



The Crisis and its impact on migrant employment and movements

Drawing lessons for the recovery phase

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**EMN Ireland Research Conference
'Labour Market, the Crisis and
Migration'**

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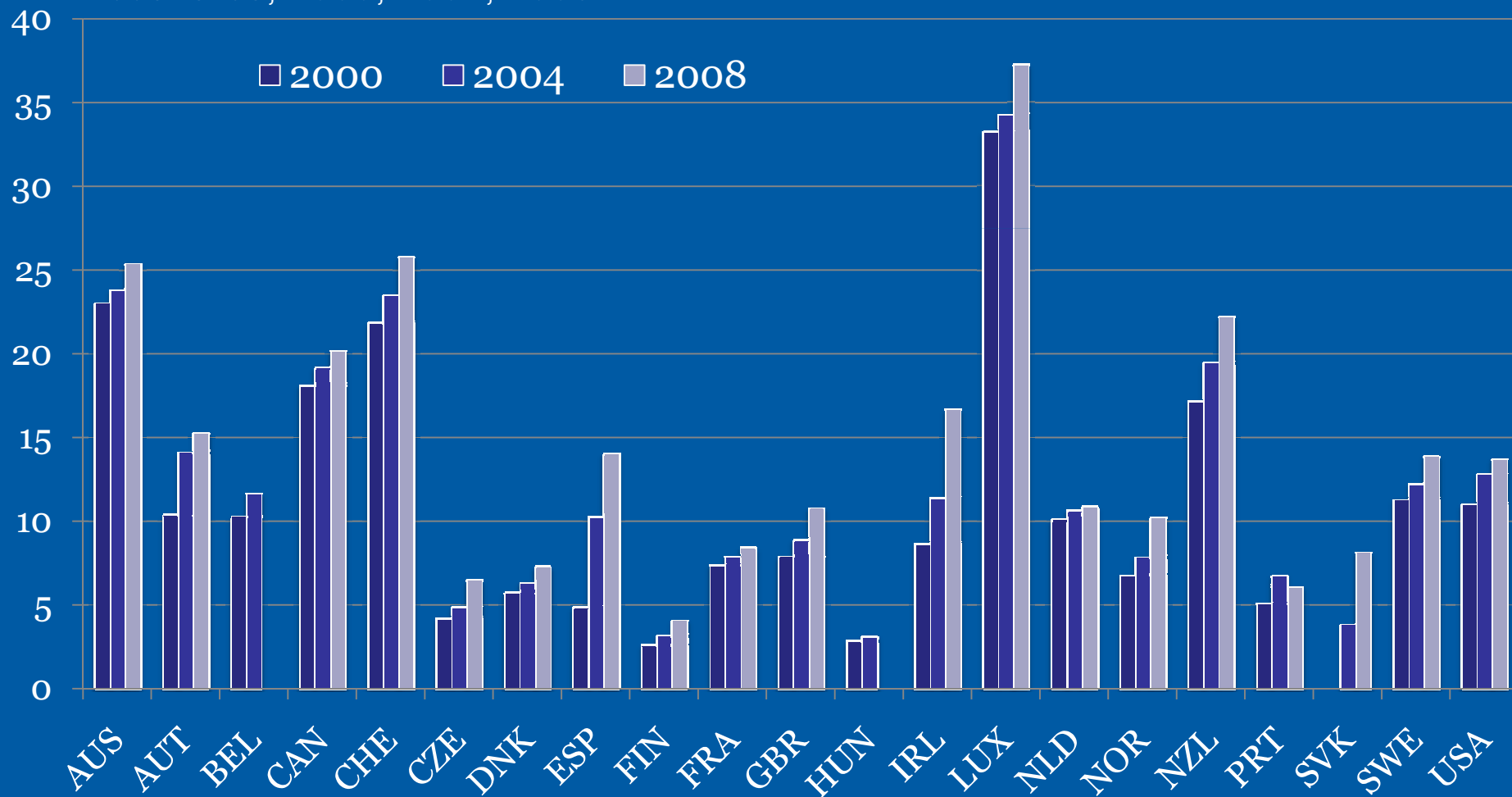
Directorate for Employment, Labour and Social Affairs, OECD

Structure of presentation

1. The crisis and comparative changes in employment/ unemployment
2. Which migrants are most exposed and why ?
3. Policy continuity and changes
4. Impact of the crisis on flows
5. What implications for the recovery?

1. Immigrant population increased significantly prior to the downturn...

Percentage of foreign-born population in total population in selected OECD countries, 2000, 2004, 2008

