

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.1,¹ 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 |
| Total | .. | .. | 3 099 400 | 3 263 600 | 164 200 | 5 |
| Total less Belgium | 2 319 800 | 2 733 800 | 3 064 400 | 3 227 500 | 163 100 | 5 |
| % change | | 18 | 12 | 5 | | |

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 ¹ | 281 200 | 403 000 | 305 700 | 388 600 | 82 900 | 27 |
| Slovak Republic | 4 600 | 7 900 | 7 700 | 11 300 | 3 600 | 47 |
| Total | 760 100 | 903 800 | 925 200 | 1 086 600 | 161 400 | 17 |
| % change | | 19 | 2 | 17 | | |

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

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

1. Data refer to a combination of "autorizacion 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.

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 |
| OECD total | 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%.

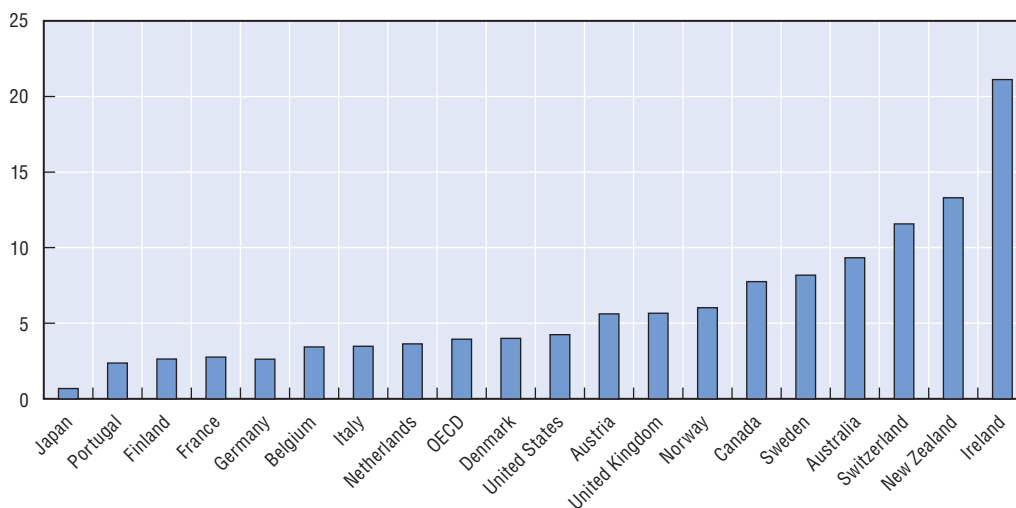
Free movement migration increased notably in the Nordic countries, whereas labour migration was up in Australia, Denmark, Japan and the United Kingdom. Humanitarian migration seemed to be stable or declining almost everywhere except in Sweden, due to exceptional circumstances (see below) and the United 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.² 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



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Note: For information on the compilation of the standardised statistics, see 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.

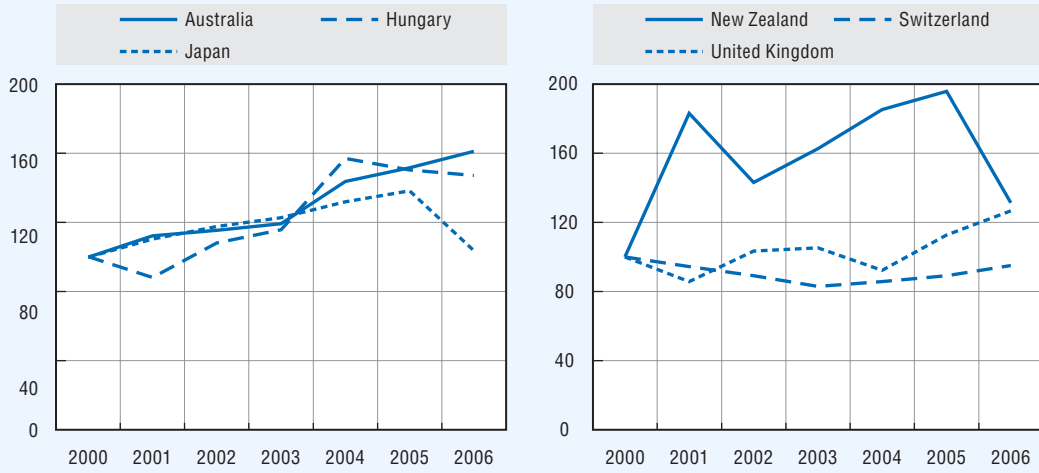
Enlargement of the European Union has had a significant impact on emigration from the new EU member states. Since May 2004 to the end of 2006, for example, Poland has seen more than 360 000 nationals registering as workers in the United Kingdom.

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)

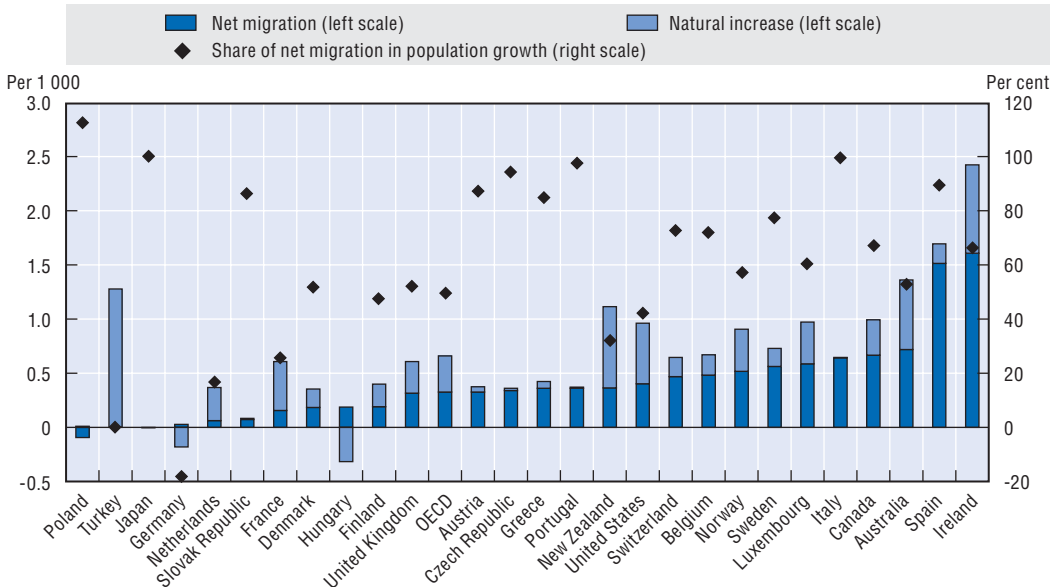


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Source: OECD Database on International Migration.

* 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.³ 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...

