

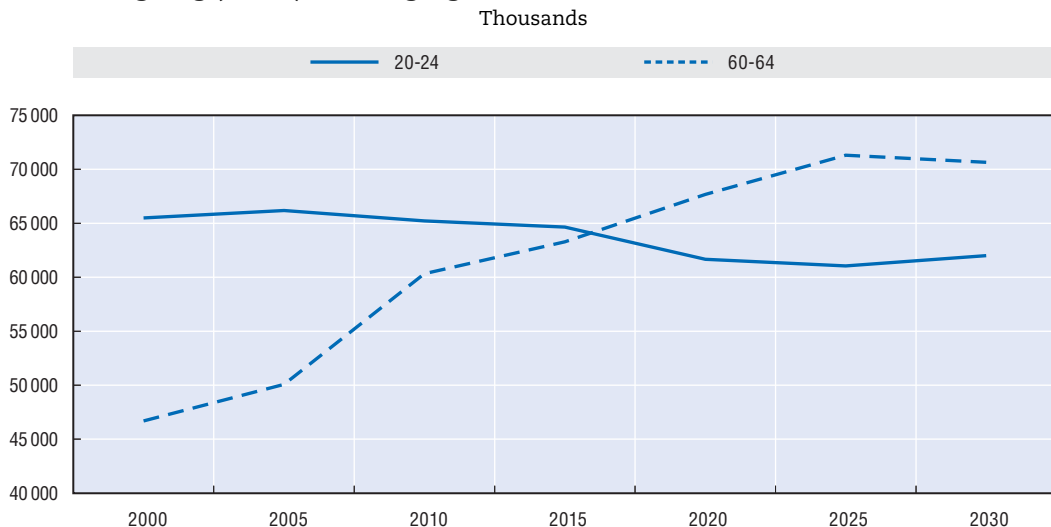
A. Recent Flows, Demographic Developments and Migration

1. Introduction

The period 2005-2015 is a transition period in OECD countries with respect to the demographic impact of the baby-boom on the working-age population and the labour force. Persons born after 1945 have been entering their sixties and will be retiring over the period, if they have not already done so before the age of sixty. These baby-boom cohorts are significantly larger than those that came before. While the incoming (20-24) working-age cohorts in OECD countries were some 32% larger on average¹ than the outgoing retiring (60-64) ones in 2005, the situation in 2015 will be substantially different, with the incoming labour force cohorts being scarcely 2% larger (see Figure I.1). By 2020 they will be some 9% smaller. For almost half of OECD countries, the outgoing cohorts will be larger than the incoming ones in 2015. The countries which are aging the most in this respect are Germany and Japan, the countries of southern Europe but also Hungary, the Czech Republic and Poland.


At a time when many OECD countries were thus poised for what seemed a tightening of the labour supply with a likely greater recourse to labour migration, the economic crisis arrived to put a brake on movements. An overview of migrants in OECD labour markets through the economic crisis appears later in Part II. Here we will focus on migration movements during 2008 and 2009, keeping in mind that it was only in the autumn of 2008 that the scale of the crisis became evident, as was the fact that it would be affecting all countries. However, in some countries, notably Ireland, GDP was already in decline in the

Figure I.1. **Observed and projected size of the incoming (20-24) and outgoing (60-64) working-age cohorts in OECD countries, 2000-2030**



Note: The statistics exclude Mexico and Turkey.

Source: World Population Prospects, the 2008 revision, UN Population Division.

StatLink  <http://dx.doi.org/10.1787/882382530058>

first quarter of 2008 and by the second quarter, GDP growth in the large economies of Europe and in Japan had fallen below the zero line. The rise in unemployment followed in most countries in the third quarter of 2008. In some countries, it is clear that the decline in labour migration began earlier and gathered momentum over the year. The total inflows for 2008 show some inertia, however, because some of the movements were already planned and were maintained despite the onset of the crisis.

2. International migration flows during 2008

Overall permanent international migration movements declined by about 6% from 2007 to 2008 to reach 4.4 million persons (Table I.1), the first time a decline has been

Table I.1. **International migration flows, 2003-2008**

	Permanent-type migration (standardised statistics)						Change 2007-2008	
	2003	2004	2005	2006	2007	2008		
							%	
Spain	..	..	..	..	682 300	391 900	-290 400	-43
Czech Republic	57 100	49 700	55 900	63 000	98 800	71 800	-27 000	-27
Italy	120 100	153 100	193 500	171 300	571 500	424 700	-146 800	-26
Ireland	42 400	41 800	66 100	88 900	89 500	67 600	-21 900	-24
Japan	87 500	94 100	98 700	104 100	108 500	97 700	-10 800	-10
United Kingdom	260 200	322 900	369 400	354 200	364 400	347 400	-17 000	-5
Sweden	47 900	49 300	53 700	74 400	74 400	71 300	-3 100	-4
Germany	231 300	230 100	196 100	166 400	232 800	228 300	-4 500	-2
New Zealand	48 400	41 600	59 400	54 800	52 000	51 700	-300	-1
France	170 200	173 300	167 800	168 100	160 700	167 500	6 800	4
Canada	221 400	235 800	262 200	251 600	236 800	247 200	10 400	4
United States	703 500	957 900	1 122 400	1 266 300	1 052 400	1 107 100	54 700	5
Austria	..	..	..	32 900	50 200	52 900	2 700	5
Korea	82 200	88 900	153 600	189 400	184 200	194 700	10 500	6
Australia	125 900	150 000	167 300	179 800	191 900	205 900	14 000	7
Belgium	..	..	35 000	35 600	40 300	43 900	3 600	9
Finland	9 400	11 500	12 700	13 900	17 500	19 900	2 400	14
Switzerland	79 700	80 700	78 800	86 300	122 200	139 300	17 100	14
Norway	22 200	24 900	25 700	28 000	43 800	51 000	7 200	16
Netherlands	60 700	53 800	60 300	61 300	69 800	82 500	12 700	18
Denmark	16 800	15 400	16 900	20 200	26 400	37 500	11 100	42
Portugal	11 000	13 100	11 500	25 100	42 900	65 900	23 000	54
Mexico	4 800	8 500	9 200	6 900	6 800	15 100	8 300	122
Total					4 520 400	4 183 000	-337 400	-7
Total excluding Spain, Austria and Belgium	2 402 700	2 796 500	3 181 300	3 374 000	3 747 500	3 694 200	-53 300	-1
% change							-7	
% change excluding Spain, Austria and Belgium		16	14	6	11		-1	
	National statistics (not standardised)							
Turkey	147 200	148 000	169 700	191 000	174 900	175 000	100	0
Poland	30 300	36 900	38 500	34 200	40 600	41 800	1 200	3
Luxembourg	12 600	12 200	13 800	13 700	15 800	16 800	1 000	6
Slovak Republic	4 600	7 900	7 700	11 300	14 800	16 500	1 700	11
Hungary	19 400	22 200	25 600	19 400	22 600	..	..	..
Total excluding Hungary	194 700	205 000	229 700	250 200	246 100	250 100	4 000	2
% change excluding Hungary		5	12	9	-2	2		

n.a.: not available.

Sources and definitions: see Box I.1.

StatLink  <http://dx.doi.org/10.1787/884278054527>

observed since the OECD has been standardising statistics according to the “permanent migration” concept (see Box I.1).² By contrast, immigration had increased by an average of over 11% per year since 2003. The aggregate decline, however, reflects the result of falls in

Box I.1. **Standardised statistics on permanent immigrant inflows**

The statistics presented in Table I.1 are taken from an OECD-defined series which attempts to standardise the statistics on inflows on the basis of a common definition. The immigration flows covered in the statistics are those which can be considered to be permanent, viewed from the perspective of the destination country. In the case of regulated movements, this consists of persons who are granted a residence permit which is more or less indefinitely renewable, although the renewability is sometimes subject to conditions, such as the holding of a job. Excluded therefore are persons such as international students, trainees, persons on exchange programmes, seasonal or contract workers, service providers, installers, artists entering the country to perform or persons engaging in sporting events, etc.

In the case of free movement migration, permanent immigrants are often problematic to identify, because there are few, if any, restrictions placed on their movements or duration of stay. In some cases, they may not even be identified explicitly in the national statistics. In some cases, free movement migrants are granted a nominal permit of a specific duration, which is then used to assess whether the migration is likely to be “permanent” or not. In other cases, a one-year criterion is applied, that is, a permanent free-movement migrant is considered to be one who stays or intends to stay in the country of destination for at least one year. One exception concerns international students who are excluded from the ranks of “permanent immigrants”, in conformity with the practice when such students are from countries not participating in a free-movement regime.

The year of reference for these statistics is often the year when the residence permit was granted rather than the year of entry. In some cases these may differ. The data may also include persons who changed status, that is, persons who entered on a temporary status and then applied for and were granted permanent status, for example international students who become permanent labour migrants.

The term “permanent” here does not mean that the immigrants enter the country with the right of permanent residence. This generally occurs only in the principal migration regimes of the “settlement countries”, that is, the countries which were largely settled by immigrants within historical memory, namely Australia, Canada, New Zealand, and the United States, and in some special circumstances, if at all, in other countries. In these countries, immigrants generally receive a temporary permit upon arrival. The holding of temporary permits does not necessarily imply that immigrants with such permits are always viewed as temporary by the destination country. The temporary permits which some migrants receive can be renewed until a more stable permit is granted or the nationality of the destination country is acquired. This is not the case for temporary migrants, who also receive temporary permits, generally of shorter duration, and which are either not renewable or renewable only on a limited basis. In addition, the designation “permanent” does not imply that the migrants are in the country of residence for good, but rather that they are, in principle, on a migration “track” that is associated with or that can lead to permanent residence.

Every attempt is made to standardise national statistics according to this common definition, given data availability and limitations. The result is approximate but represents a considerable improvement on compilations of national statistics, whose coverage can vary by a factor of one to three.

Five new countries have been added to the series since the last time they were published in 2008, namely the Czech Republic, Ireland, Korea, Mexico and Spain.

some countries and increases in others, to some extent reflecting the timing of the onset of the crisis in different countries as well as the relative magnitude of labour and free movement migration, which have been more affected by labour market conditions than were family and humanitarian migration.

Spain, the Czech Republic, Italy and Ireland saw the largest declines (about 25% or more), while Denmark, Portugal and Mexico showed increases of over 40%. In some cases, the decline (or the increase) represents in part statistical anomalies rather than reflecting entirely actual changes in immigration patterns. In Italy, for example, the inflow figures for 2007 were artificially inflated by the entry of Romania and Bulgaria into the European Union in 2007. This resulted in large numbers of nationals from these countries who had arrived irregularly over a number of years formally entering the immigration statistics in that year, resulting in an apparent decline in flows in 2008. The decline might nonetheless have occurred, but would not have been so large.

Likewise, the large increase observed in Portugal from 2007 to 2008 is the consequence of a special programme allowing Brazilians who had been in the country for a number of years to regularise their situation and thus to enter the statistics.

