



International Migration and the Economic Crisis: Understanding the links and shaping policy responses

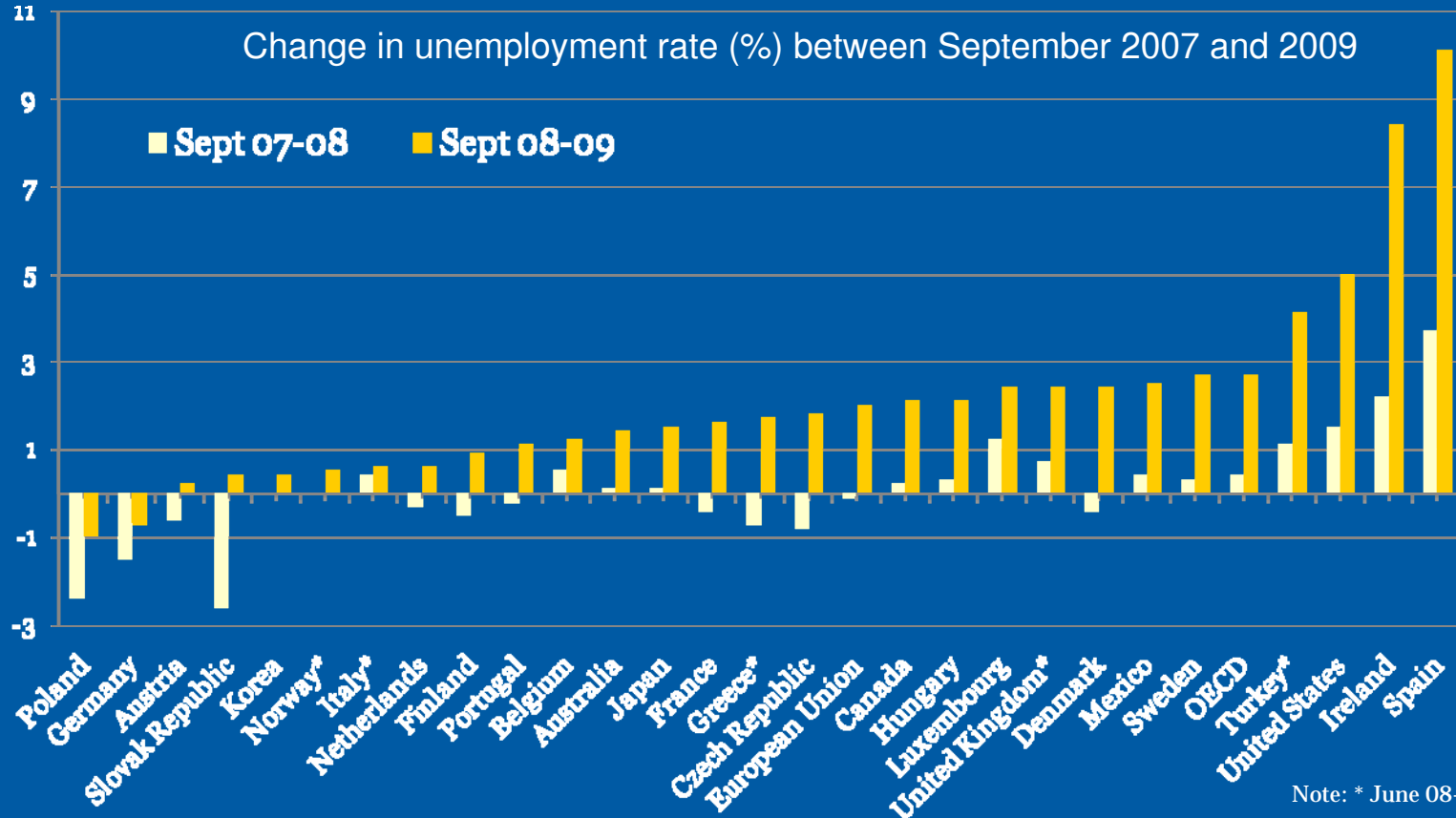
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Impact on labour market outcomes of immigrants

- The economic crisis has adverse effects on the labour market



- ... and challenges the progress recently achieved in terms of labour market outcomes of immigrants in most OECD countries.