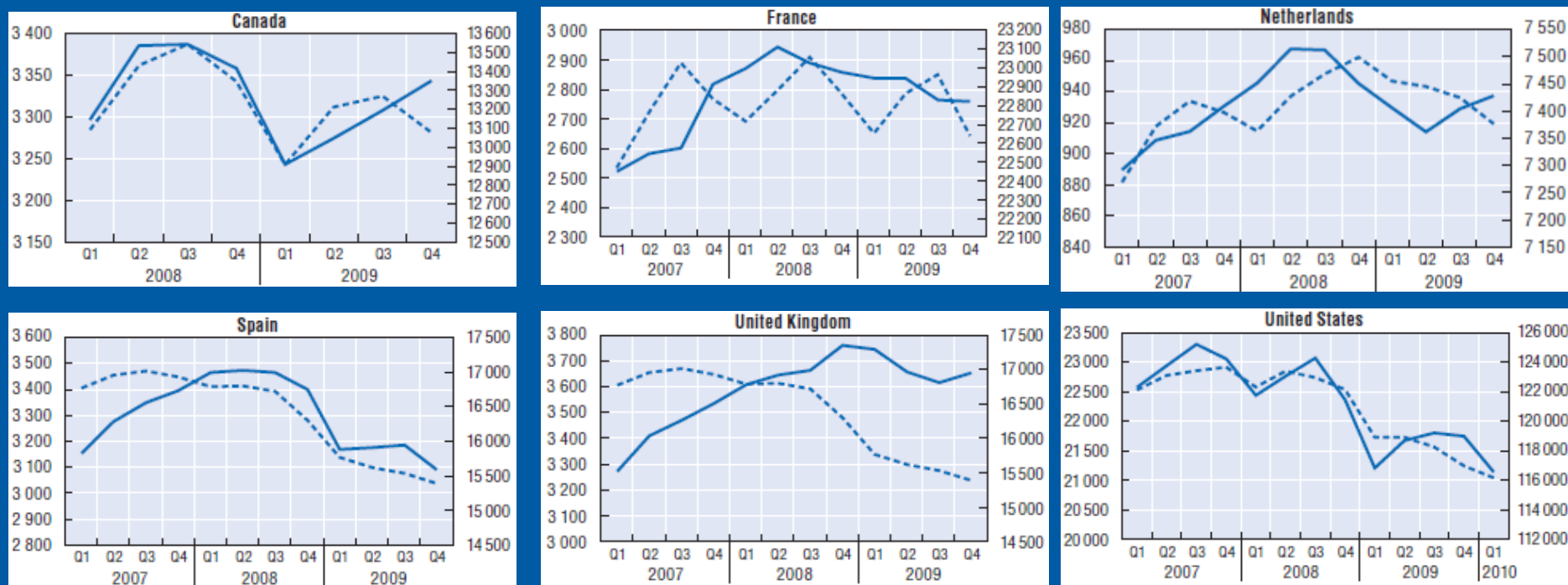


1. Changes in total employment

- A relative **synchronization** of the evolution of foreign-born and native-born employment during the economic crisis.
- 300k jobs were lost for foreign-born workers between Q4 2007 and Q4 2009 in Spain (1.5M for NB); US (-1.3M FB ; -6.7M NB); GBR (-120k FB, -675k NB); FRA (-58k FB, -190k NB)

Quarterly change in native- and foreign-born employment Q1 2007 to Q4 2009

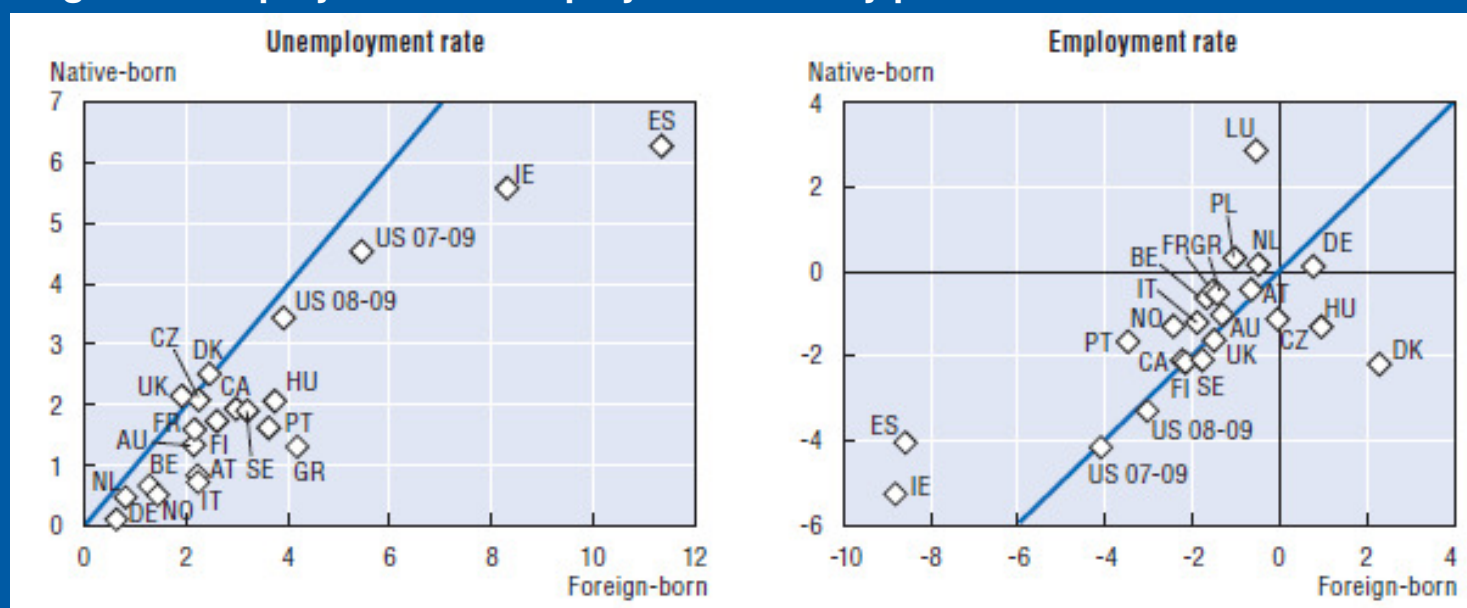
— Foreign-born employment (left-hand axis) - - - - - Native-born employment (right-hand axis)



1. Changes in (un)employment rates

- Between Q1-3 2008 and Q1-3 2009 the unemployment rate of the foreign-born has increased markedly in all OECD countries :
 - +11 % pts in Spain, +8 % pts in Ireland and Iceland, +3.4% pts in the EU-15.
 - In the United States from more than 4.3% to 9.7%.
- Migrants and non-migrants may have responded differently to worsening labour market conditions. The “*added worker effect*” seems to be stronger (and the “*discouraged worker effect*” lower) for migrants than for natives in several countries.