The decline in inflows in 2008 manifested itself essentially in free movement and in discretionary labour migration,³ which fell by 21 and 7% respectively. The decline in labour migration accelerated in 2009, as is amply attested by national statistics. On the other hand, family migration – which includes family members accompanying labour migrants, family members joining an immigrant already present or persons entering for or as a result of marriage – increased slightly by over 3% and is the only category of migration which did not decline in 2008.

3. Immigration flows by category of entry

The increase in free movement migration within the European Economic Area (EEA) has been a new feature in the OECD international migration landscape since the initial EU enlargement in 2004 and again in 2007 with the addition of Bulgaria and Romania. This form of migration currently accounts for almost a quarter of all permanent migration in OECD countries and 44% of all migration in the European Economic Area, where it now significantly exceeds family migration of persons from outside the EEA (28% of the total), as well as labour migration from other countries (see Figure I.2).

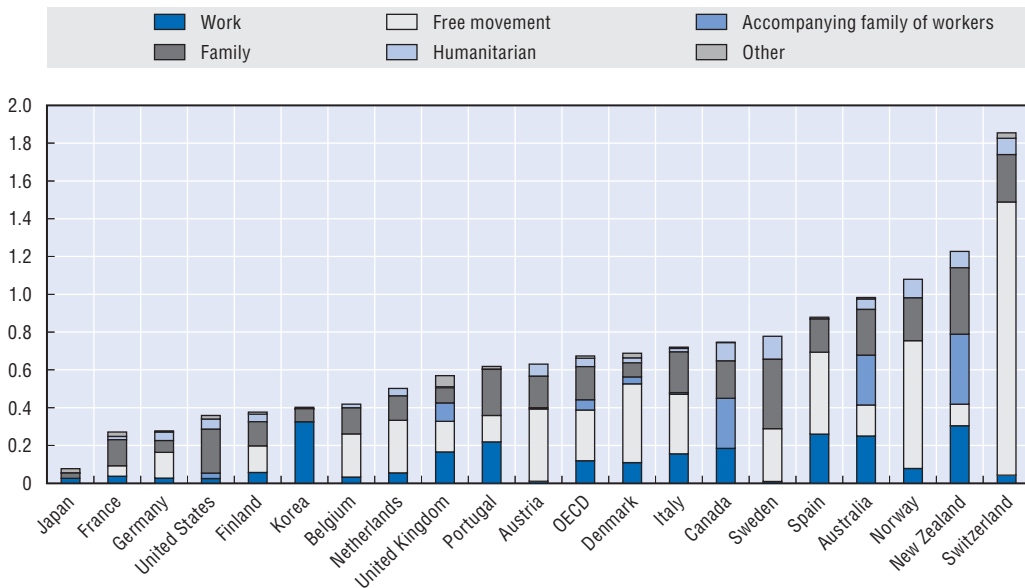
It is in Norway and Switzerland, neither of which are members of the European Union but which to all intents and purposes participate in the EU free-movement regime, that free movement migration has become the most frequent, accounting for almost 78% of all permanent migration in Switzerland and 63% in Norway. The high wage levels in these countries no doubt account in large part for these developments. Among EU countries, free movement migration was most common as a per cent of the total in Austria and Denmark, where it accounted for 61% of permanent migration in 2008.

Discretionary labour migration represented about 20% of all migration in both the OECD and the EEA (OECD) in 2008. It was common in the settlement countries except for the United States, but also in Southern Europe, the United Kingdom and Korea.


It is in the four most populous countries of the OECD (Mexico and Turkey excepted) that legal permanent migration movements were the lowest in proportion to the total population in 2008. The demographic situation in these countries, however, is far from uniform, with Germany and Japan having among the lowest fertility rates in the OECD

Figure I.2. **Permanent-type migration by category of entry, 2008**

Percentage of the total population



Sources and definitions: see Box I.1.

StatLink  <http://dx.doi.org/10.1787/882411434834>

and France and the United States with fertility rates just below replacement level (2.1). The United States would move to the right in Figure I.2 if irregular migration were to be included, with flows estimated to be at about 500 000 per year (Passel and Cohn, 2008), but the relative level of migration would still remain below the OECD average. In addition to its low level of permanent labour migration, the United States is also characterised by the highest share of family migration in total migration in the OECD, almost 65%. This form of migration in the United States includes not only the migration of immediate family (spouses and minor children), but also that of adult siblings or children as well as parents.

4. Temporary worker migration

The number of temporary workers entering OECD countries declined in 2008 relative to 2007, by approximately 4%, after registering gains in each of the previous four years of 7% on average (Table I.2). They numbered approximately 2.3 million in 2008, significantly higher than the number of permanent labour migrants, which stood at roughly 1.5 million.⁴ A significant proportion of this migration occurs between OECD countries.

Temporary worker migration concerns both high- and low-skilled migrants, from high-level intracorporate transfers in multinational corporations to seasonal low-skilled workers in agriculture. In settlement countries, they include workers recruited from abroad to meet cyclical as well as seasonal labour needs, but also situations where employers cannot afford the delays associated with permanent migration. The largest category, “other temporary workers” is extremely heterogeneous and groups together many different types of workers, including highly skilled computer specialists as well as short-order cooks and hotel workers.


The category of working holiday makers constituted almost 11% of temporary workers in 2008 and seasonal workers more than one fourth. Two countries accounted for close to

Table I.2. **Temporary worker migration in OECD countries, 2003-2008**

Thousands

	2003	2004	2005	2006	2007	2008	2008/2007 change (%)
Trainees	85	97	105	121	138	136	-1
Working holiday makers	187	208	221	225	245	274	12
Intra-company transfers	85	86	85	98	116	118	2
Seasonal workers	537	594	615	605	619	642	4
Other temporary workers	985	1 147	1 136	1 313	1 303	1 148	-12
All categories	1 879	2 133	2 163	2 362	2 421	2 319	-4
Annual change (%)		13	1	9	3	-4	
Sweden	10	8	5	5	9	14	51
Canada	103	113	123	139	165	193	17
Australia	152	159	183	219	258	300	17
Belgium	2	2	5	16	30	34	14
Spain	56	106	97	167	164	183	12
Denmark	5	5	5	5	7	7	11
Austria	23	21	18	15	15	16	4
Finland	14	15	19	22	24	25	4
Portugal	3	13	8	7	5	5	0
New Zealand	63	68	78	87	99	99	0
Japan	217	230	202	164	165	161	-2
Germany	402	406	390	353	349	332	-5
United States	326	361	367	426	484	443	-8
Switzerland	142	116	104	117	109	99	-9
Korea	26	26	29	39	53	47	-12
Norway	41	61	51	73	86	74	-15
Mexico	45	42	46	40	28	23	-16
United Kingdom	117	239	275	266	225	184	-18
France	25	26	27	29	30	22	-25
Italy	69	70	85	98	66	40	-39
Netherlands	39	45	47	75	52	17	-67
All countries	1 879	2 133	2 163	2 362	2 421	2 319	-4

Source: OECD Database on International Migration.

StatLink  <http://dx.doi.org/10.1787/884308574662>

one half or more of each of these two categories, Germany in the case of seasonal workers and Australia for working holiday workers.

The number of working holiday makers increased by over 12% in 2008, showing increases in all countries for which there were data except the United Kingdom. This category of temporary work was the only one which registered a large increase in 2008. All others increased slightly (seasonal workers or intracorporate transfers) or declined (other temporary workers, by 12%).

The coverage of the statistics on temporary workers is incomplete, both with respect to countries and categories. In addition, in some countries, movements that appear in the table as temporary are classified as permanent because the migrants in question, for example intracorporate transfers, are granted a status that essentially places them on a permanent migration track. Some movements, for example those involving cross-border service providers, may not be explicitly identified. In still other cases, work assignments are short and the movements may escape recording entirely. Nonetheless, the statistics

shown here provide a reasonably complete view of temporary worker movements which are consistent over time and provide an indication of developments in this area.

5. International migration flows and the economic crisis

The impact of the crisis is increasingly perceptible in international migration flows. If declining employer demand does not translate immediately into lower flows, by late 2008 in most OECD countries the effects of lower demand were visible. Most countries saw declining flows in 2009.

In countries where labour migration is directly dependent on employer demand, significant declines were evident in many countries in 2009. One indication of lower demand is the number of applications by employers for authorisation to hire a worker from abroad. In the United States, the number of certified requests for temporary workers under the H-1B programme fell from a peak of 729 000 in FY 2007 to 694 000 in 2008 and to 479 000 in 2009. Certifications for the H-2B programme also fell sharply, from 254 000 in FY 2008 to 154 000 in 2009. These declines do not translate into a corresponding decline in flows, since the entries are capped at 85 000 (with some exemptions) for the H-1B programme and 66 000 for the H-2B programme.

In other countries, the drop in employer demand led to fewer entries. In Canada, confirmed labour market opinions for temporary workers fell 41% in 2009 compared to 2008. In Australia, employer requests for temporary skilled workers in 2009 were only 60% of the 2008 level. In Finland, demand was down 43%. Countries affected first by the crisis – notably, Spain and Ireland – saw some of the sharpest declines in demand-driven migration. In Spain, labour migration under the general regime fell from more than 200 000 in 2007, to 137 000 in 2008 and to less than 16 000 in 2009. The Spanish seasonal work programme fell even further: from 41 300 in 2008 to just 3 600 in 2009. In Ireland, new work permits for non-EEA nationals fell from 10 200 to 8 600 and 3 900 over the period 2007 to 2009. In Japan, recruitment of new industrial trainees fell by about 30%.

A number of countries have targets or caps for their permanent labour migration programmes. However, these programmes are supply-driven and are generally oversubscribed. As a result, with the target levels remaining unchanged in Canada, New Zealand and the United States, entries did not decline. Australia, on the other hand, lowered its target level in response to the economic downturn, and the number of labour migrants admitted consequently fell.

Free movement within the European Union – much of which is for employment – appeared to be particularly sensitive to economic changes. Migration from the countries which joined the EU in 2004, especially Poland, has slackened significantly. The number of new applicants to the United Kingdom's Worker Registration Scheme fell 26% in 2008 and 34% in 2009. In Ireland, the number of citizens of these countries registering for a social security number fell 42% in 2008 and 60% in 2009. In Norway and Switzerland, the decline in free-movement inflows was about 30% between 2008 and 2009.

Other forms of international migration are less closely correlated with economic changes, or may be affected in different ways by economic changes. Family reunification rose in some OECD countries, in part due to previous increases in migrants present without their families. In other countries, however, family reunification declined as income criteria for sponsorship as well as transportation costs became more difficult to meet as unemployment spread among immigrants.

