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World Economic and Social Survey 2004
UN Department of Economic and Social Affairs
Summary

The 2004 World Economic and Social Survey provides a comprehensive review of issues related to international migration. The survey examines migration trends and their impacts on receiving and sending countries. It also reviews trends related to temporary migration and the movements of refugees and asylum seekers. The social dimensions of international mobility are addressed, with the conclusion that some immigrants are facing increasingly hostile environments in many destination countries. Extolling the virtues of mobility, the survey calls for ways to facilitate legal migration and identifies the need to develop a global institutional framework for that purpose.

Current migration trends

International migration has been on the rise since the end of the Second World War. Two key factors have contributed to this trend: 1) growing interdependence (i.e., ease of travel); and 2) pervasive income and demographic disparities between developed and developing countries. Migration intensified even further toward the end of the 20th century. By 2000, 175 million persons were living outside of their county of birth, making 1 in every 35 persons on earth an international migrant, up from 1 in every 40 in 1960. Thus, international migrants accounted for 2.9% of the world's population in 2000. Nonetheless, recent migration flows have not surpassed the volumes, relative to native populations, experienced between 1820 and 1920.

Migrants increasingly aim to resettle in developed countries, especially North America, Oceania (Australia and New Zealand) and Western Europe. The number of migrants heading to North America has more than tripled between 1960 and 2000, passing from 13 to 41 million. This influx has increased the number of international migrants as a proportion of the total native population from 6 to 13%. Europe has also experienced a significant increase in the same time period, when the number of migrants rose from 14 to 33 million, increasing their number as a proportion of the total native population from 3.3 to 6.4%.

In all receiving countries immigration has become more varied in origin as the proportion of immigrants coming from developing countries has steadily increased. Migrants from Asia have accounted for a growing share of newcomers in all traditional immigration countries, including Canada, Australia, New Zealand and the United States. In Canada, for instance, over half of newcomers admitted since 1995 originated in Asia. While family reunification remains the leading criteria for entry into developed countries, employment skills are becoming increasingly important.

Emigration has only a small impact on population trends in developing countries. In contrast, immigration to developed countries has been and will continue to be crucial in increasing levels of population growth or, in some cases, preventing population reductions. Without immigration, the population of developed countries would decline from 1.2 billion to 1 billion between 2000 and 2050. With migration, their population would slightly increase in that time period. In North America, the population would decline slightly without immigration, by 2 million. With immigration, it is expected to gain 134 million people, or more than 40% of its current population. Had it not been for migrant inflow, Europe would have experienced a population decline of 4.4 million during 1995-2000. Population decline is expected to be more severe there without immigration, amounting to a reduction by 139 million people between 2000 and 2050. The projected levels of immigration, which amount to an average annual gain of about 600,000 immigrants per year, would not be sufficient to stall Europe's population decline.

Immigration to developed countries is also hoped to stem population ageing. The dependency ratio (the ratio of the population aged 0 - 14 and 65 or over to the population aged 15 - 64) is projected to increase in most developed countries over the next 50 years because of population ageing, even with migration. In some countries, including Canada, immigration at projected levels may bring about some reduction of the dependency ratio. However, the levels of net migration needed to keep the ratio constant would be too high and unlikely to be acceptable or sustainable for any society. For instance, the annual number of migrants necessary to keep the ratio constant in the 15 member states of the EU in 2001 would be 13.5 million per year - a figure 20 times higher than recently recorded levels. Therefore, while sustained positive levels of international migration can play a role in preventing reductions of the overall population or of that of working age, they are not a viable antidote to population ageing.¹

Economic impacts of international migration

The economic effects of emigration on countries of origin are fairly balanced, with the most negative effect being the brain drain and the most positive being remittances. Despite growing negative perceptions in receiving countries about immigrants, evidence shows that economic benefits of immigration far outweigh any costs.

¹In recognition of this, many European countries are reviewing pension and retirement policies and practices to encourage longer stays in the workforce or more prolonged transitions from work to retirement. The Fall 2004 conference of Canada's Policy Research Initiative addressed these issues and presenters there generally concluded that increased immigration would be insufficient to deal with the economic impacts of an ageing population. Instead, governments in Canada may well have to follow their European counterparts in finding creative ways to encourage longer work-lives or more phased transitions to retirement within Canadian society.

