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The activities of the Organisation for Economic Co-operation and Development (OECD) in 2009-2010

Contribution[1]
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1. Conclusions of the committee

1. The Committee on Migration, Refugees and Population welcomes the report by Mr Juan Moscoso del Prado Hernández (Spain, SOC), which concentrates in a timely manner on the OECD's assessment of economic prospects for the recovery from the economic crisis and outlines the main lessons to be drawn from this crisis and the ways of addressing these concerns.

2. With regard to its own field of activities, the committee commends the leading international role that the OECD has continued to play in following up on the global trends in international migration through the period of economic recession and in formulating policy suggestions for dealing with its impacts on labour markets.

3. The committee recalls that, in its Resolution 1718 (2010) on the impact of the global economic crisis on migration in Europe, the Parliamentary Assembly called upon its partner organisations, including the OECD, to continue to co-operate in disaggregated data collection and monitoring the various implications and consequences of the economic downturn on migrants and their children. In this respect, it particularly welcomes the recently published *International Migration Outlook 2010*, which presents new data on the consequences of the economic crisis on migrant workers, analyses the role of migration in labour market adjustments and surveys the evolution of public opinion on migration through this crisis.

4. The committee observes that the recent recession has had a significant impact in most OECD countries on the employment situation of immigrants and on international migration flows. According to the findings of the OECD, permanent legal immigration of foreign nationals fell by 6% and temporary migration by 4% in 2008, reversing the previous five years' average annual increase of 11%. This trend was confirmed and even reinforced in 2009. However, migration has not come to a standstill, partly because humanitarian and family movements are less sensitive to changes in labour market conditions, but also because of structural needs and demographic trends.

5. The committee notes that the impact of the current recession on the labour market has been uneven among OECD countries. It has touched the hardest those countries that had particularly high inflows of migrants shortly before the economic downturn. For example, Spain, the Czech Republic, Italy and Ireland have seen declines in immigration of about 25% or more, whereas countries such as Austria, Denmark, Portugal or Mexico have shown increases in net migration of over 40%.

6. The committee observes that the global economic crisis has not had much impact on asylum claims in the OECD area as a whole. The total number of asylum seekers has remained virtually unchanged.

1. Reference to committee: standing mandate. Reporting committee: Committee on Economic Affairs and Development. See Doc. 12340. Contribution approved by the committee on 21 September 2010.

7. The crisis has, however, put many migrant workers out of work at a higher rate than native-born workers. The unemployment rate of immigrants in the EU-15 increased by 3.5 percentage points in 2008-2009, which is twice the figure for native-born populations. But again, statistics vary among the countries: while unemployment increased by more than 10 percentage points in Spain and by 8.6 points in Ireland, it increased by less than one percentage point in Belgium, Norway or Poland and decreased by half a percentage point in Germany. These cross-country differences should be kept in mind when reflecting on the consequences of the economic crisis on migrant workers.

8. All in all, migration within the free movement areas has seen the sharpest declines: this involves labour migrants who can come and go as they please, as they have the right to live and work in other European Union countries. Part of the disproportionate impact on migrant workers is due to their concentration in certain sectors which particularly suffered during the downturn (construction, food processing, leisure industry), as well as their lower seniority and less stable contracts.

9. Workers from the rest of the world tend to be hired more into sectors where there is a “structural” shortage of jobs. These migrants tend to stay in their host country when they lose their jobs, because it is more difficult for them to return when employment conditions improve. Government incentives to encourage returns to the home country have not met with success. For example, out of the 137 000 unemployed immigrants eligible for the Spanish return programme in 2009, only 10 000 persons and 3 600 family members applied.

10. In this context, the committee reiterates its previous concern about unemployment forcing an ever-increasing number of regular migrants into an irregular situation, which bears a true risk of “normalising irregularity” in Europe. Migrants who lose their legal status are often forced to accept extremely bad conditions for fear of unemployment and destitution. Their situation also makes them prey for smuggling and trafficking networks.