Change in unemployment and employment rates by place of birth between 2008 and 2009





2. Which migrants are most exposed to labour market slack?

- Most of the increase in the gap between native-born and foreign-born unemployment is observed among **foreign-born men**. Migrant women also experienced difficulty, but they are partly protected by their distribution of employment by industry.
- Youth comprise one of the more vulnerable groups during economic downturns, and especially **young migrants**. The difference between native-born and foreign-born youth is smaller in some countries (USA, CAN, AUT, DEU, NLD, NOR) but troublingly wide in many (e.g. DEN, ESP, UK)
- Some migrant groups are more affected by the crisis than others. This is the case notably for **African-born migrants** in most OECD countries including USA, UK and ESP.

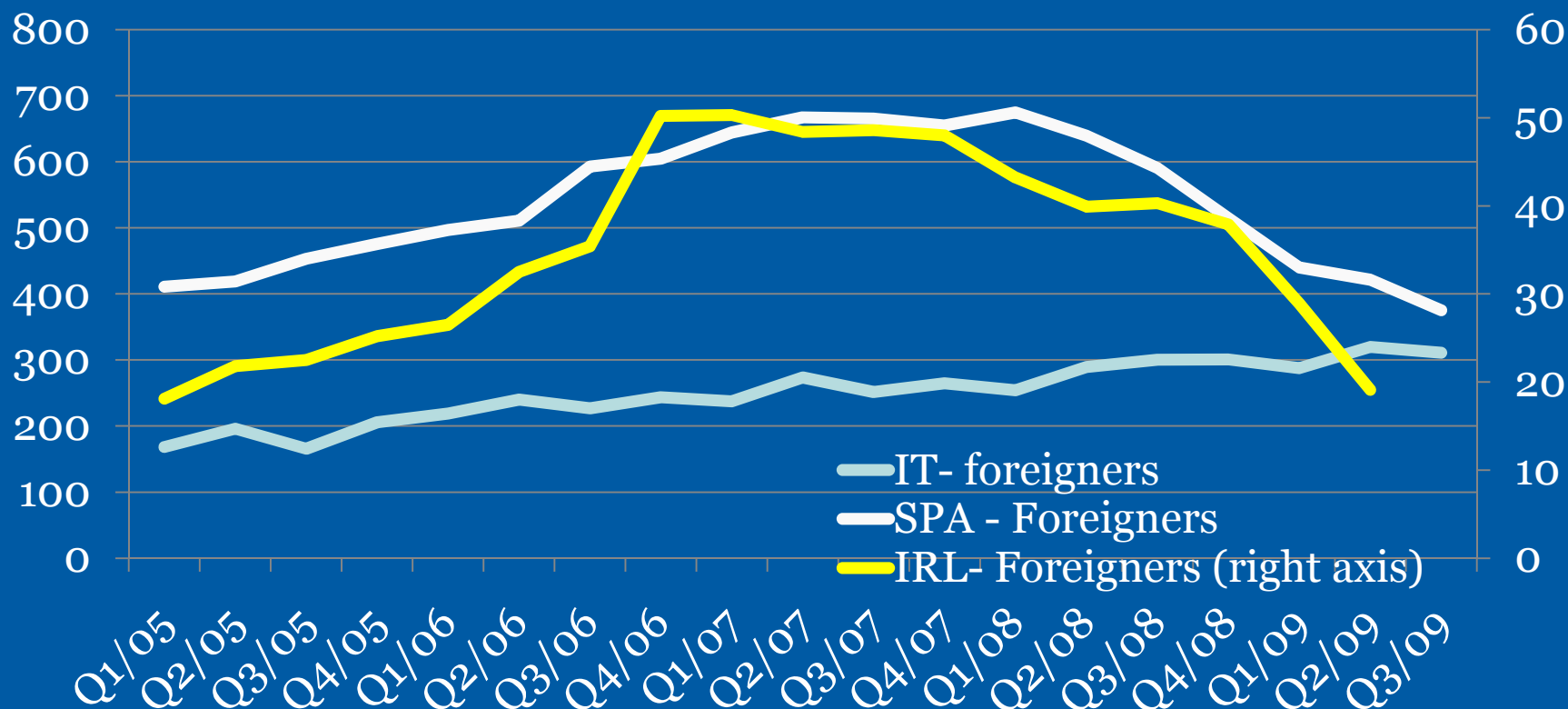
2. Why do migrants suffer more in a downturn?

Migrant workers:

- tend to be concentrated in sectors which are more sensitive to business cycle fluctuations;
- have on average less secure contractual arrangements and are more often in temporary jobs - the first to be in a downturn;
- have on average less job tenure
- may be subject to selective layoffs.

