge creators who could contribute to economic growth either directly or indirectly. International student policy has now become a tool in the international competition for high level skills.

### ***International students and the labour market: Post study***

A large number of OECD countries have relaxed their regulations on international students, allowing them to stay on and look for or take up work. In 2006 the Netherlands took steps to enlarge the residence opportunities for international students after graduating there. The Dutch government now proposes to give foreign students the opportunity to stay in the Netherlands and to seek work for up to three months after graduation. If they do not find work as highly skilled migrants within that time, they must still leave the Netherlands. They can only receive a residence permit allowing them to work if they find highly skilled employment. International students graduating from Austrian universities may now change their status to become permanent residents as highly skilled workers.

From late 2007, employers wishing to take on foreign graduates from German universities are exempt from a resident labour market test if their employment corresponds to their studies. In general, it has become easier for foreign researchers and students to enter, stay and obtain employment.

Policy towards international students and the labour market is undergoing fundamental change in the United Kingdom. In May 2007 the International Graduate Scheme (IGS) was launched to replace the more limited Science and Engineering Graduate Scheme (SEGS). This is a precursor to the Tier 1 Post-Study category, and is a response to the drive in a number of countries to compete for the retention of growing numbers of international students. The IGS enables all non-EEA students who have successfully completed their degree (regardless of discipline) at an approved higher education institution in the United Kingdom to remain in the country for up to 12 months and compete for work. The future Post-Study category is likely to extend this period to two years, bringing it into line with the Fresh Talent Working in Scotland Scheme (FTWSS), and to restrict access to international graduates with at least a lower second class (2.2) degree.

Ireland has moved in the same direction. In April 2007 the Third Level Graduate Scheme was implemented, allowing non-EEA graduates from Irish universities to remain in Ireland for six months after graduation to find employment and apply for a work permit or green card. During the six month period they are allowed to work. The “six-month” rule also applies in Finland where one of the aims of the Migration Policy Programme is to encourage the immigration of students and researchers. An amendment to the Aliens Act in 2006 was designed to make it easier for non-EEA students to enter the Finnish labour market. Such graduates can now obtain a work permit to search for a job for up to six months and a residence permit for job search for ten months.

In France, new legislation in 2006 was designed to encourage master's graduates of the highest ability to stay on and find employment. Such targeting of particular types of skill is seen in the policy measures of other countries. A government committee in Sweden has proposed that it should be made easier for foreign students who have found a job in Sweden to stay in the country and work after finishing their studies. Encouraging them to stay is also policy in the Slovak Republic where international students and researchers are now allowed to stay for up to 90 days without a temporary residence permit.

In Canada, international students are seen to have a role in spreading the benefits of immigration to more of Canada's regions as well as helping Canada maintain its competitive edge in attracting international students. In collaboration with provinces and territories, the Post-Graduation Work Permit Programme was significantly changed in 2008 by extending work permits to up to three years for international students who have graduated from public tertiary and certain private institutions.

In other countries, changes in regulations relating to international students are making it easier for them to obtain permanent residence permits. In the Czech Republic, in 2006 the Alien Residence Act was amended to encompass various EU Directives including one relating to the status of students. Other amendments relate to easier entry for researchers.

#### ***International students and the labour market: During study***

Most countries which have introduced legislation or rule changes have also moved in the direction of encouraging international students to enter their labour markets during the time they are studying. International students in France wishing to work while studying do not need work authorisation provided employment does not exceed 60% of their time in any one year. Norway has also made it easier for international students to access the labour market during their studies. A change in legislation in 2006-07 allows students a general part-time (20 hours per week) work permit – an offer of employment is no longer a prerequisite. Further measures, facilitating the transition to work after completing education are being considered. In mid-2007 Australia made changes to its national code dealing with students. These related to welfare for those aged under 18. Course providers are now required to specify course progress policies and to implement early intervention policies to help students at risk of failing. They are also required to monitor attendance. From April 2008 international students in Australia are given work rights when granted their initial student visa, with the proviso that neither they nor their dependents can undertake work until they have commenced their course of study.

Elsewhere, international students have been put on a par with domestic students. In Finland they have the same right to work as Finnish students while studying, although they must have their own health insurance. Plans are to make it easier for them to stay in Finland and become citizens.

Luxembourg, too, has changed its procedures for international students. A working group drawn from higher education, the work permit service of the Ministry of Foreign Affairs and the Ministry of Employment has augmented the administrative procedure governing the issue of work permits to students from third countries taking paid employment while still studying and which came into force at the beginning of the new academic year in 2007. The conditions are: the student must be a registered second year student in the University of Luxembourg leading to a bachelor degree; first-year students

may qualify for a work permit if their paid employment is within the University; Master and doctoral students may qualify for a permit from their first year; the permit is renewable if the student re-registers in the University; the permit may be withdrawn if the student does not attend the course satisfactorily or abuses the terms of permit issue. The permit will be issued for paid employment not exceeding 10 hours per week during session up to the end of June – after that date a permit may be issued for more than 10 hours of paid employment per week during the long vacation.