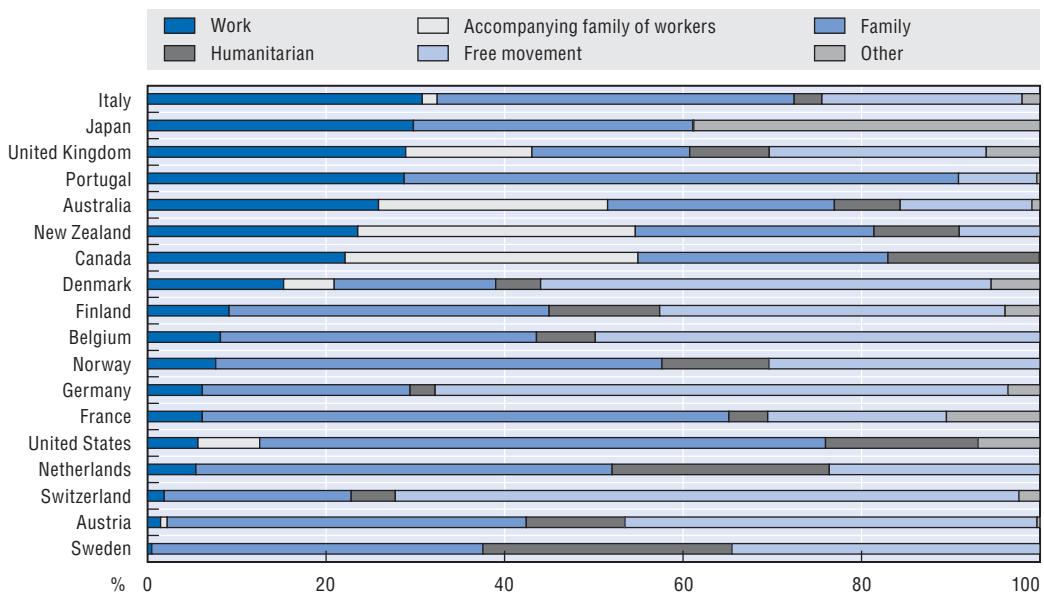
Chart I.3 gives the distribution of permanent-type inflows by category of entry. As is evident, persons moving under the free-movement regime of the European Economic Area make up significant proportions of all permanent-type migration movements in many European countries. In Austria, Belgium, Denmark 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**

Percentage of total inflows



StatLink  <http://dx.doi.org/10.1787/427163172430>

Note: For information on the compilation of the standardised statistics, see 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).⁴

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 |
|---|------------------------|---------|---------|---------|---------|---------|
| Ireland¹ | | | | | | |
| 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 |
| United Kingdom² | | | | | | |
| 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 |
| Switzerland³ | | | | | | |
| 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 Italy⁵ 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 | | |
| All continents | 100 | n.a. | 100 | 100 | 100 |
| Europe | 11.1 | 3.0 | 33.8 | 56.8 | 11.7 |
| Asia | 60.4 | 0.5 | 33.0 | 15.2 | 50.1 |
| 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 |
| Central and Latin America | 8.6 | 2.3 | 19.7 | 13.4 | 25.8 |
| Africa | 14.3 | 0.6 | 8.8 | 11.4 | 6.3 |
| 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 |
| North America | 5.1 | 0.6 | 3.2 | 2.6 | 3.9 |
| Oceania | 0.5 | 2.1 | 1.1 | 0.3 | 1.9 |
| Unknown | - | n.a. | 0.4 | 0.4 | 0.4 |
| Total OECD (thousands) | .. | .. | 4 420 | 2 170 | 2 250 |

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 |

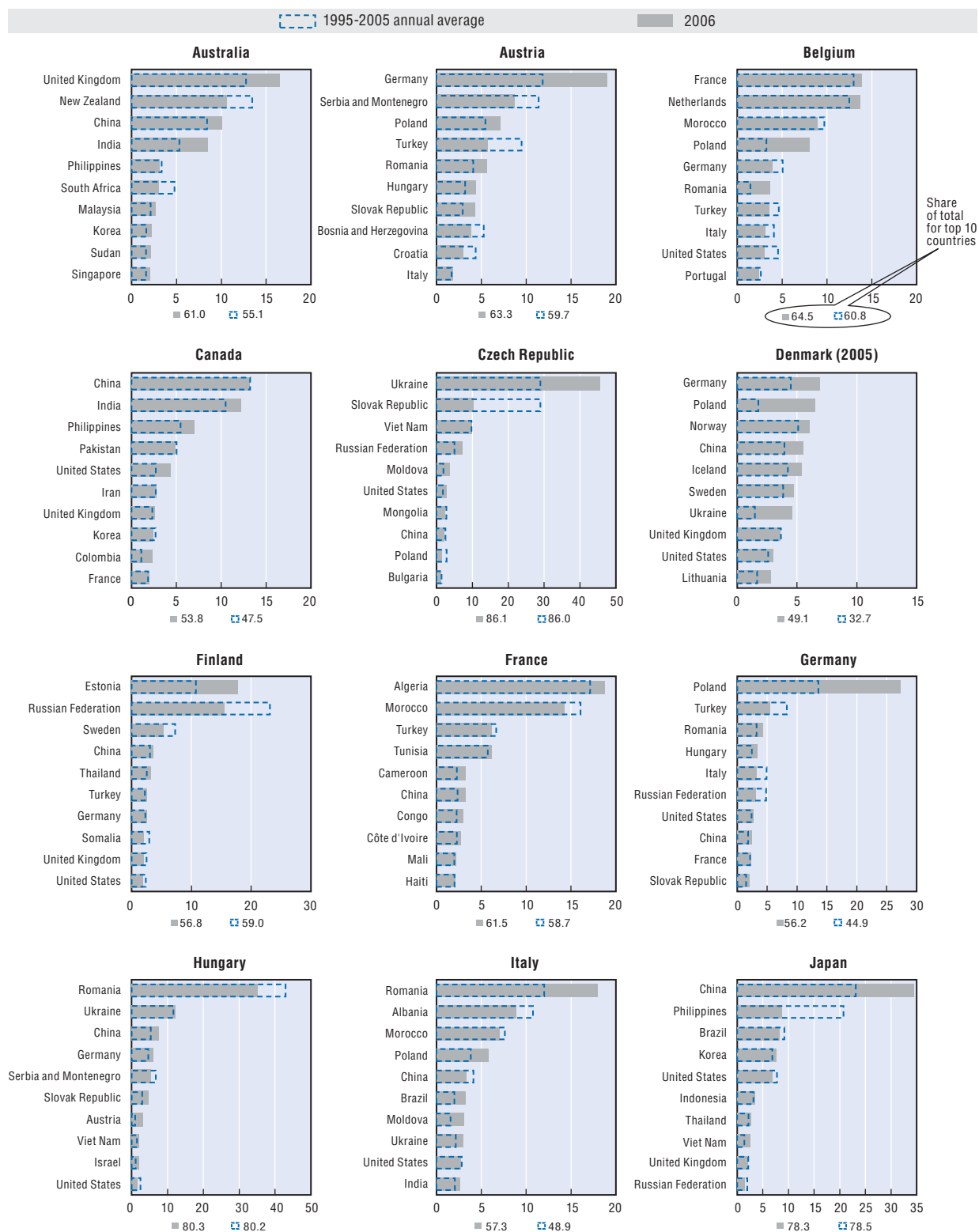
StatLink  <http://dx.doi.org/10.1787/427042672738>

