Economic Cycles, Demographic Change and Migration

International Dialogue on Migration
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Core Issue

How to reconcile (longer term) demographic changes and (shorter term) economic cycles in migration policy?
Demographic Change and Migration

Ageing populations and decline in working age population in most industrialized countries

Growing labour surplus in many developing countries

Economic Crisis and Migration

No single global trend to narrate the manner in which the crisis affected migration.

Evidence from 2008-09 global economic crisis suggest:

- Unemployment rates higher than for locals
- Remittance declined less than forecast
- Fewer returns than expected
- Declining irregular migration flows
- Remaining migrants more vulnerable

IOM World Migration Report 2010
The Future of Migration: Building Capacities for Change
Dynamics of Economy, Demography and Migration

Multilayered and complex interfaces:

- Economic and demographic trends often follow different logics, drivers and timescales…

- …however, the two trends converge in the labour market.

- Migration, particularly labour mobility, can be a cause and/or consequence of economic and demographic imbalances…

- Migration has become a key element in labour markets – both at the high and low skilled ends.
Dynamics of Economy, Demography and Migration

- Economic crises affect lives and livelihoods of people (migrants and non-migrants), often through an individual’s employment situation.

- Immediate, severe consequences of economic downturns attract priority attention of policymakers.

- Ad-hoc migration policies adopted during or after an economic crisis could hinder long-term economic recovery.

- Short sighted policies may run counter to long-term demographic trends.
Triangular Complex Challenge

State priorities and capacity

Migration

Economic cycles
Demographic change
Policy Options and Priority Capacity Building

Understanding and adjusting to labour market dynamics

- Labour market assessments (formal and informal, cyclical and non-cyclical, high and low skilled sectors),
- Broad based consultations,
- Coherence between labour market and migration policies.
Managing labour migration for economic growth and development

- Reduction of underemployment / brain waste through skill upgrading,
- Coherence between skilling / education and migration policy,
- Systems for skills / qualifications recognition,
- Anti-discrimination measures in the labour market.
Attracting and retaining talents in all skill categories

- Reducing cost of recruitment,
- Private-public partnership,
- Promoting student mobility.
Enhancing the potential of temporary and circular migration

- Evaluation of past programmes,
- Focus on rights protection and skill development,
- More flexible residence permits, entry provisions and procedures to change visa/residency categories,
- Portability of benefits.
Placing migration policy in demographic context

- Labour market integration of non-economic migrants,
- Policies to integrate second and third generations,
- Better management of internal migration.
Conclusion

Migration is one component of economic cycles and demographic changes and one item in the “policy basket”

- Migration plays a key structural role in adjusting to demographic changes, labour market imbalances and economic fluctuations.

- However, migration is not the only factor...

- … It is part of the solution and needs to be complemented through other policy measures.
Conclusion

Governance of international migration:

- **Integrated and flexible approach:** take into account short-term market consideration and long-term demographic trends.

- **Equitable framework:** balance State and market interests and protection of migrants.

- **Pragmatic societal discourse:** avoid “politicisation” of migration and stigmatization of migrants.

- **Productive inter-state dialogue:** finding common ground between countries of origin and countries of destination.
Thank you