The new points-based system in United Kingdom for the first time places international student entry into the same regime as many other immigrants. International students will be covered by Tier 4 of the Points-Based System and will need to be sponsored by an educational institution that has a sponsor licence from the Border and Immigration Agency. A certificate of sponsorship may only be issued under Tier 4 if the sponsor is satisfied that the migrant both intends and is able to follow the course of study concerned. Tier 4 will commence in 2009. Under Tier 4 (students) an accreditation regime has been established to ensure that only bona-fide institutions are able to act as sponsors.

## 10. Conclusion

OECD countries appear to be moving in a similar direction with respect to policy trends. But not all countries are moving at the same rate. Even in Europe where the European Union has a certain influence on national legislation and practices, national differences, experiences and perceptions as well as the political landscape affect the nature of policies that have and can be implemented.

Overall, the trend seems to be moving towards a demand-led set of policies, characterised by the selection of immigrants and with the rights and responsibilities of migrants more clearly laid out. Countries still have to respond to supply-side generated flows, notably with respect to asylum, low-skilled immigration, irregular migration and, to some extent, family reunion and formation, but there is now a much stronger focus on proactive rather than reactive management of migration.

In the European countries, many policy changes were influenced by EU directives relating particularly to free movement and humanitarian issues. Enlargement of the European Union has demanded responses from existing and from new members, and also from non-EU members such as Norway and Switzerland. The consequence has been a plethora of amendments to national legislations. Many countries, (Germany, Poland and Portugal are examples) have used this opportunity to introduce more comprehensive changes in immigration legislation; others, like Belgium and Norway, have made less comprehensive changes. Most existing EU members are coming to the end of the transition periods before full freedom of movement for the 2004 accession countries. However, several countries such as Germany and Austria have extended them – albeit generally with a range of occupations being exempted from the transition arrangements. With the exception of Finland, Bulgaria and Romania have not been granted free labour market entry by the EU15 countries, although some, such as Italy and Spain, have imposed only nominal procedures.

Institutional changes have been central to migration management and policy delivery in several countries. These have involved combining responsibilities for immigration matters into newly created separate ministries or ministerial branches. Major shifts in this direction have occurred in Hungary, Romania and the United Kingdom, to a lesser extent in

Finland, Norway and Portugal. Elsewhere, the devolution of some elements of policy to regional and local authorities has led to new divisions of responsibility between the different levels of government: examples include Australia, Austria, Canada and Switzerland.

Many countries have sought to divert irregular flows into regular channels as part of a twofold strategy to open borders to legitimate (and generally selected) migrants while closing them to those entering or staying illegally. The Mediterranean countries have been particularly active in this, often with the help of bilateral agreements with sending and transit countries. In North America both the United States and Mexico are vigorously pursuing policies to close up their southern borders. Several countries, including Bulgaria, Norway, Romania, the Slovak Republic and Turkey have taken steps to protect the victims of trafficking by allowing them to stay temporarily and giving the authorities the chance to obtain evidence against the traffickers.

The management of labour migration is the single biggest topic of policy change. The tide is flowing very much towards measures that attract highly skilled labour that will increase global economic success. Particularly competitive are the traditional settlement countries, especially Australia and New Zealand, along with a growing group of European countries, notably Denmark, France, Germany, Ireland, the Netherlands and the United Kingdom. Others are not far behind, including several eastern European countries, notably the Czech Republic and Poland. The Asian countries, Korea and Japan, have remained generally aloof from this competition. Growing attention is also being paid to foreign graduates of domestic universities who are seen as potential settled immigrants (Australia, Canada, New Zealand) or highly skilled recruits into domestic labour markets (Austria, France, Germany, Luxembourg, Ireland, Netherlands, United Kingdom). At the other end of the occupational spectrum, shortages of some low-skilled workers are acknowledged and responses have varied. For example, Australia has adapted its working holiday makers scheme to fulfil the role, whereas the United Kingdom will rely on Bulgarians and Romanians.

Integration policies are being strengthened, particularly through a more transparent approach to residence permits which are increasingly being combined with work permits (Finland, France, Greece, Hungary). In some cases immigrant minorities are the main focus of integration policies but Germany and Sweden, for example, have introduced policies for social inclusion that embrace all in society who are marginal, not just immigrants. Overall, all countries are seeking faster integration both economically and socially. As part of this process, countries are increasingly requiring citizenship tests on such matters as the history, geography and culture of the host country as a condition for being granted a residence permit (Netherlands) or obtaining citizenship (Australia, United Kingdom). Language tests are increasingly common both to enter and stay. In the traditional settlement countries such tests are long established, but they are now required in the Czech Republic, Denmark, Germany, the Slovak Republic and the United Kingdom. Language instruction for immigrants is now strengthened in several other countries, including Sweden and Switzerland.