While flows have tended to decrease noticeably in OECD countries, this has not generally meant a decline in stocks, since inflows continued and have generally exceeded outflows. Nevertheless, return migration has been notable in some OECD countries, especially those hardest hit by the crisis, namely Ireland and Iceland. These countries have also seen increasing outflows of nationals. In Ireland, after years of net returns by Irish living abroad, emigration rose 37% between April 2008 and April 2009, resulting in zero net migration. Iceland saw net migration change from a net inflow of more than 1.5% of the total population in 2007 to a migration-induced population decline of the same order (*i.e.*, net emigration of 1.5%) in 2009, with about half of the net emigration being attributable to Icelandic citizens.

Free movement migration has been more reactive to labour market conditions than discretionary labour migration, because the jobs taken up by migrants in free-movement regimes have tended to be lesser skilled and to be precisely in those occupations and sectors that were booming, such as construction and hospitality. By contrast, permanent discretionary labour migration in OECD countries is generally selective and concerns higher level occupations or skills that are structurally in shortage, that is, where the national educational system is not generating a sufficient supply from domestic sources. This form of labour migration has tended to be less affected by the economic crisis but has declined as well.

6. Continents, regions and countries of origin of immigrants

In 2008, around one half of migrants to an OECD country went to Europe, a third to North America, 10% to Japan and Korea and 8% to Australia and New Zealand. These percentages are calculated on the basis of unstandardised data,⁵ however, and are therefore to be treated with caution. Their aim is to give an order of magnitude of movements in the OECD zone.

Several factors explain the distribution by region of origin. Geographical proximity is especially important when there exist significant income differences between neighbouring origin and destination countries. In addition, historical links between countries as well as the presence of immigrants of the same origin already resident in the destination country explain the fact that the geographic origin of current migrants is not the same in Europe, North America, Asia and Oceania. Overall, one half of migrants who went to Europe in 2008 came from within Europe, while an equal proportion (around 14% each) were from Africa/Middle East and the Asia/Pacific region (Table 1.3). Migrants who went to North America were in large part from Latin America and the Caribbean (37%) and Asia (35%). Migration flows to Japan and Korea are less varied, with more than 75% of entries coming from Asia. Finally, almost one half of new migrants in Australia and New Zealand were from the Asia/Pacific region, 22% were from Europe and 15% were from another country in the Oceania/South Pacific region.

The various regions of the world are represented to a very unequal degree in migration flows. In particular, persons from the poorest countries show the lowest propensity to emigrate, given the often high cost of an international migration (Table I.4). In 2008, 8% of the total flows originated in low-income countries (gross national income less than or equal to USD 975 in 2008 according to the World Bank classification⁶), which represented 14% of world population. Note that the groupings in the table below are made on the basis of the average wealth of the country and not according to the individual situation of

Table 1.3. **Distribution of inflows of migrants, by region of origin and destination, 2008**

Region of origin	Destination region (OECD area)				Total	
	Japan/Korea	Europe	North America	Australia/ New Zealand		
	Percentages				('000)	%
Africa	0.9	5.0	7.8	8.7	294	5.4
Asia and Pacific	75.8	13.6	34.6	46.0	1 525	27.8
Europe ¹	8.3	49.0	11.7	22.3	1 842	33.6
Latin America and the Caribbean	3.2	10.0	37.2	1.4	857	15.6
Middle East and North Africa	0.5	8.9	5.2	3.0	366	6.7
North America	9.0	2.6	2.1	2.4	179	3.3
Oceania and South Pacific	1.1	0.9	0.5	14.9	80	1.5
Not stated	1.1	10.0	0.9	1.3	344	6.3
Total	100.0	100.0	100.0	100.0	5 487	100.0

1. Including Republics of former USSR.

Source: OECD Database on International Migration.

StatLink  <http://dx.doi.org/10.1787/884312437300>

Table I.4. **Immigrant flows to the OECD area by income group and region of origin, 2008**

Income group	Region of origin	Inflows (% of total inflows)	Population stock in 2007 (% of the world population)	Inflows per 10 000 inhabitants in the region of origin in 2007
Low income	Europe ¹	1	1	8
	East Asia and the Pacific	2	3	7
	South Asia	1	3	4
	Middle East and North Africa	0	0	3
	Sub-Saharan Africa	3	7	3
	Latin America and the Caribbean	1	0	32
	Total	8	14	5
Lower middle income	Europe ¹	4	1	29
	East Asia and the Pacific	15	26	5
	South Asia	6	20	2
	Middle East and North Africa	6	4	12
	Sub-Saharan Africa	2	4	3
	Latin America and the Caribbean	3	1	27
	Total	35	56	5
Upper middle income	Europe ¹	14	5	23
	East Asia and the Pacific	1	0	11
	Middle East and North Africa	1	1	12
	Sub-Saharan Africa	1	1	7
	Latin America and the Caribbean	12	7	13
	Total	28	14	16
High income	Europe ¹	16	7	21
	Asia	3	3	7
	Africa	0	0	48
	North America	3	5	5
	Latin America and the Caribbean	0	0	14
	Oceania	1	0	27
	Total	24	16	12
	Not stated	Not stated	5	
Total	Total	100	100	8

Note: Income groups according to the World Bank classification (see Box I.2).

1. Including Republics of the former USSR.

Source: OECD Database on International Migration.

StatLink  <http://dx.doi.org/10.1787/884315370884>

Box I.2. **Classifying countries of origin by national income levels**

The World Bank produces every year a classification of national economies according to their level of Gross National Income (GNI), converted to USD. The methodology includes an adjustment to reduce the effects of fluctuations in currency exchange rates. In 2008, the national income per capita of the least developed economies (low-income) was USD 975 or less. The middle-income economies are divided into two groups: lower-middle-income countries, with GNP per capita between USD 975 and USD 3 855; and upper-middle-income economies, between USD 3 856 and USD 11 905. A fourth and final group consists of those economies with GNI per capita above the latter figure.

An economy can change category, depending on how its relative position among the economies of the world evolves. It can thus either improve or deteriorate. Thus China was among low-income economies until 1997 when it moved into the group of lower-middle-income economies. This is also the case for India (2007), Moldova (2005), Nicaragua (2005) and Ukraine (2002). The relative position of Brazil (which has been in the upper middle income group since 2006) fluctuated considerably during the 1990s and 2000s. Many other changes occurred, which it would be too long to mention here. According to the above classification, 14% of the world's population lived in one of the 43 low-income countries (7% in sub-Saharan Africa, 3% in South Asia and 3% in East Asia and the Pacific).

Analyses of immigration by origin generally classify countries according to geography, in particular by continent or regions. This tends to reflect cultural/linguistic/ethnic differences rather than economic ones, which tend to be the driving forces behind international migration movements. The statistics presented here are a first attempt to reflect economic considerations in the classification of countries of origin. They are used here to examine the relation between national income level and the propensity to emigrate and the under-/over-representation of migrants from particular national income groups in international movements.

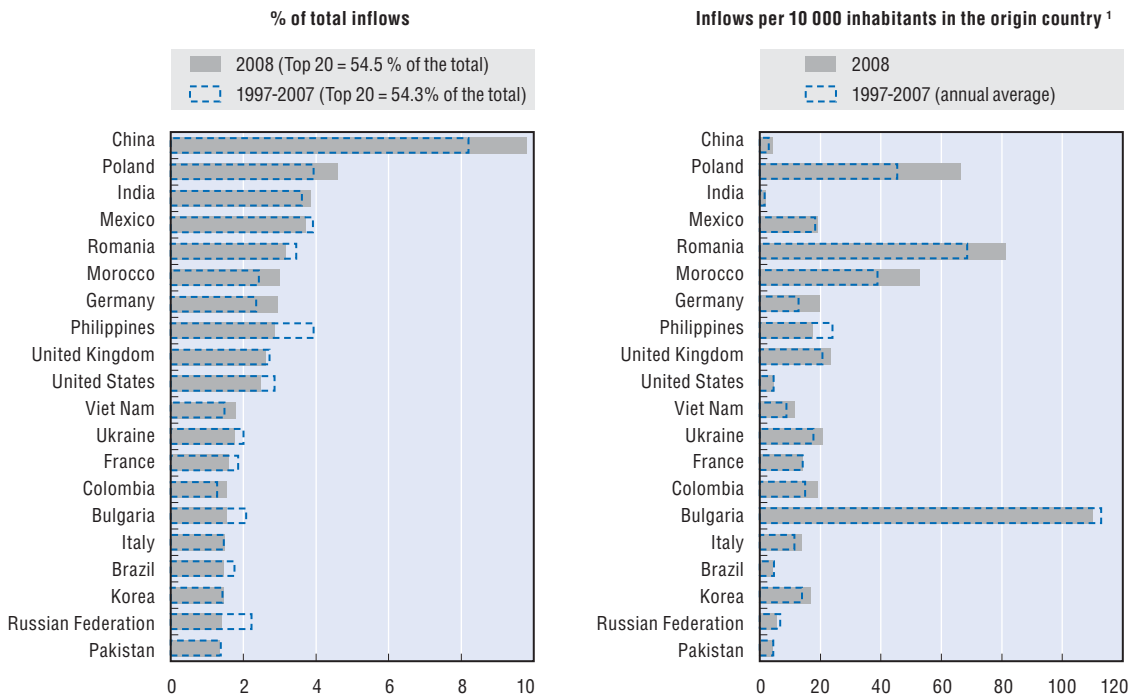
For more information, see <http://data.worldbank.org/about/country-classifications>.

immigrants. Those coming from a poor country, for example, can be relatively well-off compared to the average income level of their country of origin. Likewise, immigrants from rich countries may have varying income levels.

Among lower-middle-income countries figure China, India, Indonesia and most of the countries of Southeast Asia. This group is largely underrepresented in recent flows (35% of total flows in 2008), given its considerable demographic weight (56% of world population in 2007). Table above indicates that persons from countries in the upper-middle-income category have the highest propensity to emigrate. Significant migration countries make up this group, the main ones being Bulgaria, Colombia, Mexico, Poland, Romania, Russia and Turkey but also Brazil and Chile. In 2008, this group of countries was largely overrepresented in the total flow of migrants (28% of total flows to OECD countries but a demographic weight of 14% of world population). To a lesser extent, persons from high-income countries are also overrepresented (24% of the flows, but 16% of the population).

The top 20 countries of origin of recent migrants (Figure I.3 and Table I.5) represent a little more than one-half of entries into OECD countries, with persons of Chinese origin at the top (10% of flows in 2008), followed by Poles (about 5%) and Indians and Mexicans and (close to 4% for each of these two). The propensity to emigrate of persons from Eastern Europe remains very high. This is particularly the case for Bulgaria (the flow in 2008 represented more than 1% of the Bulgarian population) and to a lesser extent for Romania and Poland (8 and 6 per thousand in both cases).

Figure I.3. **Top 20 origin countries of immigrants to the OECD, 1997-2008**



Note: As inflow data are not available for Belgium, Denmark and Italy, they are assumed to be identical to 2007 levels.

1. The reference population for inflows per 10 000 inhabitants for the period 1997-2007 is the 1997 population.

Source: OECD Database on International Migration.