2. But the smaller the bubble, the more the underlying trend is visible...

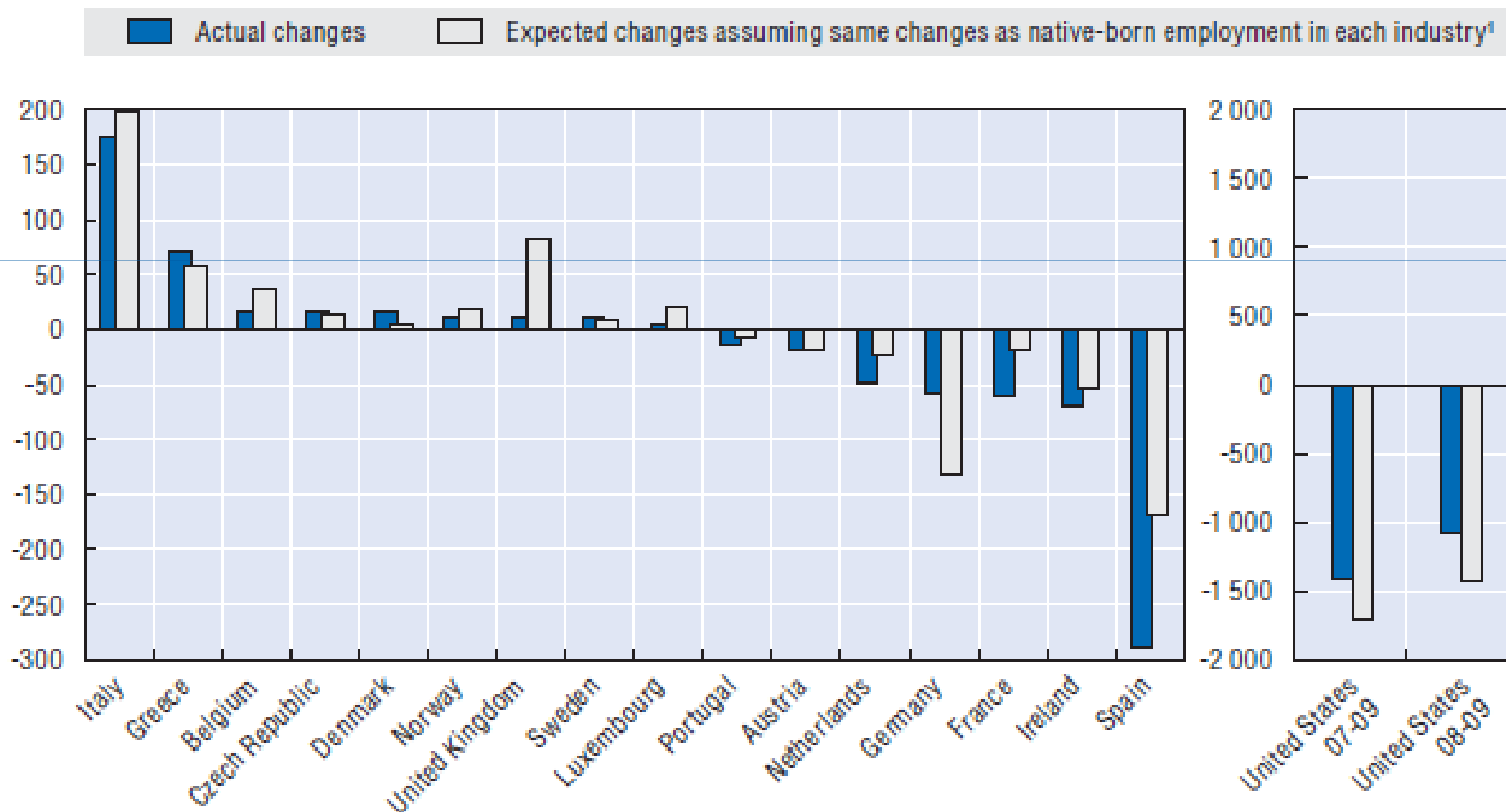
Employment of foreigners in construction, 2005-2009, '000s



Source: National Statistical Offices.

2. Sectoral distribution alone does not explain all the gaps in most countries

Actual and expected changes in employment of immigrants in selected OECD countries between 2008 and 2009. Thousands





3. Automatic policy stabilisers reacted to the crisis

Migration policies have been put to the test by the crisis – and have largely held up well

