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International labour migration

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Foreword

The Council of Europe has a long tradition of producing population studies and the work of the European Population Committee contributes to the understanding of the relationship between social policy and demographic issues in Europe. The findings of this work are published in the series *Population studies*. Topics covered recently include migration flows, national minorities, demographic changes and the labour market, the ageing of European populations and the demographic consequences of economic transition. These publications provide essential background information for implementing the Council of Europe's strategy for social cohesion: an integrated policy approach aimed at combating poverty and social exclusion through promoting access to social rights in areas such as employment, health, social protection, housing, education and social services. The Population studies series is accessible through internet at the following website: <http://www.coe.int/population>.

This report identifies the main characteristics of European labour migration flows and their trends. First, it discusses different concepts and definitions of labour migrant. The report then goes on to review the geographical, demographic and occupational characteristics and trends of labour migrant flows, including flows of irregular labour migrants. The report concludes with a summary of how labour migration flows are managed by administrations.

I should like to take this opportunity to thank the authors, John Salt, James Clarke and Philippe Wanner, for their work, which has resulted in the comprehensive and thorough study contained in this volume. My sincere thanks go also to the European Population Committee whose careful discussion of successive drafts has guaranteed the high quality of the final result.

Alexander Vladychenko
Director General ad interim of Social Cohesion

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I. International labour migration towards and within Europe

John Salt and James Clarke

Executive summary

This report identifies the chief characteristics of European labour migration flows and the trends in recent years. The focus is on foreign workers who are in the process of moving and not on the stocks of migrants already in the country. It examines labour migrant concepts and definitions, provides a brief summary of types and sources of data and then reviews the geographical, demographic and occupational characteristics and trends of labour migrant flows. It deals with irregular migration flows and the characteristics of irregular labour migrants. It concludes with a summary of how labour migration flows are managed by governments and other institutions.

The lack of data available and the enormous variation from country to country means there is no simple European pattern or trend. Overall trends in labour flows largely mirrored those of total population flows, rising in the 1980s, peaking in the early 1990s and remaining stable in recent years. Analysis of the origin/destination patterns suggests that flow patterns are now more diversified.

The nationality profile of recorded migration is influenced by geographical proximity, and historical and cultural ties. There is a trend towards diversification of the origins of total migration flows in recent years, with countries receiving their migrants from a larger number of sources. Recent data indicate new and/or enhanced migrations caused by skills shortages, the opening up of the central and eastern European region, asylum seeking, globalisation and the creation of transnational communities. The male/female balance of labour migration appears to be changing with male domination (around two thirds) falling in most countries, reflecting increasing feminisation of the labour market. Immigrants of working age are getting older but this trend is less clear for emigrants. Foreign workers are found in all occupations in immigration countries but increasingly so in the tertiary and quaternary sectors. Much of the inflow is into highly skilled jobs and, through work permit systems, most countries now select those with higher expertise to meet skills shortages. However, there is increasing evidence of polarisation, with large numbers of low-skilled jobs filled; many workers finding their way into these are in an irregular situation.

Labour migration in the central and eastern European area differs considerably from that in western Europe, with more emphasis on short-term movements among lower-skilled workers. However, the central and eastern European countries can no longer be characterised only as ones of transit or emigration and they now both send and receive labour migrants. Growth of the informal sector in this European region provides scope for considerable and highly flexible forms of labour migration. Emigration from the central and eastern European area has been amongst the better off, although the jobs taken in destination countries are frequently of lower calibre than those left, implying brain waste. However, at the upper end of the skill spectrum, many people from the region engage in highly skilled international exchanges. Studies suggest that perhaps 3% of the population of the EU enlargement candidate countries would move after accession at a rate of between a quarter and a third of a million per annum. Only a minority of existing member states will allow free movement from the new members immediately after accession.

In the absence of hard statistics, estimates of the scale of the irregular migration flow into the EU range between 50-400 000 people per annum. Data from amnesty programmes suggest profiles of irregular immigrants are not dissimilar from those of legal immigrants.

The scales of operation and the linkages between external labour demand, unemployment and demographic developments influence countries' labour migration policies. Various management strategies employed in European countries include: labour market testing; special schemes to attract the highly and low-skilled workers; quotas and national targets; bilateral agreements; and amnesties. Overall, labour migration management is about compromise between government and other institutions in order to achieve particular migration outcomes.

1.1. Introduction

The main aim of this chapter is to identify the chief characteristics of labour migration flows and the trends in recent years across the European theatre. We do this in terms of a series of questions relating to nationality, demographic and occupation/skills criteria. Our focus is on the characteristics of those foreign workers who are in the process of moving and not on the stocks of migrants already in the country. Most of the statistical and other information available on the subject refers to labour migrant stocks, not flows.

Our study was faced with two fundamental difficulties. The first is the lack of data available, both in the form of systematic statistical sources and surveys. Statistical problems are discussed in the next section.

The second difficulty is the enormous variation across the continent which means that generalisations are approximate and do not necessarily relate to all countries. Europe is highly geographically differentiated in its physical and human geography and its migrations, not only between east and west, and north and south, but also between adjacent countries. The characteristics of labour migrants differ across the flow matrix as do the trends over time. In part, these differences are related to the statistical problems already mentioned, since different countries use different sources and measure and collect different things in different ways. The matrix of migration flows further reflects differences in the nature of economies and place in the economic cycle at different times, cultural ties and political change.

All this means that identification of common patterns and trends is difficult, if not impossible. There is no simple European pattern or trend – there are always divergences and exceptions.

The chapter begins by examining labour migrant concepts and definitions and this is followed by a brief summary of types and sources of data. It then reviews the geographical, demographic and occupational characteristics and trends of labour migrant flows, using trends in total population flows where there is no other indication of labour migration per se. This is followed by a section dealing with irregular migration flows, including the scale of migrant trafficking and smuggling and the characteristics of irregular labour migrants, the latter derived principally from the amnesties in southern European countries. It concludes with a brief summary of how labour migration flows are being managed by governments and other institutions.

1.2. Labour migrant concepts and definitions¹

1.2.1. What is a labour migrant?

The concept of “migrant” is not a simple one. Over the years numerous typologies have been produced, normally based on distance moved, time spent away or motivation. There is no consensus on what a migration is, although most definitions would assume a move of home. Conceptually, however, what constitutes home varies; for example, is a family on a corporate secondment or an individual working seasonally or a student on a Socrates programme really moving home?

The concept of “labour migrant” is equally unclear. Does the description relate only to those moving for specific work reasons or can it apply to anyone of working age who moves and who subsequently might enter the labour market? Further conceptual complications arise when migrants are

1. This section draws on Chapter 2 of Dobson et al. (2001).

categorised by degrees of skill. For example, are the highly skilled to be classed as such on the basis of paper qualifications and how do we conceptualise “brain wastes” where migrants take jobs which are less than commensurate with the skills, qualifications and experience they possess?

Furthermore, types of migration are not immutable. Individuals classed as one type of migrant may easily become another and, perhaps, back again. Thus, labour migrants move in and out of the labour market. Migrants coming for purposes of family reunion go to work. Children of migrants finish their education and go out to work; overseas students marry and remain. Refugees take up work, naturalise and settle down. The permutations are endless. Even where there is information on reason for movement it may complicate rather than clarify the picture.

The conceptual difficulties illustrated above combine with those of definition to complicate further any attempt to assess the number and characteristics of foreign labour migrants and evaluate their impact. In most countries the main definitions are based on some concept of “foreignness”. Some statistics use citizenship as the base for analysis, others use birthplace (hence foreign-born), country of last/next residence or ethnicity. Whichever of these is chosen will determine the outcome of the analysis.

1.2.2. Who is a foreign worker?

The comments above suggest that what should be a straightforward exercise to identify patterns and trends in labour migration is, in reality, dealing with something that is complex, dynamic and difficult to pin down. The definition “foreign workers” could be deemed to apply to any or all of the following groups, divided for present purposes into three categories based on length of stay:

1. Foreign citizens who come to work for less than a year on a one-off or recurrent basis.
 - People coming for seasonal work in agriculture.
 - People coming for seasonal work in hotels and catering.
 - Construction workers.
 - Frontier workers.
 - Pendular migrants and labour tourists.
 - Young people coming as working holidaymakers.
 - Experts/highly skilled people doing specific tasks for international organisations.
 - Entertainers on tour.
 - Academics visiting institutions.

2. Foreign citizens who come to work for a year or more but subsequently return to country of origin (or other country) before retirement age.
 - People with particular skills, qualifications and experience coming with fixed contracts to work in the private and public sectors.
 - EU nationals entering a range of occupations, including service industries.
 - Football and other sporting players.
 - Some of those who enter the country seeking asylum.
 - Working holidaymakers.
 - Overseas students who subsequently remain to work.
 - Spouses of those entering to take up employment or courses of study.
3. Foreign citizens who enter, take up employment and remain in the country until retirement age or permanently.
 - Foreign-born adults who are granted the right of permanent settlement (including spouses and refugees).
 - Foreign-born children who enter the country with their parents and later enter the labour market.
 - Overseas students who subsequently remain in the country.

People in two or more of these categories may come initially by the same route of entry, for example as a work-permit holder, a student or an asylum seeker, but length of stay will then vary with circumstances.

1.2.3. How do we measure flows of foreign workers ?

Attaching figures to inflows of foreign workers likewise involves difficulties of definition. For instance, does the term "migrant worker" include :

- Someone who does not enter a country for the purposes of work but subsequently joins the labour force (for example, an asylum seeker or the spouse of a migrant coming to take up a specific job) ?
- Someone who comes for a period of months ?

1.2.3.1. Estimating the annual addition of foreign migrants to the European labour force

Annually, there are gains and losses of foreign citizens in the labour force. On the gain side, there are inflows of foreign migrants via the various routes of entry (work permits, asylum, family reunion and so on), some of whom immediately enter employment, others entering at a later date. In any given year, some foreign migrants taking jobs will have arrived in the country in a previous year.

Others joining the workforce will be overseas students who have completed their studies and young people who entered at a younger age with their parents and are now leaving full-time education and entering the workforce.

On the loss side – those leaving a country's labour force – will be foreign citizens who leave the country and others who reach retirement age, experience redundancy or give up work for other reasons. In addition, to confuse the issue further, there will be an apparent loss of foreign workers resulting from naturalisation.

I.3. Statistics on labour migrant flows

I.3.1. Types and sources

As is the case with some other types of migration data, there is no one definitive source of labour flows data. They tend to be a by-product of one of a number of administrative processes. For example, a country's work permit system is used to control labour market access to foreign nationals. The number of new work permits (that is, as opposed to the number of renewed work permits) can be used as an indicator of the inflow of foreign workers, but the aim of the work permit system is not to record this inflow. For this reason, there may be complications in the data that limit their use.

The types/sources of data that can be used as an indicator of flows of foreign workers include :

- Work permits.
- Migration surveys where reason for migration is recorded.
- Social security registrations.
- Population register registrations.
- Labour Force Survey data.
- Border workers permits/data.
- Seasonal workers schemes/data.
- Bilateral agreements for supply of labour between countries.

The majority of these sources record inflows and the figures they give may range widely. For example, for the United Kingdom in 2001, the International Passenger Survey recorded 151 000 foreign employed immigrants; 85 000 work permits were issued; and the Labour Force Survey (LFS) counted 76 000 foreign workers who were living outside the United Kingdom one year before.

There are few data on emigration of workers. Some migration surveys record such information but these sources are scarce. Work permits are only required to enter a country's labour market, not to leave it. Population and

social security registers do require unregistering but there is little incentive to do this. And, finally, as always, inflows are seen as a more important issue than outflows, at least in Europe. The differing amounts of data for inflows and outflows reflects this fact.

Seasonal workers (usually workers coming to work in the agricultural or tourism sector for a short period during a seasonal increase in demand for labour in that sector) are by their nature different from other forms of labour migration. Often their movement is governed by a separate administrative scheme and data on them are provided separately from the main labour flows data. However, sometimes their numbers can be included in total labour flows figures.

Cross-border workers are different again, working across a national border from the country in which they live. Their movements are frequent, usually on a daily or weekly basis. Data on cross-border workers are provided separately from those on other types of labour migration.

1.3.2. Comparability between countries

As labour flows data tend to be the by-product of administrative procedures, comparison is more difficult as administrative and legislative procedures and their associated definitions vary greatly between countries. Labour flows data are not systematically collected and compiled by any international organisation,¹ as is the case with most other types of migration data. As a result, there has not been the associated process of data harmonisation and the establishment of common templates for requested tables. An attempt was made by the European Commission in the late 1970s to collect labour flow data under its Regulation 311/76. This required EU (then EEC) member states to provide information on foreign workers. However, the acquisition of flows data proved so problematic that attempts at their collection were abandoned and countries thus only provide Eurostat with data on stocks.

1.3.3. Measuring irregular labour migration

Data on irregular labour migration are particularly poor. Border-apprehensions data do not offer any real indication of irregular labour migration. Whilst it can be speculated that a large percentage of irregular migrants are motivated by opportunities of employment in the destination country, the act

1. The International Labour Organisation collects from national sources and publishes data on inflows of foreign workers by the main variables of citizenship, occupation, etc. as does the OECD. However, there are only a few tables in each case, they do not contain a large amount of detail and there is little accompanying documentation available.

of attempting to cross a border in itself does not give any indication of whether they are labour migrants.

The only official national source of data that may give an indication of the scale and nature of irregular labour migration is that derived from regularisation amnesties. However, this is also problematic as not everyone will take the opportunity to regularise their residence and employment status. Also, a migrant's irregular situation may arise from a number of different situations, including having entered to work legally and then their visa/work permit having expired whilst they continued to stay on and work in the country. Thus they may have already been included in the official regular migration statistics some years before or may have already been regularised under a previous amnesty and have lapsed back into an irregular status.

I.3.4. Estimations of irregular migration

Where statistics on irregular migrants are available it is sometimes unclear how they are derived. A key element in such estimations is the proportion that apprehended migrants account for of the total engaging in irregular migration. These vary not only from country to country but also among the different institutions within countries. What data exist often reflect the incidental, local or particular requirements of the agencies collecting the data.

For example, interviews with border guards and officials in Hungary by Juhasz (2000), found that estimates of the proportion of cases discovered were many and varied even within the organisation most qualified to make them, the border guard service itself. Further, at senior levels there was a high degree of optimism and a belief that the majority of those illegally crossing the border were caught. However, from the central bodies down to the operative units this optimism decreased dramatically, while those actually patrolling the border judged their own effectiveness to be only ten per cent (*ibid*).

I.4. Geographical patterns

I.4.1. Is labour migration within and into Europe increasing?

In the first half of the 1980s, inflows of foreign population to western Europe declined, then from the mid-1980s there were net gains for most countries. Since 1994 net gains have, on the whole, tended to fall. In the period 1995-2001 most countries experienced fluctuations in the annual rate of change of inflows and, for most of them, rates of increase were higher in the early part of the period, especially 1998-99. There seems to have been an increasing trend in emigration from Denmark, Luxembourg Norway and the United Kingdom, with the reverse in Ireland, Sweden and Switzerland. Austria,

Belgium, Finland, Germany and the Netherlands displayed no particular trend in either direction, though all had some annual fluctuation. The central and eastern European countries also fluctuated; Poland, for example, increased its inflows between 1995 and 1998, then experienced falls. In most cases, however, changes were occurring in quite small recorded annual flows.

Labour migration accounts for only a part of these trends which reflect a range of conditions including general economic conditions, stage of economic development reached in the central and eastern European countries, the effects of Balkan wars and other humanitarian crises, individual national policy initiatives, regularisation programmes, levels of asylum seeking and the efforts of smugglers and traffickers, as well as other factors. The relative balance of labour, family reunion and asylum flows varies considerably from country to country. In the cases of the Slovak Republic, Switzerland, Portugal and the United Kingdom, labour was proportionately the largest of the three, with over 40%. In contrast, in France, Denmark, Sweden and Norway it accounted for less than 20% of total flows (OECD, 2001a and 2003).

The mid-1980s turning point in total population flows in western Europe was echoed by inflows of labour with steady increases in most countries until the early 1990s. Since then there has been a general downturn in labour inflows, though by the late 1990s/early 2000s there was evidence of an upward trend in several countries, including Austria, Germany, Hungary, Ireland, Poland, Spain and the United Kingdom. To some extent, the upturn was a response to economic growth with skilled labour being especially drawn in.

Recorded inflows of foreign labour are generally modest, frequently less than 20 000 per annum (Table I.1). However, more countries had higher numbers by the early 2000s than in the mid-1990s but only Germany and the United Kingdom showed large numerical increases. The countries of central and eastern Europe have had variable experiences. Recorded inflows increased in Hungary and Poland, fell in the Czech Republic and Slovakia and were static at a low level in Bulgaria and Romania.

Seasonal flows also appear to be increasing (Table I.2). Four of the six countries listed (France, Germany, Norway and Switzerland) have recorded rises in seasonal permit issues in the late 1990s, two (Italy and the United Kingdom) have fluctuated or been stable, none has shown consistent declines.

The picture for border workers is less clear (Table I.3). Numbers crossing into Belgium, Luxembourg and Switzerland have risen while those going to Germany have gone down. It is known that a substantial amount of pendular migration occurs across the borders of central and eastern European states (see below) but there are no satisfactory statistics to allow identification of trends.

Table I.1. – Inflows of foreign labour into selected European countries, 1995-2002 (thousands)

<i>Western Europe</i>								
	1995	1996	1997	1998	1999	2000	2001	2002
Austria ¹	15.4	16.3	15.2	15.4	18.3	25.4	27.0	–
Belgium	2.7	2.2	2.5	7.3	–	–	–	–
Denmark ^{2 3}	2.2	2.7	3.1	3.2	–	–	–	–
Finland ³	2.5	2.7	2.9	3.2	3.0	3.6	–	–
France	13.1	11.5	–	–	–	–	–	–
Germany	270.8	262.5	285.3	275.5	304.9	333.8	–	–
Ireland ⁴	4.3	3.8	4.5	5.7	6.3	18.0	–	–
Luxembourg ⁵	16.5	18.3	18.6	22.0	24.2	27.3	–	–
Netherlands ¹⁰	–	–	–	–	–	27.7	30.2	26.2
Portugal	–	–	–	–	4.1	7.8	–	–
Spain ⁷	100.3	126.4	86.8	85.5	91.6	–	–	–
Sweden ³	–	–	–	2.4	2.4	3.3	3.3	–
Switzerland ⁸	32.9	29.8	25.4	26.8	31.5	34.0	–	–
United Kingdom ⁹	51.0	50.0	59.0	68.0	61.2	86.5	76.2	99.0

<i>Central and eastern Europe</i>								
	1995	1996	1997	1998	1999	2000	2001	2002
Bulgaria ¹⁰	0.3	0.3	0.2	0.2	0.2	0.3	0.3	–
Czech Republic ¹¹	–	71.0	61.0	49.9	40.3	40.1	40.1	–
Hungary	18.4	14.5	19.7	22.6	29.2	–	–	–
Poland ¹²	10.5	13.7	17.5	–	17.1	17.8	–	–
Romania ¹³	0.7	0.7	1.0	1.3	1.5	–	–	–
Slovak Republic ¹⁴	3.0	3.3	3.2	2.5	2.0	1.8	2.0	–

Sources : OECD SOPEMI Correspondents, National Statistical Offices.

1. Data for all years covers initial work permits for both direct inflow from abroad and for first participation in the Austrian labour market of foreigners already in the country.
2. Residence permits issued for employment.
3. Nordic citizens are not included.
4. Work permits issued and renewed for non-EU nationals.
5. Data cover both arrivals of foreign workers and residents admitted for the first time to the labour market.
6. Number of temporary work permits (WAV). 2002 data refer to January-September.
Source : CWI.
7. Works permits granted.
8. Seasonal and frontier workers are not included.
9. Data from the Labour Force Survey.

10. Work permits, new and extensions.
11. Work permits issued for foreigners.
12. Numbers of Individual work permits.
13. New work permits issued to foreign citizens.
14. Work permits granted. Czech nationals do not need work permits in Slovakia.

