Key Changes in Migration Trends since 1951

Rainer Münz
Erste Group

International Organization for Migration (IOM)
Inter-Agency Seminar

Geneva, March 16, 2011
Global migration
120 years ago
European expansion: From settlement to labour migration

- Northern and Southern America, The Caribbean
- Central Asia/Siberia
- Palestine/Israel
- South Africa
- Australia, New Zealand

70 mn Europeans migrated to overseas’ destinations
Indian South-South Emigration
1870-1940

- The Caribbean
- East Africa
- Mauritius
- Malaysia, Singapore
- South Africa
- Fiji

Where did Mahatma Gandhi start his political career?
Chinese South-South and North Emigration 1850-1920

Large scale export/import of Chinese labor

USA, Canada

South East Asia
60 years ago
World migration, 1945-1950

More migrants in the global South than in the North
Today
From where do people come?
This is where people come from...
Proportional map: Stocks of international migrants by country of origin
Top 10 emigration countries*
Absolute number of emigrants, in millions, 2010

Number of emigrants, in millions

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Emigrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>11.9</td>
</tr>
<tr>
<td>India</td>
<td>11.4</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>11.1</td>
</tr>
<tr>
<td>China</td>
<td>8.3</td>
</tr>
<tr>
<td>Ukraine</td>
<td>6.6</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>5.4</td>
</tr>
<tr>
<td>Pakistan</td>
<td>4.7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4.7</td>
</tr>
<tr>
<td>Philippines</td>
<td>4.3</td>
</tr>
<tr>
<td>Turkey</td>
<td>4.3</td>
</tr>
</tbody>
</table>

* Only countries with more than 1 million residents

Source: World Bank, UNPD.
Top 10 emigration countries*  
Share of emigrants, in % of resident population, 2010

- Albania: 45.4%  
- Bosnia and Herzegovina: 38.9%  
- Jamaica: 36.1%  
- Armenia: 28.2%  
- Trinidad and Tobago: 26.7%  
- Georgia: 25.1%  
- Kazakhstan: 23.6%  
- Macedonia: 21.9%  
- Moldova: 21.5%  
- Portugal: 20.8%

Source: World Bank, UNPD.  
* Only countries with more than 1 million residents
Where do people go?
... and this is where they go to
Proportional map: Stocks of international migrants by country of destination
Top 10 immigration countries*
Number of foreign-born individuals, in millions, 2010

Foreign-born population, in millions

- United States: 42.8
- Russian Federation: 12.3
- Germany: 10.8
- Saudi Arabia: 7.3
- Canada: 7.2
- United Kingdom: 7.0
- Spain: 6.9
- France: 6.7
- Australia: 5.5
- India: 5.4

Source: World Bank, UNPD.

* Only countries with more than 1 million residents
Top 10 immigration countries*
Share of foreign-born population in % of resident population, 2010

Source: World Bank, UNPD.

* Only countries with more than 1 million residents
Magnet societies

**US, EU27/EEA/CH, Russia, the Gulf + Australia** are home or host to 60% of the world’s migrant population

**BUT:** 214 million migrants are only 3% of the global population
European migration
From emigration to immigration: The main direction changed only recently

Immigration minus emigration (= net migration), 1960-2008

Source: Eurostat.
Net migration in Europe 1950-1960
Net migration, annual average rate, per 1,000 inhabitants

Source: Eurostat, UNDP.
Net migration in Europe 1961-1970
Net migration, annual average rate, per 1,000 inhabitants

Source: Eurostat, UNDP.
Net migration in Europe 1971-1980

Net migration, annual average rate, per 1,000 inhabitants

Source: Eurostat, UNDP.
Net migration in Europe 1981-1990
Net migration, annual average rate, per 1,000 inhabitants

Source: Eurostat, UNDP.
Net migration in Europe 1991-2000
Net migration, annual average rate, per 1,000 inhabitants

Source: Eurostat, UNDP.
Net migration in Europe 2001-2010
Net migration, annual average rate, per 1,000 inhabitants

Source: Eurostat, UNDP.
Share of immigrants in Europe
Foreign-born population as % of total population, 2010