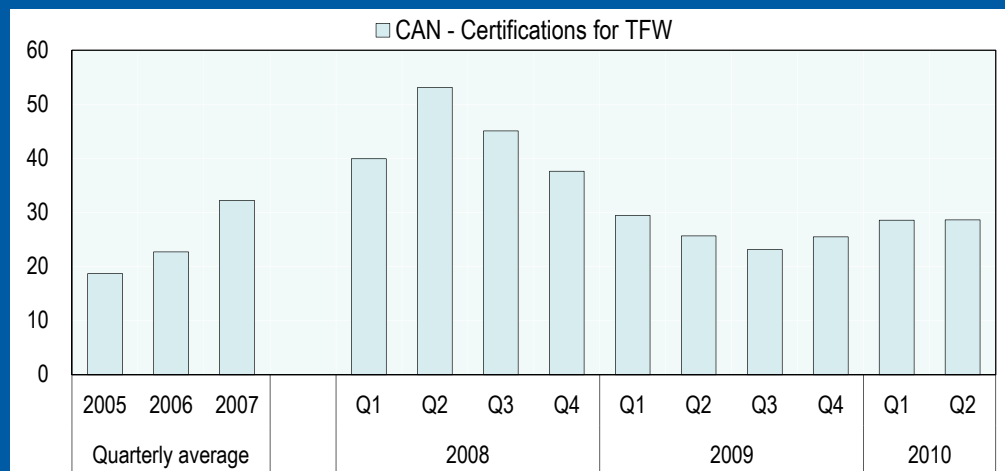
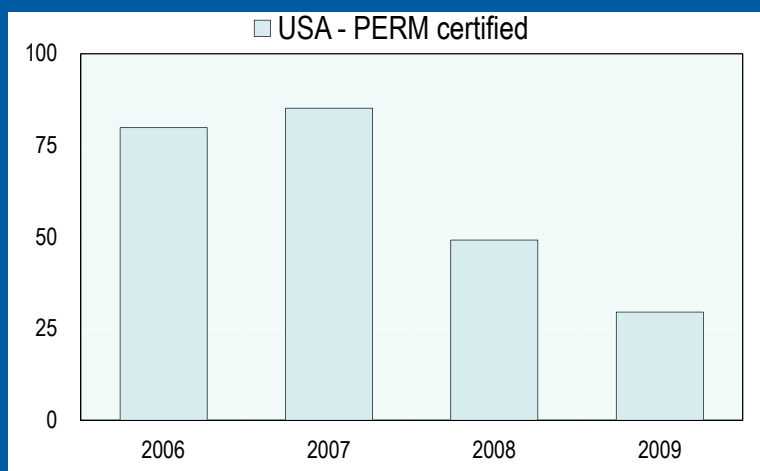
- Lower demand from employers is the main brake, but...
- Numerical limits for temporary migration have been lowered (Korea, Italy, Spain)
- Shortage occupation lists have been reduced and labour market tests reinforced (UK, Spain, Canada, Australia)
- Points and qualifying criteria raised
- Temporary permits may be more difficult to renew
- Non-discretionary flows have been subjected to some new limits
 - Restrictive access to family reunification

3. ... and no major changes were in reaction to the crisis

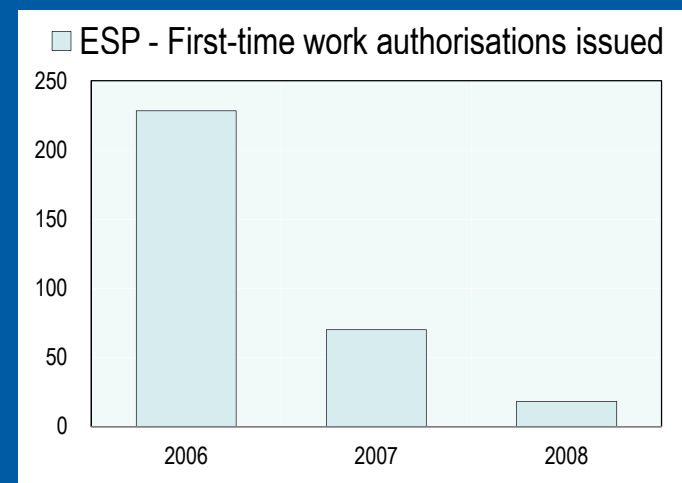
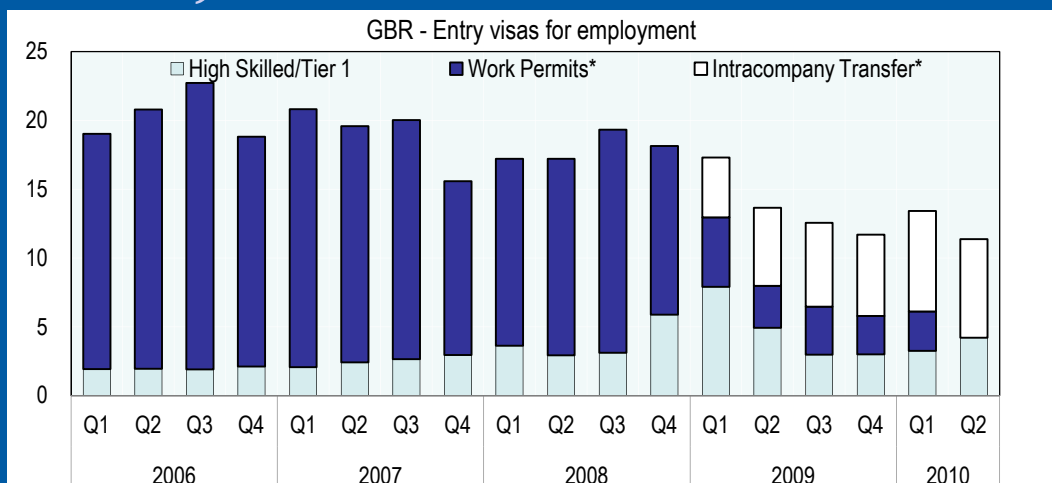
- New policy initiatives were generally related to structural review, rather than specific weakness revealed during the crisis
 - Sweden, Canada, Australia
- Return migration programmes disappointed
 - limited uptake (Spain, Czech Rep., Japan)
- Trend towards demand-driven systems continues
 - Increasing use of “hybrid” admission criteria giving priority to shortage, region- or employer-selected candidates
- ... as does the expansion of programmes for the high-skilled