StatLink <http://dx.doi.org/10.1787/882438030686>

While Mexicans tend to go to the United States and Poles to the other European OECD countries, more than one half of Chinese migrants went to Japan or Korea, 20% to Europe, 15% to the United States and 11% to Australia, Canada and New Zealand. Recent flows from India are very differently distributed throughout the OECD zone: 30% have the United States as their destination, 22% the United Kingdom (19% another European country) and 12% Canada. Among the top 20 countries, Colombians, Chinese, Moroccans and Romanians have seen the highest rate of increase in the flows since 1995 (Table I.5).


Compared to movements observed over the 1997-2007 period, the flows of Chinese citizens grew significantly in Japan and Korea and to a lesser extent in Australia, Finland, Hungary, New Zealand and the United Kingdom (Figure I.4). The flows of Indians have increased in particular towards Australia and the United Kingdom. Flows have also increased for Germans emigrating towards neighbouring countries, such as

Table I.5. **Change in inflows to OECD, 1995-2008**

	Annual average inflows (thousands)				% of total inflows				Ratio of 2008 level to 1995-199 inflow average
	1995-1999	2000-2004	2005-2007	2008	1995-1999	2000-2004	2005-2007	2008	
China	144	335	483	539	4.9	7.6	9.0	9.8	3.7
Poland	102	135	264	253	3.4	3.1	4.9	4.6	2.5
India	78	152	189	212	2.6	3.4	3.5	3.9	2.7
Mexico	139	186	174	205	4.7	4.2	3.2	3.7	1.5
Romania	44	137	239	174	1.5	3.1	4.4	3.2	4.0
Morocco	40	112	141	165	1.3	2.5	2.6	3.0	4.2
Germany	57	88	126	162	1.9	2.0	2.3	3.0	2.8
Philippines	112	193	172	157	3.8	4.4	3.2	2.9	1.4
United Kingdom	83	116	155	143	2.8	2.6	2.9	2.6	1.7
United States	93	115	120	136	3.1	2.6	2.2	2.5	1.5
Viet Nam	49	59	83	98	1.6	1.3	1.5	1.8	2.0
Ukraine	38	91	104	97	1.3	2.1	1.9	1.8	2.6
France	59	72	74	88	2.0	1.6	1.4	1.6	1.5
Colombia	18	61	79	84	0.6	1.4	1.5	1.5	4.7
Bulgaria	57	91	93	84	1.9	2.1	1.7	1.5	1.5
Italy	63	54	63	82	2.1	1.2	1.2	1.5	1.3
Brazil	35	76	104	80	1.2	1.7	1.9	1.5	2.3
Korea	45	63	69	80	1.5	1.4	1.3	1.5	1.8
Russian Federation	69	102	82	77	2.3	2.3	1.5	1.4	1.1
Pakistan	33	55	65	74	1.1	1.2	1.2	1.3	2.2
Total top 20	1 357	2 295	2 878	2 991					2.2
% of total inflows	45.8	51.9	53.4	54.5					
All inflows	2 963	4 420	5 394	5 487					

Note: Top 20 countries, ranked in descending order of 2008 figures.

Source: OECD Database on International Migration.

StatLink  <http://dx.doi.org/10.1787/884330701446>

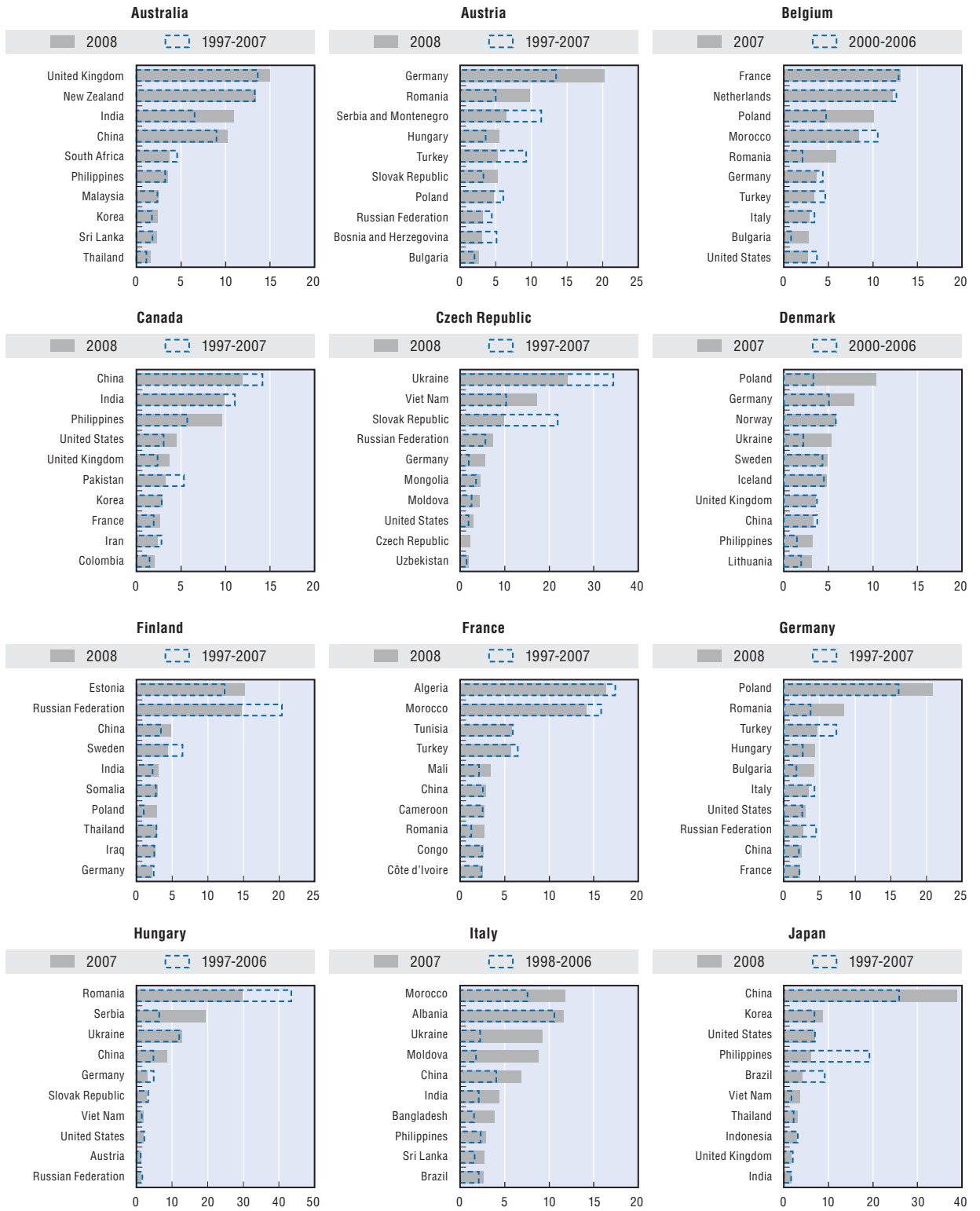
Austria, the Czech Republic, the Netherlands, Norway, Switzerland but also the United Kingdom.

The immigration of Poles has increased in a large number of European countries, especially in Belgium, Denmark, Ireland, the Netherlands, Norway, Sweden and the United Kingdom. Even if these flows quickly decreased in 2008 in response to the economic crisis, their volume in 2008 remained largely above the average level for the period 1997-2007.

The flows of Romanians going to Italy, Spain and Hungary decreased significantly in 2008.⁷ By contrast, the flows of this group increased considerably in Portugal but also in Austria, Belgium, Germany, the Slovak Republic and Sweden.

Figure I.4. **Change in inflows of migrants by country of origin, selected OECD countries, 1997-2007 and 2008**

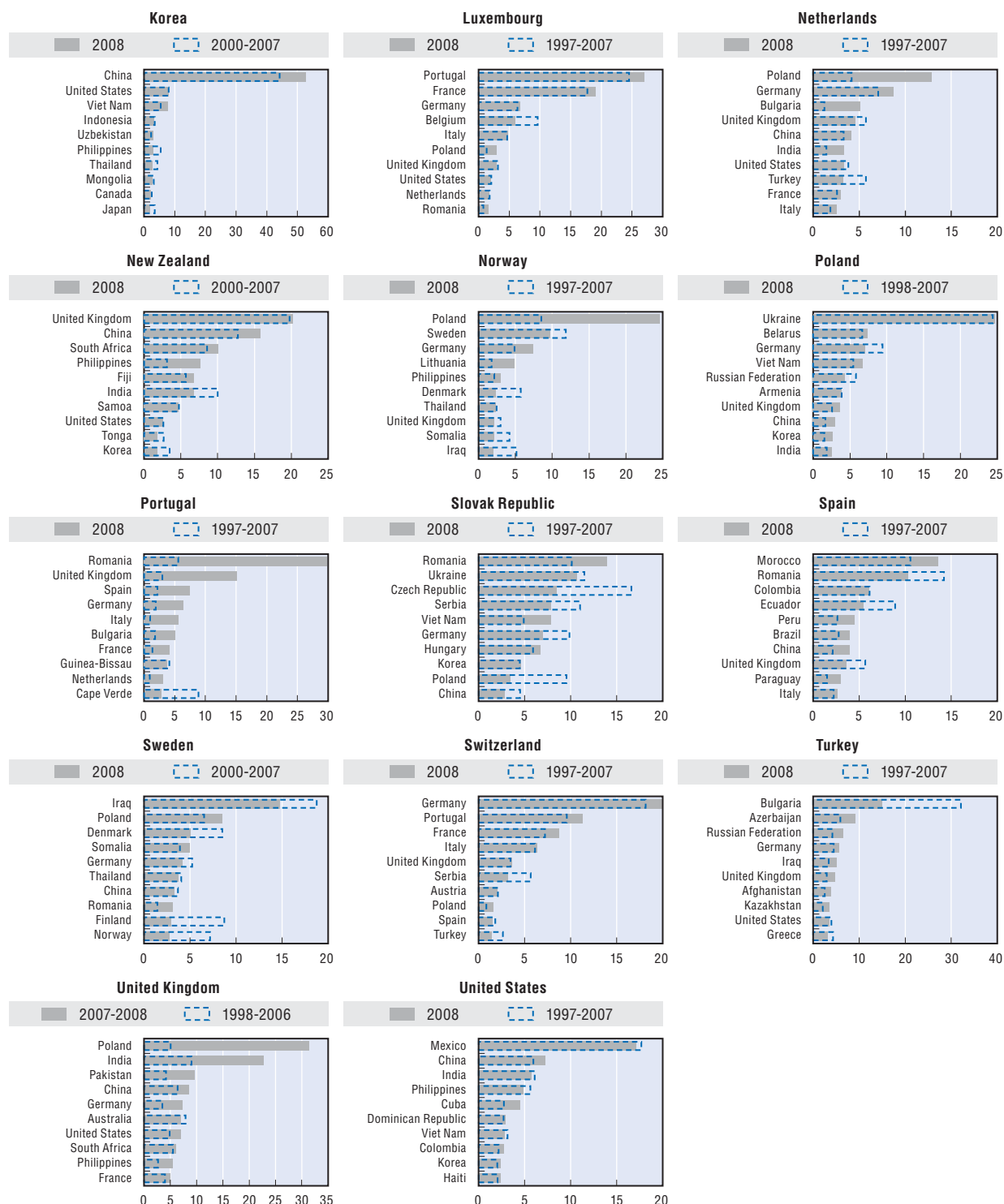
2008 top ten countries of origin as a percent of total inflows



Source: OECD Database on International Migration.