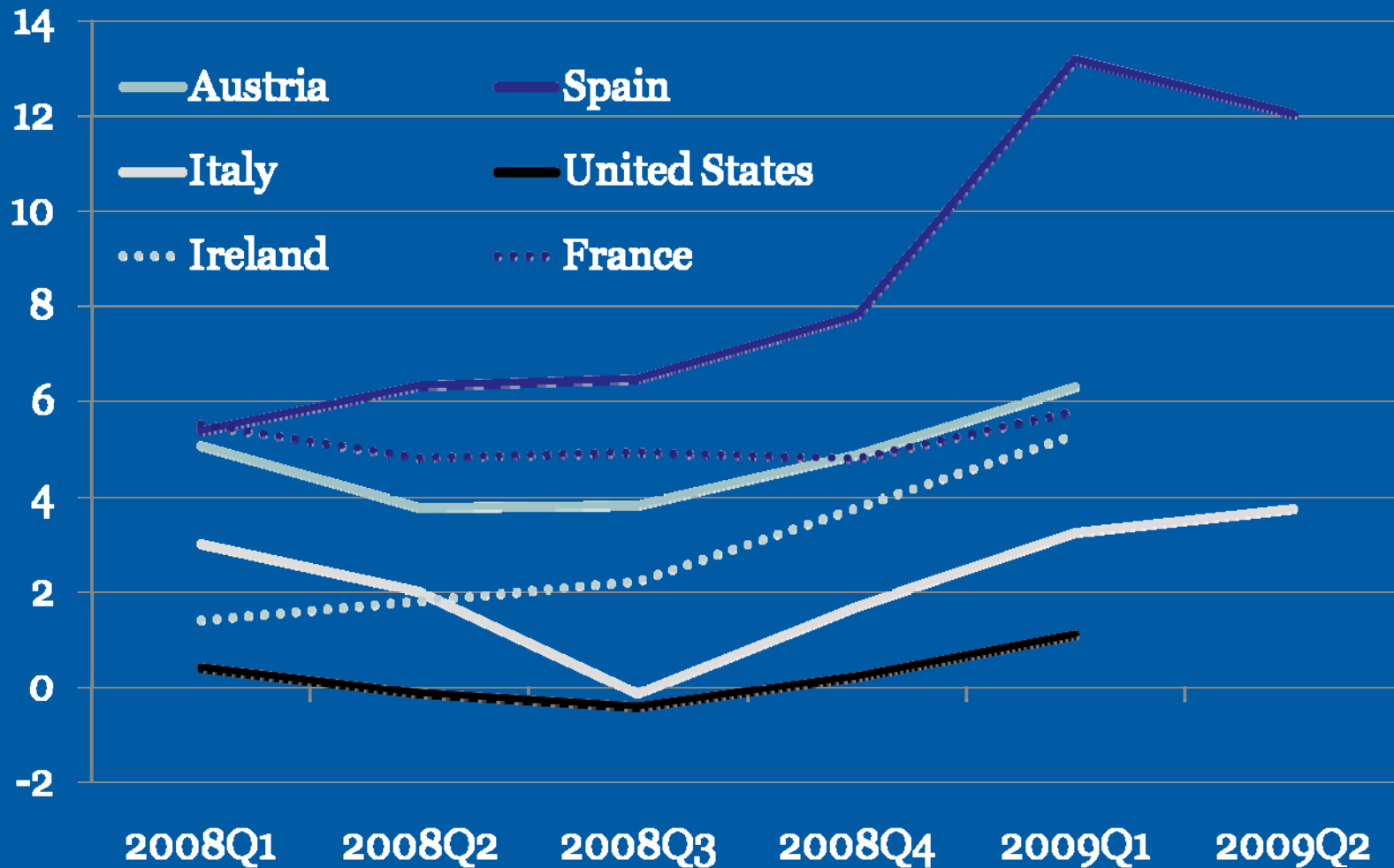


Migrants suffer more in the downturn...

