



Migration, economic growth and skills mismatch



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ILO International Conference on Jobs and Skills Mismatch
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Overview

- Drivers of migration and economic effects
- Skills mismatch methodologies & results
- Policy considerations

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Drivers of migration and economic effects

- ILO estimates find that out of 232 million international migrants in the world in 2013, 207 million were of working age, and 150 million were economically active; almost three quarters of the migrant labour force were in high income countries.
- Common drivers of migration suggest that further increases in migration flows can be expected; according to UN DESA the number of international migrants rose to 244 million in 2015.
- Research shows migration contributes to economic output and growth.

Factors limiting positive economic effects

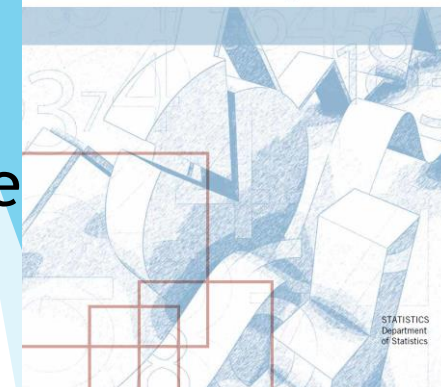
- Limited labour market integration - unemployment, underemployment, low quality employment and/or exploitation; e.g. employment rates are often lower for immigrants, and unemployment rates are typically higher.
- *Job - skills matching issues.*
- Poorly linked employment and migration policies.
- Other issues (costs, governance, etc.).



Measuring skills mismatch

- Despite widespread interest, agreed methodologies are currently lacking; skills mismatch is on the agenda of the International Conference of Labour Statisticians in 2018.
- Qualifications mismatch is measured based on several methods; earlier ILO work on Europe using ESS data in 2014 based on a normative (ISCO-based) and a statistical/relative method (ILO, 2013 & 2014).
- New skills mismatch measurements in European and selected developing countries for natives and migrants using the same methods.

Skills mismatch in Europe



Skills mismatch of natives and immigrants in Europe

Theo SPARREBOOM and Alexander TARVID

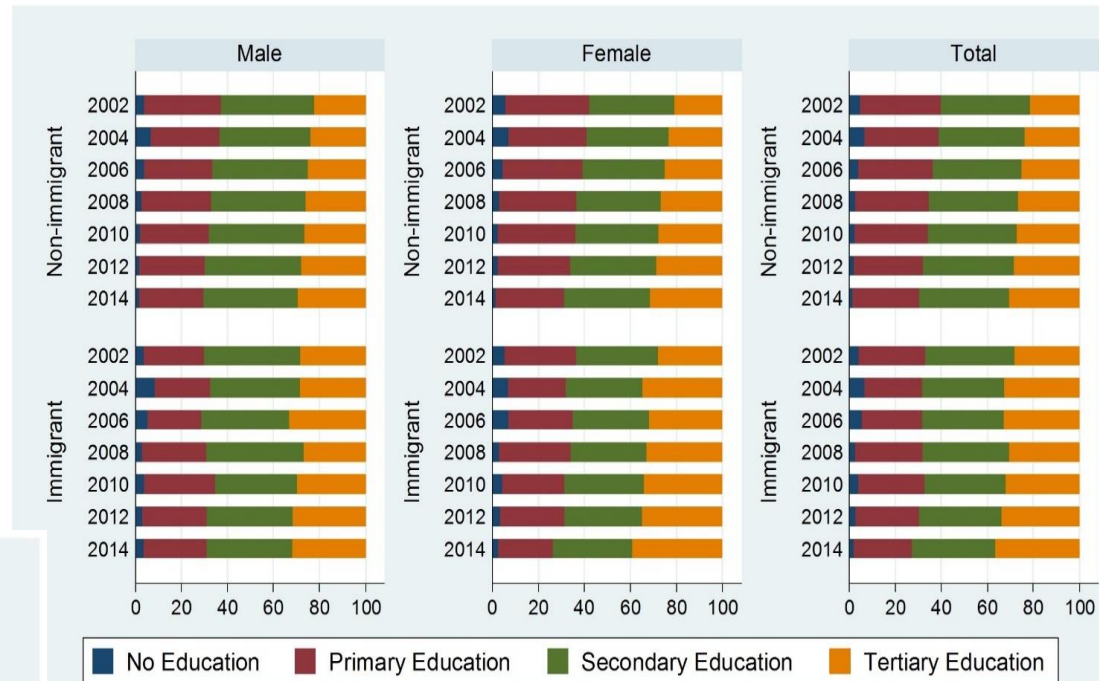
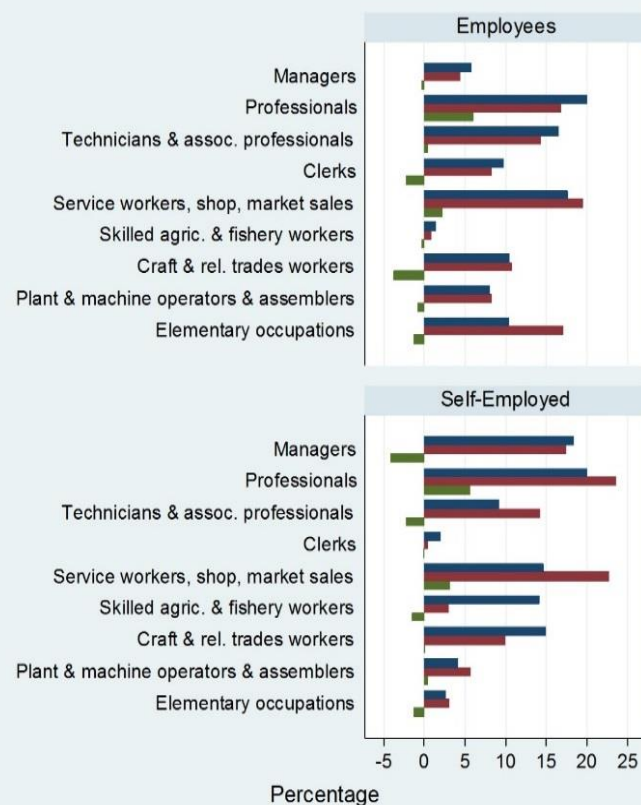
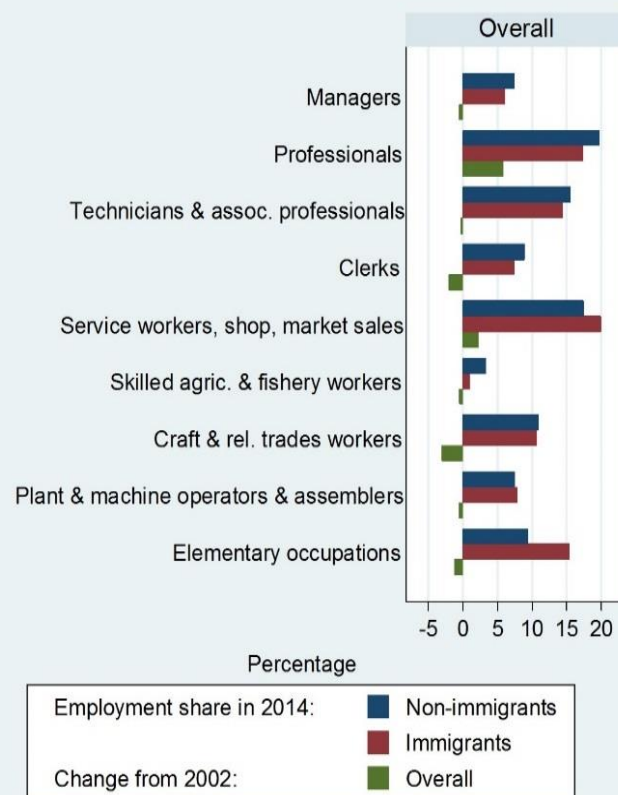