Figure I.4. **Change in inflows of migrants by country of origin, selected OECD countries, 1997-2007 and 2008 (cont.)**

2008 top ten countries of origin as a percent of total inflows



Source: OECD Database on International Migration.

StatLink <http://dx.doi.org/10.1787/882457443873>

7. Asylum seekers

After bottoming out at 283 000 in 2006, the number of asylum seekers rose for the second consecutive year in 2008 to reach 355 000, an increase of about 14% relative to 2007 (Table I.6). Five countries received between 30 000 and 40 000 requests, namely Canada, France, Italy, the United Kingdom and the United States, although on a per capita basis, it is Norway followed by Sweden and Switzerland who receive the most requests for asylum, more than 2 000 per million population. The number of asylum seekers making their way to Korea, Japan and Portugal, on the other hand, remains extremely limited.

Asylum seeking in Europe has increased the most since 2000 in countries that are on the periphery, such as Greece, Italy, Poland and Turkey. For the first three countries, this may reflect in part the impact of the Dublin Convention, which requires that a request be processed in the first country entered. Despite this rule, requests remain high in a number of countries with no external borders, such as France, Germany and Sweden.

Table I.6. **Inflows of asylum seekers in OECD countries, levels, trends and main countries of origin, 2007-2008**

	2007	2008	2008		2008
	Index (2000 = 100)		Number	Per 1 000 000 population	Top 3 countries of origin
Australia	30	37	4 800	224	China, Sri Lanka, India
Austria	65	70	12 800	1 535	Russia, Afghanistan, Serbia
Belgium	26	29	12 300	1 158	Russia, Iraq, Serbia
Canada	83	102	34 800	1 045	Mexico, Haiti, Colombia
Czech Republic	21	19	1 700	163	Ukraine, Turkey, Mongolia
Denmark	15	19	2 400	437	Iraq, Afghanistan, Iran
Finland	45	127	4 000	753	Iraq, Somalia, Afghanistan
France	76	91	35 400	568	Russia, Serbia, Mali
Germany	24	28	22 100	269	Iraq, Serbia, Turkey
Greece	815	645	19 900	1 778	Pakistan, Afghanistan, Georgia
Hungary	44	40	3 100	308	Serbia, Pakistan, Somalia
Iceland	175	321	100	313	Serbia, Afghanistan, Nigeria
Ireland	36	35	3 900	882	Nigeria, Pakistan, Iraq
Italy	90	195	30 300	511	Nigeria, Somalia, Eritrea
Japan	378	740	1 600	13	Myanmar, Turkey, Sri Lanka
Korea	1 667	847	400	8	Sri Lanka, Pakistan, Myanmar
Luxembourg	69	75	500	1 033	Serbia, Bosnia and Herzegovina, Iraq
Netherlands	16	31	13 400	815	Iraq, Somalia, China
New Zealand	16	16	300	70	Iraq, Iran, Sri Lanka
Norway	60	133	14 400	3 020	Iraq, Eritrea, Afghanistan
Poland	157	157	7 200	189	Russia, Iraq, Viet Nam
Portugal	100	72	200	19	Sri Lanka, Colombia, Dem. Rep. of Congo
Slovak Republic	170	58	900	166	Georgia, Moldova, Pakistan
Spain	97	57	4 500	99	Nigeria, Colombia, Ivory Coast
Sweden	223	149	24 400	2 646	Iraq, Somalia, Serbia
Switzerland	59	94	16 600	2 171	Eritrea, Somalia, Iraq
Turkey	134	228	13 000	184	Iraq, Afghanistan, Iran
United Kingdom	29	32	31 300	510	Zimbabwe, Afghanistan, Iran
United States	99	96	39 400	130	China, El Salvador, Mexico
OECD	58	66	355 400	329	Iraq, Serbia, Afghanistan

Source: UNHCR.

StatLink  <http://dx.doi.org/10.1787/884330701446>

Iraqi nationals lodged some 45 000 requests in 2008, followed by nationals of Serbia, Afghanistan, Russia, Somalia and China, with close to half the total for Iraq for each country.

Preliminary figures for 2009 indicate that over the OECD area as a whole, the total number of asylum seekers remained virtually unchanged. Slight increases in the European OECD countries and, more markedly, in Australia and New Zealand, compensated for declining figures in North America. There was a rather marked increase in asylum seekers from Afghanistan, while asylum seeking of Iraqis declined strongly. As a result, according to the preliminary figures, Afghanistan seems to have replaced Iraq as the main origin country.

With more than 4 million permanent-type immigrants entering OECD countries every year and a minority of asylum seekers being recognised as refugees or granted temporary protection, this form of migration has become, if not a minor phenomenon, one that represents a relatively limited source of permanent legal immigration. It may, however, be a significant source of irregular migration if asylum seekers who are refused refugee status stay on.

8. International students

International students have become a significant group in international migration flows in OECD countries. They have gained importance as a result of broader policies to attract and retain highly-skilled migrants for the labour market. This is taking place largely in the context of so-called “two-step migration”, by which migrants are first attracted as international students and then retained as highly-skilled long-term workers in a second step. Many OECD countries have taken measures for both steps that go hand-in-hand. This section gives a more extended overview of international students and presents, for the first time, estimates of the number and per cent of students who stay on in the country where they have pursued their education.

Migration of international students

In an attempt to increase the enrolment of international students, many OECD countries and universities have introduced measures to make international study more attractive, for example by reducing tuition and other costs connected with the stay, offering English-language instruction, facilitating credit transfers and also allowing part-time work while studying. As a result of such measures (OECD, 2004) but also because of increasing international mobility in general, the number of international students has significantly increased in recent years.

The most recent numbers indicate that OECD countries receive between 2 to 2.5 million international students from around the world (Table I.7 and Box I.3), which corresponds to about 84% of all students studying abroad (OECD, 2009a). The general trend of increasing numbers of international students observed in the recent past continued in 2007. On average across countries, the number of international students has doubled from 2000 to 2007. Compared to 2000, all OECD countries have seen increases in the number of international students, with the largest increases being observed in Korea and New Zealand, where the increases were almost ten- and eightfold respectively within seven years (OECD, 2009a).

Box I.3. The definition of “international students”

Because of data limitations, the precise magnitude of international student migration is uncertain, although the orders of magnitude are well known. Data on *foreign students* have been collected for over a decade, but these numbers often include a considerable number of students who either migrated with their parents before taking up their studies or in some cases have even been resident in the host country since birth. The students who are of interest in the context of international migration, however, are those who have migrated for the purpose of taking up studies. Such *international students* are identified in national statistics, either as non-resident students or as students who obtained their prior education in a different country. In either case, the statistics on international students include a small group of non-resident nationals who have returned to their country of citizenship to study, but the error as a consequence of including these is far less important than that made by adopting the “foreign-student” definition. On average, international students account for about three quarters of the foreign-student population, with the exception of the Scandinavian countries, but also Canada and New Zealand, where the percentages are lower. In what follows, the concept of “international student” is the one retained for analysis, keeping in mind that for some countries or over some periods, the statistics referred to will actually be for foreign students.

Although the United States had the largest number of international students with close to 600 000 in 2007, the share of these students in total enrolment in the United States is only about half of the OECD average of 7.1%, as is approximately the case as well for Japan. By contrast, Switzerland and New Zealand have fewer numbers of international students, both around 30 000, but the international student share of both total student enrolment and of the population are in both cases about twice the OECD average.

For advanced research programmes, the international student share of enrolment in all countries is much higher in all countries, usually at least double the share of international students in tertiary education.

Along with the United States and Japan, Australia, Germany, France and the United Kingdom remain the main destination countries for international students in both tertiary education and in advanced research programmes. Together these six countries account for about 75% of all international students in the OECD. At the same time, these countries are also generally the main OECD source countries for international students, along with Korea, China and India (OECD, 2009a).

Retention of international graduates

As noted above, most countries have adapted their migration policies so as to retain international graduates in the country (OECD, 2008a) following the completion of their studies. The advantages of recruiting students educated in the host country include not only that of local degrees recognised by employers, knowledge of local work practices and regulations and better language proficiency. They also cover soft skills, such as an understanding of social and cultural norms. Through study in the host country, graduates also signal their ability to integrate both socially and economically into the host society as well as other attitudinal factors such as perseverance and self-management (OECD, 2009c).

Among the measures taken by OECD countries in recent years to facilitate international student migration (OECD, 2008a; ICMPPD, 2006; see also Part V in this

Table I.7. **Tertiary enrolment of international and foreign students (2007) and evolution since 2000**

International students in 2007			Foreign students					Number of students 2007		
In tertiary education		In advanced research programmes	In tertiary education		In advanced research programmes	Index of change in the number of foreign students, total tertiary		International students	Foreign students	
Percentage of enrolment	Per 1 000 population	Percentage of enrolment	Per 1 000 population	Percentage of enrolment	(2000 = 100) (2007/2006)					
OECD countries										
Australia ¹	19.5	10.1	20.8	22.5	11.6	31.5	200	113	211 500	244 300
Austria ¹	12.4	3.9	15.1	16.7	5.3	21.5	143	111	32 400	43 600
Belgium ^{1, 2}	7.5	2.4	20.5	12.2	3.9	29.9	107	102	25 200	41 400
Canada ^{1, 3, 4, 5}	7.7	2.1	21.2	14.8	4.0	39.0	140	89	68 500	132 200
Czech Republic ¹	5.6	2.0	7.2	6.8	2.4	8.9	448	115	20 200	24 500
Denmark ¹	5.5	2.3	6.6	9.0	3.8	21.5	162	109	12 700	20 900
Finland ⁶	4.1	2.4	7.8	3.3	1.9	8.0	181	113	12 700	10 100
France	..	..	..	11.3	3.9	37.9	180	100	..	246 600
Germany ⁶	..	2.5	..	11.3	3.1	..	138	99	206 900	258 500
Greece ³	..	..	..	3.5	1.9	..	246	128	..	21 200
Hungary ¹	3.0	1.3	6.7	3.5	1.5	7.5	153	104	12 900	15 100
Iceland ⁶	5.2	2.6	11.9	4.9	2.6	14.4	194	112	800	800
Ireland ⁶	8.8	4.0	..	..	..	..	226	..	16 800	..
Italy	..	..	..	2.8	1.0	5.9	230	117	..	57 300
Japan ¹	2.9	0.9	16.1	3.1	1.0	16.8	189	97	115 100	125 900
Korea	..	..	..	1.0	0.7	5.5	947	143	..	31 900
Luxembourg	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..
Netherlands ³	4.7	1.7	..	6.4	2.3	..	270	106	27 400	37 600
New Zealand ¹	13.6	7.8	26.6	26.8	15.4	45.7	791	96	33 000	65 000
Norway ¹	2.2	1.0	4.8	7.3	3.3	23.4	180	109	4 800	15 600
Poland	..	..	..	0.6	0.3	2.8	213	114	..	13 000
Portugal	..	..	..	4.9	1.7	9.6	169	105	..	18 000
Slovak Republic ¹	0.9	0.4	0.8	0.9	0.4	0.9	128	115	1 900	2 000
Spain ¹	1.8	0.7	9.9	3.4	1.3	21.9	235	117	32 300	59 800
Sweden ¹	5.4	2.4	5.9	10.3	4.7	21.7	167	103	22 100	42 800
Switzerland ^{3, 6}	14.0	4.0	45.0	19.3	5.5	45.0	158	104	29 800	41 100
Turkey	..	..	..	0.8	0.3	2.6	109	101	..	19 300
United Kingdom ¹	14.9	5.8	42.1	19.5	7.6	46.0	158	110	351 500	460 000
United States ¹	3.4	2.0	23.7	..	..	..	125	..	595 900	..
OECD average	7.1	3.0	16.3	8.7	3.5	20.4	235	105	1 834 500	2 048 200
Total for countries with both categories⁷							104		1 221 700	1 641 200