Table I.2. – Seasonal workers in selected European countries, 1995-2001

	1995	1996	1997	1998	1999	2000	2001
France ¹	–	–	8 210	7 523	7 612	7 929	10 794
Germany ²	176 590	197 924	205 866	207 927	230 345	263 805	–
Italy ³	–	–	–	–	20 381	30 901	17 104
Norway ⁴	5 015	5 431	6 088	7 485	8 188	9 894	11 920
Switzerland ⁵	–	–	–	–	27 819	30 999	35 813
United Kingdom ⁶	–	–	9 277	9 449	9 760	10 100	–

1. Annual number of seasonal workers. Source: OMI.
2. Annual number of seasonal workers. Source: Ministry of Labour.
3. Seasonal workers allowed to enter the country. Source: Ministry of Labour.
4. Issue of seasonal work permits. Nordic citizens are not included. Source: Norwegian SOPEMI Correspondent, 2002.
5. Annual number of seasonal workers. Source: Federal Office of Foreigners.
6. Persons admitted under the Seasonal Agricultural Workers Scheme. Source: Home Office.

Table I.3. – Border/frontier workers in selected European countries, 1995-2001

	1995	1996	1997	1998	1999	2000	2001
Belgium ¹	16 028	17 567	18 643	20 450	–	–	–
Germany ²	–	–	16 300	9 700	8 800	9 400	–
Luxembourg ³	55 500	59 600	64 400	70 800	78 400	88 700	–
Switzerland ⁴	–	–	–	–	144 780	155 955	168 088

1. Frontier workers entering the country to work. Source: MET.
2. Flow data (including renewal of permits). Source: Ministry of Labour.
3. Number of cross-border workers working in the country. The figures are the sum of the top 3 nationalities, Belgian, French and German, which accounted for around 95% of the total in 2001. Source: Statec.
4. Frontier workers working in the country. Source: Federal Office of Foreigners.

In sum, the pattern of total population flows has fluctuated. Recorded numbers started to rise in the 1980s, peaked in the early 1990s and have been relatively stable in recent years. Labour flows show a similar pattern but there is evidence that both short-term and long-term movements have increased in the last few years.

1.4.2. What is the trend in inflows of working-age population ?

In the absence of statistics on actual labour flows, we can use flows of the working-age population (people aged between 15 and 64 years) for the years around 2001 as a proxy, although there are limitations to the conclusions that can be drawn (Table I.4).

The total for the twenty-seven countries listed was just over 1.75 million. A third of these went to Germany and the top four countries (Germany, Spain, United Kingdom and Italy) accounted for 75% of all flows (but note that there are no data for France).

In an attempt to identify trends in the inflow of population of working age, a comparison has been made between a year in the early/middle 1990s with the most recent one. Data are available for only a limited number of countries, with none from central and eastern Europe. As the periods differ for countries, Table I.5 lists the percentage change per annum for the total working-age population. The overall trend is one of increase with only three of the twelve countries listed (Denmark, Greece and Ireland) showing decreases. There are several reasons why differences occur in the national experiences recorded in Table I.1 and Table I.5. For European Economic Area (EEA) countries, work permits exclude those from other member states while the working-age population includes many who are not migrating specifically for work purposes. It may be argued that Table I.5 gives a better indication of the real scale of labour migration because it includes migrants who may enter the labour force at some point although their primary reason for migration may be employment.

1.4.3. Origin and destination patterns: are there distinctive migration fields?

In a Europe which is increasingly politically integrated, an important issue is the degree to which the labour market is integrated geographically. There are clear differences in the overall patterns of migration for individual countries. For example, within the European Union, the percentage of EU citizens in total inflow of foreigners ranged from 78.3% (Luxembourg) to 9.7% (France). In only three countries did EU inflows account for more than 50% of the total and in seven countries, they were a quarter or less (OECD, 2001b). Overall, the relative importance of other EU foreigners in EU countries is not increasing. Indeed, most of the countries for which data are available showed a decline in the proportion of EU foreigners among the total population during the 1990s (Salt et al., 2000). However, there is no clear view as to whether free movement has increased the amount of labour migration by nationals within the Union.

Table I.4. – Immigration of population aged between 15 and 64 to selected European countries, 2001 or latest year available

Year	Both Sexes			Males			Females		
	Foreign	EEA Foreign	Non-EEA Foreign	Foreign	EEA Foreign	Non-EEA Foreign	Foreign	EEA Foreign	Non-EEA Foreign
Austria	63 416	14 106	49 310	34 234	7 826	26 408	29 182	6 280	22 902
Belgium	48 420	24 113	24 307	–	–	–	–	–	–
Croatia	1 834	99	1 735	661	57	604	1 173	42	1 131
Cyprus	13 450	6 745	6 705	7 113	3 931	3 182	6 307	2 801	3 506
Czech Republic	5 717	347	5 370	–	–	–	–	–	–
Denmark	26 687	9 185	17 502	13 180	4 828	8 352	13 507	4 357	9 150
Estonia	419	53	366	–	–	–	–	–	–
Finland	8 447	1 615	6 832	4 257	1 103	3 154	4 190	512	3 678
Germany	606 154	–	–	363 003	–	–	243 151	–	–
Greece	11 827	2 863	8 964	5 064	1 260	3 804	6 763	1 603	5 160
Hungary	7 470	958	6 512	3 990	564	3 426	3 480	394	3 086
Iceland	2 197	833	1 364	1 041	344	697	1 156	491	665
Ireland	7 187	5 191	1 996	2 103	1 524	579	5 084	3 667	1 417
Italy	167 651	9 092	158 559	84 193	3 852	80 341	76 354	5 268	71 086
Latvia	1 043	46	997	577	41	536	466	5	461
Lithuania	426	29	397	209	21	188	217	8	209
Luxembourg	9 232	7 341	1 891	5 039	4 262	777	4 193	3 079	1 114
Malta	391	149	242	199	65	134	192	84	108
Netherlands	73 695	19 993	53 702	38 127	11 243	26 884	35 568	8 750	26 818
Norway	20 636	8 783	11 853	9 934	4 821	5 113	10 703	3 962	6 741
Portugal	7 976	3 673	4 303	–	–	–	–	–	–
Romania	8 355	470	7 885	4 284	295	3 989	4 071	175	3 896
Slovenia	6 209	286	5 923	4 495	180	4 315	1 714	106	1 608
Spain	325 409	39 545	285 864	175 125	21 122	154 003	150 284	18 423	131 861
Sweden	34 215	12 832	21 383	17 085	7 338	9 747	17 130	5 494	11 636
Switzerland	82 708	37 146	45 562	41 657	20 588	21 069	41 051	16 558	24 493
United Kingdom	221 967	63 007	158 960	–	–	–	–	–	–

Per cent

Year	Both Sexes			Males			Females		
	Foreign	EEA Foreign	Non-EEA Foreign	Foreign	EEA Foreign	Non-EEA Foreign	Foreign	EEA Foreign	Non-EEA Foreign
Austria	100.0	22.2	77.8	100.0	22.9	77.1	100.0	21.5	78.5
Belgium	100.0	49.8	50.2	-	-	-	-	-	-
Croatia	100.0	5.4	94.6	100.0	8.6	91.4	100.0	3.6	96.4
Cyprus	100.0	50.1	49.9	100.0	55.3	44.7	100.0	44.4	55.6
Czech Republic	100.0	6.1	93.9	-	-	-	-	-	-
Denmark	100.0	34.4	65.6	100.0	36.6	63.4	100.0	32.3	67.7
Estonia	100.0	12.6	87.4	-	-	-	-	-	-
Finland	100.0	19.1	80.9	100.0	25.9	74.1	100.0	12.2	87.8
Germany	100.0	-	-	100.0	-	-	100.0	-	-
Greece	100.0	24.2	75.8	100.0	24.9	75.1	100.0	23.7	76.3
Hungary	100.0	12.8	87.2	100.0	14.1	85.9	100.0	11.3	88.7
Iceland	100.0	37.9	62.1	100.0	33.0	67.0	100.0	42.5	57.5
Ireland	100.0	72.2	27.8	100.0	72.5	27.5	100.0	72.1	27.9
Italy	100.0	5.4	94.6	100.0	4.6	95.4	100.0	6.9	93.1
Latvia	100.0	4.4	95.6	100.0	7.1	92.9	100.0	1.1	98.9
Lithuania	100.0	6.8	93.2	100.0	10.0	90.0	100.0	3.7	96.3
Luxembourg	100.0	79.5	20.5	100.0	84.6	15.4	100.0	73.4	26.6
Malta	100.0	38.1	61.9	100.0	32.7	67.3	100.0	43.8	56.3
Netherlands	100.0	27.1	72.9	100.0	29.5	70.5	100.0	24.6	75.4
Norway	100.0	42.6	57.4	100.0	48.5	51.5	100.0	37.0	63.0
Portugal	100.0	46.1	53.9	-	-	-	-	-	-
Romania	100.0	5.6	94.4	100.0	6.9	93.1	100.0	4.3	95.7
Slovenia	100.0	4.6	95.4	100.0	4.0	96.0	100.0	6.2	93.8
Spain	100.0	12.2	87.8	100.0	12.1	87.9	100.0	12.3	87.7
Sweden	100.0	37.5	62.5	100.0	42.9	57.1	100.0	32.1	67.9
Switzerland	100.0	44.9	55.1	100.0	49.4	50.6	100.0	40.3	59.7
United Kingdom	100.0	28.4	71.6	-	-	-	-	-	-

Source : Eurostat.

Table I.5. – Immigration of population aged between 15 and 64 to selected European countries, average annual percentage change, 1995-2001 or latest years available

Year	Both Sexes						Males						Females					
	Foreign		EEA		Non-EEA		Foreign		EEA		Non-EEA		Foreign		EEA		Non-EEA	
	Foreign	EEA	Foreign	EEA	Foreign	EEA	Foreign	EEA	Foreign	EEA	Foreign	EEA	Foreign	EEA	Foreign	EEA	Foreign	EEA
Denmark	-1.3		3.1		-2.4		-2.1		1.9		-3.2		-0.4		4.8		-1.5	
Finland	1.9		33.7		0.0		2.0		34.1		-0.7		1.8		32.7		0.6	
Greece	-13.0		-13.5		-12.9		-13.7		-12.2		-14.1		-12.5		-14.4		-11.9	
Iceland	0.6		20.3		-3.7		1.7		27.8		-2.5		-0.4		16.4		-4.8	
Ireland	-6.4		-6.0		-7.2		-11.1		-11.0		-11.5		-0.9		-0.2		-2.4	
Italy	24.6		-13.8		48.7		26.9		-15.0		58.4		18.9		-12.4		35.4	
Luxembourg	2.8		3.3		1.2		4.0		4.7		1.3		1.6		1.7		1.2	
Netherlands	1.5		4.0		0.8		0.8		3.5		-0.1		2.4		4.6		1.8	
Norway	3.4		17.8		-0.5		3.4		19.6		-1.4		3.3		15.9		0.2	
Portugal	21.0		15.7		26.5		-		-		-		-		-		-	
Spain	320.3		125.7		395.4		345.2		126.7		436.8		295.4		124.7		355.8	
Sweden	4.8		8.8		3.4		5.9		8.6		4.7		3.8		9.1		2.5	

Source : Eurostat.

Such variations reflect differences in the patterns of migration of individual countries and the degree to which distinctive migration fields (and, by proxy, the regional labour markets to which they belong) exist and how they might be changing. It is not possible to put together a matrix of labour migration flows between the countries of Europe and a particular gap is labour emigration statistics. Any attempt to see how far labour movements occur within and into Europe must again fall back on total population flows as a proxy. This is done in Table I.6, which is based on the proportion of immigration and emigration flows to and from the regions listed, and using data for 1999 (or latest year) for those countries with available statistics.

With regard to immigration, countries fall into several groups. For those in central and eastern Europe for which we have data (notably the Baltic states and Slovenia) the vast majority of immigrants come from elsewhere in Europe, mainly from other central and eastern European countries, and with only small proportions from EU and EFTA states. Scandinavian countries also display a relatively high degree of "Euro self-containment", mainly from EU and EFTA states, and from "Other Europe" (largely Turkey and former Yugoslavia) with only small proportions of flows from central and eastern Europe. Germany's immigration field is strongly European, and along with Austria and Finland it receives a high proportion of its immigrants from central and eastern Europe. In contrast, almost a third of the United Kingdom's immigrants come from outside Europe. The Mediterranean countries also tend to look beyond Europe, as does the Netherlands.

Emigration data project a stronger picture of regional self-containment (the data for Spain are anomalous, including only Spaniards known to be moving abroad). Most of those leaving the central and eastern European countries go elsewhere in the region and only Germany and Austria in the west send a substantial proportion eastwards. Romanian and Slovenian data suggest a strong tendency for movement to EU and EFTA states, though in the case of the former there is some dispersion further afield, especially to North America.

It is difficult to generalise from Table I.6 because of data interpretation problems for some countries and the absence of statistics for many others. Nevertheless, three major conclusions may be drawn. First, there is some evidence of regional self-containment, especially for central and eastern European countries, in that the majority of exchanges are with elsewhere in Europe as a whole or its constituent parts. Second, there are marked differences in the migration fields of individual countries, reflecting a range of historical (such as post-colonial links) and geographical (especially proximity) processes. Finally, the patterns depicted reinforce the diversity of migration experience across Europe.

Table I.6. – Percentage of total immigration/emigration by previous/next residence, 1999 or latest year available

	Immigration			Emigration			Rest of world
	EU & EFTA	C&E Europe	Other Europe ¹	EU & EFTA	C&E Europe	Other Europe ¹	
Austria	25.2	45.5	9.2	32.0	43.4	6.1	81.5
Croatia ²	9.4	88.8	0.0	3.2	8.5	0.0	11.6
Cyprus ²	36.8	29.4	0.0	–	–	–	–
Czech Republic ²	14.0	58.4	0.1	53.0	35.2	0.2	88.4
Denmark ¹	42.4	8.7	5.5	51.1	6.1	5.0	62.2
Estonia ²	13.7	74.7	0.0	24.7	65.3	0.0	90.0
Finland	48.5	27.0	2.2	78.5	5.4	0.5	84.4
Germany	20.4	42.2	5.6	28.5	35.8	6.3	70.6
Greece ³	24.9	41.9	2.1	–	–	–	–
Hungary ²	12.2	64.6	1.2	–	–	–	–
Iceland	67.9	13.4	0.2	78.3	5.5	0.1	83.9
Ireland	66.6	–	–	50.6	–	–	50.6
Italy ²	17.5	23.1	0.5	56.5	7.2	1.3	64.9
Latvia ²	3.6	84.3	0.0	7.9	79.2	0.0	87.1
Liechtenstein	3.4	81.4	0.0	12.2	57.9	0.0	70.1
Lithuania ²	2.4	83.4	0.1	6.4	69.1	0.0	75.5
Malta ²	16.6	–	–	–	–	–	–
Netherlands	30.7	7.8	4.6	53.3	3.9	2.4	59.5
Norway	40.6	23.3	1.9	65.9	6.1	1.2	73.1
Portugal	57.8	1.8	0.1	74.2	0.0	0.0	74.2
Romania ²	34.1	54.3	0.7	60.5	7.9	0.8	69.2
Slovenia ²	3.1	9.9	0.0	8.6	5.1	0.0	13.8
Spain	37.2	5.2	0.6	0.5	0.0	0.0	0.5
Sweden	41.8	11.8	2.3	61.6	3.5	0.8	65.9
United Kingdom	26.9	4.5	1.0	33.8	3.0	1.5	38.2

Source: Eurostat.

1. Other Europe includes non-EU, non-former Soviet and eastern bloc countries.

2. Figures refer to 1997.

3. Figures refer to 1998.

The situation is not static. Table 1.7 attempts to identify the changes that have occurred in these migration fields since the mid-1990s. Only countries for which statistics were available for both dates are included and the annual average percentage change is listed to account for the variable periods between countries. In thirteen of the seventeen countries with immigration data, the proportion accounted for by European origins declined. In seven of the twelve western European countries, the relative importance of flows from EU and EFTA countries decreased. The implication is that relative self-containment is decreasing and that the flow pattern is more diversified. Emigration presents a pattern with both similarities and differences. In eleven out of sixteen countries for which emigration data are available, the proportion accounted for by European destinations fell. However, in five of the six western European countries the proportion going to EU and EFTA countries increased, although the small number of countries makes generalisation difficult.

1.4.4. What factors influence the nationality profile of foreign labour migrants?

The main influencing factors affecting recorded migration appear to be geographical proximity and historical and cultural ties. Additional factors come into play where irregular flows are concerned and these are dealt with later.

1.4.4.1. Geographical proximity

The importance of geographical proximity can be seen in the examples quoted below. Recent inflow of foreign labour to the Czech Republic appears to be dominated by nationals from near neighbours in the region. Of the work permits issued in 2001, 44% went to Ukrainian nationals and 17% to Polish nationals. A further 14% went to nationals of Bulgaria, Moldova, Germany and Belarus. Finnish labour inflows are also dominated by geographical proximity. In 2001, of the first residence and work permits granted, three quarters were issued to Russian and Estonian nationals, Finland's two closest non-EEA neighbours. The majority of Hungary's inflows of foreign labour is made up of nationals from neighbouring countries. Of the initial issue of work permits in 1999, half went to Romanian nationals. A further quarter went to those from other central and eastern European countries. In Luxembourg in 2000, social security data on new hirings of foreign workers suggest that 97% came from EU countries: the neighbouring countries of France (43%), Belgium (16%) and Germany (15%) were the largest national groups. Data on immigration by reason and country of birth for the Netherlands in 2001 show that nearly two thirds of migrants entering for reasons of employment were born in the EU, half of whom were born in the United Kingdom or Germany.

Table I.7. – Average annual percentage change in the proportion of total immigration/emigration by previous/next residence for selected European countries, 1995-99 or nearest years available

	Immigration				Emigration					
	EU & EFTA	C&E Europe	Other Europe ¹	Europe total	Rest of world	EU & EFTA	C&E Europe	Other Europe ¹	Europe total	Rest of world
Cyprus ²	-2.7	-	-	0.1	-0.1	-	-	-	-	-
Denmark ³	2.5	2.4	-9.4	-4.5	4.5	-0.4	1.4	-0.9	0.1	-0.1
Estonia ⁴	1.6	-4.3	0.0	-2.6	2.6	3.8	-6.3	0.0	-2.5	2.5
Finland	0.7	6.5	-7.9	-0.6	0.6	0.9	1.1	-1.7	0.4	-0.4
Germany	0.2	6.6	-10.5	-3.7	3.7	0.4	3.5	-5.0	-1.1	1.1
Greece ³	-0.2	9.1	-9.5	-0.7	0.7	-	-	-	-	-
Iceland	-1.8	2.2	-0.5	0.0	0.0	-1.7	1.1	-0.3	-0.9	-0.9
Ireland	-	-	-	0.9	-0.9	-	-	-	-2.1	2.1
Italy ⁵	-5.8	9.5	-11.4	-7.7	7.7	-3.7	3.2	-2.3	-2.7	2.7
Latvia ⁵	-0.6	-1.6	0.0	-2.2	2.2	1.3	-3.9	0.0	-2.6	2.6
Lithuania ⁶	0.1	-3.2	0.0	-3.1	3.1	-0.2	-4.5	0.0	-4.7	4.7
Netherlands	-0.3	1.3	-2.7	-1.6	1.6	0.8	0.6	-0.6	0.8	-0.8
Portugal	1.8	0.3	-0.5	1.5	-1.5	-	-	-	-2.0	2.0
Romania ⁵	-	-	-	-	-	-3.7	-1.5	0.0	-5.1	5.1
Slovenia ⁷	-6.8	4.6	-38.2	-40.3	40.3	-16.5	1.6	-10.3	-25.2	25.2
Spain	-1.3	1.0	-0.8	-1.1	1.1	-0.6	-0.1	0.0	-0.7	0.7
Sweden	1.6	2.0	-5.5	-1.9	1.9	1.4	0.4	-0.6	1.2	-1.2
United Kingdom	-0.8	0.7	-0.8	-0.9	0.9	0.8	0.5	-0.3	1.0	-1.0

Source: Eurostat.

1. Other Europe includes non-EU, non-former Soviet and eastern bloc countries.

2. 1992-97.

3. 1995-98.

4. 1994-97.

5. 1995-97.

6. Immigration: 1994-97; emigration: 1995-97.

7. Immigration: 1995-97; emigration: 1994-97.

1.4.4.2. Historical and cultural ties

Labour inflows in other countries, whilst being influenced by proximity, also experience the effects of historical and cultural ties and language. In 1999, 40% of work permits in Spain went to Moroccans. A further third went to people from Latin America. The French case is similar. Around 45% came from Africa, of which two thirds were from the Maghreb and most of the rest from French-speaking sub-Saharan Africa. Of those from Asia over a third of these came from former colonies and possessions in the Far and Middle East. Figures for Portugal on inflows of foreign labour in 2000 show that over half came from Africa, mainly Palop (Portuguese-speaking) countries.