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**

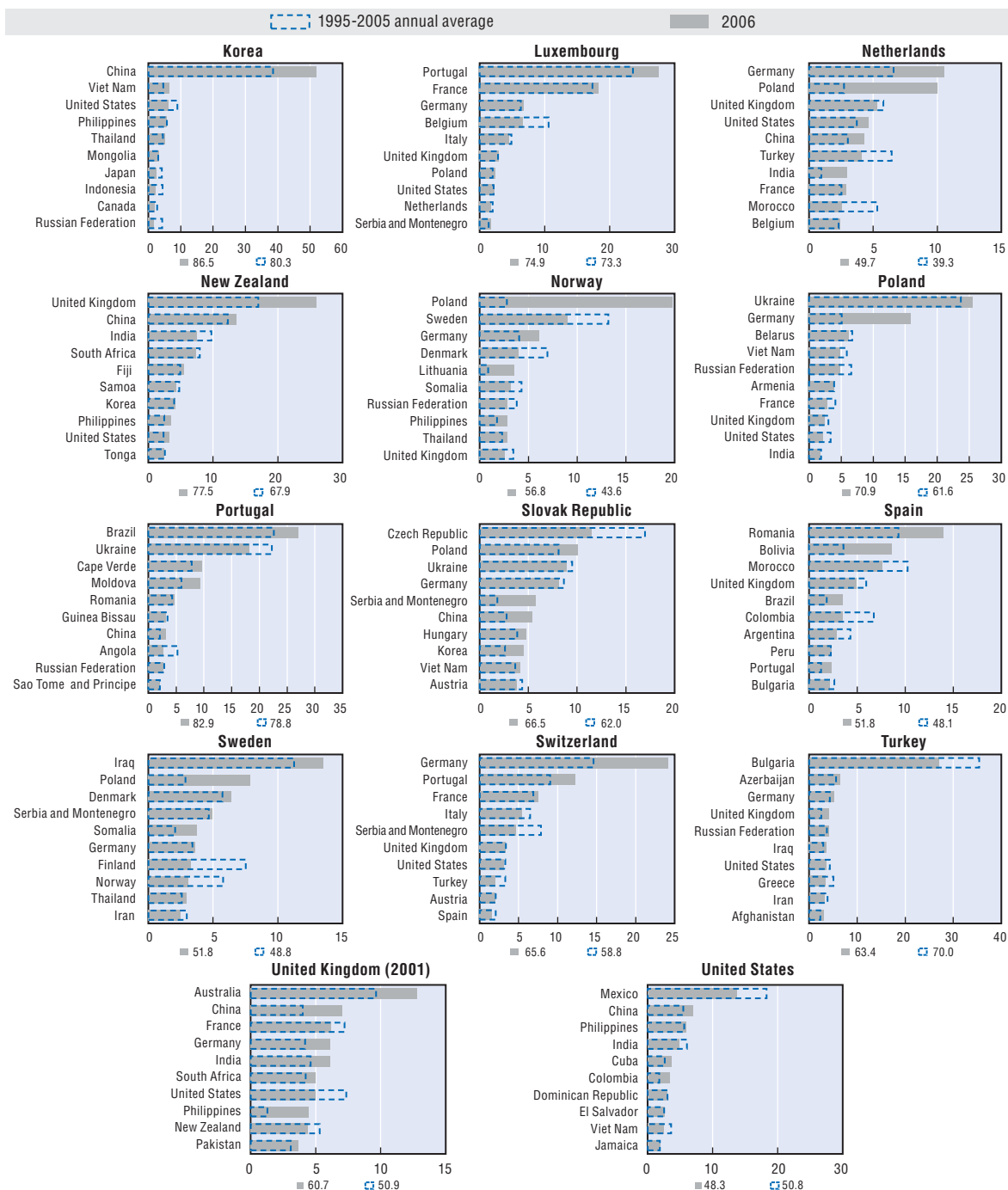
2006 top ten countries of origin as a % of total inflows¹



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 inflows¹



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

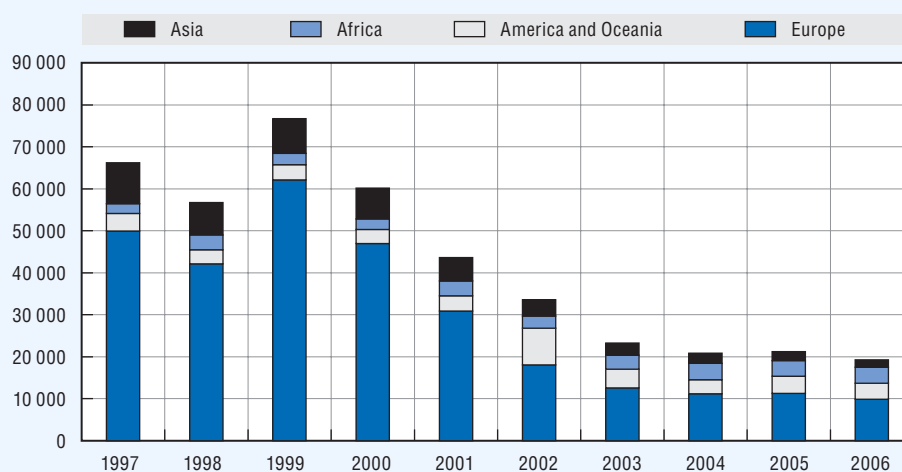
Israel

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.

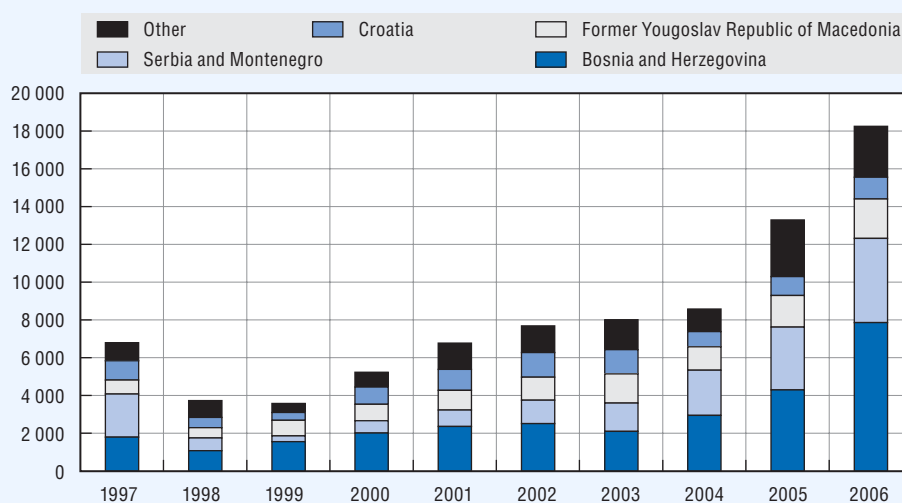
Since 2005 international migration flows to Slovenia have intensified. In 2006 almost 2.5 times more people immigrated into Slovenia than in 2004 (18 250 foreigners all told). Immigration from Bosnia and Herzegovina (7 900 in 2006) and from Serbia and Montenegro (4 500 also in 2006) has increased steadily 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