Source: UNDP.
Today
Europe’s mobility space (Schengen)
European migration regime by citizenship / country of origin and destination country

- EU 2 citizens
- EU 10 citizens
- Transitional regime with exceptions
- Free access for EU 10 and partly for EU 2
- Liberalized regime EEA+CH
European mobility and migration

13 old + 10 new EU member states

UK, Ireland

Bulgaria, Romania

Non-EU Schengen/EEA/EFTA states (+CH)

citizenship

labor market

residency

territory
Theme park: EU mobility and citizenship
Contribution of migration and mobility to Europe’s population
Natural change in EU-27
Births minus deaths, annual average rate, 2004-2008 (per 1,000 inhabitants)

Source: Eurostat 2010.
Net migration in EU-27
Immigration minus emigration, annual average rate, 2004-2008 (per 1,000 inhabitants)

Source: Eurostat 2010.
Total population increase in EU-27
Natural change plus net migration, annual average rate, 2004-2008 (per 1,000 inhabitants)

Source: Eurostat 2010.
Population increase in EU-27 is mainly due to net migration

Contribution of net migration and natural change to total population increase, EU-27, 2008

Population increase in millions

- Net migration: ~72.6%
- Natural increase: ~27.4%
- Net migration contributes over 70% to total population increase in EU-27

Source: Eurostat 2010.
Immigration brings in a much younger population into EU
Age structure of population and immigrants in EU-27

Source: Eurostat 2010.
Contribution of migration to global development and wealth
Remittances
Remittances amount to over 400 billion US$ globally

Remittances to emerging markets and total

Remittances 1990-2010e (2011f - 2012f), in billions

Source: World Bank, UNPD.
To emerging markets over 300 billion US$ are sent every year

Remittances to emerging markets, 2010

Source: IFAD.
Remittances are important contributions to origin countries...

Top 10 remittance-receiving countries, 2009

Top 10 recipients of migrant remittances, in US$ billions, 2010

Top 10 recipients of migrant remittances, in % of GDP, 2009

Source: World Bank, UNPD.
... and a considerable economic factor in host countries

Top 10 remittance-sending countries, 2009

Top 10 senders of migrant remittances, in US$ billions, 2009

Top 10 senders of migrant remittances, in % of GDP, 2009

Source: World Bank, UNPD.
40% of global remittances come from Western and Central Europe


* Some remittances are related to border residents working in one country during the day but living in a neighbouring country. These workers are not, strictly speaking, considered to be migrants.
Education
Regional differences in tertiary enrolment rates are widening

Gross enrolment ratio in tertiary education, 1999-2008

Source: OECD.
Why do highly skilled consider to work abroad?

- Increased pay
- Carrier opportunity
- Better employment
- New culture/environment
- Learn a new language
- Better climate/less crime
- Closer to family
- Other

Source: Manpower.
Share of tertiary educated people having migrated into a or another OECD-country

Source: OECD.
Destinations of highly educated migrants from Central and Eastern Europe

Russia
Latvia
Moldova
Ukraine
Hungary
Poland
Romania
Belarus
Croatia
Czech Republic
Lithuania
Albania
Slovenia
Estonia
Bosnia and Herzegovina
Bulgaria
Slovakia
Serbia and Montenegro
Macedonia

Red: N America  Green: EU 15  Blue: other Europe  Yellow: Other
Europe attracts much fewer highly educated migrants than the US

<table>
<thead>
<tr>
<th></th>
<th>Europe</th>
<th>America</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-OECD</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>OECD origin</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: OECD.
Brain drain – brain gain
Share of US-immigrants with and without tertiary education, by origin countries

- Mexico
- Jamaica
- Cuba
- Bahamas
- Canada
- China
- Iran
- Nigeria
- India

0% 20% 40% 60% 80% 100%

with tertiary graduation
without tertiary graduation
Outlook
Why do developed societies need migrants?
Labour migration as answer to labour force shortages?
Development of labour force and support ratio – without migration
Zero migration, constant labour force participation rate

![Bar chart showing the development of the labour force and the age group 65+/labor force ratio from 2008 to 2050. The chart indicates a significant increase in the age group 65+/labor force ratio from 35% in 2008 to 84% in 2050.]