Flows to the United Kingdom are dominated by the EEA countries (notably Ireland), the Old Commonwealth (Australia, New Zealand, Canada and South Africa) and the Indian sub-continent. In other western European countries current flows reflect earlier labour migrations. For example, 10% of new hirings of foreign workers in Luxembourg in 2000 were Portuguese nationals, and people from former Yugoslavia and Turkey were major beneficiaries of Belgian work permits in 1998.

Ireland is a new labour immigration country and a different picture emerges from those above. Around 46% of the work permits issued to non-EEA foreign workers were to central and eastern European nationals, the Balkans accounting for over half of these. Other notable nationalities included South Africans (7%) and Filipinos (6%). Overall, 60 non-EEA countries now provide Ireland with labour.

1.4.4.3. Other factors

Globalisation tendencies are significant in all countries. For example, US nationals account for 11% of work permits in both Belgium and the United Kingdom. The global drive for skills is also manifest. For example, by 2002 a fifth of all United Kingdom work permits went to Indians, mostly in information and communication technologies (ICT) occupations.

Flows of seasonal workers reflect both geographical proximity and the availability of new sources of labour, with variations from country to country. For example, in Switzerland in 2001, almost 95% were from the EU: 60% of seasonal workers were Portuguese, 14% were Italian, 9% were German, 6% French and 5% Spanish. In distinct contrast, in Germany in 2000 all seasonal workers were from central and eastern Europe, mostly from Poland (87%). In France, in 2001, half were from Morocco and 43% from Poland. In Italy in the same year, over two thirds were from Europe with 22% Polish nationals and 12% Slovakian.

There are several reasons for the relatively small flow of recorded migrants from the Commonwealth of Independent States (CIS) to elsewhere in Europe: language (iron curtain isolation); poor information on opportunities abroad; absence of recruitment companies; and a lack of social networks in host countries (Ivakhniouk, 2003). For these reasons, labour migration in the region has centred on the Russian Federation. However, it is recognised that the official statistics on labour migrant inflow to Russia (the total number of work permits issued between 1992 and 2001 was about 1.5 million) severely underestimate the real picture, with the number of irregular workers estimated at 3 to 4 million. Since the end of the 1990s, the trend has been for a re-orientation of labour migration inflows to Russia from regular to irregular forms. This is a response to the worsening financial system of many enterprises that have officially hired foreign workers and also a tightening of the regulation for employment of migrant workers in accordance with new legislation.

1.4.5. Is the balance of intra-European and external migration shifting?

For flows of working-age people, five countries – Luxembourg, the Netherlands, Portugal, Spain and Sweden – had positive annual percentage changes for total EU and non-EU inflows of working-age population between the two periods. Only three countries saw a decline in the inflow of EU nationals: Greece and Ireland had negative annual percentage change for total inflows as well as for EU and non-EU nationals; Italy had an increase in total and non-EU inflows but a decline in EU nationals. Denmark had a decline in total and non-EU inflows but an increase in EU nationals. Finland, Iceland and Norway had an increase in total and EU inflows but a decline in non-EU nationals.

Eight of the twelve countries had a higher annual growth (or less of a decline) for EU nationals than non-EU nationals. Of the five that had growth for both groups, three saw a higher annual percentage increase for EU nationals. Eight of the twelve countries – Denmark, Finland, Iceland, Ireland, Luxembourg, Netherlands, Norway, Sweden – saw an increase in percentage share of EU nationals between 1995 (or nearest year) and 2001 (or latest year). Of these, the most notable were Norway (19% gain in EU share), Iceland (17%) and Finland (13%). Of those countries that saw a gain in non-EU share, Italy with a 33% gain and Spain with a 19% gain stand out.

The emerging trend here is a shift in emphasis away from inflows of non-EU nationals towards an increasing flow of EU nationals, either with a greater increase of the EU national flow or a declining non-EU flow.

I.4.6. Are flow origins diversifying?

Lack of data on labour flows forces us again to look at the overall flow pattern to determine whether there is any trend toward the diversification of origins. Even then, a major problem is that for a lot of countries the data do not often allow the identification of new, initially small, national groups. One study of EU states showed that between the early 1980s and the middle 1990s, most countries experienced some diversification of inflows measured as the proportion accounted for by the five main immigration flows. Where change did occur, it was normally in the form of a decline in the importance of the top one or two immigrant groups (Salt et al., 2000). A similar analysis for the period 1990 to 1999 reviewed the number of countries accounting for a cumulative 50% of the total inflow of foreigners in each of twelve European destination countries (OECD, 2001a). Of the twelve, seven had diversified, three had undergone concentration and two showed no change.

I.4.7. Are there new migrations?

Developments in total migration flows from the late 1980s to the mid/late 1990s did not cause fundamental shifts in the origins of migrants. The main pattern of migration flows has been relatively unchanged in most countries and there is little evidence in the statistics of genuinely new immigration to the EU/EFTA region. There is a strong degree of stability of flows established during the labour recruitment period. Some flows may appear novel but have in fact only increased in size after 1989, such as ethnic migration to Germany from eastern European countries and the former Soviet Union, and to Finland and Greece from the former Soviet Union. Other noticeable developments in the 1990s, such as increased immigration from the Philippines to Italy or from Vietnam to France, are not new trends either (Salt et al., 2000).

Recent data on labour inflows show evidence of new and/or enhanced migrations. There are many reasons for these, including skills shortages, the opening up of central and eastern Europe, asylum seekers given permission to stay, globalisation and the creation of transnational communities. The examples below provide some indication of the range and scale of these new flows. In the United Kingdom, for example, there have been notable increases in the number of work permits going to nationals from India (1 997 in 1995 to 18 999 in 2002), Philippines (66 to 6 831) and China (657 to 2 567). Other examples include Spain where permits to Ecuadorians went up from 2 326 in 1997 to 8 396 in 1999 and the Netherlands, for instance Afghans up from 8 in 1996 to 699 in 2001, Russians 520 to 2 086 and Chinese 578 to 1 160. In some central and eastern European countries there were both rises and falls, indicating a shift in the direction of flows. In the Czech Republic, work permits to Ukrainians fell from 42 056 to 17 473

between 1996 and 2001, while those to Moldavians rose from 295 to 1 377. In Hungary, permits to Chinese rose from 830 to 1 663 between 1995 and 1999, those to Romanians from 8 861 to 14 813.

1.5. Demographic characteristics

1.5.1. Is the balance of male and female labour migration changing ?

The answer to this question appears to be yes when statistics on labour migrants are considered. Males account for around two thirds of them but their proportion seems to be falling in most countries. This reflects the increasing feminisation of the labour market. The picture is less clear where the gender balance of the working-age population is concerned because of family reunion and other migrations not overtly connected to the labour market.

In Austria, an average of around 57% of foreign (non-EEA) workers granted an initial work permit during the period 1995 to 2001 were male, a similar proportion to that of the inflows of the economically active to Hungary between 1995 and 1999. In Spain, for the years 1995 to 1999, two thirds of work permits issued went to males, a similar proportion to that reflected by social security statistics on new hirings of foreign workers in Luxembourg (1995-2000) and in the issue of new residence permits to economically active foreign nationals in Switzerland (1995-2001). In France (1997-2001), the gender imbalance was even more marked, with males accounting for nearly three quarters of new third country salaried workers. In the United Kingdom the gender imbalance amongst inflows of workers was less dramatic at around 56% males (1995-2001).

A clear downward trend in the proportion of males is apparent in recent years. For example, in Austria it went down from 59% to 52% during the period indicated above; that for Switzerland from 74% to 60%; for Spain from 77% to 65%; for Hungary from 64% to 37%; in the United Kingdom from 59% to 51%. In contrast, the male proportion increased in France from 67% to 72%.

Data for the United Kingdom allow a trend to be established over the last quarter-century and they confirm that feminisation of labour inflows is a longstanding process. In 1975-79, 64% of employed migrants entering the United Kingdom were male; by 1995-99, the proportion had fallen to 57%.

Amongst the inflows of working-age foreign population in the late 1990s/early 2000s (Table 1.4), males dominated with 55% of the total inflows for all countries. The majority of the countries for which there were data had a sex breakdown ranging between 48% and 55% male. Notable

exceptions included Slovenia (72% male), Germany (60% male), Croatia (36% male) and Ireland (29% male).

In the countries for which a comparison with a mid-1990s figure was available, seven saw an increasing share of males (Finland, Iceland, Italy, Luxembourg, Norway, Spain and Sweden) whilst four showed a decline (Denmark, Greece, Ireland and the Netherlands). The annual average changes in balance, in both directions, were modest (between 0% and 0.5%), with the exception of Ireland which saw a 4% per annum decline in the male share (25% between 1995 and 2001).

What these data imply is that there has been a growth in the male share of inflows of working-age population in most countries whilst there has been a general decline in the male share in inflows of workers. This swing of the sex balance towards females amongst workers, when set against the reverse trend for total inflows of working age, shows a clear trend of feminisation of foreign labour migration.

1.5.2. Are migrants getting younger?

The most recent detailed analysis of the age structure of the total migrant flows (Salt et al., 2000) was of the period from 1988 to 1996. The study showed that the majority of migrants were males of working age although female immigration was increasing. The main findings for specific age groups were:

- The largest share of immigrants across the citizenship groups was in the 25-39 years age group, followed by the age group 15-24 years.
- There was an overall declining trend in the proportion of younger immigrants in the age range 0-24 years.
- There was an upward trend in the age group 40-54 years, although their share of total immigration was not very substantial.
- There was no clear trend in the age groups above 55 years.

With respect to the characteristics of emigration flows, the majority of migrants were males of working age. However, the ageing tendency was less clear than among immigration flows. The main findings were:

- The largest share of emigrants across the citizenship groups was in the 25-39 years age group, followed by the age group 15-24 years.
- The share of the younger age group 0-14 years has been rising except for emigration by EU foreign nationals.
- The share of the age group 15-24 years showed an overall negative trend except in the United Kingdom.

- The share of the age group 25-39 years and 40-54 years showed an overall increasing trend except for EU foreign nationals in the latter group.
- The age group 55-64 had an overall upward trend, although changes were small, while the age group over 65 years showed hardly any changes except for a decline in the United Kingdom.

I.6. Occupational characteristics

I.6.1. Characteristics of labour migrants in western Europe

Foreign workers enter the complete spectrum of occupations in immigration countries, but are increasingly to be found in tertiary and quaternary sectors rather than manufacturing. Much of the immigrant flow is into highly skilled jobs, and the work permit systems of most countries now select in those with high levels of expertise. However, there is increasing evidence of polarisation, with large numbers of jobs being filled at relatively low-skill levels, especially in labour intensive occupations such as catering and cleaning. Many workers finding their way into these jobs are in an irregular situation.

Within western Europe as a whole a complex series of “brain exchanges” has developed, superimposed upon the free-movement system inherent in the operation of the EEA. Migration by the highly skilled has come into prominence only recently, for the most part from the mid-1980s onwards. In many respects it is a child of economic globalisation and the activities of transnational corporations (TNC). Scrutiny of the work permit systems of most European states indicates that professional, managerial and technical workers more often than not constitute the bulk of those accepted, although the way in which the data are recorded and presented does not always make this clear.

In some cases, skill levels are recorded. In France in 2001, for example, just over 70% of new, non-EEA foreign workers were in the professional, managerial and technical category. The equivalent figure for the United Kingdom in 2001 was 87% ; 60% in Germany (2001) ; 36% in Ireland (2002) ; 33% in the Netherlands (2002) ; 29% in Portugal (2000). In general, these patterns have remained constant in recent years.

Although the flows of skilled workers are clearly significant, especially so in some countries, there is also a wide range of labour migrant skills on the move and, in several countries for which there is information, lower-skilled workers are issued with permits. For example, in Ireland in 2002, semi-skilled and unskilled workers were 20% of the total and various service workers, 24%.

Work permits, normally selective by skill, are only one route of entry and when the totality of labour immigration is considered, the picture may change. The LFS provides transition data on those people living and working outside the country one year ago and working at the time of the survey. For the United Kingdom, they show that from 1995 onwards non-EU foreign nationals (requiring work permits) were more likely to be highly skilled than total foreign nationals who in turn were more skilled than returning British citizens. Using the same data source, a comparison of foreign labour flows with the foreign labour stock over the period indicates that those coming in were more likely to be highly skilled than those already there. This suggests that the highly skilled immigrant population is a transient one and that lower-skilled labour immigrants are more likely to stay.

1.6.2. Is the market for skills going to increase ?

There is a growing realisation that the last two decades have seen the emergence of a global migration market. It affects all levels of skill but the real competition is for those with high levels of human expertise and there is now a complex pattern of movement by professional, managerial and technical staff. Since these movements are multidirectional, involving most states to a greater or lesser degree, we may call them international brain exchanges. Some countries are now more active than others in seeking to make net gains from these exchanges.

The migration market for expertise has two main drivers. The first is the attempt to increase the national bank of expertise through the acquisition of high-level human resources which are thought to bring economic benefits to the host economy. Studies from as far afield as the United Kingdom, Denmark, Germany, Australia, Singapore and the US have shown that the higher the skill level of immigrants, the greater the likelihood of net fiscal gains to the economy. An example is the United Kingdom's new Highly Skilled Migrant Programme, which began in January 2002 and is designed to allow people of high human capital to migrate to the United Kingdom in order to seek and take up work.

The second is the development of policies to counter specific skill shortages. Nowadays many developed countries have shortage lists for specific skills and have adopted new government schemes or programmes to deal with them. In recent years, substantial skill shortages have occurred among two groups in particular: the ICT sector (including those working as practitioners and as users) and the more skilled end of public services, especially health (particularly nurses) and education. Developing strategies and procedures to recruit specific skills in shortage occupations has been predominantly employer led, with governments acting as facilitators. One of the best known

examples of a scheme designed to attract specific skills has been put into operation in Germany. Foreigners with an ICT-related degree or who have graduated from German universities with an ICT degree can apply for a "Green Card". Similar schemes have been adopted in other countries (McLaughlan and Salt, 2002).

1.6.3. Labour migration in central and eastern Europe

The central and eastern European countries share many of the concerns of their western neighbours both with respect to the acquisition of high-level skills and of low-skilled manual workers, particularly in the service sector. However, the scale and characteristics of labour migration in the central and eastern European area have been and continue to be quite different from those to the west. These eastern flows have been summarised by Okolski (1998):

- Temporary labour migration westwards involving, for example, Albanians going to work in Italy and Greece, Estonians and Russians to Finland, Romanians to Israel, Czechs, Bulgarians, Poles and Hungarians to Austria and Germany.
- Intraregional flows of workers, notably Ukrainians, Belarusians, Romanians and Russians to the Czech Republic, Hungary and Poland.
- Inflows of workers from some developing countries, such as Chinese and Vietnamese to the Czech Republic, Hungary and Poland.
- Inflows of mainly highly skilled workers from western Europe, especially to the Czech Republic, Hungary and Poland.

Superimposed on these larger patterns of migration is a complex mosaic of relatively short-term movements based on labour tourism and petty trading, and comprising a highly intensive shuttling back and forth across international borders in order to make a living. Traditionally not regarded as migration, such movements have forced themselves into the migration lexicon simply as a result of their volume, economic importance and novelty. Okolski (1997) has categorised many of these moves as "incomplete migration", the term describing a situation in which those involved make frequent, short-duration trips abroad to earn a living while maintaining a home in the origin country. Incomplete migrants are characterised by a loose social status and/or flexible occupational position in the country of origin; irregularity of stay or work in the country of destination; while maintaining a steady residence and household links in the country of origin. Often distance of move is short, perhaps only cross-border. Although individual stays abroad may be measured in days rather than weeks, during the course of a year the majority of the migrant's time will be spent away from home in a foreign country.

These movements are closely related to the growing informalisation of the economies of the central and eastern European countries associated with their political and economic transformation. The quickest employment growth in these countries has been in the informal sector where there are many seasonal and temporary jobs but which do not provide a stable source of income and which are regarded by many workers as a supplement to what can be earned abroad.

The central and eastern European countries can no longer be characterised only as ones of transit or emigration and they now both send and receive labour migrants. As controls have tightened on the borders of western Europe and steps have been taken to curb illegal migration (including smuggling and trafficking), what were countries of second choice for migrants from further afield have become ones of first choice (Kraler and Iglicka, 2002). Enlargement of the EU eastwards and acceptance of the *acquis* by countries of central and eastern Europe is leading to the creation of a new buffer zone beyond their boundaries in Bulgaria, Romania, Ukraine and Croatia. These countries are likely to have to cope with larger numbers of migrants in transit to the west and are likely to become the new vestibules of the EU.

Labour migration to the central and eastern European countries is highly differentiated according to the duration, skills and origins of migrants (Wallace, 1999; Kraler and Iglicka, 2002). Migrants are more likely than indigenous workers to be in the private sector and working in small firms, generally in more insecure jobs. Among migrants of different nationalities some segmentation occurs. Examples include Romanian and Ukrainian casual, seasonal and construction workers. In contrast to those from elsewhere in eastern Europe and the former Soviet Union, Chinese and Vietnamese are frequently to be found as entrepreneurs, especially in restaurants and trading companies (Kraler and Iglicka, 2002).

Kraler and Iglicka (2002) distinguish between three groups of countries with respect to labour migration and describe the main characteristics of their foreign workforce. First, fully fledged or emerging immigration countries where labour migrants form a substantial part of the total workforce and are long-term or permanent residents (for example, Czech Republic, Hungary, Slovak Republic, Slovenia). Second, countries with substantial but temporary or transit migration where migrants form an important (often illegal) part of the workforce (for example, Poland, Bulgaria, Romania). Third, countries with negligible labour migration where employment of foreigners is mainly of professionals, usually from the west (for example, Estonia, Moldova).

I.6.4. Migrants in informal labour markets in central and eastern Europe

One feature of the transformation process during the 1990s was a growing informalisation of the central and eastern European economies. Jobs were often seasonal or temporary and therefore not a stable source of income and came to be regarded by workers as a supplement to what could be earned abroad. In this way a dual livelihood was created consisting of labour emigration, predominantly to the informal sector in the destination country, and work in the informal sector at home. Migration became a supplement and integral part of the household survival strategy, using personal assistance networks as the lubricant. For many it has remained so.

It is impossible to say how many people work in informal labour markets in central and eastern Europe, though numbers are thought to be considerable. In Poland the number of foreign (primarily seasonal) workers in the informal economy was estimated at 200 000 in 1999 (OECD, 2001a). Favoured sectors include construction, agriculture and domestic service. Small businesses are more prone to using illegal workers, entrepreneurs often employing their co-nationals. In Poland, Okolski (1996, 1999) has pointed to the role of illegal foreign workers in small textile and leather businesses; in the Czech Republic and Hungary they are to be found in construction, agriculture and forestry (Maresova, 1999; Juhasz, 1999). In many countries of the region, including the Baltic states, "the former Yugoslav Republic of Macedonia", Belarus and Ukraine, little is known about the use made of undocumented or transit labour (Kraler and Iglicka, 2002).

Agriculture, services and handicrafts have all provided vacancies for short-term labour tourists. In the mid-1990s it was estimated that Poland received around 700-800 000 each year (Bak, 1995). These operations are particularly important for the economies of border regions. Border and bazaar commerce in 1996 was estimated to be over 25% of Poland's entire trade with its eastern neighbours. The value of goods purchased by Ukrainian tourist-traders alone represented nearly 50% of the value of Poland's official exports to Ukraine (Bak and Kulawczuk, 1996). Another example is the Warsaw Bazaar, estimated in 1996 to employ over 6 500 people, of whom at least 3 000 were foreign, with an additional 60 000 jobs through its multiplier effect.

Western European labour migrants have also been willing to participate in the more flexible forms of work in the informal sector in central and eastern European countries. For the most part, this predated migration legislation in these countries. By the mid-1990s, substantial numbers of westerners, the majority well-educated, worked as undocumented labour in what was effectively an informal economy. For Poland, there were estimates of over 50 000 illegally employed westerners (Ornacka and Szczesna, 1998), and a further 40 000 in the Czech Republic. Undocumented western specialists worked as

consultants, managers, advertising and PR specialists, contacts for western markets and so on (Morawska, 1999). They were to be found in small-scale foreign and joint venture companies, in newly founded enterprises in central and eastern Europe and as private foreign language tutors to native businessmen and managers. In addition to the skills they brought, their employers made significant savings on salaries and social benefits enabling them to compete more effectively with TNCs. There is some evidence that these practices still continue in the context of the available legislation and, for the accession countries, in anticipation of May 2004.