Economic effects of emigration on countries of origin

Positive Effects	Negative Effects
<p>Employment and wages - emigration may provide workers with opportunities not available at home and may put upward pressure on wages by decreasing excess labour supply. (This happened in Ireland and Sweden, but not in Mexico, for instance.)</p> <p>Emigration may facilitate flows of knowledge, investments, goods and services to the country of origin.</p> <p>Remittances are a major and growing source of external financing for countries of origin. Global remittances in 2002 were estimated at around \$130 billion, almost three times official development assistance. In some small developing countries, they may constitute 5 % or more of GDP. Remittances are most often used to meet basic subsistence needs, to fund education and, in some instances, are turned into savings and investments.</p> <p>There are several benefits to return migration or brain gain including: increased local human capital, transfer of skills and links to foreign networks.</p>	<p>Brain drain - loss of highly skilled workers, may reduce the quality of essential services, lead to a loss in innovation and creativity, and diminish growth and productivity. It is often a direct consequence of immigration policies of developed countries and is a growing trend in the global economy.</p> <p>Fiscal effects include: lower returns on public investments in education, the cost of training replacement workers, and, in some instances, a loss in current and future income tax revenue.</p> <p>Remittances may have a negative impact on income distribution in the sending country. Most remittances are received by upper-income families since their members are the most likely to emigrate. However, in the long-run remittances are likely to improve income distribution and reduce poverty.</p>

According to the report, the impacts of immigration on receiving countries are overwhelmingly positive. Many of the common assumptions made about the negative effects of immigration are unsubstantiated, as the table below attests.

Commons assumptions and facts about the impact of immigration on receiving countries

Common Assumptions	Evidence
Immigration leads to <i>higher unemployment and lower wages</i> .	Empirical findings indicate that immigrants have only a modest impact on wages and employment. This is because they increase the labour demand by increasing the demand for goods and services and setting up businesses. Moreover, immigrants enlarge the variety of goods and services at the disposal of consumers, and contribute to the smooth functioning of the labour market by supplying services that natives are no longer willing to provide at existing market prices. Thus, they help to expand the production frontier, remove the constraints on economic activity and make possible a faster rate of economic growth. Where markets are competitive, immigrants can improve overall labour-market efficiency (as they did in the United States, but were unable to in the EU).
Increasing <i>income inequality</i> in developed countries can be attributed to immigration.	Migration has been viewed as one of the causes of increasing income inequality in the developed regions over time. However, skill-biased technological progress and trade with labour-abundant countries are more likely to generate downward pressures on wages.
Immigration from developing countries will be able to provide the <i>labour force required to support ageing populations</i> in developed countries.	Immigration does not provide a sustainable solution to address fiscal pressures associated with population ageing. This is for two main reasons: 1) the level of immigration required to do so would be too high; and 2) while immigrants contribute to government revenues, they increase government expenditures on public goods at the same time, such as publicly funded health care and education.

While there are substantial economic benefits associated with immigration, many immigrants continue to be disadvantaged. Studies indicate that earnings of immigrants have tended to fall in comparison with those of native workers. In the United States the absorption of immigrants takes place disproportionately at the lower end of the labour market. In Europe, on the other hand, the situation varies across countries. While in Germany migrant workers are concentrated in the lower-skilled occupations, in the UK, some migrants compete with the native-born workers for high-skill jobs. While not noted in the report, there have also been growing concerns in Canada about the economic performance of recent immigrants to Canada, compared to past generations of immigrants.

Temporary migration

Temporary labour migration has also been on the rise. The US hosts the largest number of temporary labour migrants. The inflow of temporary workers into the US has approximately quadrupled since the early 1990s, increasing by some 50% between 1998 and 2001. Skill shortages in developed countries have led to relaxation of entry conditions for temporary stay. However, some developed countries have made considerable use of unskilled foreign labour, particularly in the agricultural sector and on a seasonal basis. There are several advantages of temporary as opposed to permanent migration, as indicated in the table below.

Advantages of temporary migration over longer-term migration

Advantages for receiving countries	Advantages for sending countries
<ul style="list-style-type: none">• fills demand-supply gaps• does not spark negative attitudes and reactions as does permanent migration• reduces the difficulties and costs of social integration	<ul style="list-style-type: none">• reduces domestic unemployment• contributes to financial inflows through remittances• reduces the extent of the brain drain• contributes to a brain gain

The report urges that labour mobility be strengthened since it is widely recognised that liberalization of the movement of people “not for resettlement purposes” would result in gains to the world economy, especially to most developing countries. Existing instruments addressing temporary migration include: bilateral and multilateral agreements, like the North American Free Trade Agreement, Asia-Pacific Economic Cooperation, and the World Trade Organization through the General Agreement on Trade in Services.