4. Decelerating flows: less demand for labour migration

- fewer requests (USA) or authorisations (CAN, AUS, NZL)

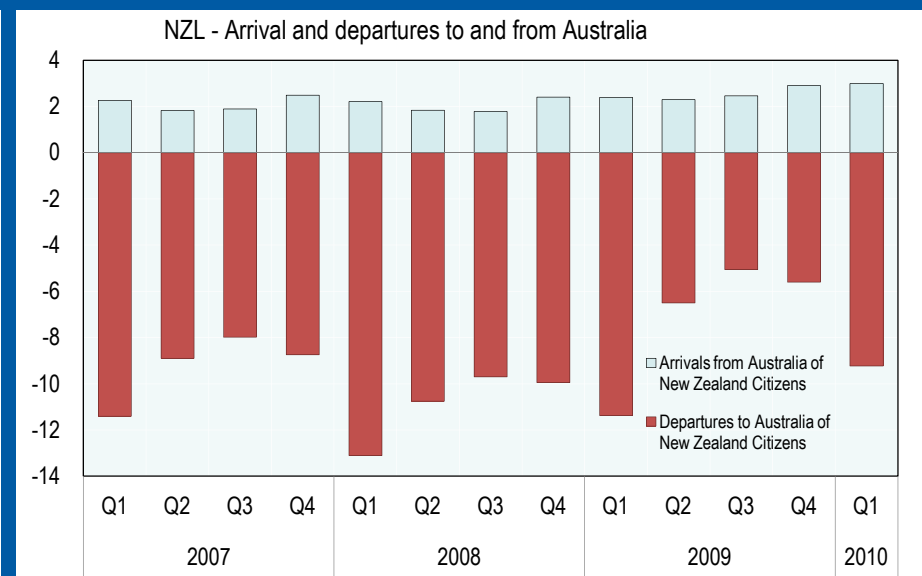
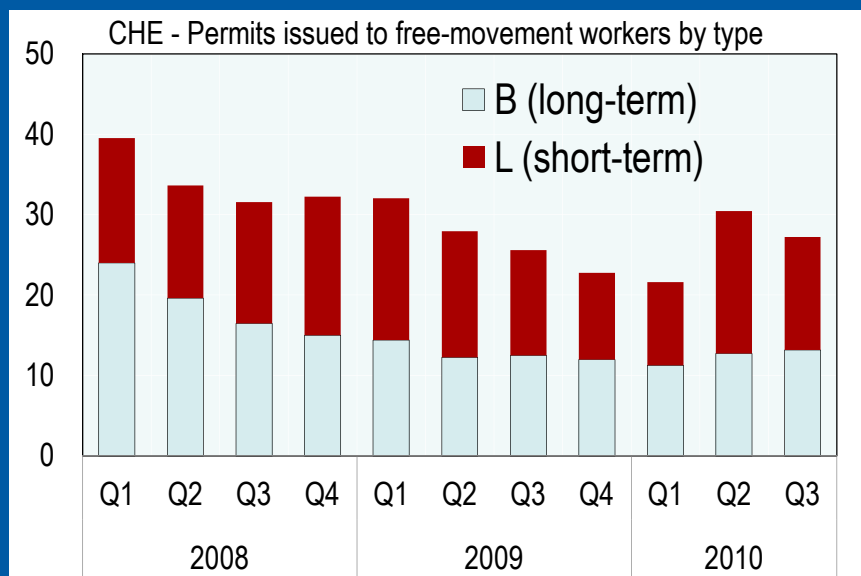
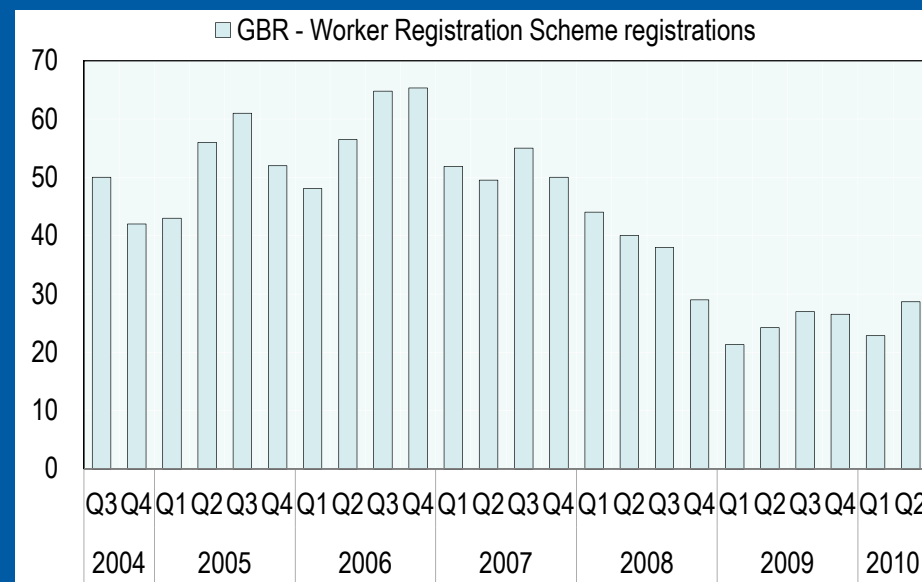