In general, it may be said that the growth of the informal sector provided and continues to provide scope for very considerable and highly flexible forms of labour migration. High volumes of movement – particularly across eastern borders – continue, for example, between Ukraine and Poland (Igllicka, 2001 ; Okolski, 2002).

1.6.5. Emigrants from central and eastern European countries

1.6.5.1. Brain drain or brain waste ?

In the light of the labour migration situation in the central and eastern European region so far discussed, the question “who moves ?” is a significant one. A particular issue is how far emigration constitutes a brain drain or brain waste.

In general, emigration has been selective, in that the better-off move. However, the jobs taken in destination countries are frequently of a lower calibre than those left, with migrants going into construction, manufacturing and low-skill service jobs, implying brain waste.

In the early 1990s, there was a fear of a massive brain drain from east to west, particularly from over-staffed and under-financed science sectors. Substantial reductions in the staff of these sectors did occur in the early 1990s (Rhode, 1993). Many Jewish and ethnic German scientists and academics emigrated to Israel and Germany. Others did not migrate but having left the science sector, remained in their country seeking alternative employment in the private sector (Hryniewicz et al., 1992). What might have become an international brain drain became internal brain waste (Kouzminov, 1993).

It was not only science which lost staff. Emigrants from central and eastern European countries were previously employed across the whole spectrum of economic sectors. Most were well trained and educated and many spoke a foreign language. A brain drain began almost as soon as borders were opened but the rate varied from country to country. Poland and the Czech Republic seem to have experienced less of a brain drain than Hungary.

Morawska (1999), putting together evidence from various studies, suggested that 12-14% of post-1989 westbound migrants could be classed as highly skilled. They were predominantly young (aged under 35), managers of successful private businesses, service and production centres, including those owned by east-west joint ventures and TNCs. Others were scientists and researchers, including students, the numbers of whom are likely to increase as more of them come to the west to study, gain work experience and learn a language. Students have particularly been a feature among Polish emigrants.

A number of studies have produced profiles of emigrants from central and eastern European countries (Fassmann and Hintermann, 1997; Fassmann, 1997; Okolski, 1998; Drbohlav, 1997; Kraler and Iglicka, 2002). They are predominantly young, single males, though other family members have also moved or are thinking of doing so.

Migration appears to be an element in the family strategy for improving its standard of living.

Education levels vary. Polish data suggest that the emigration of people with post-secondary education has fallen to below 2%, while in Romania they make up over half of all emigrants, though the proportion is decreasing (OECD, 2001a). Ukrainian emigrants have lower levels of education, reflecting the less-skilled and temporary jobs to which they move (Bedzir, 2001).

There is evidence of a loss of skills from the CIS countries. The level of education of migrants to and from the Russian Federation has been noticeably higher than that of Russia's population (IOM, 1997). The share of persons with professional qualifications was 1.5 times higher among migrants than in the general population. Ukraine's experience was similar, with 18% of emigrants having higher education in 1996, and an estimated net migration loss of such educated people totalling 11 000 for the year. Georgia also experienced a considerable brain drain at a time when it needed to capitalise on its intelligentsia to rebuild its economy (IOM, 1997).

It is generally agreed that the demand for highly skilled immigrants will increase, especially for those speaking English and those in occupations where there is a common scientific language; for example, doctors and researchers. For those with lower-skill levels, brain wastes are likely to transform into tourism and seasonal work. Lundborg (1997) points out that a black market for skilled immigrant labour already exists in Sweden; for example, carpenters from Poland. One might add to this list construction workers in the United Kingdom and Ireland today and strawberry pickers in several western European countries. Currently, half of those in the official United Kingdom Seasonal Agricultural Workers Scheme and Sectors Based Schemes

are from the accession countries and most of the rest are from the former Soviet Union.

Substantial numbers of workers from central and eastern Europe have moved to western Europe as a result of formal programmes and bilateral agreements, although not much is known about the personal characteristics of the migrants. One study found that Hungarian migrants to Germany are mainly men, especially where skilled labour is required (Hars, 2002). The proportion of women is higher where skill and age restrictions are less rigid, especially in the hotel and catering industry which offers lower-skilled jobs than other sectors. Women tend to be younger and they outnumber men in seasonal programmes where the range of occupations on offer is generally limited.

Although there is very limited information on the actual characteristics of the emigrants, mostly derived from small-scale and unrepresentative surveys, it appears from the sectors that many migrants enter that an element of deskilling takes place. In contrast however, it is also clear that at the upper end of the skill spectrum many people from the region are involved in international exchanges of high-level skills. New forms of the mobility of expertise are also beginning to make their mark, including the outsourcing of activities such as those in the ICT sector to cheaper locations. The current project Pemint (The Political Economy of Migration in an Integrating Europe) demonstrates that the Russian Federation, for example, is a growing beneficiary.

1.6.6. What about enlargement of the European Union ?

In 2004, ten new member states, mostly in central and eastern Europe, will become members of the EU. In anticipation of this decision, in the last few years several studies using macro-economic models have attempted to estimate the likely migration consequences. They have recently been summarised by Fassmann and Munz (2002). The general consensus is that between a quarter and a third of a million people from central and eastern European countries would move westwards per annum, the period for which this persisted depending upon the speed and success of economic transformation in the origin countries. However, statistical models are prey to reductionism and inadequate statistical inputs and have the added disadvantage of attempting to chart a novel situation which has few firm markers (Salt et al., 1999). Other studies have been based on surveys, particularly of intentions to move. These are best used as guides to the sort of people who are likely to migrate and the degree of seriousness of intent, though even here there is evidence that substantial numbers change their minds.

Overall, these studies suggest that perhaps 3% of the population of the candidate countries would move. Further movement is unlikely, regardless of

economic development, because the migration potential of central and eastern European countries is likely to decrease for demographic reasons. So far, several countries of the EU have said that they will allow free movement by the citizens of the new member states immediately upon their accession, while others are insisting on a transition period.

1.7. Irregular labour migration

There is a fundamental lack of hard evidence relating to most aspects of irregular labour migration. Methodologies for studying both traffickers/smugglers and their clientele are barely developed, the theoretical basis for analysis is weak and, most importantly, substantial empirical surveys are few and far between.

1.7.1. The scale of the irregular population

The first thing that must be said is that no one knows the size of the illegal population stocks or flows across Europe or in individual countries. Attempts have been made in some countries to estimate the size of the irregular population, using a variety of methods and assumptions, and they should be regarded as indicative at best. Among recent ones are a figure of 569 000 illegal foreign workers in Italy (Baldassarini, 2001), 90 000 in Belgium (Poulain, 1998) and a range of 70-180 000 illegal workers in Switzerland (Piguët and Losa, 2002). It was estimated that 40 000 worked illegally in the four cities of Amsterdam, Rotterdam, The Hague and Utrecht (Van der Leun, Engberson and Van der Heijden, 1998).

1.7.2. The scale of migrant trafficking and human smuggling

Table I. 8 is an attempt to bring together the various estimates made of the scale of smuggling and trafficking at the global and European levels. Globally, numbers are put at 4 million annually, including up to 2 million women and children. Estimates for the EU as far apart as 1993 and 1999 give the same range of 50-400 000 for both sexes. Numbers of women smuggled and trafficked annually into the EU and central and eastern Europe have been put at 300 000. Rarely is it clear how the estimates have been derived, though in general they rely on assumptions about the ratio between those apprehended at borders and those who succeed in getting through undetected. Thus, Heckmann et al. (2000) derive their estimate of the number trafficked and smuggled into the EU (400 000 in 1999) from apprehension statistics. For every one person caught entering the EU illegally (260 000), it is assumed two pass unhindered.

Table I.8. – Estimates of human trafficking and smuggling, by region, 1994-2001

Number	Time period	Region	Based on (assumptions)	Source
100 000 to 200 000	1993	to W. European states	All, (smuggled) calculated by 15 to 30% of immigrants entering illegally	ICMPD (in Transcrime, 1996 No.8)
100 000 to 220 000	1993	to W. European states	All, (traff), 15-30% of illegal migrants, 20-40% of a-s without founded claims, make use of traffickers (at some point in journey)	Widgren, 1994:9-10 (prepared for IOM)
300 000	Annually	to EU and Central Europe	Women (Smug.)	Economist com, 2000
400 000	Last decade	out of Ukraine	Women estimate from Ukrainian Ministry of Interior	Trafficking in Migrants, No.23, IOM (2001 :5)
4 000	Annually	into US from NIS & E. Europe	Women & Children	CIA briefing, (1999) Global Trafficking in Women and Children (in O'Neill Richard 1999)
2 000 - 6 000	Annually	into Italy	Women, into sex industry (estimated from per cent of irregular female migrants who enter the sex industry p.a.)	Trafficking in Migrants, No.23, IOM (2001 :6)
400 000+	1999	into European Union	All (smuggled into) on EU apprehension data (equation = 1 is caught, 2 pass)	Heckmann et al. (2000 :5)
50 000-	1993	into European Union	All (smuggled into) on EU apprehension data (equation = 1 is caught, 2 pass)	Heckmann et al. (2000 :5)
1 million+	Annually	Globally	Women & Girls (Smug.) (most ending up in US)	UN and FBI statistics, (Teheran Times, March 18, 2001)
1 million+	Annually	Globally	Women & Girls for sexual exploitation in sex industries	Hughes, 2001 (from International Agencies and governmental estimates)

1 to 2 million	Annually	Globally	Women & Children, for forced labour, domestic servitude or sexual exploitation	US Department of State, 1998 (in Miko and Park, 2000)
1-2 million	Annually	Globally	Women & Children	US Government, (cited in ECRE, 2001)
4 million	Annually	Globally	All (Smug. or Traff.)	IOM, (in Graycar, 1999 :1)
4 million	Annually	Globally	All (Smug. or Traff.)	IOM News - North American Supplement, No.6 (1998)
4 million	Annually	Globally	All (Smug. or Traff.)	IOM, 1996 (in McInerney, 2000)
4 million	Annually	Globally	All (Smug. or Traff.)	IOM, 1996 (in Tailby, 2000)
700 000 to 2 million	Annually	Globally	Women & Children, across International borders	Trafficking in Migrants, No.23, IOM (2001 :1) based on US Government figures (1998)
700 000 to 2 million	Annually	Globally	Women & Children, excl. internal trafficking within countries such as India and Thailand	IOM (in O'Neil Richard (1999))
100 000+	Annually	from Soviet Union	Women & Children	Miko and Park, 2000
150 000+	Annually	from South Asia	Women & Children	US Department of State, (in Miko and Park, 2000)
75 000+	Annually	from Eastern Europe	Women & Children	Miko and Park, 2000
400 000	1999	European Union	All (smug.) based on apprehension data	Heckmann, Wunderlich, Martin & McGrath (2001 :5)
50 000	1993	European Union	All (smug.) based on apprehension data	Heckmann, Wunderlich, Martin & McGrath (2001 :5)

Compiled by the Migration Research Unit (Clarke et al., 2002).

1.7.3. Characteristics of irregular labour migrants

One of the main sources used as an indicator of numbers of migrants living or working in an irregular situation is the number who apply to regularise their status when an amnesty programme is introduced. One by-product of an amnesty is that it usually provides information on the illegal population. By implementing such a programme, the government is able to ascertain the number and whereabouts of irregular migrants, who they are, how they live and work and at what. In effect, the programme provides a means to estimate a minimum number for the stock of the illegal population until they are actually regularised.

Amnesty programmes have been a fairly common feature in Mediterranean countries during the last two decades and have occurred in some other countries. In total the numbers are considerable and, in the absence of better estimates, numbers regularised provide a baseline for estimating the irregular population stocks and flows. The examples of Portugal, Spain, Italy and Greece are used below to help generate profiles of irregular migrant workers.

1.7.3.1. Portugal

Over the last decade Portugal's migration situation has changed considerably. It has become a net immigration country, has developed an appetite for low-skilled foreign workers and, recently, experienced a geographical shift in migrant origins. The situation changed as a result of the new foreigners act in January 2001 which gave foreigners in possession of a working contract but without a valid visa the opportunity to legalise their status through the grant of a permanence permit. Of almost 100 000 granted during the first nine months, over half (53%) were from eastern Europe, especially Ukraine, while Palop nationalities accounted for only one in ten. There has thus been a significant shift in the structure of immigration towards a new region of origin and people who do not speak Portuguese. Evidence also suggests that the new migrants are more scattered regionally within Portugal and that a significant proportion of them are relatively skilled.

Foreign workers have become a more important feature of the Portuguese labour market. Although traditionally polarised between highly qualified professional and managerial jobs at one end and low-skilled at the other, they are increasingly to be found in the latter, including construction, cleaning, agriculture and hotels and catering (Malheiros, 2001). This trend reflects the inability of the domestic labour market to satisfy employers' needs and the response to this by smugglers and traffickers which has led to a noticeable presence of undocumented workers. To counter this the government has taken steps through the permanence permit to regularise the position of the undocumented; signed immigration agreements with some countries (for

example Bulgaria and Romania) to facilitate the recruitment of workers; and sought to co-ordinate better the different government departments involved with the implementation of immigration policy, including measures to improve integration at local levels.

1.7.3.2. Spain

Numbers of foreign residents and workers in Spain have been growing and the country is now very much one of net immigration. In 1999, the issue of work permits to foreign workers was concentrated in domestic service (31%), agriculture (20%) and hotels and catering (12%) – with the most rapid increases occurring in the last of these – and construction (9%) (Izquierdo Escribano, 2000). Moroccans dominated (36%), followed by Ecuadorians, Peruvians and Chinese.

Regularisation has changed the number and composition of the foreign population of Spain. By the end of 2001 the number of foreigners living legally was around 1.25 million, over 3% of the total population and a substantial departure from earlier trends. The flow from eastern Europe grew more strongly than that from the west. However, it is flows originating outside Europe that have grown most quickly and in 2001 one in three immigrants granted residence (including those legalised) was from Africa and one in four from Latin America. Morocco continues to be the most important source but Algeria, Senegal and Nigeria have also become significant. There has also been a shift in Latin American origins, with Ecuador and Colombia now more important than the Dominican Republic and Peru, the leaders in the early 1990s.

The regularisation programme in 2000-01 brought in about a quarter of a million applications. Moroccans were the leading group (27%), followed by Ecuadorians (9%) and Colombians (6%). Chinese, Romanians, Pakistanis, Algerians, Nigerians and Senegalese each had 3-5% of the total. The distribution of applications for legalisation by field of activity reflects two differing phenomena: the sharp rise in temporary employment, especially in construction, domestic service and hotels and catering; and the extension of the irregular economy in agriculture. Around 27% of those regularised worked in domestic service, 21% in agriculture and 10% in construction, figures not dissimilar to those recorded officially (see above).

1.7.3.3. Italy

Italy has long been characterised by a complex matrix of migration origins. As with the other Mediterranean EU members, Italy's migration data reflect its regularisation programmes. The millennial year saw a continuing rise in the foreign population of Italy according to all available indicators (Chaloff, 2001). More than twice as many new residence permits were issued in 1999

and 2000 as in 1998, about half of them granted to people benefiting from the 1998 amnesty. The effect of the regularisation is to distort analysis of the immigration data for 1999 and 2000 by boosting the number of work-related immigrants because so many of those applying for amnesty did so as illegal workers. However, family migration can be expected to rise in the future as these regularised workers seek to reunite with their spouses and children.

Overall, however, three trends appear to be asserting themselves: large, long-term stable populations characterised by family reunion (for example, Morocco, Philippines); large, new and rapidly growing foreign populations with little gender imbalance (for example, China, Albania); and new labour migrant populations where one gender or the other is present (for example, Bangladesh, Ecuador) (Chaloff, 2001). In consequence, the immigrant workforce continues to grow, mainly in low-skilled jobs where the largest demand in the Italian labour market is located.

Domestic service has long been one of the most important sectors for foreign workers, foreign women working legally there now representing half of all registered domestic workers. The fastest growth among these is now among east European women, while the traditional groups of Filipinas and Cape Verdians have remained stable. Seasonal activity is also important for eastern Europeans who enter the Schengen area without a visa, work illegally for a few months, often without any kind of contract, and then return home. One trend is for the numbers of immigrants in self employment to increase. In part this reflects the 1998 amnesty in which 15% of applicants were entrepreneurs of some sort. The Chinese have been particularly noticeable in this regard (*ibid*).

1.7.3.4. Greece

Like the other southern European countries, Greece has also undergone a transformation from a sending to a net receiving country. However, data from its regularisation programmes show significant differences in its migration when compared with Spain, Portugal and Italy. Three important features set it apart: the role of former communist countries in feeding migration flows; the proximity of source countries; and the dominance of a single source country (Cavounidis, 2002).

The political changes in the communist countries led to an intensification of movement into Greece at the beginning of the 1990s, with migration across its northern border from Albania being especially notable. Most of those who came were not of Greek descent; they entered illegally or overstayed their visas and caused the numbers of undocumented migrants living and working

in Greece to rise rapidly (*ibid*). Poor statistics mean that neither the numbers nor the characteristics of the legal population are known with any accuracy.

It was not until the regularisation programme in 1998 that data became available on the characteristics of Greece's immigrant population. An estimated 10% of the country's labour force were found to be undocumented (OECD, 1999). However, during 1999 only 20 000 undocumented foreigners were expelled (Petropoulos, 2000). More recently, the undocumented population has been estimated at 7.5-9.5% of the total population (Robolis, 2001). Among these people citizens from former communist countries predominated, accounting for 86% of the total and with Albania alone having 65%. Comparatively, the other countries of southern Europe are much less influenced by flows from former communist countries (Cavounidis, 2002).

Most of those applying for regularisation did not disclose their occupations so a breakdown by economic sector is not available, though there is no reason to assume that those working illegally in Greece were not in the same occupations as those working illegally in the other countries where amnesties occurred. About a quarter of applicants for regularisation were women, the proportions varying by nationality. Women constituted only 2% of those from the Indian sub-continent, 75% of those from Russia and 80% of Filipinos and Ukrainians.

In 2001 a second amnesty was instituted, occasioning more than 300 000 applications. Between them the two amnesties resulted in over 700 000 applications in total, indicating something of the real scale of labour immigration in Greece.

Most of the immigrants have come from countries with which Greece shares a land border. This geographical proximity also extends to the inflows of ethnic Greeks, around a quarter of a million, who were able to return to Greece after 1989. One consequence of this proximity may be the development of an interacting set of labour markets between Greece and its neighbours and the emergence of cross-frontier economic regions following the pattern of those in central Europe.

1.8. Management of migration

In recent years increasing attention has been paid to how migration might be managed. Beginning with that of the Council of Europe in 1998, several attempts to produce management strategies have been developed, varying in scope and detail. The main management institutions are the social partners, government, employers and trades unions. Alongside these are a large number of other interested organisations such as community and pressure groups, mediators such as legal and recruitment companies, traffickers and

smugglers and many more. All play some role in moving labour internationally. Much research remains to be done on how these wide managerial institutions interact. In essence, each has a set of aims and objectives which it takes action to achieve. This means that migration management is about how the institutions involved compromise with each other in order to achieve some form of accommodation that produces particular migration outcomes. What we particularly need to know is how the managerial roles are played and how they relate to each other; for example, how have the employers in ICT industries so successfully lobbied for their sector to receive such favourable work permit treatment?

1.8.1. The Council of Europe's management strategy

Before looking in more detail at how migration is managed, we should remind ourselves of the strategic principles adopted by the Council of Europe in 1998 relating to labour migration. There it was made clear that any attempt to manage labour migration must be in the context of an integrated management strategy which has four strategic objectives:

1. To develop a set of measures able to manage migration in an orderly manner, so as to maximise opportunities and benefits to individual migrants and to host societies and to minimise trafficking and illegal movement.
2. To provide an appropriate capability for protection and for dealing with disorderly or sudden movements.
3. To provide an environment conducive to integration.
4. To engage in dialogue and co-operation with sending countries in order to link foreign policy and migration policy objectives.

Within this strategic approach labour migration policy is a main element, two principles in particular being proposed.