- Evidence from past experience and from countries which have been hit first by the current economic crisis show that migrant workers are more vulnerable to economic shocks.
 - Migrant workers tend to be concentrated in sectors which are more sensitive to business cycle fluctuations;
 - Migrant workers have on average less secure contractual arrangements;
 - Migrant workers may be subject to selective layoffs.

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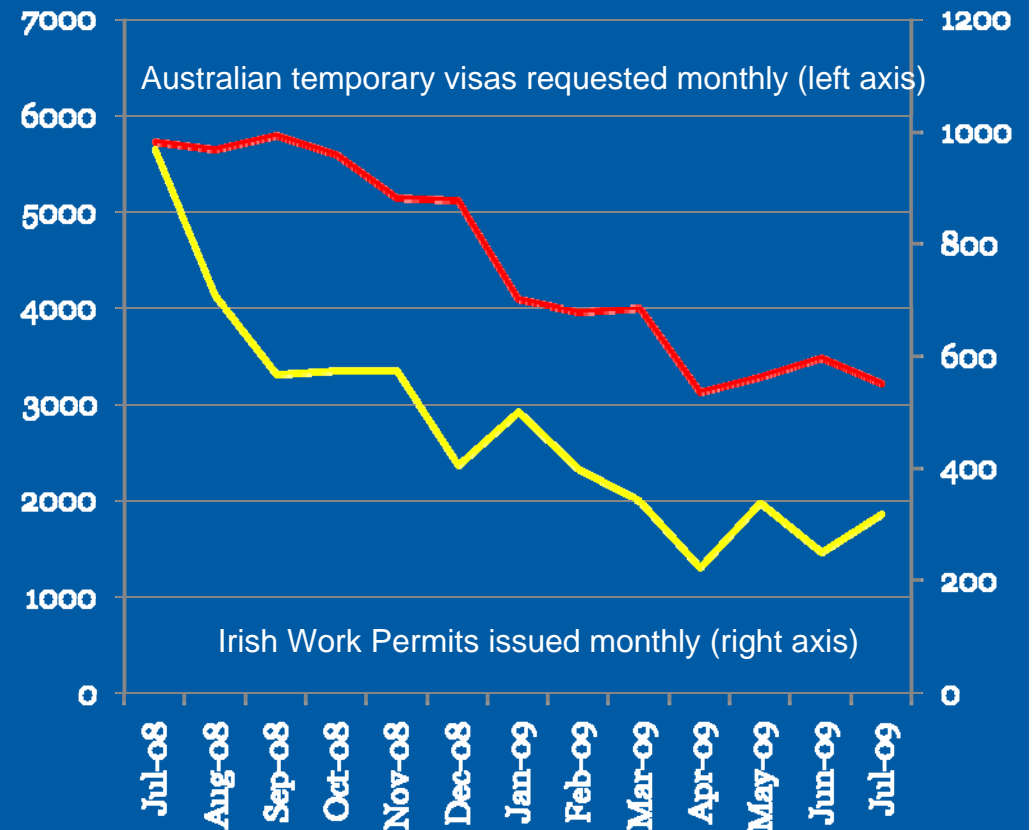
Unemployment among immigrants: how much higher (in % points) is it?



