Chapter 1

Introduction: Jobs and Confidence

Migration is an increasingly central dimension of globalisation. The result is a new mobility system characterised by diverse forms of migration patterns. Policy makers and citizens look with growing interest — and sometimes with alarm — upon the links between this emerging mobility system and the economic and social outcomes within migrant-sending and migrant-receiving countries. Can international migration contribute to economic progress? With appropriate policies and programmes addressing all sectors of societies affected by migration, it can. At present, however, the prospects for economic and other gains from migration are beset by a variety of institutional obstacles.

Migrants generally gain from their mobility, relative to staying home; but they could conceivably benefit even more under a reformed migration management regime. The costs and benefits of their mobility to the societies to which they move, and which they leave behind, are more complicated still.

The desired level and characteristics of immigration should result from strategic decisions made by the societies of the European Union (EU) member states in deliberative fashion. This means each society must consider the trade-offs — lower or higher economic output, greater or lesser diversity, lower or higher pensions, earlier or later retirement, and even more or less cohesion — and decide what level of immigration is right for them. Legal and humanitarian obligations, of course, are also important factors that should shape decisions and constrain the range of options.

Societies will make better choices if they consider the evidence and socio-economic realities. Demagoguery, where it is present, must be rejected as it perpetuates falsehoods, stereotypes, prejudices and doomsday scenarios that are wholly without evidence. They must be wary of incomplete data and selective or otherwise faulty analyses. With these concerns in mind, the Organisation

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for Economic Co-operation and Development (OECD) Development Centre, the Migration Policy Institute, supported by the European Commission, co-ordinated work by various experts to assess the migration, integration and development landscape in the EU.

This final report is the result of a critical review of the research and policy literature by researchers and policy analysts. Their analyses cover 1 500 pages in 15 separate reports and case studies. Four overviews evaluate the state of knowledge in the European context and provide statistical background information. In addition, four OECD Development Centre Policy Briefs summarise the key findings of these evaluative reports. These documents are all listed in the Annex and can be accessed from the project website. The overriding purpose of this final report is to distil the main policy options and recommendations from the foregoing work with the ultimate goal of making explicit the ways governments can make migration work better for the benefit of migrants and the societies of both receiving and sending countries.

A central focus of this report is jobs. A concern for jobs unites the interests of the three principal actors in the migration system: societies of origin, destination and migrants themselves. The benefits from better employment, which reflects the training and skills of job candidates, will accrue to all the stakeholders within the migration system.

Almost all European countries will experience rapid ageing of their populations and declining workforces in the coming decades. Projections indicate that the size of the native-born work force in Europe will decline by over 16 million by 2025, and by nearly 44 million by 2050[1]. During these decades, high population growth rates in North Africa — Europe's neighbour to the south — are expected to continue far ahead of economic growth. This means that a large cohort of its potential work force will seek work opportunities in Europe and elsewhere. As well, unemployed and under-employed workers from the less advanced economies east of the European Union, many with skills and education, will continue to seek employment opportunities in the EU for the foreseeable future. The realities of an ageing European population and a declining workforce combined with neighbouring countries that have pools of workers seeking gainful employment suggest an obvious conclusion: the EU and its member states need a rational system of orderly, safe and well-regulated labour mobility.

Jobs also lie at the heart of another challenge facing European societies, specifically, the integration of immigrants. Employment is the most important enabler of integration.

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Income from jobs is furthermore a source of benefits that developing countries derive from migration — they feed the vast flow of remittances from the developed to the developing world. Jobs also abet the transfer of skills, technology and knowledge across borders. Moreover, emigration to EU member states can improve job prospects in developing countries for workers who do not migrate.

Finally, the jobs of European nationals are also at the centre of a political debate that concerns possible disadvantages due to increasing competition for jobs. Ensuring that these workers have fair access to fulfilling employment is a prerequisite for successful acceptance by the public of fair and effective migration systems.

For the most part, European countries do not have immigration systems that adequately address their workforce needs. This report is about how policy makers can use evidence-based research to build public confidence in European migration systems. For European migration systems — and societies — to function well in the coming years, policy makers will also have to gain the confidence of all major stakeholders. The people of Europe must believe that the system is indeed manageable — which is not obvious. One indicator: according to the European Commission, between five and 10 million foreign migrants may be working in Europe without proper authorisation to do so[2]. Confidence is a necessary condition for public support for needed reforms.

Jobs and confidence, moreover, are necessary but not sufficient conditions to encourage general acceptance of migrants by the community at large. Promoting general acceptance of migrants is another key element needed in a successful mobility system, particularly in societies not accustomed to welcoming large numbers of foreigners. Returning migrants, frequently the bearers of new ideas and practices gleaned during their sojourns abroad, also need to be accepted back into their societies.

The analysis and recommendations in this report focus on building confidence in the international labour mobility system. The report proposes reforms to help European governments debate and develop legislation related to mobility[3].

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Notes

1. These projections refer to the labour force — not the working-age population — in the EU25 countries, plus the Channel Islands, Iceland, Liechtenstein, Norway and Switzerland. For fuller details of the forecasting exercise, refer to Münz *et al.* (2006*a*), section 4.1 and Table 3.
2. Estimates of the size of the irregular migrant population in Europe come from various sources. Jandl (2004) estimated that the annual flow of irregular migrants into the EU15 countries was 650 000 annually in the early 2000s. The status of nearly 4 million migrants with irregular status was regularised in five EU countries alone since the early 1980s: France, Greece, Italy, Portugal and Spain; the details are provided in the European Commission's "Policy Plan on Legal Migration", (see European Commission, 2005*a*).
3. This is not to say that Europe has been inactive in formulating a new migration framework. An electronic annex detailing Recent Initiatives taken by the European Commission in the area of Migration is available on the OECD Development Centre's Migration and Development website (www.oecd.org/dev/migration).

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