(a) Scales of operation

Migration is inextricably linked with the labour market. Labour migration policies must deal with a wide range of types of foreign worker, possessing variable levels of skill and degrees of permanency. Some foreigners are in a precarious situation, others are highly skilled and established international citizens. Their acceptability and attractiveness to host countries depends on the state of the labour market. Given the tendency for the labour markets of individual states to be merged into a single market, it is essential that management planning is appropriate for a range of temporal and geographical scales.

It is not clear what degree of long-term planning is possible, given uncertainties in labour requirements at times of economic fluctuation, and where

the incidence of sudden/mass movements calls for flexibility in the policies and structures established to deal with labour requirements. In purely economic terms, labour movements must be seen as only one set of elements in a global economy that consists of networks of national economies and interests which necessitate a management strategy that is able to handle the complexity. Furthermore, migration grows ever more diverse, so that the meaning of "permanent" today is different from what was meant in the past. The consequence is that in managing migration that may lead to settlement, governments are in the position of dealing with a much wider range of types of movements and motivations over varying time periods than has formerly been the case.

The geographical scale for management is also variable. On a broad international and national scale there is demand for cheap, low-skilled labour within most European countries. That demand is operationalised in local labour markets, but in most countries national governments have little detailed say in their function: in general, governments create the environment in which local labour markets operate. This frequently results in illegal immigration despite government efforts. Hence, there is a gap between deregulation and decentralisation of labour markets on the one hand, and government efforts to stop migration on the other. Thus, when governments are formulating their migration management strategies they must take account of the fact that a labour market demand for illegal workers does exist, and that wider economic considerations than illegality need to be taken into account.

(b) Linkage between external labour demand, unemployment and demographic developments

The priority for governments is to ensure, as far as they are able, that they have in place policies to encourage their own populations to take vacant jobs. That means measures to encourage companies to make jobs attractive to indigenous nationals, and the promotion of active solutions to bring this about. Such measures will be the initiation of training programmes, those designed to encourage greater flexibility, helping women with children (including immigrant wives) enter the labour market, improving wages and conditions of work, and ensuring implementation of health and safety regulations. Exploitation of foreign labour (for example, as frequently recorded for Filipina maids) should be sought out and eradicated. When these measures still fail to satisfy labour demand, appropriate steps should be taken to select and manage the recruitment of foreign workers. For some jobs, notably those requiring highly specialised skills, it may not be possible for a number of reasons for the indigenous labour force to take up the vacancies.

In the longer-term, governments will need to be flexible in allowing immigrant labour to meet the demographic shortfalls in the labour market caused

by low birth rates and consequent population ageing. However, freer entry of foreign labour should occur only if alternative possibilities of using indigenous labour have been exhausted. Relaxed entry controls for foreign labour should not be the first and major response to projected shortfalls.

Within labour markets the management of selection and recruitment still tends to be largely in the hands of employers. In order to retain management control governments should work with a range of social partners, engaging in discussion, sharing responsibility and generating a broad measure of agreement on appropriate policy initiatives and responses.

What this means is the privatisation of management whereby the principal actors in the labour market – employers, trades unions, together with certain other NGOs – should be encouraged to co-operate with governments rather than seeming to be in the position of fighting them. This implies that governments and employers must make an accommodation, based on the principle that the amount of foreign labour entering is a compromise between the government's duty to restrict inflows that harm the employment chances of the indigenous population and those foreigners lawfully resident, and the employers' interests in using whatever immigrant labour is available at the minimum price and conditions.

Therefore, governments should, after due consultation with the social partners, set broad conditions for wages and conditions of work, and an appropriate environment for maximising employment among the indigenous population. The detailed operation of the policy has then to be placed in the hands of employers. In this way, labour immigration control is increasingly to be viewed as a co-operative venture, with a form of contract negotiated and agreed between all the social partners. This does not imply an abdication of responsibility by the state, but rather the establishment of a more transparent policy-making process.

1.8.2. Management by governments

The Council of Europe's strategy has been followed since 2000 by a series of common policy proposals from the European Commission. These are summarised in Salt (2002). Some general comments may be made on their content. First, there is a recognition by individual states and by intergovernmental organisations that international migration cannot be controlled, in the sense that countries can turn the taps of movement on or off at their borders. In reality they were never able to do that anyway. Second, there is an acceptance that migration is generally a positive phenomenon. Third, migration management strategies require a comprehensive approach that takes in the complete spectrum of movement and deals with both legal and illegal moves. Finally, countries can no longer act alone. Co-operation is vital, both

with European neighbours and with countries further afield. This is particularly the case where irregular migration is concerned.

But what of the situation on the ground? What are the main labour migration management themes that are emerging? A recent review of the management of labour inflows in a group of western European countries identified some emerging themes (Gilmore, 2002). This is supplemented by a survey of European and other (including US, Australia, Canada) countries' policy initiatives to increase and/or speed up the inflow of highly skilled workers (McLaughlan and Salt, 2002).

1.8.2.1. Labour market testing

A common factor in all of the work permit arrangements is the use of labour market testing in various forms and degrees of rigour as the main litmus test prior to granting a work permit to employ a foreign national. For certain skill shortages the test may be formally dropped, abbreviated procedures used (such as by-passing regional labour market boards) or simply ignored. This has been done for highly skilled workers (especially in ICT) in several countries. For example, in the Netherlands employers can apply to central employment offices rather than first having to apply to regional offices, while in Denmark the central employment office no longer has to send out applications from employers for shortage workers to regional offices for market test.

1.8.2.2. Special schemes for the highly skilled

Most European countries have not introduced special measures to recruit highly skilled workers (McLaughlan and Salt, 2002). They continue to rely on their existing work permit systems. Where schemes have been introduced, they are invariably aimed at ICT and health (especially nurses) staff and intra-company transferees.

One of the best known examples of a scheme designed to attract specific skills has been put into operation in Germany. Foreigners with an ICT-related degree, or who have graduated from German universities with an ICT degree, can apply for a "Green Card". Several other countries have introduced fast-track schemes for ICT workers (for example France). The United Kingdom's Highly Skilled Migrant Programme uses a points system to allow those with special skills to apply individually to the Home Office for entry and settlement in the country (Clarke and Salt, 2003). In France and Germany, policies have been introduced to allow foreign graduates in ICT subjects to switch into the labour market without going through the work permit system.

Governments commonly adopt policy measures to facilitate the international movement of highly skilled personnel by transnational corporations and simplified procedures and exemptions are widespread. Such a policy is designed to encourage foreign investment.

1.8.2.3. Quotas and national targets

Some countries (including Spain, Portugal, Italy, Greece and Austria) set overall annual targets for immigration which include specific quotas for work permits and/or seasonal workers (including Switzerland, United Kingdom). Although each country has its own particular approach, the common principles involve a process of consultation with key stakeholders with an interest in immigration and/or the labour market prior to the publication of the targets.

1.8.2.4. Bilateral agreements

These are used by several countries, including Spain, Italy and Germany. The countries with which they have agreements are normally dictated by geographical or historical links. In part, agreements have been set up to manage flows that might otherwise be irregular, as in the case of Germany-Poland. More recently agreements have signalled a shift of origins, for example Spain and Portugal with Poland, Romania and Ukraine. Most of the agreements refer to the less-skilled end of the labour market, especially in agriculture, hotels and catering and construction.

Around 3 000 contract workers and 40 000 temporary workers from central and eastern European countries go to Germany each year under bilateral agreements. As workers from most central and eastern European countries often no longer need a visa to travel to western Europe for three months, movement to there is relatively easy, followed by overstay and undocumented work. It seems that much of this migration is to the newer immigration countries of the EU, notably southern Europe and Ireland, and both Spain and Portugal have recently entered into negotiations with selected central and eastern European states to establish bilateral labour agreements to regulate the arrival of central and eastern European workers (Laczko, 2002). However, most forms of labour migration from the central and eastern European countries, including pendular migration and petty trading, are to other central and eastern European countries rather than to western Europe (Kraler and Iglicka, 2002). Management of labour migration in some of these countries is taking a new turn, for example, the Czech Republic introduced a points system where migrants are selected according to their skills and qualifications (ibid).

1.8.2.5. Amnesties

These have already been discussed in Section 7.3 above. In part they allow irregular migrants to legitimise their position in society but they also help address emerging labour shortages. There appears to be little evidence that amnesties lead to subsequent reductions in irregular working by migrants but clearly their presence is welcomed by employers who use them, and indirectly by the wider population which consumes the services and products they provide. Amnesties have been widely employed in southern Europe. However, they frequently exist elsewhere in some form or other. For example, the United Kingdom Government announced in October 2003 that it was allowing some 15 000 asylum seekers and their families, caught up in the backlog of case consideration and appeal, to stay and enter the labour force.

1.8.2.6. Seasonal workers

All countries either operate specific seasonal worker arrangements or accommodate these needs through their mainstream work permit systems. For the most part seasonal workers are engaged in a limited range of activities. The mechanisms whereby the entry of seasonal workers is managed vary: for example, Austria, Switzerland and Italy use quotas, Germany uses bilateral arrangements. The United Kingdom has a Seasonal Agricultural Workers Scheme, with a quota recently raised to 25 000, which is managed by a small number of private operators, mainly large-scale agricultural companies. A common feature of most arrangements for seasonal workers is that the duration of stay is normally limited to between three and nine months and that workers are afforded fairly basic rights and privileges (in most cases they are not allowed to bring with them spouses or dependent family members).

1.8.2.7. Other low-skilled workers

The entry of other low-skilled workers who do not fall into the seasonal category is dependent on the authorities being satisfied that no domestic workers are available using a form of labour market test. In recent years, for example, the booming Irish economy has led the authorities to issue a significant number of work permits for low-skilled workers, although this policy has now been tightened as a result of less favourable economic conditions.

It is arguable that one of the main issues confronting some governments in the next few years will be how to manage inflows of low-skilled workers into sectors where the presence of irregular workers indicates labour shortages. One such example is the new United Kingdom Sectors Based Scheme (beginning in May 2003) where quotas have been set at 20 000 per annum for low-skilled workers coming to work in the hospitality and food processing sectors. This represents a dual approach by the government: to satisfy

labour shortages and, through the presence of a legal scheme, to curb irregular working.

I.9. Conclusions

I.9.1. General considerations

- Generalisations are difficult in a continent with a highly differentiated physical and human geography. The characteristics of labour migrants differ as do trends over time.
- The concept of “labour migrant” is not a simple one and there is no consensus on what labour migration is. This presents formidable difficulties in definition and measurement.
- Statistics are mainly by-products of administrative systems and there is a lack of comparability between sources within and between countries. Emigration statistics are frequently absent.
- Data on irregular labour migration are particularly poor. What data exist often reflect the incidental, local or particular requirements of the collecting agencies.

I.9.2. Geographical patterns and trends

- The trend of total population flows has fluctuated. Recorded numbers started to rise in the 1980s, peaked in the early 1990s and have been relatively stable in recent years. Labour flows show a similar pattern but there is evidence that both short-term and long-term movements have increased in the last few years.
- Around 1.75 million people of working age move between European countries each year. Limited trend data from the mid-1990s suggest the numbers have been increasing.
- Analysis of the origin/destination patterns in the population flow matrix suggests there is some evidence of regional self-containment, especially for central and eastern European countries, and that there are marked differences in the migration fields of individual countries, reflecting a range of historical (such as post-colonial links) and geographical (especially proximity) processes.
- Trends since the mid-1990s indicate that relative self-containment is decreasing and that the flow pattern of migrants is more diversified.
- The main factors influencing the nationality profile of recorded migration appear to be geographical proximity and historical and cultural ties. Additional factors come into play where irregular flows are concerned.
- The balance of intra-European and external migration appears to have shifted in the last few years, away from inflows of non-EU nationals

towards an increasing flow of EU nationals, either with a greater increase of the EU national flow or a declining non-EU flow.

- There appears to have been a trend towards diversification of the origins of total migration flows in recent years, with countries receiving their migrants from a larger number of sources.
- Recent data on labour inflows show evidence of new and/or enhanced migrations caused by skills shortages, the opening up of the central and eastern European region, asylum seeking, globalisation and the creation of transnational communities.

1.9.3. Demographic characteristics

- The balance of male and female labour migration appears to be changing. Males account for around two thirds of labour migrants but their proportion seems to be falling in most countries. This reflects the increasing feminisation of the labour market. The picture is less clear where the gender balance of the working-age population is concerned because of family reunion and other migrations not overtly connected to the labour market.
- Immigrants of working age are getting older but this trend is less clear for emigrants.

1.9.4. Occupational characteristics

- Foreign workers enter the complete spectrum of occupations in immigration countries, but are increasingly to be found in tertiary and quaternary sectors rather than manufacturing.
- Much of the immigrant flow is into highly skilled jobs, and the work permit systems of most countries now select those with high levels of expertise. However, there is increasing evidence of polarisation, with large numbers of jobs being filled at relatively low-skill levels, especially in labour intensive occupations such as catering and cleaning. Many workers finding their way into these jobs are in an irregular situation.
- Countries are increasingly competing for highly skilled migrants both to acquire expertise thought to bring economic benefits and to counter specific skills shortages.
- The scale and characteristics of labour migration in the central and eastern European area have been, and continue to be, quite different from those to the west with a much bigger emphasis on short-term movements among lower-skilled workers. However, the central and eastern European countries can no longer be characterised only as ones of transit or emigration and they now both send and receive labour migrants.

- In general, it may be said that the growth of the informal sector in central and eastern Europe provided and continues to provide scope for very considerable and highly flexible forms of labour migration.
- In general, emigration from the central and eastern European area has been selective, in that the better off move. However, the jobs taken in destination countries are frequently of a lower calibre than those left, with migrants going into construction, manufacturing and low-skill service jobs, implying brain waste. In contrast however, it is also clear that at the upper end of the skill spectrum, many people from the region are involved in international exchanges of high-level skills. New forms of the mobility of expertise are also beginning to make their mark, including the outsourcing from the west of activities such as those in the ICT sector to cheaper locations.
- Studies of the likely labour migration consequences of EU enlargement suggest that perhaps 3% of the population of the candidate countries would move after accession at a rate of between a quarter and a third of a million per annum. Only a minority of existing states say they will allow free movement from the new members immediately after accession.

1.9.5. Irregular migrants

- There are no hard statistics on stocks and flows of irregular migrations. Estimates of the scale of the irregular migration flow into the EU range between 50-400 000 per annum.
- Amnesty programmes provide the most concrete data on the characteristics of irregular migrants. Overall, they suggest that their profiles are not dissimilar from those of legal immigrants.

1.9.6. Labour migration management

- Labour migration is a business which is managed by a range of institutions, some of which are illegal.
- Two underlying principles behind the labour migration management strategies of governments are scales of operation and the linkages between external labour demand, unemployment and demographic developments.
- Individual countries are adopting a range of management strategies relating to: labour market testing; special schemes for the highly skilled; quotas and national targets; bilateral agreements; amnesties; seasonal workers; other low-skilled workers.
- Overall, migration management is about how the institutions involved compromise with each other in order to achieve some form of accommodation that produces particular migration outcomes.

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II. Migrants in the labour force

Philippe Wanner

Executive summary

The growth and diversification of migratory flows towards Europe are bringing new challenges for European societies, especially their economies. These challenges relate in particular to the integration of migrants into the labour market. This report looks at the main trends in working population migration in European countries, based on analysis of the numbers of foreign workers employed in the various national economies. Although the general trend over the last twenty-five years has been an increase in the number of economically active foreigners, some countries such as the Netherlands, Sweden and Switzerland saw a reduction in the number of migrants in employment between 1994 and 2002, which can be put down to naturalisations, retirement of older migrant workers, reductions in immigration flows, increased unemployment and a change in migration patterns with an increasing trend towards non-economic migration. In spite of the barriers to employment that may exist, foreign populations are relatively well integrated in the labour market in quantitative terms, and activity rates for foreign males exceed those for nationals in many countries. In contrast, except in southern Europe, employment rates for foreign women are lower than those for nationals, probably because of the retention of customs from their countries of origin concerning the apportionment of responsibilities between spouses, but also because of the difficulties the wives of first-generation immigrants encounter in finding attractive employment. As far as levels of training are concerned, it is interesting to note the under-qualification of migrant populations in European countries, except perhaps in southern Europe, which still applies in spite of the recent rise in migration by highly qualified workers. This factor probably helps to explain the major differentials in unemployment rates among immigrant groups broken down by country of origin, with the likelihood of unemployment being five times higher or more among non-EU foreigners. Two reasons can be put forward here: first, labour market integration measures and antidiscrimination policies that are often inadequate or ineffective and, second, the concentration of foreign workers in specific sectors of the economy where opportunities for promotion are limited and security of employment is sometimes lacking. These various findings suggest a need for economic and integration policies to take greater account of the situation of foreigners on European labour markets.

II.1. Introduction

Over the last forty years, migratory flows to Europe have become substantial. The aggregate migratory balance of the Council of Europe member states increased tenfold between the 1960s and the 1990s, which means that there was a sharp increase in immigration from the rest of the world. Within Europe itself, migration between states has also increased very rapidly. Today, immigration in Europe is running at a level similar to that of the United States and issues connected with foreign labour and its integration are assuming increasing importance.

All the states of the European Community are now characterised by net positive migration. In other words, whereas they were for a long time countries of emigration and sources of labour for western Europe, the southern European countries are becoming countries of immigration. The migratory pattern is varied among non-EU member states and, among the Council of Europe member states, only Andorra, Armenia, Azerbaijan, Georgia, Latvia, Lithuania, Moldova, Poland, Ukraine and “the former Yugoslav Republic of Macedonia” had a negative migratory balance in 2001 (Council of Europe, 2002). At the same time, the proportion of population accounted for by foreign nationals has increased in virtually every European country, reaching 36% in Luxembourg (as against 18% in 1987), 20% in Switzerland (17.4% in 1971) and more than 9% in Germany and Austria (3.9% and 2.6% respectively in 1971 – Council of Europe, 2002). Immigration could continue in these countries, in particular following the forthcoming EU enlargement.

Migrant and foreign populations have different reasons for migrating, different residence conditions and different life situations. There is no longer just one model of migration, as was the case forty years ago, but situations which vary considerably from one country to another (Zlotnik, 1998). In particular, in the host country there can be seen to be a diversification of the origins of the migrant communities, the preponderant factors shaping migratory flows between countries being historical links between and geographical proximity. The reasons for migration are also becoming more disparate, since today, as compared with thirty years ago, migration is less directly associated with work. However, whilst the main reason for migration is changing and changes the distribution, it is none the less true that a major proportion of foreign migrants¹ end up on the labour market in the medium term. Moreover, migrants' work situations vary greatly, owing to the increasing diversity of occupational qualifications. As a result, migrants

1. In this chapter the masculine form is used as a generic term. All the aspects explored in this text refer to male and female migrants and foreigners.

are exposed in different ways to occupational risks, unemployment and precarious economic situations. Whilst some groups are in a good situation others find themselves in very precarious situations. These differences involve different sets of problems in terms of the integration of foreign populations and raise a number of questions relating to migrants' situation on the labour market.

In Europe, where it is expected that the available workforce will decrease (United Nations, 2002) and that budgetary issues connected with an ageing population will increase (Coppel et al., 2001), migration is also assuming preponderant importance in the debate on the economic consequences of demographic change. Central to that debate is the question of the necessity of migration to offset ageing (United Nations, 2000; OECD 1991), counter the decline in the labour force (Feld, 2000; Punch and Pearce, 2000) and keep occupational and social insurance schemes functioning (OECD, 1997). Whereas since the 1970s the main countries of immigration have developed migration policies designed to reduce the flow of economically active migrants or to select particular groups with specific skills or origins, future demographic developments could noticeably alter the situation. For these reasons, the importance of research on migrants in the labour market is clear.

These points will be expanded upon in this report around four themes: the first section describes the methodology; the second deals with the size of the economically active migrant population in Europe; the third section deals with the socio-economic situation of foreigners and their integration into the employment market and the fourth section sets out different factors for assessing the impact of migrants on the labour market. The last section examines how migrant integration might be promoted.

II.2. Data and concepts

Whereas the size of the population having foreign nationality is relatively well known in Europe because of population registers and censuses, that is not true for the workforce of foreign origin. This is because existing statistical tools do not reveal the sometimes frequent transitions between gainful activity and non-activity, with the result that it is sometimes difficult to estimate – in the case of the foreign and indigenous populations alike – what the proportion of active and non-active persons is. The active population is mobile and likely to change country rapidly in response to the economic context. The available statistics differ sometimes significantly depending on their source: censuses, labour-force surveys, registers of inhabitants or foreigners, administrative data on permits granted, etc.

