



Launch of “A Profile of Immigrant Populations in the 21st Century”

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Paris

20 February 2008

Migration to OECD countries is accelerating. Since the 1960s, net migration to the OECD has tripled, and demographic pressures associated with ageing populations are likely to lead to even faster growth in the future. But managing migration in ways that will produce benefits for both the receiving and sending countries is a delicate task. Public concerns can be addressed more easily if governments can identify and deal with the specific issues arising from migration. Two major common challenges are: (i) attracting immigrants to match current and future labour needs; and (ii) once the immigrants have arrived, how best to integrate them and their families into our economies and societies.

Migration: an OECD priority

Providing answers to these challenges requires comprehensive and detailed information on who the migrants are, where they come from, and what their skill levels are. This is not as straightforward as it sounds as the available data are not easily comparable across countries. At the OECD we have invested heavily in developing more and better data on migration flows, stocks and policies. Our flagship publication, the International Migration Outlook, has become an indispensable reference book in this field.

We are also examining specific policy areas in detailed country reviews. One such area is the integration of immigrants and their children into the labour market. And I am proud to say that our analysis and recommendations are having impact on policy-making. The recent major reforms to German integration policy, for example, were inspired by our recommendations.

A profile of immigrant populations

The publication we are launching today – a Profile of Immigrant Populations in the 21st Century -- is thus part of an important line of work on migration here at the OECD. In preparing it, we put together all OECD censuses for the year 2000. This allowed us, for each

OECD country, to identify and characterise immigrant populations by countries of origin, by gender, by age and by educational level. We also know how long they have been in the countries and whether and where they work. This data base provides a uniquely rich snapshot of the immigrant population in OECD countries. And we can compare the information across countries as it is based on a single definition for immigrants, which is “foreign-born”.

Migration patterns are changing

Some OECD countries have traditionally had high immigration. In others, large inflows of migrants are a more recent phenomenon. Spain, Portugal, other Southern European countries and Ireland, were historically countries of emigration, but this is no longer the case. Today, important sectors of their economies, such as construction, hotels and restaurants, and domestic services would find it difficult to secure enough workers without immigration.

The countries of origin of migrants and the nature of immigration have also been changing. Australia, for example, originally ensured that most of its immigrants came from English-speaking countries. Now, people from non-OECD countries make up 60% of its immigrants. Many European countries, such as France and Germany, relied heavily on labour immigrants in the period of the “trente glorieuses”. After the first oil shock, barriers were raised against such inflows, and there was a noticeable shift from labour migration to family migration. More recently, Germany has seen strong immigration of ethnic Germans from Eastern Europe.

The new data base also tells us much about the labour market experience of immigrants. Are they working and if so, which sectors employ them? Are the jobs they get in line with their professional backgrounds? Our findings show that in many countries migrants do not integrate well into the labour markets. And that means that integration policies need to be better focused.

The challenge of overqualification

Overqualification continues to be a big challenge. First, our data show that immigrants are on average more qualified than the native born: the share of people with tertiary education is almost 24% for the foreign-born compared with 19% for the native-born. And immigrants on average are more likely to be overqualified for the job they are doing than persons born in the country. This is particularly the case in Southern Europe (Italy, Greece, Spain) and in some Northern European countries (Denmark and Sweden). In these countries, the share of people holding jobs for which they are overqualified is twice as high among immigrants as it is for the native-born.

Why is this so? The reasons vary between countries. As I mentioned earlier, Southern European countries have only started to receive immigrants in large numbers fairly recently. The workers arriving in these countries may have problems with the native language and be therefore more willing to accept unskilled jobs initially, even if their qualifications are higher, in the hope of moving up the professional ladder. Also, immigrants may need a while to overcome legal and administrative obstacles to find the “right” job.

In Denmark and Sweden, the situation is different. Many of the immigrants are refugees. This group is often highly skilled but faces specific problems: Migration is often unplanned and sudden, refugees may lack the official proof of degrees and other qualifications, they may not know how long they will stay in the host country, they may be traumatised by persecution and war, and language is often an issue. Integration of these immigrants requires specific targeted measures that help them participate in the labour markets to everybody’s best advantage.

But let me stress that not only the Nordics are struggling with this problem. The way that labour markets work also matters. In some countries, and Italy is an example here, immigrants have an easier time finding jobs but are at greater risk of being overqualified. In

others, like Belgium, there is a better match between job requirements and immigrants' qualifications but a high rate of unemployment among the foreign-born. In all countries there is an issue concerning the recognition and valuation of qualifications and work experience gained in origin countries: employers in OECD countries often seem to discount these heavily.

More and more highly-skilled immigrants....

Addressing the problem of overqualification is all the more urgent as a growing number of countries want to attract more high-skilled immigrants on the grounds that they will help boost economic growth and they will have fewer difficulties integrating in society.

The data presented here confirm this trend and provide more details. Highly skilled immigration has been dominated by Asian migration over the past decades. Indian IT specialists and doctors, Filipino nurses and Chinese professionals are well-known examples. We also find that in most OECD countries the share of people with PhDs in science and engineering is much higher among the immigrants than among the native-born population: in Canada, New Zealand and Norway, it is three times higher.

...but low-skilled workers are needed too

And what about migrants with low skills? Many countries are less comfortable with the idea of accepting more low-skilled immigrants although there is strong demand for such workers. As you can see in this publication, the hotel and restaurant business is one of the main sectors of activity for immigrant workers. In fact, in ten OECD countries, at least one in five workers in hotels and restaurants is foreign-born. The share is largest in Luxembourg, with an immigrant share of 75% in this sector, followed by Switzerland with a share of 50%.

Personal and social services also employ a high share of foreign-born workers, in particular women. Demand for these services can be expected to increase substantially over the next decades due to population ageing and more need for long-term care.

These findings show that we have to improve the design and implementation of integration policies. Much greater emphasis needs to be put on helping recent migrants learn the host-country language and become familiar with workplace practices. Potential employers have to be able to recognise foreign qualifications and work experience better. The better targeted integration policies are, the more successful integration will be. This in turn will greatly reduce the risk of political backlash against immigrants.

Brain drain: myths and realities

An issue that has been attracting a lot of attention is the emigration of people holding tertiary degrees, the so-called “brain drain”. In most of the large countries of origin, such as Brazil, China and India, less than 5% of the highly-skilled emigrate. But for small countries, brain drain can reach substantial proportions. Countries such as Jamaica, Haiti, Mauritius and Fiji, for example, have more than 40% of their highly-skilled people abroad; in some cases, even 80%. And women from developing countries with tertiary degrees are more likely to emigrate to OECD countries than highly-skilled men: 17.6% versus 13.1%.

We have used the database to examine jointly with the WHO how brain drain affects the health sector. We found that, on average, in the year 2000, 11% of nurses and 18% of doctors employed in the OECD area were foreign-born. This is about the same percentage as that of all highly-skilled migrants in the work force. African and Caribbean countries are particularly affected. In some cases, expatriation rates of health professionals reach 50%. This adds to the health workforce challenge that these countries are already facing. But the estimated labour shortage in their health sectors is far greater (almost 8 times higher) than

the number of foreign-born health workers in OECD countries. So stopping the flow, if that were possible, would help a bit, but it would not solve the problem.

To be prepared for the future, governments need to act now to put proper policies in place to help satisfy labour needs partly through migration and to enable the integration of migrants. Every OECD country should make this a priority. It is socially, politically, ethically, and morally correct, but it is also an act of sheer economic rationality.