- fewer entries of labour migrants (IRL, JPN, UK, NOR, NLD, CHE, FIN)



4. Decelerating flows: Sharpest decline in free movement migration

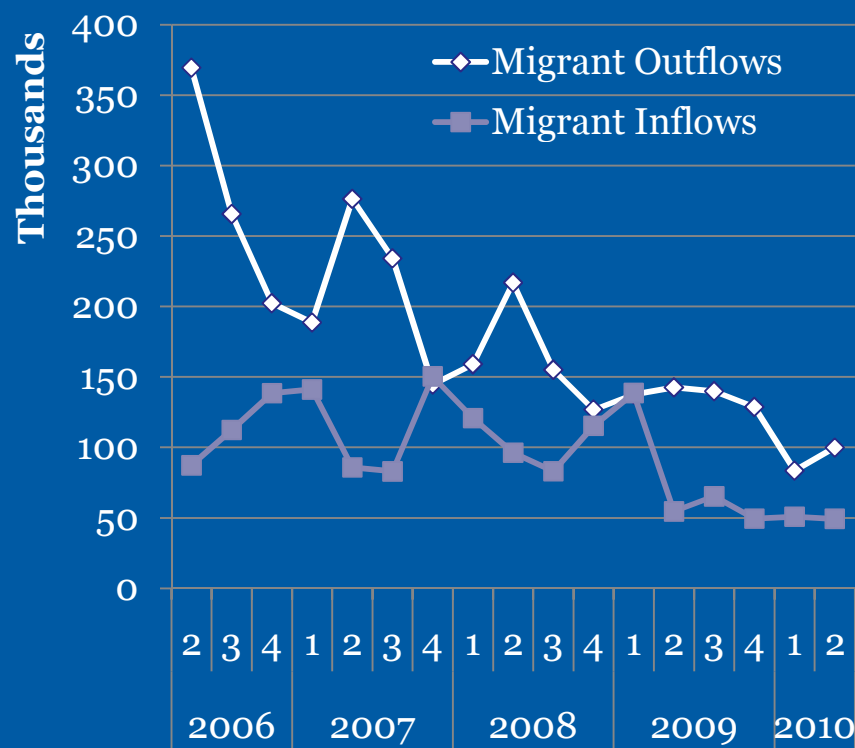
- Free movement continues but at a substantially lower level, and there is a higher level of out-migration (UK, IRL, NZL/AUS, NOR, CHE, ISL)



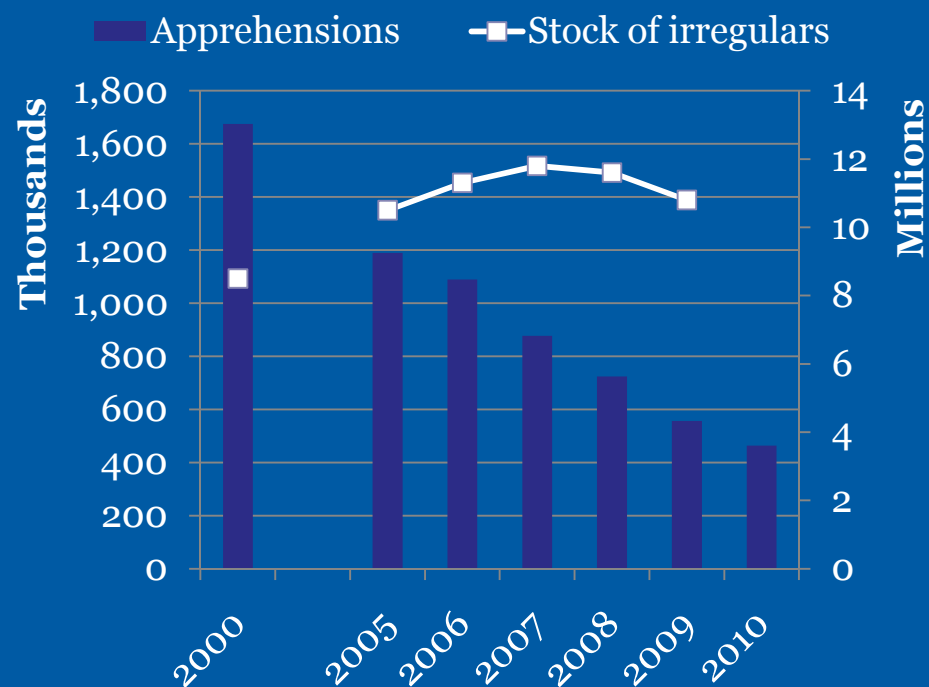
4. ... and in irregular migration

- While it is difficult to separate out border and workplace enforcement, lower demand is also pushing down irregular migration