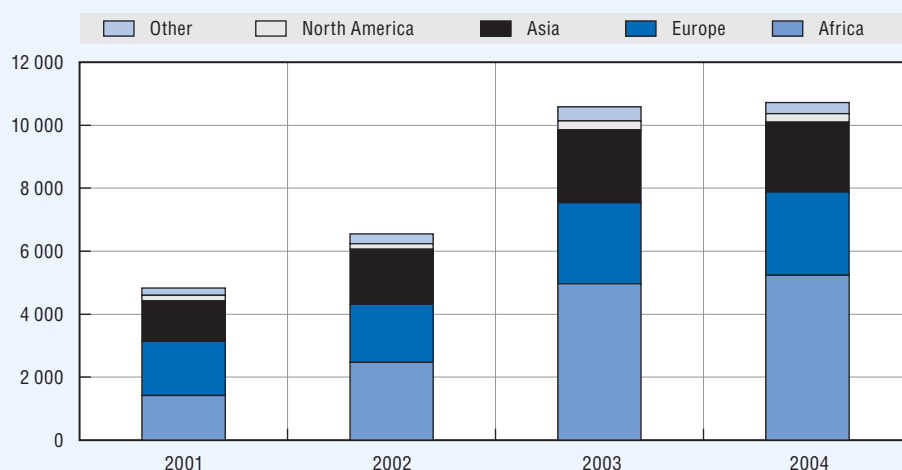
StatLink  <http://dx.doi.org/10.1787/427415143578>

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 |
| OECD (above mentioned countries) | 207 920 | 34 970 | 162 730 | 596 140 | 72 300 | 543 780 | 2 042 730 | 1 950 220 | 342 480 | 350 660 | 67 883 910 |

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 |
| All categories | 2 180 | 2 360 | 2 401 | 2 498 | 100 |
| | | | | | 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 |
| All countries | 2 180 | 2 360 | 2 401 | 2 498 | 2.6 |
| Annual change (%) | 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) 2006 |
|-----------------|---------------------------------------|-----------|-----------|----------------------|--|---|
| | 2000 | 2005 | 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 |
| Total | 100 | 58 | 53 | 282 600 | 264 | Iraq 8 |

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

Source: UNHCR database (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.⁶ 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 | | | | |
| OECD countries | | | | | | | | |
| Australia ¹ | 17.3 | 17.8 | 20.6 | 28.3 | 167 | 106 | 211 300 | 177 000 |
| Austria ^{1, 3} | 11.0 | 15.4 | 14.1 | 20.2 | 114 | 102 | 34 500 | 27 000 |
| Belgium ¹ | 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 ¹ | 4.4 | 6.9 | 7.5 | 18.5 | 135 | 102 | 17 400 | 10 300 |
| Finland ^{2, 3} | 3.6 | 7.3 | 2.8 | 7.3 | 152 | 107 | 8 400 | 11 000 |
| France ^{1, 5} | 10.8 | 34.4 | n.a. | n.a. | 173 | 100 | 236 500 | 236 500 |
| Germany ² | n.a. | n.a. | 11.5 | n.a. | 139 | 100 | 259 800 | 204 600 |
| Greece ^{1, 3} | 0.4 | n.a. | 2.4 | n.a. | 182 | 109 | 15 700 | n.a. |
| Hungary ¹ | 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 ^{2, 5} | 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 ¹ | 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 ³ | 4.7 | n.a. | 5.6 | n.a. | 225 | 149 | 31 600 | 26 400 |
| New Zealand ¹ | 17.0 | 16.6 | 28.9 | 38.3 | 845 | 101 | 69 400 | 40 800 |
| Norway ¹ | 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 ¹ | 0.9 | 0.7 | 0.9 | 0.8 | 107 | 102 | 1 700 | 1 600 |
| Spain ^{1, 3} | 1.0 | 7.6 | 2.5 | 18.9 | 112 | 109 | 45 600 | 17 700 |
| Sweden ¹ | 4.4 | n.a. | 9.2 | 20.3 | 154 | 108 | 39 300 | 18 900 |
| Switzerland ^{2, 3} | 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 ¹ | 13.9 | 40.0 | 17.3 | 41.4 | 143 | 108 | 394 600 | 318 400 |
| United States ^{1, 5} | 3.4 | 24.1 | n.a. | n.a. | 124 | 103 | 590 200 | 590 200 |
| OECD total | 6.7 | 16.5 | 7.6 | 17.5 | 149 | 105 | 2 318 400 | 1 982 700 |
| OECD total for common countries | | | | | | | 1 338 300 | 1 032 100 |

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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.

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.

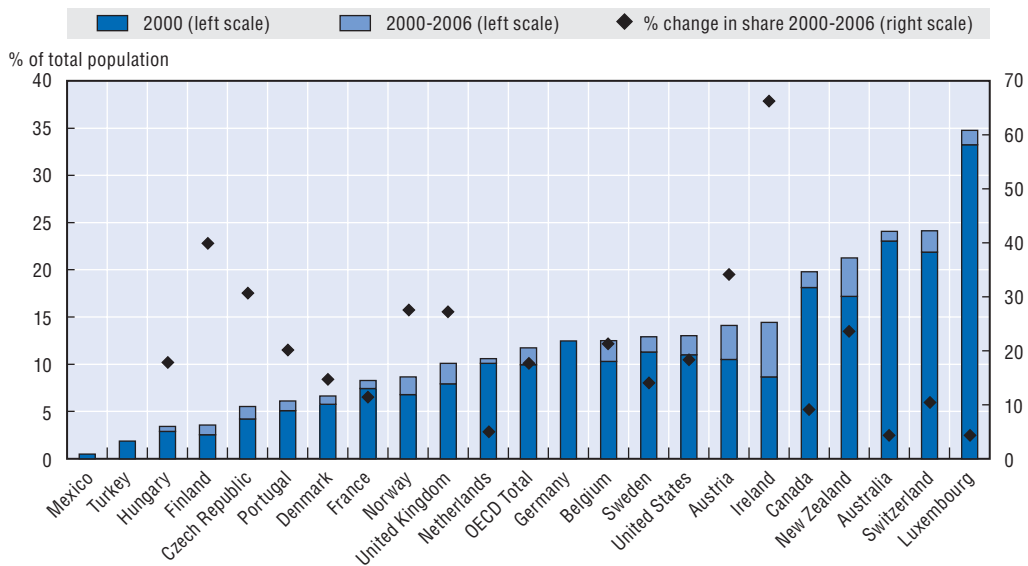
Although international students are a potential source of highly skilled labour migrants for OECD countries, there is no systematic data as yet on stay rates. Results from a number of countries suggest that at best 15-20% of graduates may be staying on (OECD, 2007a), with differences by country of origin. 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.⁷