In this study we have largely reproduced information derived from labour-force surveys, which, in most countries, constitute the only information currently available.

It should be noted, however, that those surveys are not always suitable for recording foreign population's activity patterns, owing in particular to the limits on sample size, and this causes a certain amount of frustration during analysis. This is particularly the case in countries where the proportion of foreigners is so small that there are not enough of them in the survey samples to permit detailed analysis. Again, the people questioned in labour-force surveys are not always representative of the foreign population, since they are selected from speakers of the host country's language. Less integrated populations do not find their way into these surveys.

One reason for failure to understand the role of immigration on the labour market is the lack of accurate measurement tools for use when comparing countries with different statistical systems. Unfortunately we are unable to include data from the most recent census round (the early 2000s); these were not yet complete or had not been published when this report was drafted. In the future this data will help improve knowledge about migrants in the workforce in Europe.

In the absence of systematic information on migrants' status, nationality constitutes the most relevant variable for quantifying labour originating from foreign countries. It is used in this analysis as an indicator of migrant status, in which the behaviour and characteristics of foreigners – classed according to their nationality – are compared with those of nationals. However, the distinction between nationals and foreigners hides big differences depending on the country of origin and these have not been addressed in this study. However, where possible, distinction between foreigners from the European Community and the rest of the world have been made.

Nationality, as an indicator of origin, depends, however, both on the requirements for obtaining the nationality of the host country (level of naturalisation) and on the numbers of second-generation migrants, who may be on the labour market as foreigners without having migrated during their lifetime. Naturalisation procedures in different countries may distort the picture of migrants' impact on the labour market when only data on nationality are available. These procedures vary widely from country to country, with annual naturalisation rates approaching 9 per 100 foreigners in the Netherlands for example, as opposed to less than 1 per 100 in Luxembourg. In some countries, including France, the Netherlands and Sweden, the size of the population with foreign nationality provides only an approximate indication of the migrant population (Table II.1)

Table II.1. – Proportion of foreigners and persons born abroad around 2000 (per cent)

Country	Proportion of foreigners (resident population)	Proportion of persons born abroad
Switzerland	20.9	25.1
Austria	9.4	9.4
Belgium	8.4	8.6
Germany	8.9	9.0
France	5.5	10.6
Luxembourg	37.3	37.2
Netherlands	4.1	9.9
Sweden	5.4	11.2

Source : Council of Europe 2002 and other years; OECD, 2001a; United Nations 2002 for the proportions of migrants (figures are estimates).

II.3. Foreign population in the employment market

II.3.1. Current situation

In Europe, more than 20 million people (around 3% of the population) live in a country other than the one whose nationality they have. Most of these foreigners live in western Europe. In order to have a more accurate picture of the impact of migrants on the population (cf. also Haug et al., 2002), that figure can be increased by the approximately 3.3 million migrants of foreign origin who were naturalised between 1985 and 1996 (Salt, 2002a) and by several hundreds of thousands of unregistered irregular migrants. This makes a total of at least 25 million people of foreign origin living and sometimes working in European countries. Available estimates suggest that there are about 7.9 million foreign workers (Salt, 2001). But that figure does not include undeclared workers, of whose numbers it is hard to make a reliable estimate.

The numbers and proportion of foreigners differ quite substantially from country to country. Germany, France, the United Kingdom and Switzerland have a migrant population exceeding 1 million (Table II.2). Leaving aside small countries (Andorra and Liechtenstein), Luxembourg (36%) and Switzerland (20%) have the highest percentages of foreigners.

Germany (3.5 million), France (1.6 million), Italy (750 000), Switzerland (700 000), Belgium (380 000) and Austria (370 000) in that order, have the largest economically active foreign populations. At the other end of the scale, countries such as Finland or Hungary had less than 50 000 foreign nationals at the end of the twentieth century. In relative terms, the proportion of foreign labour is highest in Luxembourg (1 in 2 active people), followed by Switzerland and then by Austria, Belgium and Germany. The lowest proportions of foreign labour are to be seen in the eastern European countries, southern Europe – in Spain 1 active person out of every 100 is a foreign national – and in Finland where only 1.2% of the active population consists of foreign nationals.

The figures shown in Table II.2 should be treated with considerable caution in a context where increasing numbers of foreign workers do not need a work permit, legislation on the registration of active foreigners varies widely, and statistical data differ greatly from one country to another. The figures vary according to source (censuses, population registers, etc.)¹. To aid comparison with other reports, we have reproduced and completed here the data published in OECD's SOPEMI reports, but draw the reader's attention to the fact that these figures are open to debate.

Note that the number of active persons of foreign nationality decreased between 1994 and 1999 in Germany, Switzerland, the Netherlands and Sweden (the total foreign population declined in that period in the last two countries). This development is due to the large number of naturalisations, the gradual return to countries of origin of some of those who migrated with the "traditional" flows from southern Europe, the retirement of a number of older migrants, increased unemployment owing to economic downturn and, in the case of candidates for immigration, fewer opportunities for migration as a result of the short-term economic difficulties in the 1990s. In contrast, the number of active foreigners has increased in Italy, Spain and Greece – countries which for a long time were providers of manpower to western Europe – and also in the Czech Republic and to a lesser extent in Hungary.

1. Switzerland may serve as an example: whereas the central register of aliens shows 701 000 persons of foreign nationality in active employment in 1999, the Swiss survey of the active population for the same year estimates the number of such persons at 956 000 (OFS, 2002).

Table II.2. – Numbers of economically active foreigners and proportion of foreign labour, by country

	Foreign population				Active foreign population			
	Numbers		% of the total population		Numbers		% of the total active population	
	1994	2002	1994	2002	1994	2002	1994	2002
Austria ¹	714	761	8.9	9.4	368	390	9.6	10.1
Belgium ¹	920	862	9.1	8.4	335	382	8.1	8.7
Czech Rep. ¹	104	201	...	2.1	91	169	1.7	3.2
Denmark	189	267	3.6	5.0	48	72	1.7	2.5
Finland	62	99	1.2	1.9	18	41	0.7	1.6
France	3 597	...	...	5.6	1 590	1 592	6.4	6.1
Germany	6 691	7 319	...	8.9	3 543	3 460	9.0	8.7
Greece	145	...	1.4	...	66	171	1.6	3.8
Hungary	138	116	1.3	1.1	20	28	0.5	0.7
Ireland	91	182	2.5	4.7	41	64	2.9	3.7
Italy	684	1 271	1.2	2.2	307	748	1.5	3.6
Luxembourg ¹	128	162	31.8	36.9	106	146	51.0	57.3
Netherlands ¹	780	668	5.1	4.2	290	268	4.0	3.4
Norway	162	186	3.8	4.1	59	82	2.7	4.1
Portugal ²	157	191	1.6	1.9	78	92	1.6	1.8
Spain ¹	461	896	1.2	2.2	122	327	0.8	1.8
Sweden	537	476	6.1	5.3	186	181	4.1	4.1
Switzerland	1 332	1 458	19.0	20.1	740	701	18.9	18.1
United Kingdom ²	2 037	2 503	3.5	4.2	1 030	1 240	3.6	4.2

1. 2001.

2. 2000. For the active population: Ireland, United Kingdom: Labour Force Survey 2000; Finland, Czech Republic, Norway: Labour Force Survey 2001.

The data include apprentices, vocational trainees and seasonal workers, but exclude the unemployed.

II.3.2. Trends in foreign labour since 1945: economic and political context

The foreign population and the foreign workforce have increased in Europe since the end of the second world war and did so even more markedly in the 1960s (King, 1996). As a result, the number of foreigners increased eightfold in Germany between 1955 and 1974 and more than threefold in Switzerland between 1950 and 1974. Numbers more than doubled in France and Belgium over the same period. Until the early 1970s, a large proportion of migrant populations was made up of permanent or temporary workers, responding to the booming economy's increasing demand for labour. The number of foreign workers in the EEC (Europe of six member states: Germany, Belgium, France, Italy, Luxembourg, Netherlands) from Austria, Switzerland, Norway and Sweden was 7.5 million in 1973 (International Labour Organization, 1973, cited by Salt and Clark, 2002). As a result, worker migration, after the second world war, was almost unprecedented in the history of Europe (Tapinos, 1994).

Around 1975 the situation regarding migrants on the European labour market changed rapidly following the petrol crisis and showed a contrasting picture. In some countries where migratory policy was based essentially on the "guest worker" there was a marked falling off in the number of foreigners, with workers often returning to their countries if they lost their jobs. This happened in Switzerland – where the size of the foreign population decreased from 1.08 million in 1971 to 914 000 in 1981 – Sweden, Norway and, later, Germany (Table II.3). In other countries practising a migration policy favouring long-term residence of the migrant population (the United Kingdom, for example) or with migration not always linked to obtaining a work permit or caused by historical factors (the Netherlands, for instance) the foreign population continued to increase, and the main consequence of the economic crisis was an increase in unemployment in foreign communities (Salt et al., 1994; Gesano, 1999). In these counties there was a rapid transformation of the relationship between the numbers of unemployed (rising) and the working population (decreasing) without any change to the size of the foreign population.

Table II.3. – Trend in the number of foreigners in various European countries between 1971 and 2001 (thousands)

Country	1971	1976	1981	1986	1991	1996	2001
Austria	195.4	270.8	288.2	308.8	439.2	726.3	761.2
Belgium	663.1	835.0	860.6	846.5	904.5	909.8	861.7
Denmark	99.8	90.9	101.6	117.0	160.6	222.7	258.6
France	4 127.0	3 442.0	3 714.0	3 594.0	3 608.0	...	...
Germany	3 054.2	4 566.7	4 453.3	4 378.9	5 342.5	7 173.9	7 298.8
Italy	121.7	...	210.9	318.7	566.2	737.8	1270.6
Luxembourg	62.5	91.3	95.8	101.6	115.4	138.1	162.3
Netherlands	246.5	350.5	520.9	552.5	692.4	725.4	667.8
Norway	76.1	67.5	82.6	101.5	143.3	160.8	184.3
Spain	148.3	165.0	183.1	242.0	278.7	499.8	895.7
Sweden	411.3	409.9	421.7	388.6	483.7	531.8	477.3
Switzerland	1 080.4	978.6	914.9	977.0	1 129.5	1 363.6	1 424.4
United Kingdom	...	...	1 638.0	1 785.0	1 892.0	1 995.0	2 503.0

France: 1974 rather than 1971; Italy and the United Kingdom: 2000 rather than 2001.

Source: Council of Europe, 2002; Salt 2002b.

Whilst it remained stable, or even decreased slightly in the 1980s – albeit with sharp variations from one country to another (cf. Table II.4) – the foreign population in gainful employment reverted, from 1990 on, to its upward trend in virtually all European countries, with some downward trends due to cyclical reasons. France and the Netherlands are exceptions: the foreign active population there declined between 1990 and 2000 (United Nations, 2002; OECD 2000a). Between 1988 and 2000, the number of foreign workers in Europe ultimately increased, according to an estimate by Salt (2001), by more than 30%.

Table II.4. – Foreign employees in Europe between 1975–89 (thousands)

	Federal Republic of Germany	France	United Kingdom	Belgium	Netherlands
<i>Total</i>					
1975	2 091	1 900	791	230	113
1980	2 041	1 208	833	213	190
1985	1 555	1 260	821	187	166
1987	1 557	1 131	917	177	176
1991	...	1 506	828	303	197 ¹
1995	...	1 604 ²	865 ²	325	221
2000	3 546 ³	1 578	1 229	346	235 ⁴
<i>EC</i>					
1975	849	1 045	347	174	59
1980	732	653	406	159	84
1985	520	640	395	141	76
1987	484	569	345	130	86
1991	...	690	398	...	88 ¹
1995	...	612 ¹	395 ²	...	98
2000	...	608	483	...	116 ⁴
<i>Outside EC</i>					
1975	1 242	855	444	56	54
1980	1 309	555	427	54	106
1985	1 035	620	423	46	90
1987	1 073	562	575	47	90
1991	...	816	430	...	107 ¹
1995	...	792 ¹	470	...	123
2000	...	970	654	...	119 ⁴

Source: Eurostat, cf. H. Werner (1991), OECD, (2002a).

1. 1990.
2. 1996.
3. Reunified Germany.
4. 1998.

Although in Europe during the 1975-2000 period there were interruptions to trends and developments varied from one country to another, overall there was an increase in the active foreign population. This may seem paradoxical in view of the increase in unemployment and the more restrictive migration policies pursued after borders closed to worker immigration (in the former Federal Republic of Germany in 1973, in France and in Belgium in 1974). The few data available indicate that from then on the proportion of workers in migratory flows was relatively small: less than 10% in Belgium and approaching 30-40% in Switzerland and Germany. This paradox can be mainly explained by arrivals joining their families, migrants' children and asylum seekers also eventually entering the labour market.

II.4. Socio-occupational characteristics of foreign workers

II.4.1. Activity rates

In spite of the barriers to employment, which may be very restrictive in the case of some groups of foreigners such as refugees, asylum seekers and even more for people without authorisation to be in the country, foreign populations are now relatively well integrated in the labour market. Activity rates for foreign males between 20 and 64 years of age exceed those for nationals in Austria, the Czech Republic, Greece, Italy and Spain. They are significantly below those for nationals in Denmark, the Netherlands, Sweden, Ireland and the United Kingdom. In contrast, with the exception of the southern European countries (Greece, Portugal, Spain) and the Slovak Republic, the activity rates of women of foreign nationality are lower than those of nationals (Table II.5). Activity rates are closely linked to the age structure of nationals and foreigners, even within the 20 to 64 age group considered here. In countries where people retire early and activity rates between 55 and 64 years are low, over-representation of nationals within the age group may explain differences in activity rates. In view of the low numbers involved, a standard indicator cannot be calculated for all countries, and this limitation should be borne in mind when results are interpreted.

The low numbers of foreign women on the labour market as compared with female citizens of the host country, warrant particular attention in so far as the activity rate for women is an indicator of integration of the foreign population (Tribalat, 1995). The fact that in western and northern Europe foreign women are less often in work than local women may be due to a number of factors, the first of which is importation of the socio-cultural model in the case of communities from countries with a "traditional" division of occupational and family tasks between the couple.¹ Likewise, where migration is dictated by the husband's career – this was long the pattern but is gradually on

1. This factor also explains the higher activity rate of foreign women, as compared with nationals, in the countries of southern Europe.

the decrease – the woman may have difficulty in finding work that matches her training (Morokvasic, 1993). Werner (1994) notes other household factors in low activity rates for foreign women, that women of foreign nationality are likelier to be married with one or more children and that the average number of children is higher in foreign households.

Table II.5. – Activity rates for 20-64 year-olds by sex and origin, 1999-2000 (per-cent)

	Men		Women	
	Nationals	Foreigners	Nationals	Foreigners
Austria	80.5	86.1	63.1	63.4
Belgium	74.1	73.0	58.2	40.7
Czech Republic	80.4	88.6	64.4	61.6
Denmark	85.6	73.2	77.2	53.8
Finland	79.8	81.1	74.4	58.0
France	75.6	76.4	63.5	48.5
Germany	80.1	77.9	64.8	49.9
Greece	78.9	89.3	50.3	57.6
Ireland	81.1	76.1	55.7	54.4
Italy	74.8	89.0	46.3	52.1
Luxembourg	75.5	77.9	74.3	56.7
Netherlands	84.8	67.2	66.4	44.6
Norway	86.0	84.5	77.7	70.7
Portugal	83.7	81.3	66.7	68.5
Slovak Republic	76.6	79.5	62.6	63.9
Spain	77.2	83.8	49.8	57.3
Sweden	80.5	65.1	75.3	59.4
Switzerland	93.0	89.6	74.8	68.4
United Kingdom	84.9	76.2	69.2	56.0

Source : OECD, 2001a. Data from Labour Force Surveys.

On the basis of the data available, there are grounds for suspecting relatively large disparities in female activity rates depending on nationality, migratory status (first generation of migrants, second generation of migrants) and length of residence in the country. In Sweden, for example, professional

activity rates are highest among nationals of western and northern European countries, lowest among eastern Europeans and non-Europeans (Lie, 2002). In Switzerland, activity rates are highest among nationals of neighbouring countries and the south of Europe (83.7% of Portuguese and 81.4% of Spaniards have work – Wanner, 2003) and is lowest for nationals of non-EU Europe (70.5% of Turks and 71.6% of Yugoslavs have work). In Finland they are highest among Germans and British nationals and are particularly low amongst people from developing countries (Statistics Finland, 2002).

It may also be observed that the figures in this section do not take undeclared work into account. Depending on the country, a relatively large number of economically active migrants might be engaged in undeclared domestic work or ambulant trade (Ambrosini, 1999).

II.4.2. Level of training

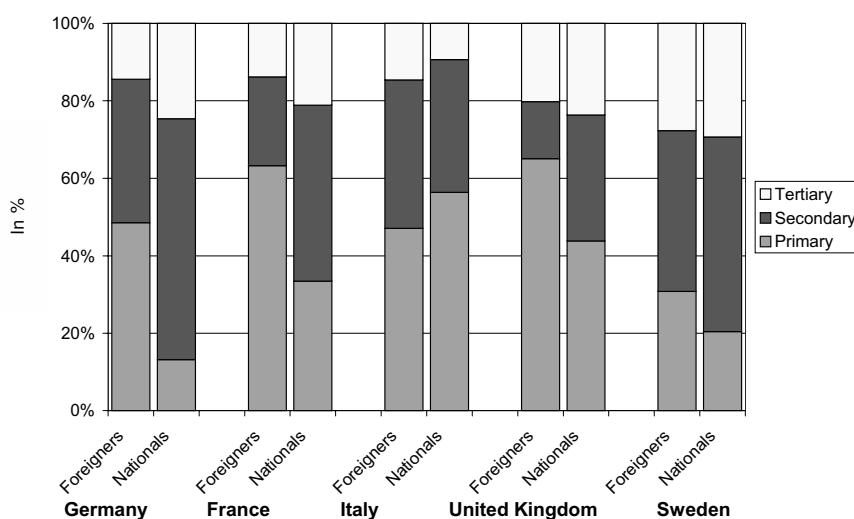
In most European countries, economically active foreigners have, on average, a lower level of training than nationals (Coppel et al., 2001). However, as a result of the recent increase in migration of skilled workers and the increasing presence in the foreign active population of migrants' children – often better qualified than their parents – foreigners' average level of training is steadily rising.

The training differentials between migrants and nationals vary from country to country. According to data taken from labour-force surveys, there are almost three and a half times more people with only primary schooling in foreign communities than among nationals (Graph II.1). In France, the number is almost double that. In contrast, in Italy, migrants are better qualified than nationals; in particular there is a lower proportion of people with only primary schooling among migrants and a higher proportion with further education.

Various factors may explain these differentials and the different patterns observed from country to country. One of the main factors is policy in recruitment of migrant workers. As mentioned above, recruitment has always been selective in terms of training: sometimes it is migration of highly skilled workers that is encouraged, and sometimes – as in the 1960s – migration is mainly of non-skilled labour. The other factor affecting the general level of training of working-age foreign nationals is sometimes a lesser availability of training pre-migration, in particular for migrants coming from countries where the training infrastructure is less developed. On the basis of the small number of studies available, this is the case for nationals of southern European countries or of non-EU European countries who migrate to western Europe having lower levels of training than nationals (Penninx et al., 1994; Wanner and Fibbi, 2002; Lie, 2002). Some German data show that

foreign national from EU countries or North America – in particular women – and also nationals of eastern European countries have much the same level of training as nationals and may even be better qualified (Bender et al., 2000). This may be explained by the fact that they have had good opportunities of access to tertiary education in their country of origin and by a selective migration favouring the departure of trained people.

Graph II.1. – Distribution according to the level of training and nationality in various countries in 2000



Source : Eurostat, Labour Force Survey. Taken from Coppel et al., 2001.