Refugees and asylum seekers

Trends in the refugee population during the last ten years suggest that the global refugee situation has improved. The total refugee population fell from an estimated 15.7 million persons in 1994 to 9.7 million in 2003, a decrease of 40%. This situation is attributable to a combination of high levels of refugees returning, coupled with the prevention of new refugee situations. On the other hand, the average duration of stay in a refugee status increased markedly, from 9 years in 1993 to 17 years in 2003.

The large majority of the world’s refugees originate in and are hosted by the developing regions. By the end of 2003, Africa, Asia, Latin America and the Caribbean were the origin of some 8.2 million of the world’s refugees, but these three regions together also hosted 6.8 million refugees, about two thirds of the world total. Armenia hosts more refugees per national inhabitant than any other country. Durable solutions to assisting refugees include voluntary repatriation, resettlement in third countries and local integration.

Between 1994 and 2003, some 5.3 million asylum applications were submitted in 38 most industrialized countries in Europe, North America, Oceania and Asia. Europe was the main destination (73%), followed by North America (25%), Australia and New Zealand (2%). However, increasing numbers of individual asylum claims are also being lodged in developing countries.

The number of new requests for asylum has been falling in all region since 2001. Asylum seekers of Asian origin accounted for over 40 % of asylum-seekers in developed countries in 1994-2003. The leading source Asian countries in this period were Iraq (354,000), Turkey (300,000) and Afghanistan (229,000). Meanwhile, Africans accounted for 19% of all asylum-seekers in developed countries, with Somalia (140,000), Democratic Republic of the Congo (98,000), Algeria (87,000), and Nigeria (87,000) leading this category. In Europe, the Kosovo crisis was the most important event leading to a flow of asylum seekers in recent years. However, only a minority are granted refugee status or allowed to remain on humanitarian grounds; about one quarter of all requests for asylum were granted over the past decade.

Social dimensions of international mobility

The family and local community play a central role in supporting migrants. The degree of integration into host societies largely depends on the newcomer's command of the host country language, his or her legal status, availability of work generating a sufficient income, ability to participate in civil and political life, access to social services and the possibility for family reunification. National policies regarding these issues vary significantly across host countries.

Notwithstanding the positive effects of immigration on receiving countries, public perceptions of immigrants vary considerably over time and often reflect prevailing economic conditions, as well as messages generated by the media and governments. International migration became a topic of major concern after 1970s when most countries felt the effects of global recession. The fact that asylum policies became a part of the migration discourse likely had a negative impact on overall perceptions of immigrants. Several developed countries adopted policies aimed at lowering immigration. As of 2003, one third of both developed and developing countries had policies aimed at lowering their immigration levels. Migration issues have also become more politicized as a result of the 9/11 terrorist attacks on the United States, and those that followed in Bali, Madrid and London.

International immigration policies

As a result of growing migration flows and their complex impacts, the number of governments adopting measures to manage migration has significantly increased over the past decades. Meanwhile, the proportion of governments that viewed immigration as too high increased from 7 to 21 % in the same time period. The propensity to lower immigration is greatest among

countries whose proportion of migrants falls between 1 to 4.9% of the overall population.

Immigration policies have evolved significantly over time. In the post-Second World War period, policies in countries of permanent migration, including Canada, were focussed on attracting and facilitating European settlers. During the 1960s, sources of new immigrants became more displaced. Whereas immigration for many decades comprised arrivals from Europe, today Asia accounts for the largest share of new arrivals in Canada (with China being the single largest national source). Today, increasing emphasis is given to attracting immigrants who meet specific labour needs - a trend that creates potential tensions between development and immigration policies of receiving countries. This is because immigration policies often encourage the departure of those highly skilled individuals whose education and training make them important assets for national development in their countries of origin.

Security preoccupations have become a key component for many countries since September 11. Governments have launched initiatives to strengthen entry and exit procedures, enhanced national security policies, reassessed their legal systems and emphasised the need for international cooperation.

Calls for international cooperation to manage international migration are increasing. There are no signs of global migration flows diminishing or changing direction. Moreover, economic and demographic disparity between developing and developed countries is deepening while conflict and political instability in certain regions continues to displace large number of people. Security concerns in the post 9/11 world also point to the need for a global approach.

Bilateral and regional instruments have been useful in managing some aspects of geographically specific migration. In the meantime, the United Nations system has been successful in adopting legal instruments and providing forums for intergovernmental dialogue on migration issues. However, a global institutional framework within which to address the full spectrum of international migration issues in a comprehensive and systematic manner is required.