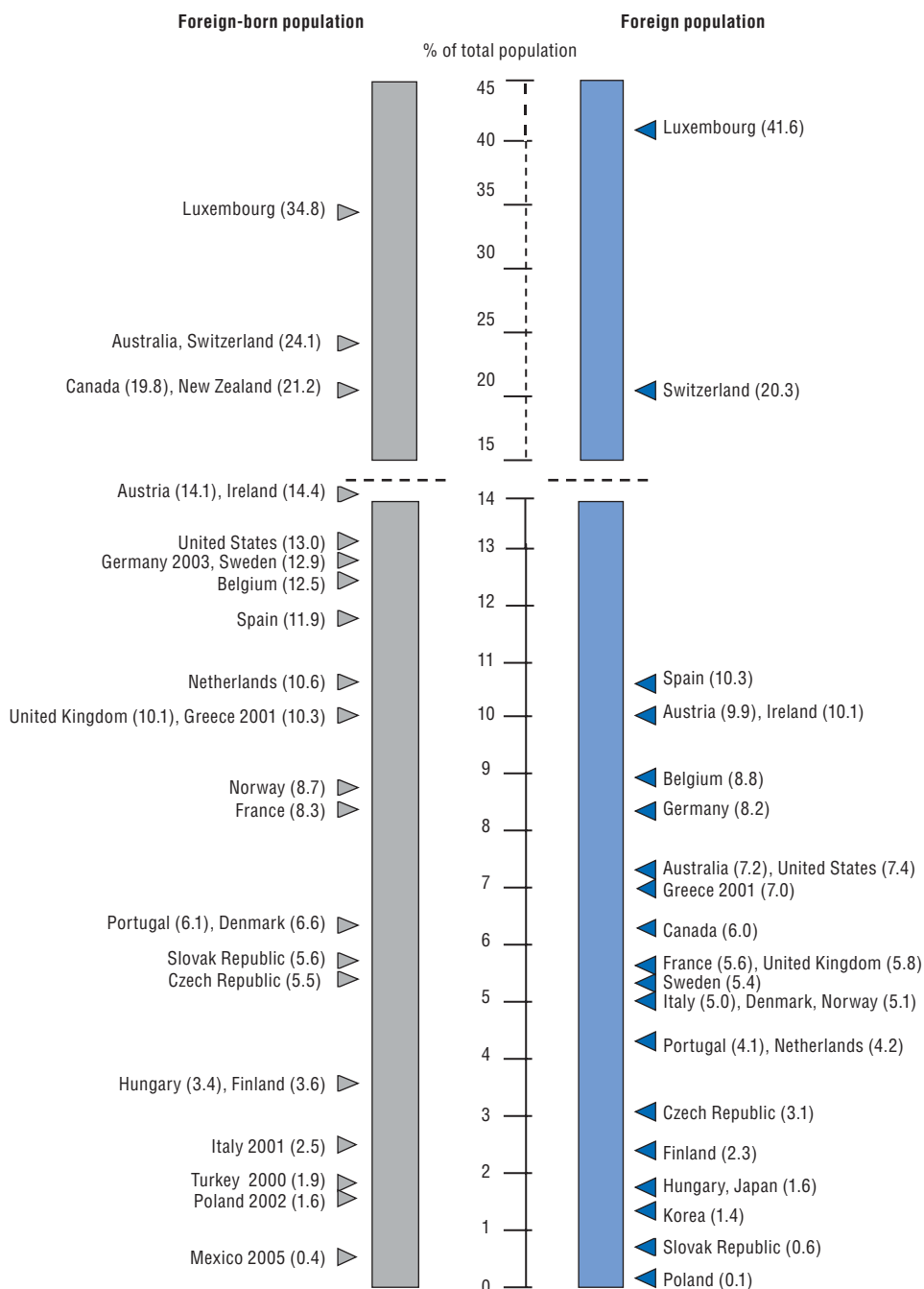
Future prospects for the working-age population in OECD countries at current migration levels

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.⁸ This reflects a fairly typical net migration age distribution.

Chart I.6. **Stock of foreign and foreign-born populations in selected OECD countries, 2006¹**

Percentage of total population



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.

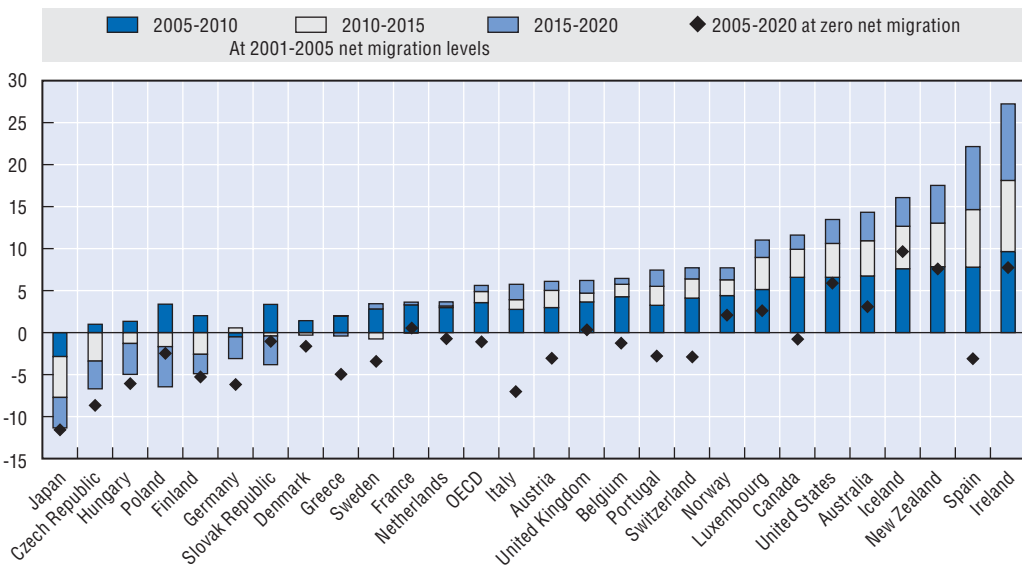
Foreign population: please refer to the metadata for Table A.1.5. of the Statistical Annex.

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 |
| All countries | 25.3 | n.a. | n.a. |
| Correlation with percentage of tertiary-educated immigrants | 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.⁹ 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.¹⁰ 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.