11. The committee shares the OECD’s concern as regards the particularly severe impact of the crisis on young migrants, who may have difficulty reconnecting to the labour market, even during the recovery phase. This implies a real threat of a long-term negative impact on their integration.

12. The committee observes that, because of their traditional sectors of employment, male migrants generally suffer more from unemployment than their female counterparts. Contrary to general perceptions, in some OECD countries, the crisis has even encouraged employment rates among immigrant women, who have taken jobs to compensate for loss of income by male members of their families.

13. Regardless of recent improvements of macroeconomic prospects, it is still unclear in most OECD countries whether the recovery will generate sufficient job creations to close the employment gap before the end of 2011. The committee therefore calls on the member states to apply measures that are as inclusive as possible to help the unemployed in the labour market. Regular migrants who are currently without work should be given the same opportunities as native-born unemployed to develop their skills and to reintegrate into the ranks of the employed during the recovery. The committee believes that employment is the best insurance against social exclusion and marginalisation of migrants and their children. It also has an effect on public opinion towards immigration.

14. The committee is convinced that the current economic difficulties are temporary; they will not change long-term demographic trends and should not be used as an excuse to overly restrict immigration. Although mobilising domestic labour resources is definitely the best way to address expected declines in working-age population, it may not be sufficient when the economy recovers. The OECD predicts that without an increase in the current migration rates the working-age population in OECD countries will increase by only 1.9% over the next ten years, compared to the 8.6% growth seen between 2000 and 2006. Immigrants already represent up to a third of new entries to the working age population. In a number of countries in southern Europe and in the Czech Republic, about 90% of population growth has been due to migration.

15. In the committee’s view, achieving good outcomes in the labour market for migrants who already reside in European countries should be an imperative target. Migrants need to be actively engaged in the labour market and to be as self-sufficient as native-born persons of comparable education and skills. Another policy objective should be to make labour migration correspond to real labour-market needs. More and more new jobs in the OECD are highly skilled, which may require recruitment from abroad, although the need for lesser-skilled migrants in some sectors will also remain. Nevertheless, where resident unemployed workers are available or can be easily trained to fill a job, they should be given the first opportunity before other workers are recruited from abroad.

16. Finally, the committee maintains that one of the keys to satisfactory employment outcomes and, ultimately, integration for immigrants is naturalisation. The OECD research shows that naturalised immigrants enjoy substantially better labour market outcomes across a whole range of indicators, such as a higher employment probability, better occupational status and access to the public sector, and higher wages. Immigrants who are eligible to take up nationality of the host country should be encouraged to do so. Meanwhile, governments should also consider lowering barriers to naturalisation, such as limits on dual nationality and overly restrictive eligibility criteria.

2. Proposed amendment to the provisional draft resolution

While emphasising its support for the draft resolution tabled by the Committee on Economic Affairs and Development, the Committee on Migration, Refugees and Population proposes to include the following paragraphs in the provisional draft resolution:

"1. The enlarged Assembly expresses its concern over the effects that the recent economic crisis has had on international migration flows and on the employment situation of migrants in most OECD countries. It welcomes the OECD's continuing efforts to assist governments in seeking responses and adjustment to the tightened labour market situation. In this respect, it particularly hails the recent publication of *International Migration Outlook 2010*.

2. While recognising that most of the decline in migration for employment has been driven by lower demand, the enlarged Assembly continues to be concerned about the tightening of administrative mechanisms for immigration in several OECD countries. It renews its call on the governments of member states to keep open legal avenues of entry and employment of migrants and to provide guarantees for adequate and effective protection of the rights of migrants as well as for their equal treatment with native-born job seekers on the labour market. The enlarged Assembly further calls on governments to adopt measures that would help to identify and meet endemic skills shortages that will become more apparent with economic recovery.

3. Furthermore, considering the structural needs for labour on the one hand and the increased number of irregular migrants residing in OECD countries on the other, the enlarged Assembly encourages the OECD to carry out a study on the possibilities of regulating the status of those irregular migrants who cannot or will not return to their countries of origin, and their integration in legal channels of the labour market."