1. International students are defined on the basis of their country of residence.

2. Excludes data for social advancement education.

3. Percentage in total tertiary underestimated because of the exclusion of certain programmes.


4. Year of reference 2006 instead of 2007.

5. Excludes private institutions.

6. International students are defined on the basis of their country of prior education.

7. Only countries with data on both international students and foreign students are included.

Sources: Sources: *Education at a Glance*, OECD, 2009. www.oecd.org/edu/eag2009/; *Education Database*: www.oecd.org/education/database/; OECD. Stat: <http://stats.oecd.org/index.aspx>.

StatLink  <http://dx.doi.org/10.1787/884330701446>

publication) are support for the transition from student to worker status, for example, by providing courses in the language of the host country,⁸ such as in Finland with Finnish and Swedish language courses, or by mediating internships for international students, such as is done by the Public Employment Service in Japan. OECD countries have also facilitated visa procedures for international students and graduates in recent years, for example by allowing applications for permanent migration to be lodged in Australia, something which had not been previously permitted. Some countries, such as Finland and Norway, amended their naturalisation acts and now take the years of residence as students into account for the assessment of eligibility. The facilitation of and permission to work during studies in many countries, including Sweden, Norway, the Czech Republic and Australia, also have positive consequences for the retention of graduates. International students working part-time in companies may be kept on as regular employees after graduation and will have gained valuable country-specific working experience useful for employment in the host country.

Most OECD countries now allow international students the opportunity to search for work for a specified period following the completion of study. The time period varies from six months in France, New Zealand or Finland to up to one year in Germany or Norway, and has been extended in recent years in some countries, for example in the Netherlands, from three months to one year. In Canada, permanent residence has been also facilitated for international graduates.

The success of policies to retain international students as highly-skilled migrants in the domestic labour market can be assessed by means of *stay rates*, which measure the share of international students who stay in the host country for work or other reasons. In practice, this is tabulated as the percentage of students who change status, from student visa to other residence permit types, in particular work permit status. The estimates of stay rates need to be treated with some caution because of data limitations but also because they do not necessarily concern students who have finished their studies. Students may change status prior to graduation, for example, if they marry a national of the host country. Others may be allowed to stay for humanitarian or other reasons without graduating. In principle, one would like to know the number of graduates who stay on, but the data on students who change status do not identify whether or not the students concerned have completed their education. However, because work permit requirements for international students generally require a tertiary qualification as well as a job which corresponds to their field of study, it may well be the case that most international students who change permit status and become workers are international graduates.⁹ For reasons of consistency and international comparability, however, the stay rates in Table I.8 have been calculated using as the denominator the total number of students who have not renewed their student permits. Note that these rates exclude students in free-movement regimes who do not require a student visa or a work permit to remain in the country of study.

The number of status changes varies with the level of international student enrolment. It ranges from less than 300 in Austria and Belgium to between 10 000 to 18 000 in countries such as Germany, France and Canada (see Table I.8). Despite this broad range, in all countries appearing in the table except Germany, the majority of international students change status for work-related reasons (61% on average). A higher share of status changing for family formation is seen in Germany and temporarily for humanitarian reasons in Canada.

Table I.8. **Status changes of international students and stay rates in selected OECD countries, 2007**


Status changes	Number	Distribution			All status changes	Work status changes	Stay rate ¹
		Work	Family	Other	Relative to total permanent immigration	Relative to permanent labour migration	
		Per cent					
Austria	200	n.a.	n.a.	n.a.	0.4	n.a.	18.0
Belgium	280	66	17	17	0.7	7.3	n.a.
Canada (temporary)	12 830	70	n.a.	30	n.a.	n.a.	18.8
Canada (permanent)	10 010	76	20	4	4.2	14.1	14.7
France	14 680	56	39	5	9.1	68.4	27.4
Germany	10 180	46	47	7	4.4	26.5	29.5
Japan ²	10 260	100	n.a.	n.a.	n.a.	29.4	19.8
Netherlands	1 010	65	34	1	1.4	8.1	15.0
Norway	660	80	18	2	1.5	16.9	22.5

n.a.: not applicable.

1. The stay rate is the number of status changes as a percentage of the number of international students who do not renew their student permit. The latter is estimated as $I - (S_t - S_{t-1})$, where I is the number of new international students and $(S_t - S_{t-1})$ is the difference in the stock of international students in the current year and in the previous year (excluding free-circulation students in EEA countries).

2. Changes into other status types unknown.

Sources: Austria: Ministry of the Interior – Alien Information System (BMI-FIS); Belgium: SPF (Service public fédéral) – Office for foreigners; Canada: Citizenship and Immigration Canada; France: Ministry of Immigration, Integration, national Identity and Mutual Development; Germany: Federal Office for Migration and Refugees, AZR (Central Registry of Foreigners); Japan: Immigration Bureau, Ministry of Justice; Netherlands: Immigration and Naturalisation Service IND, Ministry of Justice; Norway: Norwegian Directorate of Immigration.

StatLink  <http://dx.doi.org/10.1787/884330701446>

The estimated stay rates for all reasons as a whole vary between 15 and 35%, with an average of around 21%.¹⁰ Since it is likely that a higher proportion of those who stay than those who leave actually graduate, the stay rates in this table can be considered to be lower bounds for rates based exclusively on students who have completed their studies.

Not all international students go abroad with the intention of staying on as labour migrants. For many, study abroad is part of a strategy to improve their employment chances in the domestic labour market in their home countries. For others who stay on, the stay may not be definitive. In some countries, international students have the opportunity to work after graduation, but face constraints in career advancement in the companies which have employed them (JILPT, 2009). Restrictions in employment for foreign nationals (see Part IV in this publication) may also contribute to their leaving after a few years.

9. Demographic developments in OECD countries and international migration

With the economic crisis having put a brake, albeit in some cases a limited one, on labour migration movements, the current time is opportune to look again at aging-related demographic developments in OECD countries and the extent to which international migration may affect these developments in the short-to-medium term. The focus here will be on impacts on the working-age population rather than on the total population, which will be affected later as mortality among baby-boomers rises. Nonetheless, as background we first look at the importance of international migration for population growth over the recent past.

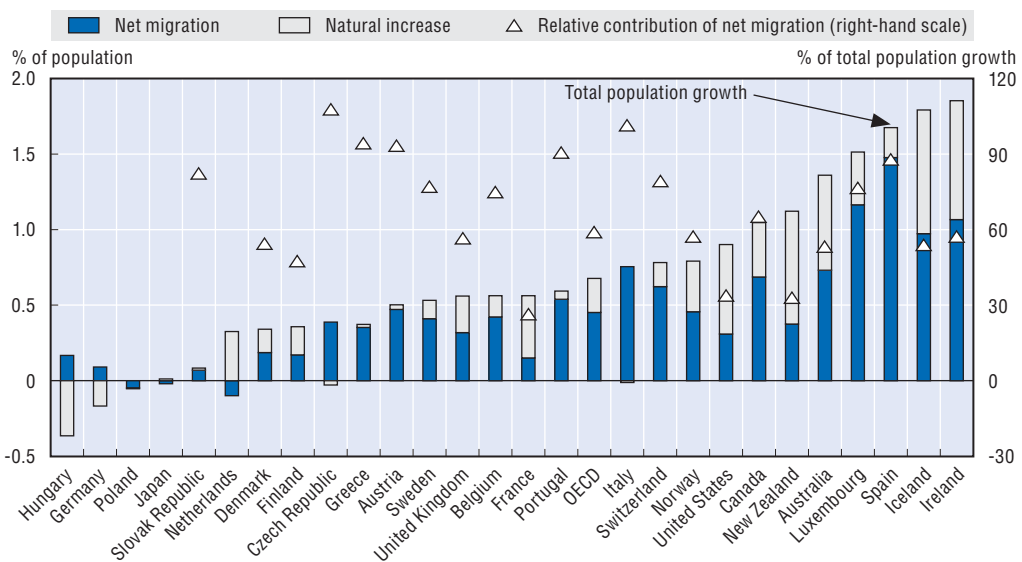
The contribution of net migration to population growth

Figure I.5 shows the contribution of net migration and natural increase (the excess of births over deaths) to population growth over the period 2003-2007. On average for OECD countries, 59% of population growth over the period was accounted for by migration. For a number of countries, in particular the countries of southern Europe, Austria and the Czech Republic, close to or more than 90% of population growth was attributable to migration. In Hungary, Germany, Poland and Japan, the population actually declined over the period. The Netherlands stands out as an exception as the only country whose population has continued to grow despite losing population as a result of migration. France, the United States and New Zealand are essentially the only countries where natural increase remains the main driver of population growth, with less than one-third of population growth coming from net migration.¹¹

International migration is thus already a strong contributor to population growth in many countries. This is expected to increase in the future, as the mortality of the ageing baby-boom generation increases and reduces the relative importance of natural increase.

Although this comparison of net migration and natural increase is accurate from the point of view of demographic accounting, it can be deceptive with regard to the contribution of migration to the workforce. More precisely, natural increase and net migration do not concern demographically similar populations. Migration tends to be highly concentrated in the population 15-39 (approximately 85% in some European countries),¹² while natural increase concerns largely the extremes of the age distribution. Ideally, one would like to have a better idea of the numerical importance of migration relative to a group of residents that is more comparable and that also contributes to the labour force.