MEX: inflows/outflows

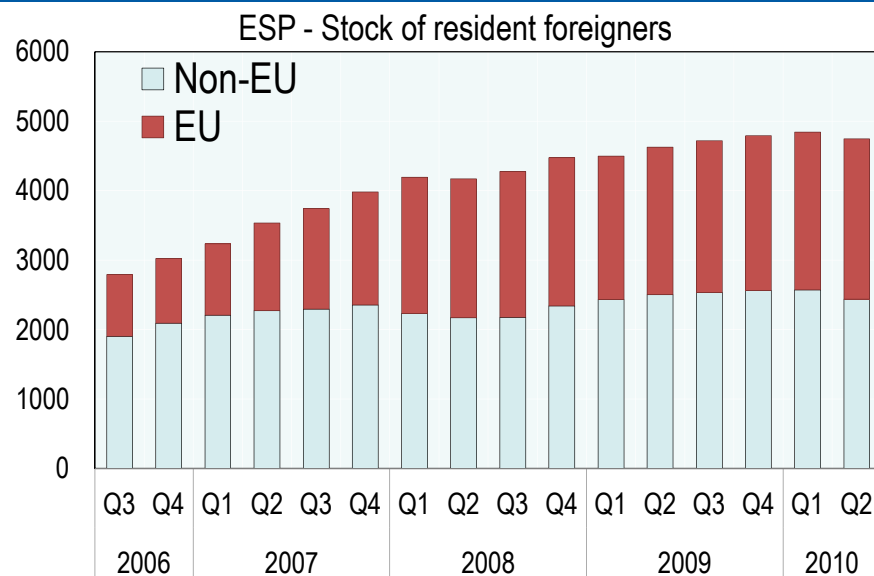
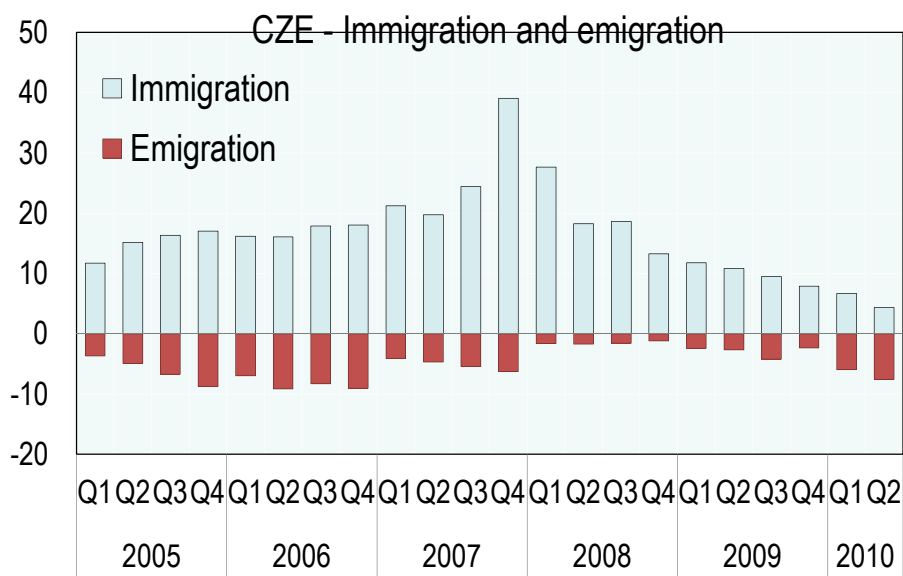


**USA Border Patrol
Apprehensions (FY 2000 -2010)
and stock of irregular migrants
(CY 2000-2009, right axis)**



4. But stocks are not declining

- Net migration continues to be positive in almost all OECD countries (exceptions: IRL, ISL, possibly SPA)
- Labour migration was a small component of flows in most countries, while family reunification and humanitarian flows continue
- The growth in the foreign population during the expansion was largely in the working-age population, but has shifted to the -15 and 65+ population during the crisis

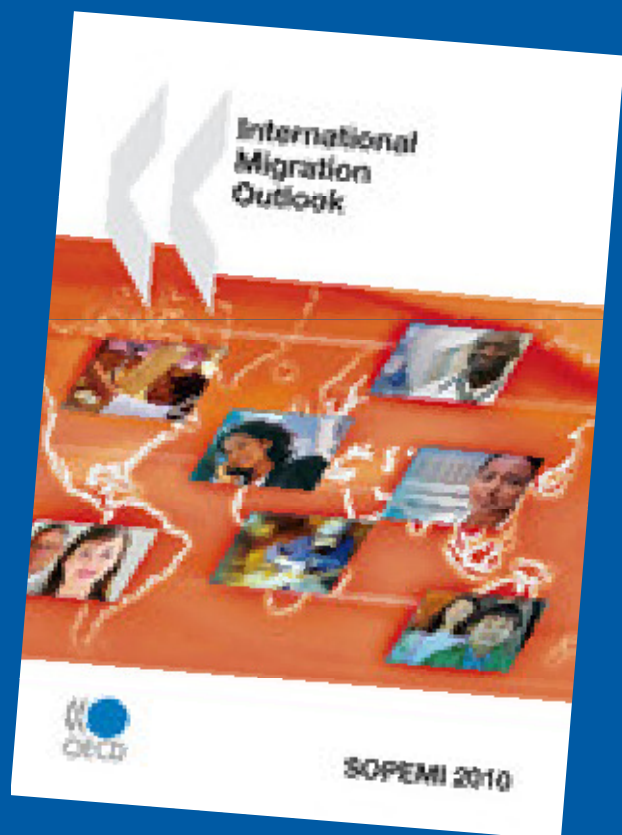




5. What will happen during recovery ?

- On the one hand...
 - demography should help reabsorption (more retirements of boomers, and smaller youth cohorts)
- But...
 - Inflows (family, humanitarian) continue during the crisis
 - Risk of scarring effect for immigrants in the labour market
 - Public opinion and migration

Thank you.



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

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