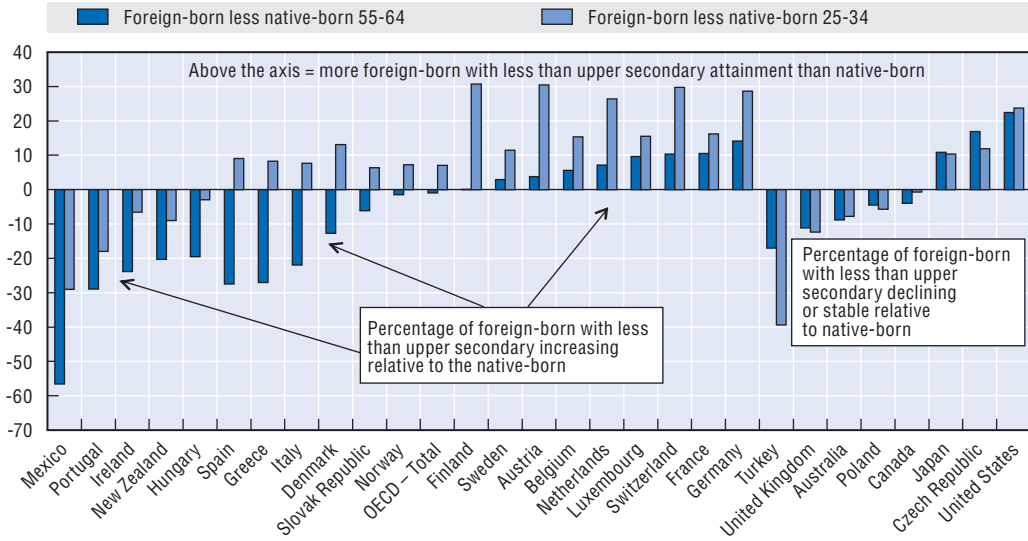
This is not ideal, since an immigrant cohort arriving in a particular year will include persons of all age groups, young and old, even if immigrants tend to be concentrated in the younger prime-age groups. Comparisons of the educational attainment of different age cohorts will thus involve persons of 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.¹¹

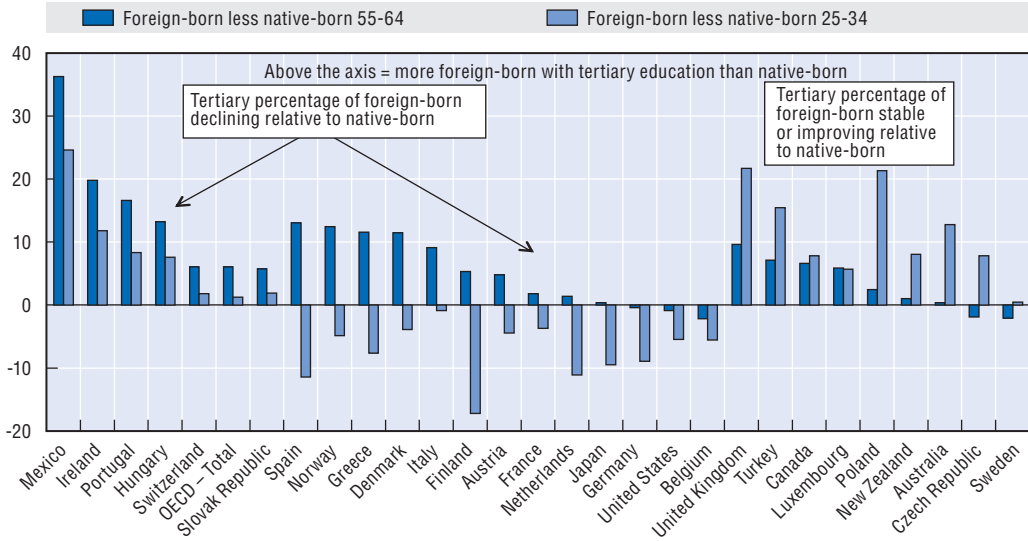
With the improvement in educational attainment levels in all countries, the attainment of both native-born and foreign-born persons can be expected to improve at younger ages. The question is whether or not the progress of immigrants with decreasing age is faster or slower than for the native-born. There 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.

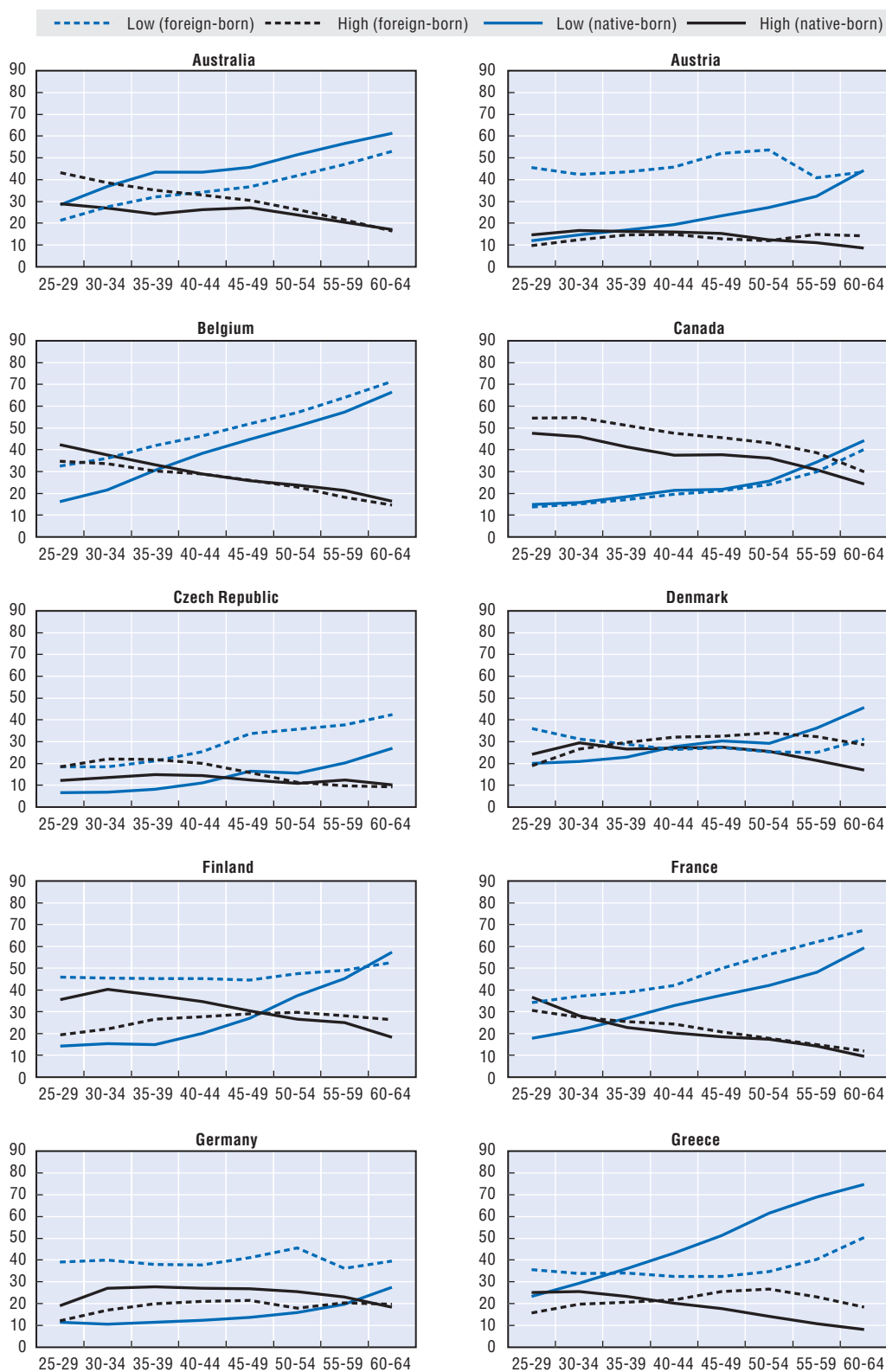
Why this should be so is not entirely clear. The declining education of immigrants relative to the native-born population has been documented for the United States (Borjas, Freeman and Katz, 1997), where it largely reflects the impact of movements from Latin America, in particular Mexico. If one excludes 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