Source: OECD International Migration database, foreign born, except Italy (IFL, foreigners); USA (CPS); Spain (EPA)

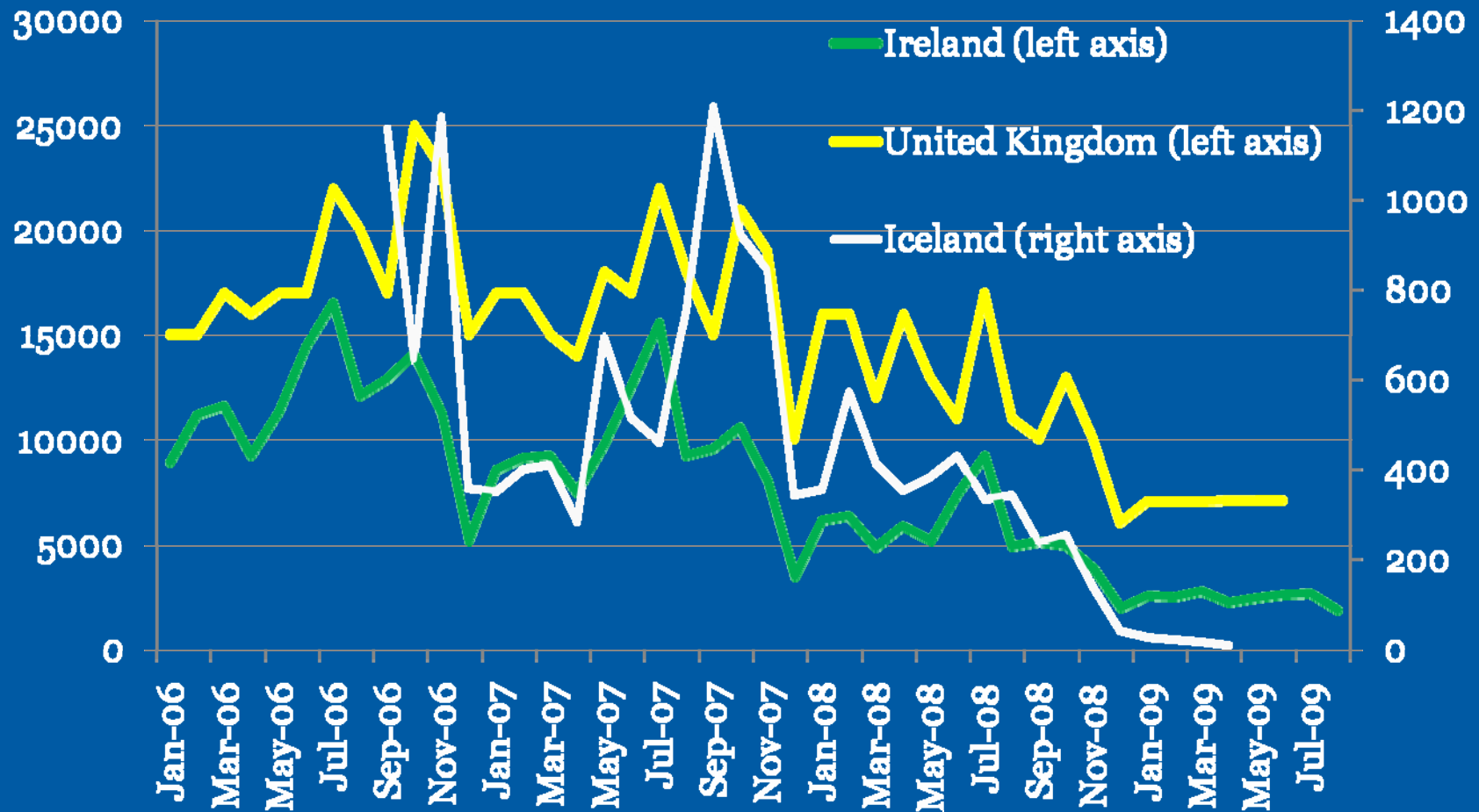
Lower labour migration flows

- Some countries show signs of a decline in temporary labour migration
- But little evidence of return migration, except between some countries within the European Union.