Although not the focus of policy development that it was in the early years of the millennium, asylum policy changes continue in most countries. They tend to take the form of procedural changes rather than wholesale reviews of policy although Belgium, Ireland and Switzerland have introduced major new asylum legislation. The thrust of policy



development is twofold: towards reducing inflows of asylum seekers while taking steps to integrate better those accepted. Hence, most countries that have introduced new measures have done so to speed up the determination process and to promote the return of those rejected (for example, Belgium, Denmark, France and Lithuania). For those accepted, the trend is to make access to the labour market easier (Czech Republic, Germany, the Slovak Republic, Switzerland).

Succinctly, the main policy trends in OECD countries might be usefully summarised as follows:

- The introduction of new administrative structures to better manage migration.
- In Europe, the adaptation of national legislation to EU standards.
- A general tendency towards promoting labour migration.
- The development of policies and practices to speed up the integration of immigrants.

### Notes

1. The countries in Table I.1 have been divided into two groups, those for which the data can be standardised on the basis of a common definition (top part), and those for which they cannot (bottom part). The statistics of countries in the bottom part of the table may contain many short-term movements. For the purposes of the discussion, it has been assumed for the countries in the bottom half of the table, based on what is observed for other countries, that 70% of the movements overall are permanent-type. See Box I.1 for further information on international comparability.
2. Ireland has only joined this group in recent years.
3. This was generally done by applying the estimated participation rate for this group (obtained from the Labour Force Survey) to a total population figure for the group.
4. This is estimated from the International Passenger Survey, a border-crossing sample survey administered at airports and seaports. Long-term migrants are persons who declare themselves as entering the United Kingdom with the intention of staying for more than one year, adjusted to take into account those whose intentions change.
5. See [www.interno.it/mininterno/export/sites/default/it/assets/files/14/0900\\_rapporto\\_criminalita.pdf](http://www.interno.it/mininterno/export/sites/default/it/assets/files/14/0900_rapporto_criminalita.pdf), Table IX.6.
6. Data on international students for a significant number of OECD countries exist only since 2004.
7. There are no current figures for Greece, but the scale of the flows since the last census in the year 2000 suggests that the immigrant share of the total population is well over 10%.
8. It was also assumed that over a five-year period, a net 5% of all immigrants having entered during the previous five-year period have entered (left) the working-age population, because they have turned 15 or 65, respectively. The projection also assumes zero mortality for persons in or moving into the working-age population.
9. Germany, Japan, Korea and the Netherlands could not be included in this analysis because the data by country of origin for these countries was too limited, either because of sample size problems (Germany and the Netherlands) or because the population census identified only a small number of countries of origin (Japan and Korea).
10. The adjustment is necessarily restricted to countries of origin represented in the immigrant population of each destination country. For this exercise, the countries of origin varied in number from 138 (the Slovak Republic) to 210 (the United States).
11. Individual charts by country showing the educational attainment percentages for each level and age group can be found in the annex.
12. The EU15, excluding Germany and Italy, for which it is not possible to reconstruct a complete series for the entire period from European workforce survey data.
13. The figure for Italy represents only the period 2001-06, for which comparable data are available.

14. In Portugal's case, total employment stagnated between 2002 and 2006 (with in fact a slight decline between 2002 and 2003) while at the same time immigrant employment rose by more than 70 000 persons. A portion of this increase may however be attributable to the employment survey's improved coverage of the immigrant population.
15. In the United Kingdom, the employment survey shows that immigrant employment rose by 713 000 persons between 2002 and 2006 (326 000 between 2005 and 2006), while native-born employment fell by 89 000 over the same period (191 000 between 2005 and 2006).
16. Labour market access for immigrants has also deteriorated slightly in Luxembourg, but the changes are minor and the employment indicators are still very good.
17. A notable exception is Adsera and Chiswick (2007) who use pooled data from the European Community Household Panel (ECHP). However, the ECHP – as its successor, the European Union Statistics on Income and Living Conditions – has a number of disadvantages that hamper its use for analyses regarding immigrants (see Box I.6). A few empirical studies are available that compare wage gaps across a limited range of OECD countries, such as Aydemir and Sweetman (2006) on Canada and the US; and Basilio et al. (2007) on Canada, Germany and the United States.
18. Other factors such as different reservation wages for immigrants may also be at play.
19. This is assuming that higher education in the host country ensures good language mastery, which is not necessarily the case (see Birrell et al., 2006).
20. Evidence from a number of OECD countries (e.g. Bevelander and Veenman, 2006) suggests that this wage premium is particularly strong for immigrants from non-OECD countries, after accounting for a broad range of socio-demographic characteristics.
21. This Subsection C was drafted by John Salt of the University College London and national SOPEMI Correspondent for the United Kingdom. It benefited as well from a contribution by Philippe de Bruycker, Free University of Brussels, in particular for Box I.8 on developments in European migration policy.

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## PART II

# Management of Low-Skilled Labour Migration\*

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