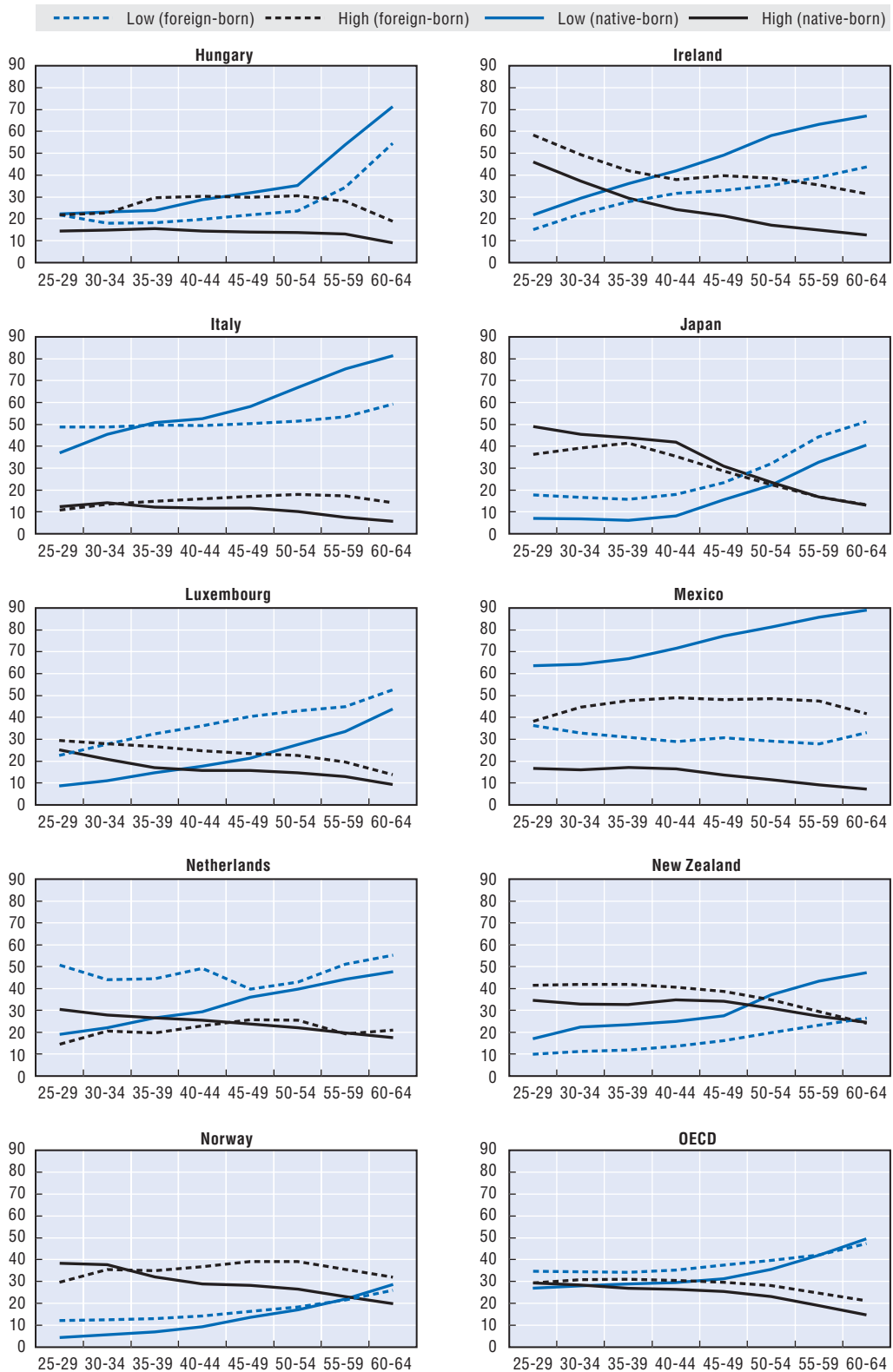
Turkey. However, this is not the case for Mexican expatriates. Thus the situation is likely to vary across origin countries and the trend towards declining educational attainment among immigrants relative to the native-born may reflect more the strong progress recorded in educational levels in OECD countries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