Figure I.5. **Contribution of natural increase and of net migration to average annual population growth, 2002-2006**



Source: OECD Database on Population and Vital Statistics.

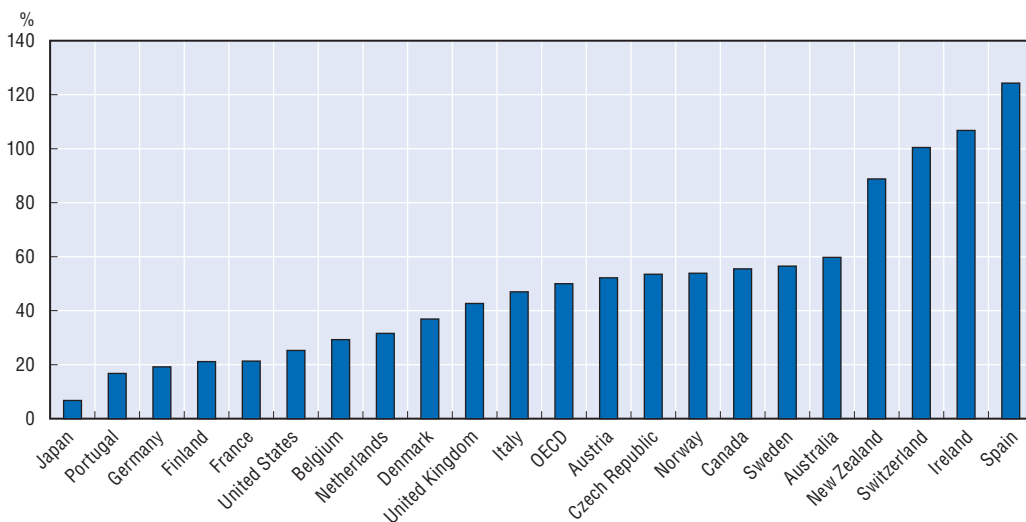
StatLink <http://dx.doi.org/10.1787/882458528004>

The scale of international migration in relation to labour force entry cohorts

The focus here will thus be on the level of immigration, on the one hand, and on the size of resident working-age entry cohorts, on the other. In addition, the kind of migration which has a durable fiscal and institutional impact on the destination country is permanent migration and it is this form of migration that is examined here, keeping in mind that there are significant spontaneous returns of immigrants to their countries of origin even among those who have been granted long-term residence rights (OECD, 2008b).


The reference group to assess the relative scale of international migration is, as a first approximation, the average size of a single-year age cohort in the 20-to-24 year age group. There are a number of refinements that could be made to arrive at a more pertinent reference population, but the reference group of 20-24 year olds is sufficient for the purposes of this analysis (see Figure I.6).

Figure I.6. **Permanent-type immigration relative to the average size of a single-year cohort 20-24, 2004-2007**



Note: The average size of a single-year cohort is obtained by dividing the total cohort aged 20-24 by 5.

Source: OECD Database on International Migration and World Population Prospects, the 2008 revision, UN Population Division.

StatLink  <http://dx.doi.org/10.1787/882500574344>

The results indicate that permanent-type movements represented on average across OECD countries about 50% of a single-year young adult cohort over the 2004-2007 period. In other words, all things being equal, about one third of new entries into the working-age population and potentially, into the labour force, are of immigrant origin. This is substantial, but in practice there are a number of factors that tend to reduce this proportion.

First of all, not all arriving immigrants are in the working-age population. Some are retired and some are children, although the latter will eventually enter the population of working age. Also, some immigrants may not remain in the destination country, but return to their countries of origin or migrate elsewhere. Some native-born persons also emigrate, but not nearly to the same extent as immigrants. Finally, if one thinks in terms of contributions to the labour force, then the participation rate of many arriving immigrants,

and in particular of family and humanitarian migrants, tends to be low after arrival, although it does tend to increase over time and provides a significant addition to the labour force.¹³ In countries having high rates of labour migration, such as Spain, Ireland and Switzerland, additions to the working-age population as a result of migration have been larger than the average size of a youth cohort over the 2004-2007 period. For a majority of the countries shown, the number of arriving immigrants represents more than one half of a single-year youth cohort. This already reflects a strong reliance on migration in many countries to supplement domestic sources of labour.

The role of international migration in employment growth

In many countries, international migration has not been the only source of new additions to the labour supply and to the ranks of the employed. The mobilisation of persons already resident in the country is generally viewed as the best way to address domestic labour needs and this has been occurring significantly in many OECD countries, both as a result of increasing labour force participation, but also from a reduction in unemployment. Figure I.7 shows the contribution of population growth (both native-born and foreign-born) and of increases in the employment-to-population ratio of residents (both native- and foreign-born) to the growth of employment over the period 2005-2008.¹⁴

On average for the OECD, fully 51% of employment growth has come from increases in the employment rates of residents and 39% from increases in international migration between 2005 and 2008. A further 9% of employment growth is attributable to increases in the native-born population. These averages mask considerable diversity, however, about which it is difficult to generalise. All sources of labour supply have played a role in employment growth in at least some countries.

In Figure I.7, countries for which employment growth came largely from international migration appear on the left (Group A), whereas those for which employment growth was more dependent on domestic sources are on the right. The second group on the left (Group B) consists of countries for which employment growth came largely from growth in the working-age population, of both the native-born and the foreign-born. The right-hand group (Group C) includes countries in which the employment rates of residents were already quite high in 2005, exceeding 75% (Denmark, Switzerland and Sweden), and in which one might have expected further increases to be difficult to come by.

Contrary to what one might expect, several of the countries for which employment growth has come largely from external sources had relatively low employment rates (under 65%) by OECD standards in 2005. Only the United Kingdom at 71% was above the OECD average. For all of these, international migration has supplied more than two thirds of increases in employment, and for Spain and Luxembourg, over 90%. Higher employment rates among residents have accompanied employment growth in Italy and Portugal, but international migration was still the main source of additional labour supply.

In summary then, countries have resorted to different strategies to supply workers in response to employer demand, but it is far from obvious what is driving developments. Recent international migrants are the source of new workers only in a minority of countries. In a number of others where the native-born working-age population is declining (Denmark and Germany), increases in employment rates of those of working-age are more than offsetting this.

Figure I.7. **Distribution of the components of change in employment, selected OECD countries, 2005-2008**



Sources: European Labour Force Survey (Eurostat); United States: Current Population Survey (March supplements); Australia: Labour Force Survey.

StatLink  <http://dx.doi.org/10.1787/882508814057>

Currently, the economic crisis has introduced a lull in demographic pressures. There is considerable labour market slack in many countries that needs to be absorbed before a renewed recourse to international migration can be expected to provide an alternative source of labour supply.

The results shown here suggest that there continues to exist considerable potential for mobilising domestic sources of labour to satisfy demand in at least certain kinds of jobs. And this indeed is what has been happening in many countries. But not all jobs find takers in the domestic population, either because they are unappealing or because the educational system is not producing enough persons with the required skills. And as more and more baby-boomers retire, the additional increases in participation required to offset this will be harder and harder to achieve. This can be expected to be the case in countries with already high participation rates.

Evolution of the working-age population over the next ten years

What evolution can be expected over the next ten years, with regard to the size of the working-age population? The only significant unknown in this regard is the extent of international migration, since entrants to the working-age population are already living and mortality rates are unlikely to change very much in this age group. Table I.9 gives the projected results, on the basis of the assumed net migration levels specified in the first column,¹⁵ which reflect recent levels for the most part.

On average across OECD countries, the working-age population will grow by 1.9% over the 2010-2020 decade, compared to the 8.6% growth rate observed from 2000 to 2010. As is evident from the table, the situations vary considerably across countries, with Japan, Germany, Italy, Finland and the countries of Central Europe all seeing declines in the working-age

Table I.9. Observed (2000-2010) and projected (2010-2020) growth in the working-age population (20-64) at assumed migration levels

	Observed growth in working-age population (%)		Projected growth in working-age population at specified net migration levels (per cent relative to 2010 level)			Difference in decadal growth rates (“-” = decline) (B) – (A)
	2000-2010 (A)	Assumed annual net migration levels (000s) 2010-2020	2010-2015	2015-2020	2010-2020 (B)	
Japan	-4.2	54	-5.7	-3.8	-9.5	-5.3
Poland	8.1	-11	-1.3	-4.4	-5.7	-13.8
Czech Republic	4.9	21	-1.8	-3.8	-5.	-10.5
Hungary	-0.3	15	-1.3	-4.0	-5.3	-5.0
Finland	2.4	8	-2.1	-2.3	-4.5	-6.9
Germany	-2.2	110	-0.7	-2.8	-3.4	-1.2
Italy	2.9	185	-1.0	-1.5	-2.5	-5.4
Slovak Republic	9.3	4	0.7	-3.0	-2.3	-11.6
France	6.5	100	-1.1	-1.0	-2.1	-8.6
Portugal	6.3	23	-0.6	-1.4	-2.0	-8.3
Greece	3.8	30	-0.7	-1.2	-2.0	-5.8
Netherlands	2.8	20	-1.1	-0.7	-1.8	-4.5
Denmark	-1.7	6	-1.1	-0.2	-1.3	0.4
Belgium	5.4	20	0.0	-0.8	-0.8	-6.2
Sweden	4.6	25	0.9	-0.3	0.6	-3.9
Austria	5.1	20	1.2	-0.2	1.0	-4.1
Switzerland	5.9	20	0.9	0.3	1.2	-4.7
Korea	7.6	-6	2.8	0.3	3.1	-4.5
United Kingdom	6.3	178	1.6	1.6	3.1	-3.2
Spain	14.6	251	2.4	0.8	3.3	-11.4
Norway	9.2	18	2.8	2.5	5.2	-3.9
Canada	12.9	210	3.9	1.7	5.6	-7.3
United States	11.8	1 071	3.8	2.2	6.0	-5.8
Australia	13.4	100	3.6	2.8	6.4	-7.0
New Zealand	13.2	10	4.1	2.6	6.7	-6.5
Ireland	27.1	20	4.3	3.9	8.2	-18.9
Iceland	23.5	2	7.9	3.5	11.3	-12.2
Luxembourg	13.8	4	6.5	6.0	12.5	-1.3
Mexico	21.1	-371	8.8	6.8	15.5	-5.6
Turkey	24.3	2	8.8	7.7	16.5	-7.8
OECD average	8.6	..	1.5	0.4	1.9	-6.7

Source: World Population Prospects, the 2008 revision, UN Population Division.

StatLink  <http://dx.doi.org/10.1787/884330701446>

population, while in the traditional settlement countries, as well as Iceland, Ireland, Luxembourg, Mexico and Turkey, the size of the working-age population will continue to increase. However, in practically all countries, the growth rates will be significantly smaller than in the past, some 6.7% on average. All else being equal, this means that GDP/capita growth rates over the upcoming decade will be lower than those of the previous decade by this amount, although productivity increases as well as increases in the proportion of persons employed can make up for this.