Foreigners' level of training changes rapidly, depending on migration policy. Some countries, such as the United Kingdom, Sweden and Germany have recently fostered immigration of highly skilled people from, in particular, eastern Europe. In Germany, a "Green Card" system has been introduced so as to attract highly skilled workers (Salt, 2001) and bilateral contracts have been signed with a number of countries of the former communist bloc so as to enable the most skilled nationals of those countries to obtain employment contracts (OECD, 2001a). Italy is talking about introducing measures to facilitate entry of migrants with high level technological skills. In the United Kingdom, skilled migration has increased (from 12 700 entries in 1992 to 18 700 in 1998) following the introduction of immigration facilities for the highly qualified. Programmes for the recruitment of skilled workers also exist

in France, Norway and Switzerland (OECD, 2001b). As a result of those trends, there is often a dual pattern to the level of training among foreign nationals as compared with nationals of the receiving country, with disproportionately large numbers of both unskilled/low-skilled migrants and highly skilled migrants.

II.4.3. Residence status

Depending on their residence status, foreigners are likely to come up, to a greater or lesser extent, against possible occupational difficulties. In addition to the two main categories – the short-term residence permit, which is generally linked to having employment, and the permanent permit, which, as well as allowing migrants to plan medium term professional activities, gives them access to social protection and occupational insurance schemes – mention should be made of two other types of residence: clandestine or illegal residence, where lack of a permit results in total insecurity both with regard to the length of stay and in the case of illness or accident (social protection is often patchy), and asylum-seeking residence, where resident status is sometimes granted, generally for a period limited to the processing of the application, but paid work is not always allowed.

At present, there are no comparable country statistics enabling workers to be classified on the basis of residence status. However, this may take very varied forms depending on the country: Historically, the United Kingdom is characterised by a high proportion of permanent residents whose residence is guaranteed on a long-term basis and is generally accompanied by residence of the family; however, recently, temporary migration has increased as a result of a rise in the number of workers arriving on short-term permits or "working holiday permits". Other countries, such as France, Germany and Switzerland, have long given preference to short term "contract workers", with varying degrees of success (OECD, 1998).

As a result of the very nature of the relevant population, the situation with regard to illegal workers is hard to assess. Data on putting illegals on a legal footing (for example, 44 000 in Spain in 1985, 118 000 in Italy in 1987 and 220 000 in Italy in 1989 – Kuijsten, 1994) give a rough idea of the scale of the phenomenon. The study by Delaunay and Tapinos (1998), which points to the difficulty in estimating this population, suggests that the numbers of illegal workers could exceed 1 million in Europe. There are said to be 300 000 in Greece, which would exceed the foreign active population holding permits. Brochmann (1996) suggests that almost 15% of immigration to western European countries is illegal. Salt and Clarke (2003) offer more detailed information on the extent of clandestine migration.

II.4.4. Sector of activity and position in the undertaking

Irrespective of the host country, foreign nationals account for a large proportion of the workforce in manufacturing, construction, the hotel and catering sector, health and community services, and domestic work (Table II.6). The limitations of this table should however be noted, especially the fact that cross-border workers are not included in the figures, though they too provide an external input to the economy. Similarly, the distribution of foreigners is probably uneven within the sectors of activity, and there is concentration in certain areas. Distribution is also uneven at different steps of the hierarchy. Finally, the data do not permit distinction by sex, and this limits the scope of analysis.

Different patterns are observed from one country to another depending on the economic structure of the country. In Luxembourg and Belgium, where international organisations are headquartered, there is a higher proportion of foreigners in administration than in other countries where access to civil service posts is sometimes restricted for foreigners; in southern countries there is a high percentage of foreign workers in the construction industry and domestic work. They play an important role in commerce in Hungary and the Czech Republic and in the hotel and catering sector in Spain, where the tourist sector is strongly developed. In northern Europe, some 25% of the foreign active population is employed in health and community services. There are very large numbers of foreign nationals in mining and industry in Germany and Italy.

As the economy becomes more oriented to the service sector, the distribution of foreigners according to the sector of activity changes. In Germany, between 1987 and 1993, the number of foreigners in commerce and services has doubled, whereas there has been only a slight increase in manufacturing industry and agriculture (Frey and Mammey, 1996). Similar trends have been observed in the Netherlands, where there has been a marked increase in the foreign population employed in the services sector and a decrease in that employed in industry (Penninx et al., 1994).

In western Europe there are generally large concentrations of people from developing countries in the secondary sectors (Coleman, 1994), whereas nationals of European Community countries or North Americans tend to be employed in the services sector and skilled work. The United Kingdom has an uneven occupational distribution of nationalities, with European Community nationals being over-represented in the construction industry, transport, the civil service and health, whereas foreigners from other countries are found in the retail trade, the hotel and catering sector, finance and domestic work (Dobson et al., 2001).

Table II.6.– Distribution of foreign workers by sector of activity (per cent)

	Agri- culture	Mining and industry	Construc- tion	Wholesale and retail trade	Hotel and catering	Education	Health and community services	Domestic work	Adminis- tration	Other services
Austria	1.4	27.5	12.0	12.5	11.6	2.7	11.3	0.8	1.4	19.0
Belgium	1.7	23.6	8.0	15.3	6.9	3.3	12.4	0.8	9.2	18.9
Czech Rep.	1.9	24.3	8.8	27.4	4.3	6.3	10.4	0.9	3.4	12.3
Denmark	3.1	19.5	2.4	12.8	7.1	5.4	26.8	0.0	3.8	19.2
Finland	4.3	16.8	3.6	14.3	10.2	10.0	19.0	0.5	0.6	20.8
France	3.0	19.6	17.3	11.9	6.9	3.1	8.7	7.1	2.6	19.7
Germany	1.5	33.7	9.0	12.5	10.6	2.7	12.3	0.6	2.1	15.0
Greece	3.4	18.4	27.2	10.9	8.6	2.0	4.2	19.6	0.8	5.0
Hungary	2.7	24.5	6.1	20.4	3.5	10.8	13.5	0.0	3.9	14.6
Ireland	2.5	18.8	7.6	8.8	12.3	7.3	15.2	1.4	1.7	24.4
Italy	5.4	30.3	9.4	11.0	8.5	3.2	6.7	10.9	2.5	12.0
Luxembourg	0.8	10.3	15.6	13.1	8.0	2.5	9.3	4.0	11.2	25.2
Netherlands	2.4	24.4	4.3	13.9	6.1	5.9	12.4	0.2	4.1	26.3
Norway	1.8	18.2	4.8	13.3	7.1	7.7	25.4	0.5	2.9	18.3
Portugal	2.7	17.3	25.2	10.0	9.6	5.8	10.3	6.8	1.7	10.5
Slovak Rep.	7.6	22.7	3.5	13.8	0.0	12.9	17.0	0.0	4.9	17.6
Spain	7.8	10.9	9.4	12.6	14.9	5.1	8.1	18.0	0.9	12.3
Sweden	1.8	21.4	1.9	12.7	8.5	9.5	23.1	0.0	2.1	19.1
Switzerland	1.4	23.1	9.8	16.5	5.5	4.6	17.1	1.6	3.3	17.2
United Kingdom	0.3	13.8	5.1	11.6	9.9	8.3	20.2	1.6	4.2	25.1

Source : Workforce survey OECD, 2001a.

Due to the lack of data, the sectors of activity of illegal workers are hard to describe with any accuracy; according to the OECD (2000b); agriculture, construction, tourism and domestic work are the sectors with the highest proportion of workers without papers.

Type of occupation has been the subject of a few studies. They generally show not only that migrants are more frequently employed in manual jobs, as some rather old German data show (Table II.7), but also that migrants generally have more difficulty in gaining positions of responsibility.

Table II.7. – Distribution of active persons according to their socio-occupational status and nationality: Germany 1984-92 (per cent)

	1984		1988		1992	
	National	Foreign	National	Foreign	National	Foreign
Unskilled manual	4	25	4	24	4	17
Semi-skilled manual	12	45	11	37	11	40
Skilled manual	18	20	18	27	21	26
Low-level non-manual	9	4	10	3	5	3
Medium-level non-manual	33	3	35	6	37	7
Administrative employee	12	0	10	0	10	0
Self-employed	12	4	12	4	12	7
Total	100	100	100	100	100	100

Source: Frey and Mamme, 1996.

Factors other than level of training may explain the low numbers of foreign nationals in positions of responsibility (self-employment, higher-level non-manual work, see Table II.7). They include less recognition of vocational training acquired in the country of origin (Flückiger and Ramirez, 2002), effects linked to differences in age structure, number of years' experience and presence in organisation – this may be shorter following migration which often means a professional interruption – and discrimination linked to nationality. For these reasons, the income of foreign workers could be lower than that of nationals for an equal level of training and with the same level of responsibilities. Little statistical information is available on this subject.

In countries with a high proportion of ethnic businesses or in which the small-business sector is preponderant, a relatively large number of foreign nationals may be self-employed. This is the case for instance in the United Kingdom, where there is a higher percentage of self-employed persons among foreigners – who generally run small businesses, principally in the fields of food, catering and the retail trade – than amongst nationals (14% as against 12%, see Table II.8). Self-employment is generally facilitated in the United Kingdom, where

there are longstanding migrant communities; community networks make it easier to start family businesses and self-selection among migrants influences the employment situation (Stark, 1991, Chiswick, 2000). The Czech Republic and Ireland are other countries in which foreigners are more frequently self-employed than nationals (Table II.8). In the Czech Republic, regime change following the fall of communism created opportunities – as it did in other east European countries – and encouraged entrepreneurial activities within various foreign communities (for example Vietnamese commercial activity). In contrast, in other countries self-employment may be restricted by regulations requiring certification of professional competence in the host country or through only partial recognition of qualifications obtained in other countries. In such cases, the proportion of self-employed persons is generally lower amongst foreigners than amongst nationals. The situation in Greece is special: foreigners are generally employed as paid labour in an economy where almost half of nationals have self-employed status.

Table II.8 – Proportion of self-employed workers in European countries, by nationality, in 2000 (per cent)

	Nationals	Foreigners	Difference Nationals/ Foreigners
Austria	14.5	5.2	9.3
Belgium	17.3	17.2	0.1
Czech Rep.	14.4	22.2	-7.8
Denmark	9.3	8.6	0.7
Finland	13.8	12.4	1.4
France	12.3	10.3	2.0
Germany	10.9	9.8	1.1
Greece	43.0	8.7	34.3
Iceland	18.3	7.7	10.6
Ireland	19.0	19.7	-0.7
Italy	28.4	18.5	9.9
Luxembourg	10.8	6.7	4.1
Netherlands	11.5	10.0	1.5
Norway	7.7	9.1	-1.4
Portugal	27.0	20.6	6.4
Spain	21.7	22.6	-0.9
Sweden	11.4	12.5	-1.1
Switzerland	20.3	8.9	11.4
United Kingdom	12.0	14.1	-2.1

Source: OECD, 2001b.

II.4.5. Unemployment rates

Until the 1970s, the unemployment rate among foreign workers was relatively low in many immigration countries. This was due to the favorable economic climate, but also to the need for the recent migrant worker to find work in order to obtain a residence permit or to have leave to remain in the country and the need to transfer money regularly to the family remaining in the country of origin. These reasons could constitute a motivation to take a job no matter what the conditions. (Tribalat et al., 1991). However, as from the 1980s, unemployment became higher amongst foreigners than amongst nationals, and higher still amongst foreigners from countries outside the European Community (Table II.9). The available statistics, which have been taken from labour-force surveys, show a particularly large differential between two groups, regardless of country, except perhaps in Greece. In Belgium, for example, the unemployment rate for non-EU foreigners is five times higher than for nationals. It is seven times higher for non-EU foreigners in Denmark than nationals, four times higher in the Netherlands, three times higher in Finland and twice as high in the United Kingdom. In addition the differentials between nationals and non-EU foreigners are more marked for men than women.

In the case of foreigners from countries of the European Union, although unemployment rates are slightly higher than for nationals, they are very much lower than for foreigners from other parts of the world. This is probably due to the fact that migration from EC member states is an older phenomenon, the qualifications of nationals of those countries are higher and, owing to the rules on freedom of movement, those nationals can emigrate to another country of the EU when the economic situation is adverse (Werner, 1994).

Amongst the foreign population the rate of unemployment can vary greatly, for example in Finland in 2001, according to the Ministry of Economy, the rate of unemployment was 77% amongst Iraqis, 64% amongst Iranians, but below 10% for Germans and North Americans (Statistics Finland, 2002). There are different reasons why non-Europeans, and foreigners generally, should have particularly high unemployment rates. One of the prime reasons frequently mentioned is the training differentials between nationals and foreigners, particularly the low level of training amongst foreigners arriving in the receiving country just after finishing their schooling (Stalker, 1994) or having their schooling interrupted by migration. Another factor is that migrants from distant countries often have limited linguistic skills that are an obstacle to employment, in particular in the tertiary sector. Gurak (1987) and Dumont (1989) further point to the difficulty which "secondary" migrants following their active spouse to a new country have in finding an occupation appropriate to their training.

Table II.9 – Unemployment rate in 2000 in various European countries, by nationality and gender (per cent)

	Nationals	UE nationals	Non-EU nationals	Total in the country
<i>Men</i>				
Belgium	4.5	10.5	28.4	5.5
Denmark	3.2	...	27.0	3.6
Spain	6.1	6.3	11.5	6.2
Finland	7.0	...	24.5	7.1
Greece	5.9	...	7.0	5.9
Netherlands	1.0	...	7.0	1.2
Norway	2.0	...	14.5	2.2
United Kingdom	4.0	4.5	9.8	4.2
Switzerland	2.3	3.6	9.0	3.2
<i>Women</i>				
Belgium	6.6	11.2	27.2	7.2
Denmark	4.1	...	25.6	4.5
Spain	13.1	13.3	18.7	13.2
Finland	7.8	...	24.1	7.9
Greece	13.4	...	14.9	13.5
Netherlands	2.3	...	...	2.4
Norway	2.0	...	11.2	2.3
United Kingdom	3.2	6.0	7.1	3.4
Switzerland	3.3	6.1	17.8	5.0
<i>Total</i>				
Belgium	5.4	10.7	28.0	6.2
Denmark	3.6	...	26.4	4.0
Spain	8.9	8.6	14.5	9.0
Finland	7.4	...	24.3	7.5
Greece	8.8	...	10.0	8.9
Netherlands	1.6	...	6.4	1.7
Norway	2.0	...	12.8	2.3
United Kingdom	3.6	5.2	8.7	3.8
Switzerland	2.8	4.6	12.7	4.0

Source: Eurostat. Labour Force Survey. For Switzerland, 2000 Census.
 Figures in italic are from data based on a limited number of cases.

Other factors in high unemployment include the racial or cultural discrimination which some groups of migrants suffer (Werner, 1994) and the adverse image that they sometimes have as regards productivity and cost of employment (Penninx et al., 1994). Unemployment differentials may also be explained by barriers to paid work in the case of some categories, such as refugees and asylum seekers. Stalker (1994) also identifies structural factors, in particular the fact that the sectors that have lost most employees are those which employed the largest proportion of foreigners. Immigrant populations' assets from the employment standpoint, in particular great flexibility and great adaptability to work that does not match their training (Gesano, 1999), are not enough to overcome the barriers.

According to OECD (2001b), foreign nationals in Europe suffer more from long-term unemployment. Exceptions to this are southern Europe, where migration is more frequently associated with status of activity; the United Kingdom, where candidates for migration may be selected in the emigration country on the basis of the opportunities which community networks have identified in the host country; and Luxembourg.

II.4.6. Other demographic characteristics

Very little information is available about the composition of the foreign workforce in terms of demographic criteria. The data provided here is for this reason already old. However, the nationalities of foreign workers are relatively well known. German-speaking Europe is characterised by the dominant position of workers from former Yugoslavia, Turkey and, with the exception of Austria, Italy (Table II.10). As a result of its geographical position, Austria has relatively large numbers of Hungarians and Poles (for the most part they are seasonal workers). France has large numbers of Portuguese and North African workers. Moroccans are the main group of economically active foreigners in Italy, Netherlands and Spain. In the Scandinavian countries foreign workers are of relatively varied origin. Historical links, geographical proximity, migration policies and agreements between countries may explain the diversity of situations as regards the origins of foreign labour.

Economic activity in foreign communities is principally male. The percentage is 69% among Turks, 62% among former Yugoslavs and 71% among Italians in Germany (Table II.10), 58% among Portuguese, 65% among Algerians and 70% among Moroccans in France and 67% among Italians in Switzerland. The only notable exceptions are that migratory flows of trainees or economically active persons from adjacent countries or of domestic personnel may be predominantly female. This is the case with the Irish workforce in the United Kingdom, which is 53% female, the Bosnian workforce in Austria (53% female), the Norwegian and Swedish workforces in Denmark

Table II.10. – Persons active in the labour market (by nationality) and proportion of women (by country) around 1998

Nationality	Total (thousands)	Women (%)	Total (thousands)	Women (%)	Total (thousands)	Women (%)
<i>Austria, 1999¹</i>			<i>Belgium, 1997</i>		<i>Denmark, 1998</i>	
Former Yugoslavia	77.1	43	Italy	96.9	Turkey	14.1
Turkey	47.7	27	France	40.4	Former Yugoslavia	11.3
Bosnia-Her.	24.2	53	Morocco	38.5	United Kingdom	7.6
Croatia	23.2	37	Netherlands	35.8	Germany	6.8
Hungary	9.0	20	Spain	20.9	Norway	6.3
Poland	8.7	26	Turkey	19.1	Sweden	5.7
<i>France, 2000</i>			<i>Germany, 1997</i>		<i>Italy, 1995</i>	
Portugal	353.1	42	Turkey	745.2	Morocco	47.9
Algeria	215.0	35	Former Yugoslavia	348.0	Philippines	27.7
Morocco	204.3	30	Italy	246.5	Tunisia	19.5
Turkey	81.5	25	Greece	134.2	Albania	18.2
Tunisia	77.5	27	Portugal	58.9	Former Yugoslavia	17.7
Italy	73.8	32	Spain	52.5	Senegal	13.6
<i>Netherlands, 1997</i>			<i>Spain, 1999¹</i>		<i>Sweden, 1999</i>	
Morocco	35.0	23	Morocco	65.2	Finland	52.0
Turkey	29.0	14	Peru	13.4	Former Yugoslavia	28.0
Belgium	23.0	43	China	10.7	Norway	19.0
United Kingdom	23.0	35	Dominic. Rep.	10.2	Denmark	13.0
Germany	14.0	29	Equator	8.7	Iran	8.0
Spain	11.0	27	Philippines	7.0	Poland	2.0
<i>Switzerland, 1999</i>			<i>United Kingdom, 2000</i>			
Italy	179.3	33	Ireland	206.0		
Former Yugoslavia	80.4	35	Africa	140.0		
Portugal	76.5	43	India	61.0		
Germany	61.3	37	United States	61.0		
Spain	51.7	39	Italy	55.0		
Turkey	33.3	35	Australia	54.0		

Source : Labour Force Surveys. Taken from OECD – SOPEMI (various years).

1. Excluding workers from the European Community.

(57% and 56% respectively); women also account for 69% of economically active people from the Philippines in Italy, 83% and 65% respectively of Dominicans and Peruvians in Spain and 60% of Finns in Sweden.

As for the age profile, there is generally a lower proportion of older workers (55-64 years old) among foreign communities (Table II.11). France and the United Kingdom, which are characterised by older migratory flows, are exceptions. Younger people (15-24 years old) are found in disproportionately large numbers in the economically active population in southern European countries, Netherlands and United Kingdom, but in disproportionately small numbers in Belgium, France, Hungary and Sweden.

Table II.11. – Distribution of active persons by nationality and age in 2003 (per cent)

	Nationals			Foreigners		
	15-24 years	25-54 years	55-64 years	15-24 years	25-54 years	55-64 years
Belgium	21.3	60.2	18.6	19.8	65.6	14.7
Bulgaria	19.7	57.3	23.0	0.0	71.4	28.6
Cyprus	23.0	53.4	23.7	29.4	61.8	8.8
Denmark	23.0	49.8	27.3	30.0	56.3	13.8
Spain	25.2	55.0	19.8	33.2	59.1	7.7
Finland	21.9	50.7	27.3	23.5	61.8	14.7
France	21.1	56.8	22.1	15.5	60.1	24.4
Greece	20.2	53.1	26.7	30.0	59.0	11.0
Hungary	24.2	54.5	21.3	22.7	63.6	13.6
Italy ¹	20.0	59.0	21.1	25.3	66.0	8.7
Norway	23.6	50.2	26.2	25.3	57.3	17.3
Netherlands	26.8	52.4	20.8	32.9	57.6	9.4
Portugal	26.0	51.1	22.9	36.6	57.7	5.7
Czech Republic	23.3	51.4	25.3	20.3	56.8	23.0
United Kingdom	24.1	51.6	24.2	31.6	53.9	14.5
Sweden	21.1	48.3	30.7	19.4	58.3	22.2
Switzerland ¹	23.5	50.1	26.4	27.3	55.5	17.3

Source : Eurostat. Labour Force Surveys 2003.