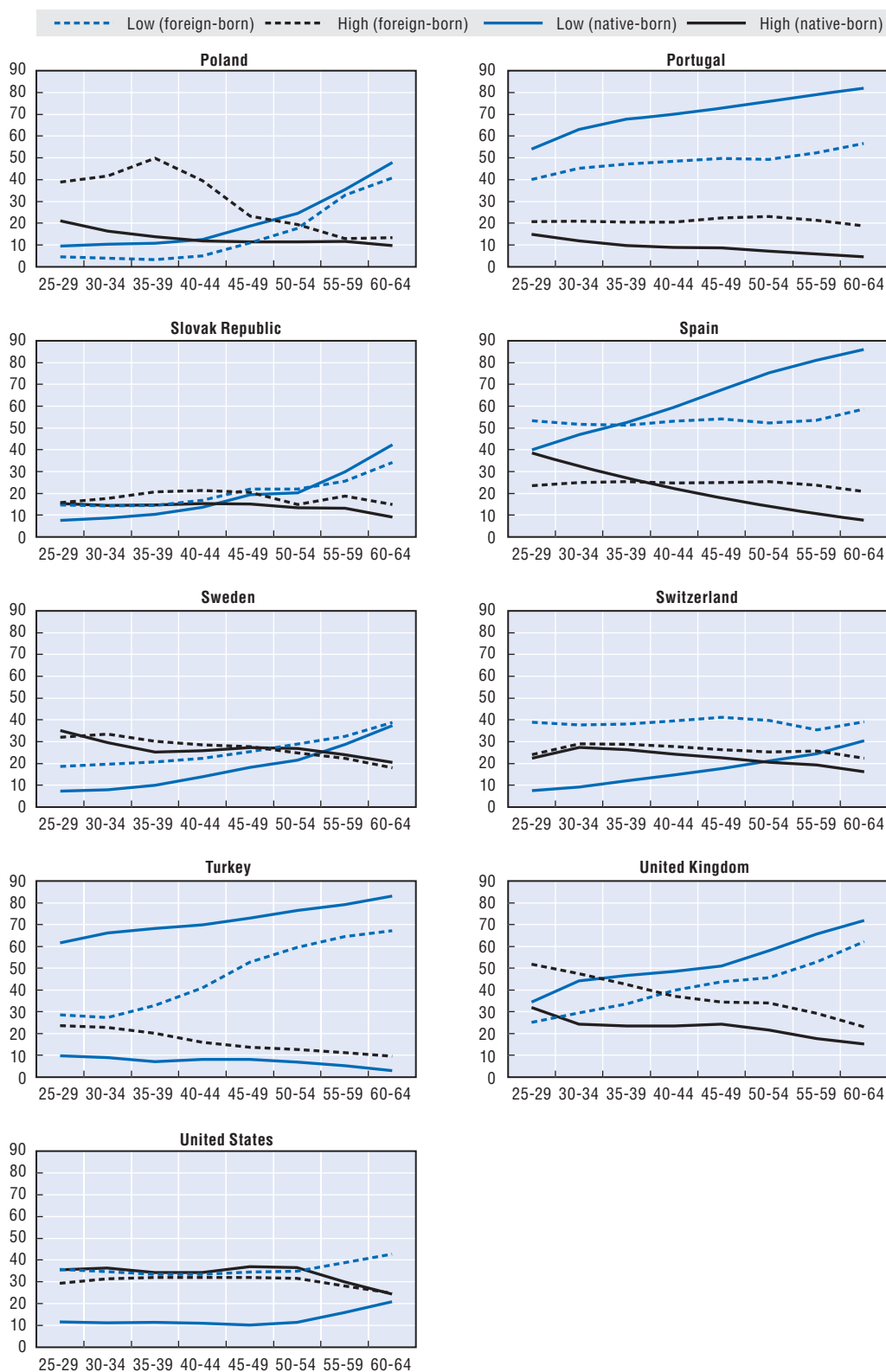

In any event, it seems unlikely that with labour shortages developing ostensibly in lesser skilled occupations in most countries, educational levels of future immigrants will reverse the general trend towards immigrants who are relatively less educated than the native-born, even if they are more educated 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**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>

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).

LIST OF SOPEMI CORRESPONDENTS

| | |
|-----------------------|---|
| AUSTRALIA | Ms. M-J. JONES Department of Immigration and Multicultural Affairs, Canberra |
| AUSTRIA | Ms. G. BIFFL Austrian Economic Institute, Vienna |
| BELGIUM | Ms. A. GEYSELS Service public fédéral Emploi, Travail et Concertation sociale, Brussels |
| BULGARIA | Ms. D. BOBEVA Bulgarian National Bank, Sofia |
| CANADA | Ms. M. JUSTUS Citizenship and Immigration Canada, Ottawa |
| CZECH REPUBLIC | Ms. J. MARESOVA Czech Statistical Office, Prague |
| DENMARK | Ms. M. WICHMANN BERKOWITZ Ministry of Refugee, Immigration and Integration Affairs, Copenhagen |
| FINLAND | Ms. A. SAARTO Ministry of Labour, Helsinki |
| FRANCE | Ms. C. REGNARD Ministère de l'Immigration, de l'Intégration, de l'Identité nationale et du Développement solidaire, Paris |
| GERMANY | Ms. B. FRÖHLICH Ministry of Labour and Social Affairs, Berlin |
| GREECE | Mr. S. ROBOLIS University of Athens |
| HUNGARY | Ms. V. ÁCS Ministry of Social Affairs and Labour, Budapest |
| IRELAND | Mr. P. O'CONNELL The Economic and Social Research Institute, Dublin |
| ITALY | Ms. C. COLLICELLI CENSIS, Rome |
| JAPAN | Mr. J. HIROISHI Ministry of Justice, Tokyo Mr. T. OGATA Ministry of Health, Labour and Welfare, Tokyo |
| KOREA | Mr. Young-bum PARK Hansung University, Seoul |
| LITHUANIA | Ms. A. SIPAVIČIENE Vilnius |

| | |
|------------------------|---|
| LUXEMBOURG | Ms. C. MARTIN Commissaire du Gouvernement aux Étrangers |
| MEXICO | Mr. G. MOHAR Ministry of the Interior, Mexico |
| NETHERLANDS | Mr. G. ENGENSEN and Mr. E. SNEL Erasmus University, Rotterdam |
| NEW ZEALAND | Ms. M. ADAMS Department of Labour, Wellington |
| NORWAY | Mr. E. THORUD Royal Ministry of Local Government and Labour, Oslo |
| POLAND | Ms E. KEPINSKA University of Warsaw, Institute for Social Studies |
| PORTUGAL | Mr. J. MALHEIROS University of Lisbon |
| ROMANIA | Mr. D. GHEORGHIU National Institute for Statistics and Economic Studies, Bucarest |
| SLOVAK REPUBLIC | Ms. M. LUBYOVA Bratislava |
| SPAIN | Mr. A. IZQUIERDO ESCRIBANO Faculté des Sciences politiques et de sociologie, La Coruna |
| SWEDEN | Mr. M. HAGOS Ministry of Justice, Stockholm |
| SWITZERLAND | Ms. C. de COULON Federal Office of Migration, Berne |
| TURKEY | Mr. A. ICDUYGU Koç University, Istanbul |
| UNITED KINGDOM | Mr. J. SALT University College London, Department of Geography, London |
| UNITED STATES | MS. S. SMITH Washington |

LIST OF OECD SECRETARIAT MEMBERS INVOLVED IN THE PREPARATION OF THIS REPORT

Division of Non-member Economies and International Migration Division

Jean-Pierre Garson, Head of Division
Georges Lemaître, Principal Administrator
Jean-Christophe Dumont, Principal Administrator
Thomas Liebig, Administrator
Jonathan Chaloff, Administrator
Gilles Spielvogel, Administrator
Pauline Fron, Statistical Assistant
Olivier Chatal, Statistical Assistant
Sylviane Yvron, Assistant
Anne-Marie Gray, Assistant
Amanda Sudic, Assistant
Claire André, Trainee
Ekrame Boubtane, Trainee
Iris Kesternich, Trainee

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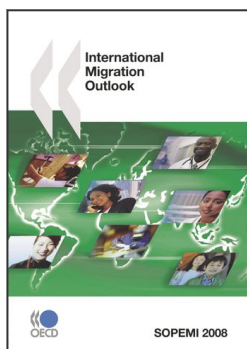
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