Source: Own calculations based on Europop 2008.
Development of labour force and support ratio – + 50mn migrants
Migration, constant labour force participation rate

Source: Own calculations based on Europop 2008
Guest worker programs in 1960s and 1970s were a first try
Permanent immigrants do not help to solve the ageing problem ...
Aging
Population by age groups, 1950, 2000 and 2050

... but migration can mitigate a mismatch between supply and demand for labour
Agriculture, especially harvesting
Health care, nursing
Construction
This could partly be achieved by a higher labour force participation rate
Compared to US and JP, EU has a low labour force participation rate

Labour force participation rate, 1975-2007

Source: DG Employment calculations based on long-term trends in employment and population, Commission Services.
Only few countries show labour force participation rates of above 65%  
Labour force participation rate of age group 15-64, in %, 2007  

Source: Eurostat, National Statistical Offices.
Notably youth, women and elderly have low participation rates

Labour force participation rate by age and sex, 2009

The elderly is employed in CH and some Scandinavian countries most

Employment rate\(^{(1)}\) of the elderly (55-64), 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>Employment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CH</td>
<td>70.1</td>
</tr>
<tr>
<td>NO</td>
<td>68.4</td>
</tr>
<tr>
<td>SE</td>
<td>70.1</td>
</tr>
<tr>
<td>EE</td>
<td>62.4</td>
</tr>
<tr>
<td>UK</td>
<td>60.4</td>
</tr>
<tr>
<td>AT</td>
<td>57.0</td>
</tr>
<tr>
<td>FI</td>
<td>57.7</td>
</tr>
<tr>
<td>CY</td>
<td>54.8</td>
</tr>
<tr>
<td>IE</td>
<td>54.8</td>
</tr>
<tr>
<td>IE</td>
<td>53.6</td>
</tr>
<tr>
<td>PT</td>
<td>53.1</td>
</tr>
<tr>
<td>NL</td>
<td>53.0</td>
</tr>
<tr>
<td>CZ</td>
<td>47.6</td>
</tr>
<tr>
<td>BG</td>
<td>45.5</td>
</tr>
<tr>
<td>ES</td>
<td>44.8</td>
</tr>
<tr>
<td>RO</td>
<td>43.1</td>
</tr>
<tr>
<td>EL</td>
<td>42.8</td>
</tr>
<tr>
<td>SK</td>
<td>41.0</td>
</tr>
<tr>
<td>HR</td>
<td>39.2</td>
</tr>
<tr>
<td>SI</td>
<td>39.4</td>
</tr>
<tr>
<td>LU</td>
<td>34.5</td>
</tr>
<tr>
<td>IT</td>
<td>34.5</td>
</tr>
<tr>
<td>BE</td>
<td>30.7</td>
</tr>
<tr>
<td>FR</td>
<td>36.4</td>
</tr>
<tr>
<td>AT</td>
<td>38.4</td>
</tr>
<tr>
<td>MT</td>
<td>29.1</td>
</tr>
<tr>
<td>TR</td>
<td>29.5</td>
</tr>
<tr>
<td>HU</td>
<td>31.4</td>
</tr>
<tr>
<td>PL</td>
<td>31.6</td>
</tr>
<tr>
<td>SI</td>
<td>32.6</td>
</tr>
<tr>
<td>LU</td>
<td>34.1</td>
</tr>
<tr>
<td>IT</td>
<td>34.1</td>
</tr>
</tbody>
</table>

Lisbon strategy target\(^{(2)}\): 50%


\(^{(1)}\) Employment rates represent employed persons as a percentage of the same age population.

\(^{(2)}\) Targets set by the European Council in Lisbon (2000) and Stockholm (2001), to be achieved by 2010.
Modern alternative: Temporary and circular migration
Temporary and circular migration should be of benefit for all parties

- **Source country**
  - Labour migrants
  - Flexibility
  - Remittances
  - No brain drain

- **Host country**
  - Additional labour force
  - Vacancies’ fill

- **Labour migrants**
  - Knowledge
  - Skills
  - New businesses
However: Europe’s ageing societies cannot fix their problems just by recruiting temporary migrants.
Thank you for your attention

rainer.muenz@erstegroup.com