Not all labour needs disappear during a downturn and even, in the short term, it is unlikely that labour migration will entirely cease.

EU Free movement declines...



Source: PPS numbers (Ireland); WRS registrations (UK), average for Q2/2009; Ministry of Labour (Iceland)

...and policy changes

In the current context, because of changing labour market needs and increasing pressure from public opinion, several OECD countries have already taken action to curb migration flows.

- The main brake on labour migration is demand
- Numerical limits for temporary migration have been lowered (Korea, Italy, Spain)
- Shortage occupation lists have been reduced and labour market tests reinforced (UK, Spain, Canada, Australia)
- Temporary permits may be more difficult to renew
- Non-discretionary flows have been subjected to some new limits
- New voluntary return migration programmes have been developed

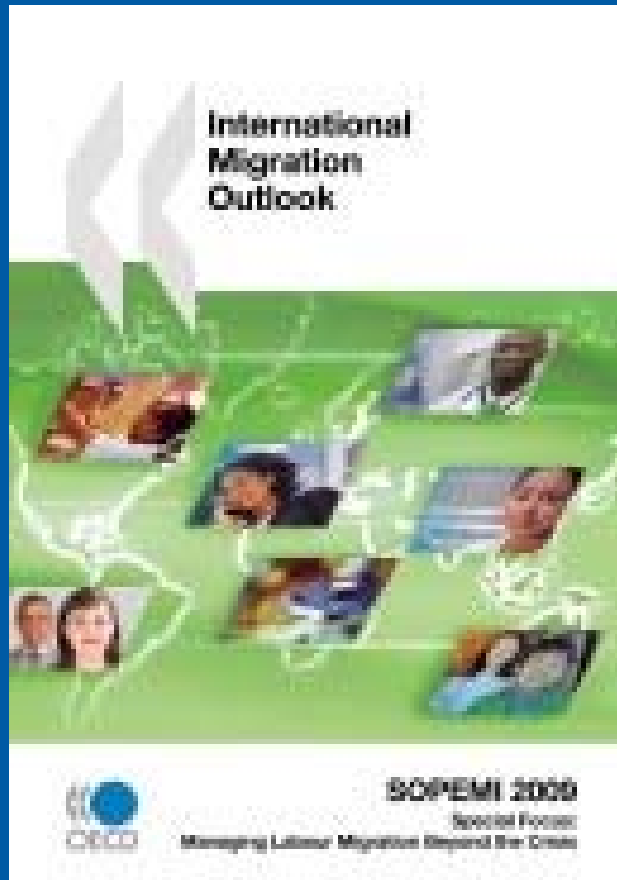
Medium and long-term consequences

- Expected impacts on composition of migration flows
 - Family reunification: *Where family reunification is subject to income limits, it might be delayed during periods of unfavourable labour market conditions.*
 - Humanitarian flows: *Other factors may be more important but there may be an increasing risk of abuse of the asylum channel.*
 - Irregular migration: *Stock of irregular migrants could increase as some temporary migrants who lose their jobs overstay, but in the meantime, irregular migration flows may decline as job opportunities become scarcer.*
 - Expected impact on the integration of immigrants
 - Recent immigrants
 - Displaced migrant workers

OECD Recommendations

In the current context, OECD governments should consider:

- i) Maintaining, if not strengthening, their integration programmes;
- ii) Reinforcing their effort to fight discrimination in hiring and layoffs;
- iii) Ensuring that active labour market policies reach new entrants into the labour market, including recent immigrants, and workers displaced from declining industries;
- iv) Adapting their temporary labour migration systems so as to be more responsive to short-term economic shocks;
- v) Reducing obstacles to return migration rather than providing financial support through voluntary return-assisted programmes;
- vi) Paying special attention to the economic situation in less developed countries, especially where remittances are significant.



www.oecd.org/els/migration/imo
(English)

www.oecd.org/els/migrations/pmi
(Français)