1. 2002.

Following the substantial migration in the 1960s and 1970s, France has the foreign workforce with the greatest length of stay: in 1995, 71% of economically active foreigners had been present there for more than ten years. Lengthy foreign residence is also a feature in Belgium (Table II.12). At the other extreme, almost all the foreign workforce in Italy and Greece have been there less than ten years¹. This is because migratory flows to those countries are of recent date.

Table II.12. – Distribution of the foreign population born abroad by length of stay, active persons aged 15-64, 1995

	Stock (thousands)			(%)		
	Less than 5 years	5-10 years	10 years or more	Less than 5 years	5-10 years	10 years or more
Austria	66	128	130	20.4	39.5	40.1
Belgium	29	27	118	16.7	15.5	67.8
Denmark	10	16	25	19.6	31.4	49.0
France	77	120	494	11.1	17.4	71.5
Greece	40	16	12	58.8	23.5	17.6
Ireland	14	7	20	34.1	17.1	48.8
Italy	40	28	0	58.8	41.2	0.0
Luxembourg	9	11	24	20.5	25.0	54.5
Netherlands	70	76	110	27.3	29.7	43.0
Spain	36	48	35	30.3	40.3	29.4
Sweden	17	61	65	11.9	42.7	45.5
United Kingdom	227	225	539	22.9	22.7	54.4

Source: OECD 1998.

II.5. Impact of migration on the labour market

The data given above clearly show that in most European countries foreign labour has recently increased its share of the labour market, for example as expressed in percentages of active persons. They also suggest that active migrants play a substantial and growing role in the economy of European countries, especially in German-speaking Europe. The economic development of countries such as Luxembourg, Switzerland, Belgium and Germany has been partly fuelled by migrants, and is today still heavily dependent on them. In other countries where the migrant inflow is more limited, migration

1. 1995 data.

has so far played a minor role on the labour market, but one that may expand in view of demographic trends forecast for the next fifty years.

Estimating the impact of migration on the labour market is no easy task because the mechanisms involved can act in such different ways. A substantial literature has focused on the relationship between migratory flows and the economies of immigration countries – the labour market, unemployment, wages, GDP – but the results show no clear convergence, varying according to the method and indicators used and the period studied. It is difficult to present an overall picture of these studies, and sometimes equally difficult to assess the relevance of the different approaches they reflect. Section II.4.1 presents some of the main studies in this field. Later (Section II.4.2), we shall look in greater detail at some sectors where the foreign labour force is strongly represented, before going on to discuss the hypotheses of labour-market segmentation on the basis of origin, and substitution of migrant labour for native-born labour. The complimentary nature of these approaches enables a review of the current role of migrants in the labour market.

II.5.1. Theoretical and empirical estimates of the impact of the migration of active persons on the labour market

Models and studies of migration designed to assess the relationship between population and development have often focused on the impact of migration on the development of source countries rather than on economic growth in receiving countries. With the development of migratory flows between south and north and between east and west and in view of expected political changes (especially enlargement of the European Community), recent empirical studies have examined the impact of migration on the economies of receiving countries. They have focused on economic growth and native wage levels (see for example, Coppel et al., 2001; Macura, 1994; De Ruyg and Tapinos, 1994; Straubhaar and Zimmermann, 1993; Borjas, 1993; Borjas 1994 for a review of the North American literature; Bauer and Zimmermann, 1999 and Tapinos, 1994, for a general survey of European studies), on productivity (Macura, 1994; Simon, 1989), on the employment of national and foreign workers and on unemployment. All these studies are based on the hypothesis that labour migration could, in accordance with economic theory, lead to a drop in wages caused by labour market disequilibrium (job-seekers in excess of labour demand by the economy), the theory then being tested empirically by modelling. The hypothesis whereby a migratory flow of workers is, at least during an adaptation period, coupled with a rise in unemployment in the host country, has also been tested using modelling techniques.

Several of these studies agree in finding that migration has a relatively slight impact, if any, on the host country's economy (cf. for example Borjas, 1999).

The hypothesis of a fall in the average wage and a rise in unemployment does not seem to be widely corroborated – although authors such as Dustmann and Fabbri (2003) suggest otherwise – whilst per capita economic growth does not seem to vary significantly either way following migration.

Termote (1996) points to one disadvantage of the economic studies, namely that they present a general picture of the overall impact of migration on a country and its resident active population, whereas a distinction needs to be made between migration's impact on migrant groups on the one hand and native groups on the other; Termote also recommends focusing analysis on the local rather than on the national level, migrants usually being concentrated in urban areas. If this is done, estimated impacts can differ widely between different groups and different urban areas. Coppel et al (2001) note in a study published by OECD that "immigration can confer small net gains to the host country. However, the benefits are not necessarily evenly distributed and some groups, in particular those whose labour is substitutable with immigrants, may lose". North American studies show that whilst migration has only a marginal impact on the average wage level, under competitive conditions it leads to a fall in immigrants' wages.

Virtually all European countries have an unemployment rate above 5%, and it is sometimes feared that continuing migration could lead to a rise in unemployment of the indigenous population. This does not seem to have been empirically corroborated in Europe (OECD, 2000c). Mühleisen and Zimmermann (1994), among others, using data from the German Socioeconomic Panel, failed to show any significant rise in unemployment linked to migratory flows in the 1980s, a finding confirmed by research using different methods and data (Gang and Rivera-Batiz, 1994). According to Bauer and Zimmermann (1999), while immigration has no observable effect on the unemployment rate, it may slightly increase the duration of unemployment.

Each European country has its own rate of immigration and its own socio-demographic migrant structure, and the labour market effects of migration are closely linked to these parameters. Bauer and Zimmermann (1999), for example, note that the effect of migration on the labour market depends on whether immigrants are substitutes or complements to native workers. The authors considered that unskilled migrants can substitute for natives, whereas skilled migrants may complement skilled natives (cf. Section II.4.3). If this hypothesis is correct, the more skilled the migrant inflow, the more positive its impact on the receiving country. Those western European countries with policies tailored to the migration of skilled workers should record a more positive impact than the southern European countries that still receive an inflow of low-skilled migrants. Other potentially relevant factors in addition to skill differentials are migrants' sex, age, country of origin, legal status and settlement patterns.

Studies based on economic modelling omit two positive effects that migratory flows may have on a country's labour market: first, immigrants – especially first-generation immigrants – are usually more flexible than the native-born population, more adaptable to changing conditions, and more responsive to structural changes in the economy; second, migration not only responds to the needs of an economy, it creates demand for goods and services, with a beneficial effect on the economy and on employment.

II.5.2. Activity sectors relying on foreign workers

Economic analysis has usually focused on a country and an economy as a whole, failing to differentiate between the situation in different sectors. It has been shown that some production sectors in immigration countries are highly dependent on foreign labour (Tribalat et al., 1991), while others rely essentially on the native-born labour force. Some figures from the main immigration countries will serve to highlight the role of migrant workers in certain sectors. In Germany, foreign workers make up 37% of the labour force in the hotel and catering sector. In Switzerland, 33% of the labour force in the construction sector are foreigners, and 41% in catering (OFS, 2002). In the hospital sector, around 44% of kitchen staff and 69% of caretaking and cleaning staff are foreign nationals. Also in Switzerland, foreigners account for 61.2% of the labour force in cleaning and 59.4% in plastering (Wanner, 2003). In the United Kingdom, 27% of health professionals are foreign nationals (Dobson et al., 2001). Without foreign labour, these sectors of the economy would probably not function or would function at a slower rate.

The largest concentrations of migrant workers are found in low-skilled jobs and sectors. The overall improvement in education and training and wider access thereto in western Europe, combined with better professional integration of women since the 1960s and 1970s have led to segregation of migrants in low-skilled jobs. This being so, it is somewhat paradoxical that some countries should have introduced policies to attract highly skilled migrants just when migrants settled in low-skilled jobs are gradually approaching retirement age.

II.5.3. Foreigners on the European labour market: substitution or segmentation of the economy

A key issue in the debate on the labour market effects of migration hinges on the following question: does migration create a labour force responding to a specific need, that is, not substituting for the native-born labour force; or does it generate unemployment by providing a labour force substitutable for the receiving country's active population and prepared to work for lower wages? Most of the economic analyses and data cited above seem to

support the first alternative, namely segmentation of the labour market. Migrant workers occupy highly specific segments of the economy, doing jobs and occupying posts for which there are few, if any, native-born candidates.

During the second half of the twentieth century in western Europe, migration was largely based on the idea of segmentation. Migrants were sought for their special skills (for example in the construction sector) or to meet specific needs (seasonal work). They were low skilled and were routinely kept out of jobs sought after by native-born workers. Piore (1979) suggested that there was complete segmentation of the labour market between nationals mainly employed in interesting jobs and immigrants doing jobs that were usually lower paid and more unpleasant. With the increase in long-term migration and family migration, growing numbers of asylum seekers and the relative downturn in worker migration, the situation has gradually changed. Migrants no longer simply meet specific labour market needs, they have frequently become well-integrated people, in some cases born in the country (second generation), wishing to leave behind their migrant status and seek an occupational status identical to that of nationals. This being the case, the hypothesis of substitution is called in question, its application shifting to certain categories of migrants. Stalker (1994) observes that now it is mainly clandestine workers who do the jobs that nationals avoid and who work in conditions that are unacceptable to the native-born labour force or to migrants with work permits.

While the segmentation hypothesis is still relevant, albeit losing ground, authors such as Garson et al. (1987) regard substitution between nationals and foreigners as possible. A firm's decision to employ one worker rather than another, in conditions of competition, is governed by factors such as profit maximisation (for example, the opportunity to pay migrants lower wages). These authors regard substitution as being of limited extent, although existing in industries involved in technological change (see also Tribalat et al., 1991).

II.5.4 Intermediate conclusions

To conclude this section, let us return to the paradox of increasing immigration to European countries and the generally accepted idea that migration has little impact on the labour market. In the second half of the twentieth century migratory flows played an important role in demographic trends in European countries and had a direct impact on production and performance of national economies. Migrants comprise more than a third of the labour force in some sectors and actively contribute to their development. These remarks notwithstanding, modelling shows that migration has slight and in some cases non-existent effects on the economy, the labour market and unemployment rates.

There is a need for the methodological limitations associated with these approaches to be superseded and for more detailed evaluations to be made.

The impact of migration on the labour market cannot be shown by exclusive reference to indicators such as the unemployment rate, the average wage and the growth rate of a specific sector or economy. Issues related to discrimination on the labour market and wage and job security differentials between foreigners and nationals also need to be examined. The labour market impact of migration can be regarded as positive only if migration does not lead to discrimination and if migrant workers integrate successfully. These issues are bound up with the management of migratory flows, especially with the integration of migrants on the labour market, a priority for European states which is discussed in the following section.

When the effects of migration on a receiving country's labour market are being assessed, it should not be forgotten that emigration can have important consequences in migrants' country of origin (brain drain, loss of a big share of the young labour force, etc.). In the past, some European emigration societies lost substantial amounts of their labour force. Today, though most European countries are immigration countries, with the exception of some states of central and eastern Europe, this aspect of the question seems to call for more systematic study, especially at a time when new migratory flows are set to appear following EU enlargement.

II.6. Factors of integration on the labour market

The integration of foreigners on the labour market is a priority for immigration countries and a theme that has given rise to an abundant literature. Authors have attempted to define labour market integration by reference to other types of integration (social, cultural, juridical – Vermeulen and Penninx, 2000; Cagiano de Azevedo and Sonnino, 1995), to propose indicators for measuring integration (Council of Europe, 1997), and to measure the integration levels of foreign populations. Labour market differentials between native-born and migrant workers – often disadvantageous to the latter – have been highlighted in a number of European studies. These differentials concern access to posts of responsibility and to wages corresponding to the worker's skills (Lh ritier, 1992; Werner, 1994; De Coulon et al., 2002; Fl ckiger, 2002), access to jobs (Nayer and Smeeters, 1998; Ouali, 1997), and job security. They show, with variations from one country to another, the inequalities that handicap migrants in these fields.

There are a variety of reasons for these differentials: different skill levels, with, as noted above, frequent over-representation of less-skilled migrants, inadequate recognition of qualifications and experience acquired in the source country, professional experience sometimes interrupted by migration. The fact that

migrants sometimes have to do jobs other than those for which they have been trained may also be relevant. Discrimination and barriers may act as a brake on integration, possibly with legal backing (for example, restricted access to certain professions or jobs) or may play a more insidious role (discrimination).

Factors influencing integration can be broken down into individual factors (characteristics of migrants), labour market factors, and institutional factors (content of policies). Among individual factors, Werner (1994) cites qualifications, personal motivation, family income, flexibility and adaptability to a new environment. Another important factor is fluency in the language spoken in the host country. For populations of foreign nationality or origin, place of birth (in the host country or abroad), place of education, and date of arrival in the country (length of stay) also seem to be significant. National and ethnic affiliation is important, since levels of integration and discrimination vary according to the migrant's origin.

Among factors specific to the receiving country, the native-born population's – especially the employer's – perception of the migrant worker has a strong bearing on the extent of integration and the discrimination that he/she may experience. This perception by the receiving country can be explained in terms of the relations between the main actors involved, namely the employers and migrant workers. Without claiming to be exhaustive, the following factors might be considered important: the conditions in which migrants and non-migrants are prepared to work (hourly wage, job security, etc.), "statistical" discrimination reflecting powerful social stereotypes that can modify the employer's perception, and discrimination conditioned by preferences (attitudes of employers and other workers, customers and consumers).

In this context, institutional factors may help to ensure equality of opportunity for all by combating discrimination directed against certain groups and offering migrants the tools they need for effective integration (for example language training schemes – see Council of Europe, 2000 for a list of recommended measures). However, when the law sets out to protect the host population and restrict access of some migrants to the labour market, it may also limit the possibility of integration.

An overview of political practice in Europe can be found by consulting the EIRO comparative study, which presents information about the existing range of integration policies. According to the study, there is a big gap between countries wishing to protect their native-born labour force via policies designed to restrict foreign workers' access to the labour market, and countries implementing measures clearly intended to promote integration.

While it is not possible in this study to examine the full range of integration policies in European countries, some interesting examples may be noted.

Among countries whose policies are designed to protect the native-born labour force, Austria allows migrants from non-European countries only restricted access to the labour market. A foreign national may be employed only if no Austrian citizen is available to fill the job (a similar condition is in force in other countries, such as Switzerland) and if the job falls within the quota of foreign workers to be employed in Austria, fixed at 8% of the total labour force by the *Ausländerbeschäftigungsgesetz* (Aliens Employment Act). The second condition has a particularly adverse effect on migrants' living conditions. Some 60 000 to 70 000 foreigners legally resident in Austria (mainly women and young people) were refused a work permit in 2001 because of this law, which created much insecurity (Adam, 2002).

Other policies with an adverse effect on integration may be cited. In Austria, one such policy creates insecurity of resident status in cases of unemployment. Unemployment for more than a certain length of time may lead to non-renewal of the residence permit, in other words compulsory return to the source country. This measure is bound to exert considerable pressure on a worker losing his job; he must find new employment very quickly and is likely to have to take any job that is going, even if it is badly paid and does not correspond to his training or expectations.

Another type of policy restricting integration constructs barriers around certain occupations. Belgium, for example, restricts access to self-employed work for non-European foreigners (Nayer and Smeeters, 1998). Until 1990, it also barred foreign workers from recruitment to various public sector posts. Switzerland and Austria do not allow asylum seekers to work, limiting their capacity to be self-supporting and to integrate socially and economically in the host country. In Spain, a work permit is linked to a specific economic sector, thus restricting job mobility. Until 1 July 2002, Switzerland did not allow foreigners with an annual resident's permit to move around, so that if they became unemployed or wanted to change jobs they were at a disadvantage in comparison with nationals.

Other countries show a clear determination via their migration policies to combat discrimination on the labour market and to promote integration. Among them are Sweden, where clear cases of discrimination can be brought before the courts under the Act on Measures against Ethnic Discrimination in Working Life. Since 1986 Sweden has had an Ombudsman against Ethnic Discrimination.

Differences between countries' integration policies regarding migrants' status in the workplace are also substantial. In some countries integration is regarded as a necessary qualification for remaining in the country, and in others it is highly encouraged. In Austria, foreign employees who have lived in the country for less than five years must attend a German-language course;

if they fail they risk losing their residence permit. A different kind of incentive to take language lessons exists in northern Europe. In Denmark, not only is language training free but a successful effort to be integrated into society is rewarded (the time required for naturalisation is reduced from seven to five years to reward good job performance – Jorgensen, 2002). In Sweden, migrant workers have the right to learn Swedish during working hours (Berg, 2002). In most other countries, including Italy, Spain and Switzerland, language training and schemes to encourage migrants' social integration and participation in community life are organised by local authorities or non-governmental organisations, in some cases funded by the state.

While these integration policies have usually been developed to manage traditional patterns of migration, they must now adapt to a new situation. Increasingly important questions are arising in connexion with second-generation migrants, who receive schooling in the host country but often face difficulties when they enter the labour market. These difficulties may originate in discrimination connected with their original nationality, for example, there may be gaps in their schooling because of their social background. Belgium is an example of a country actively working on the labour market integration of second-generation foreigners (Nayer and Smeeters, 1998). In other countries, more attention will probably need to be given to this issue in the future.

Conclusions

This study reviews the situation of migrants in the labour force in the Council of Europe member states. It is mostly based on data obtained in surveys. At this stage, two elements should be recalled. The first concerns the data available and the second the main characteristics relating to integration in the labour market.

The data available about the status of foreigners and migrants on the labour market are incomplete and in some cases difficult to interpret for methodological reasons as noted above. European labour market statistics are not fully geared to a mobile, minority population that is not always well integrated. They are not designed to capture the complexity of the migration phenomenon or to facilitate in-depth analysis of the labour force classified on the basis of migrant status (source country, place of birth, generation of migrant, etc.). The inadequacy of the data is particularly unfortunate at a time when migratory flows towards Europe are diversifying. An effort needs to be made to complete and harmonise data on active migrants and other fields relating to migration (for example, analysis of migratory flows). Such an investment is indispensable if comparable data is to be obtained at state level on the situation of migrants in the labour market and in order to follow its evolution over time and its impact on integration.

Though the gaps in the statistical data are frustrating, the information analysed in this study clearly highlights the specific characteristics of active migrants compared with nationals. In all countries foreigners have a significantly higher rate of unemployment than natives, and this rate is higher for foreigners from countries outside the European Community than for nationals of EC countries. The rate of unemployment of different national populations – sometimes reaching 50% for some communities in Finland – questions the capacity of European states to enable their migrants to integrate professionally and socially in the host country. Inequalities of access to employment between nationals and migrants and of access to responsible posts can lead to social segregation of certain migrant populations following from problems of poverty.

The unemployment rate is an indicator that pinpoints the difficulties of integrating migrant communities into the labour market. Many reasons connected with the labour market or specific policies could be put forward to explain this high risk and other inequalities between migrants and the native-born population. States should prioritise integration and anti-discrimination policies on the labour market which have a direct impact on migrants' labour market status, and these should be continuously adapted to changes in migratory flows. Despite the absence of data, one could put forward the theory that high unemployment is not the only specificity facing migrant populations and that there are other barriers to employment; in particular for asylum seekers who have difficulty obtaining jobs relative to their qualifications and in climbing the hierarchy in their profession, even in keeping their job during difficult economic periods.

These characteristics relate to training differentials, jobs occupied, migrants' position in firms, the likelihood of unemployment and women's activity rate. Each European country is faced with its own specific migratory situation, involving flows governed by the country's history, its relations with other countries, its geographical position and its political choices. Reflecting the different migrant situations in each country, national integration policies are naturally very varied. Their impact on the integration of foreigners into the workforce is very variable and therefore the situation of migrants in Europe can be more or less positive depending on the host country. Given the demographic evolutions – in particular the ageing population – the role of migrants on the workforce in Europe is growing and it is therefore necessary to reflect more systematically on the appropriateness of national integration policies for the needs of the labour market. Of course, such an evaluation of national integration policies can be undertaken only if the available data is comparable over time and place, and unfortunately this is not yet the case.

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