To the extent that international migrants are workers (rather than inactive persons), an increase in their numbers can also provide a boost, but less than can be obtained by an increase in the participation of persons already resident. Immigrants are not only producers; they are also new consumers, so that any boost they provide to national income levels tends to

be diluted by their additional numbers. This is not the case for persons already resident, who contribute to national income without adding to the domestic population. However, if employed they tend to be net contributors to social protection systems. But immigrants age as well and like the native-born, eventually become net recipients. Ideally they would become so when dependency ratios have peaked and are declining.

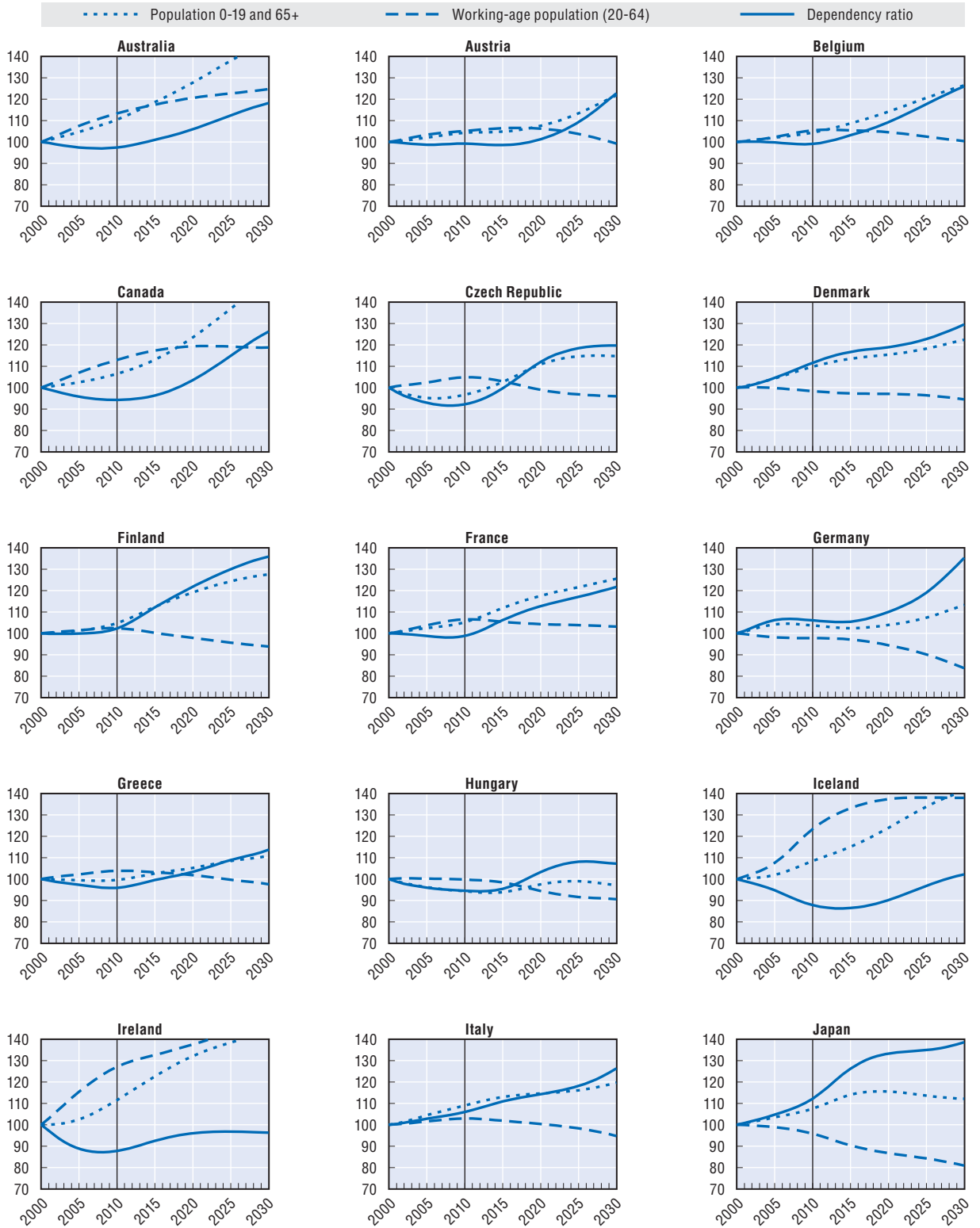
Dependency ratios over the next ten years

Because of retiring baby-boomers, the population not of working-age (0-19 and 65+)¹⁶ will be growing significantly over the next decade. The rate of growth is likely to exceed that of the working-age population at current projected migration levels (see Table I.9) in many countries. For many countries, the cross-over year occurs during the decade, after which dependency ratios¹⁷ begin to increase, in some cases quite sharply.

On average OECD countries saw a fall in dependency ratios over the 2000-2010 period of about 4%. In practical terms this kind of fall should translate into potentially smaller educational and social expenditures per person in the working-age population, all other things being equal. A number of countries saw already an increase in dependency ratios over the decade, namely Denmark and Japan (12% increase), Germany and Italy (6%), the Netherlands (4%) and to a lesser extent Finland and Sweden. For these countries, educational and social expenditures per working-age person were potentially greater at the end of the decade than at the beginning. Over the next ten years, the average dependency ratio is expected to increase by about 8% in OECD countries (Figure I.8), with increases of close to 20% in Japan, Finland and the Czech Republic. A number of other countries (Spain, Belgium, the Netherlands, Poland and France) are expected to see increases of between 10 and 15% in dependency ratios. Most other OECD countries will see increases in the dependency ratio of between 4% and 10%. Austria, Germany and Iceland are expected to see increases of less than 4%, whereas ratios in Luxembourg, Korea as well as Mexico and Turkey continue to decline. Because international migrants are generally of working age, international migration can contribute to alleviating such increases in the short term. But the next decade is only the beginning. The increases in dependency ratios will continue following 2020 and will begin to pose formidable challenges for public finances. The current situation of deficient demand and slack labour markets, however, evidently makes it problematic to propose increases in labour migration as a way of addressing this. But as the recovery picks up, the potential contribution of international migration to addressing the problems posed by ageing will once again return to the policy agenda.

Figure I.8. Evolution of dependency ratios over the period 2000-2030, OECD countries

2000 = 100

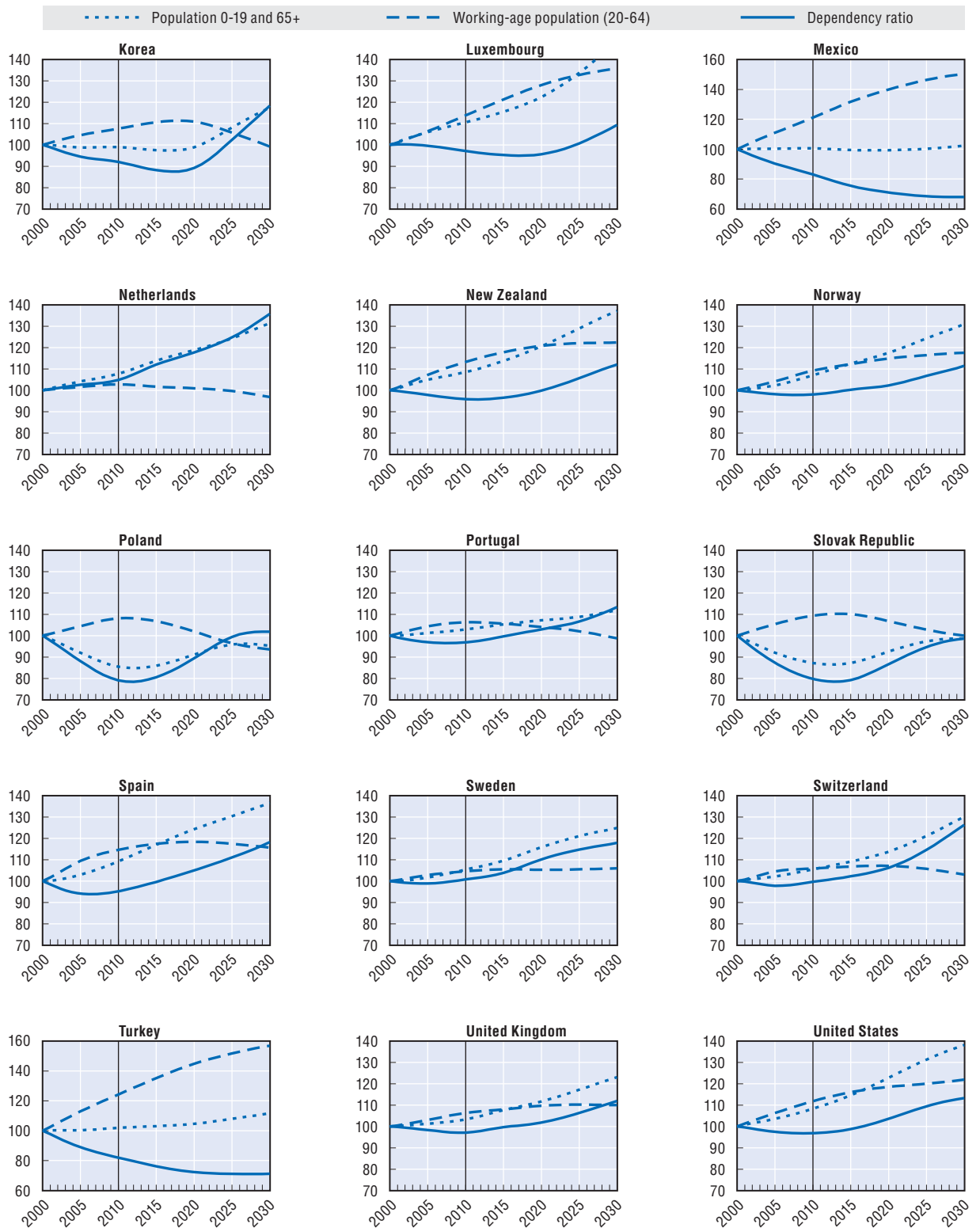


Source: World Population Prospects 2008, UN Population Division.

StatLink  <http://dx.doi.org/10.1787/882515467408>

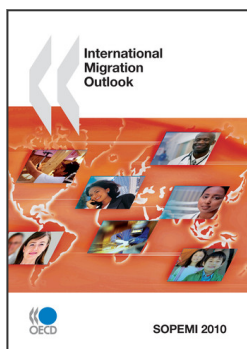
Figure I.8. Evolution of dependency ratios over the period 2000-2030, OECD countries (cont.)

2000 = 100



Source: World Population Prospects 2008, UN Population Division.

StatLink <http://dx.doi.org/10.1787/882515467408>



From:
International Migration Outlook 2010

Access the complete publication at:
https://doi.org/10.1787/migr_outlook-2010-en

Please cite this chapter as:

OECD (2010), "Recent Flows, Demographic Developments and Migration", in *International Migration Outlook 2010*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/migr_outlook-2010-3-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.