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Skills mismatch in Europe

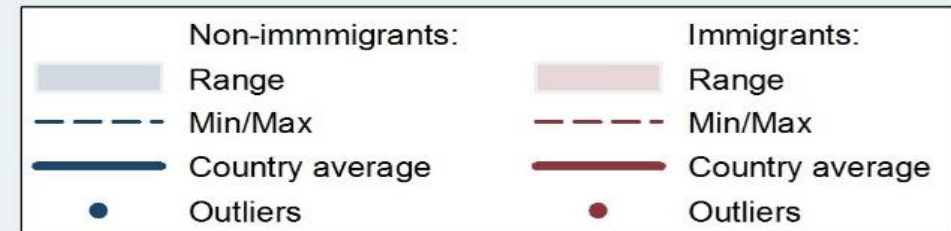
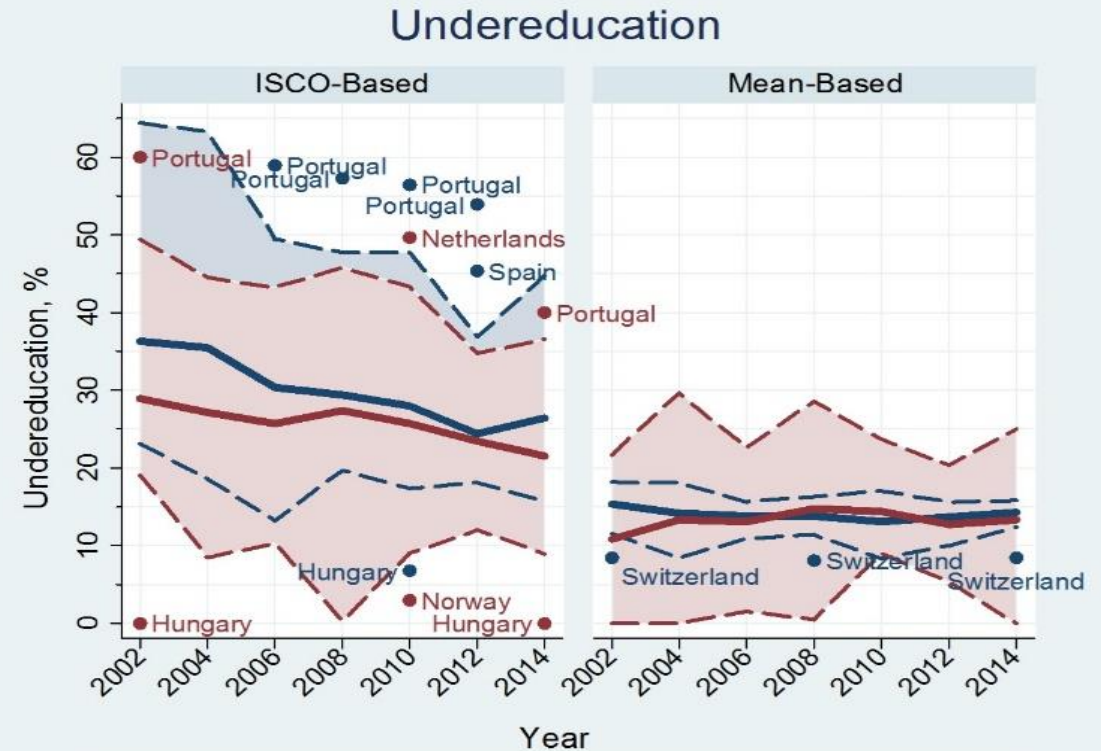
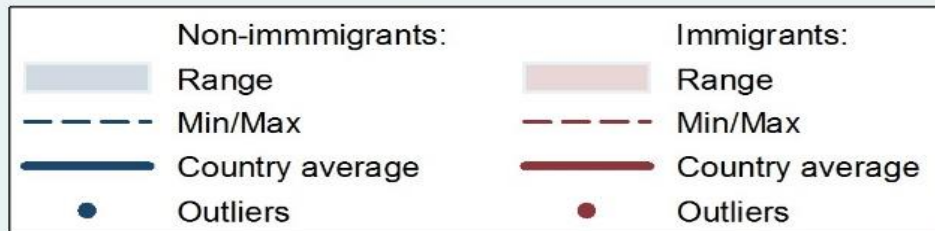
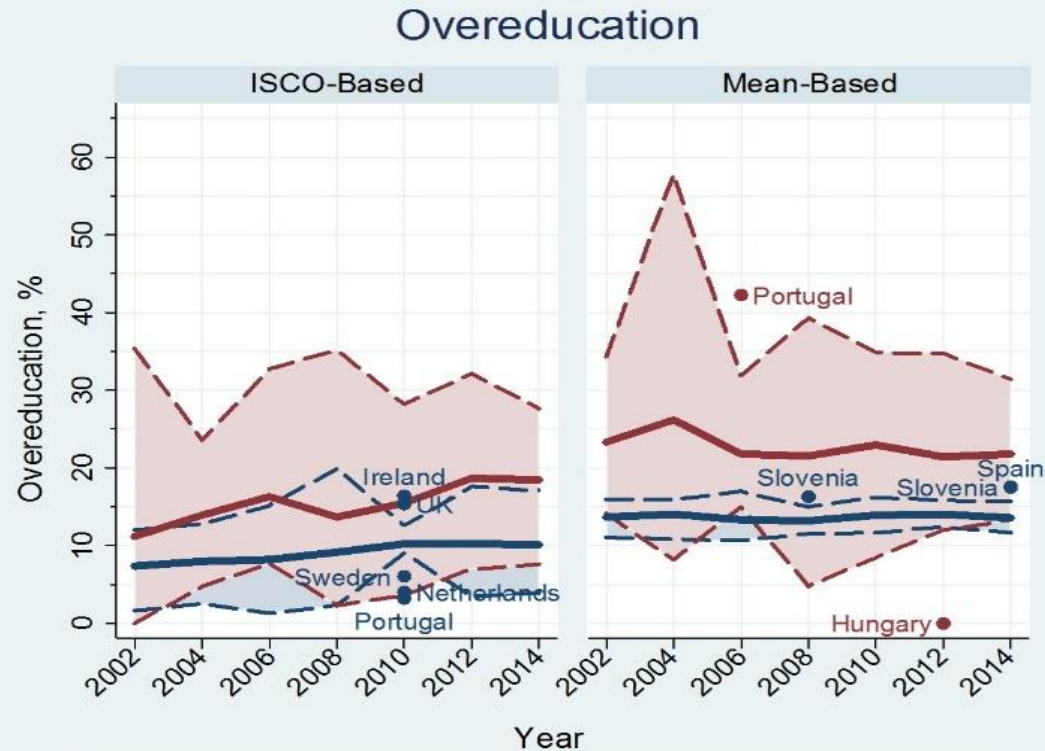
- Compared to natives, the share of the tertiary-educated among immigrants is 4 to 9 percentage points higher (depending on the year during 2002-2014).
- Nevertheless, the share of immigrants in elementary occupations is 7 percentage points higher than the share of natives; skills mismatch is one explanation of such a high share of migrants in elementary occupations.



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Skills mismatch in Europe

- Overeducation rates of immigrants on both the normative and statistical measure are higher than those of natives. On the normative measure, overeducation increased from 7 per cent to 10 per cent for natives and from 11 per cent to 18 per cent for immigrants.

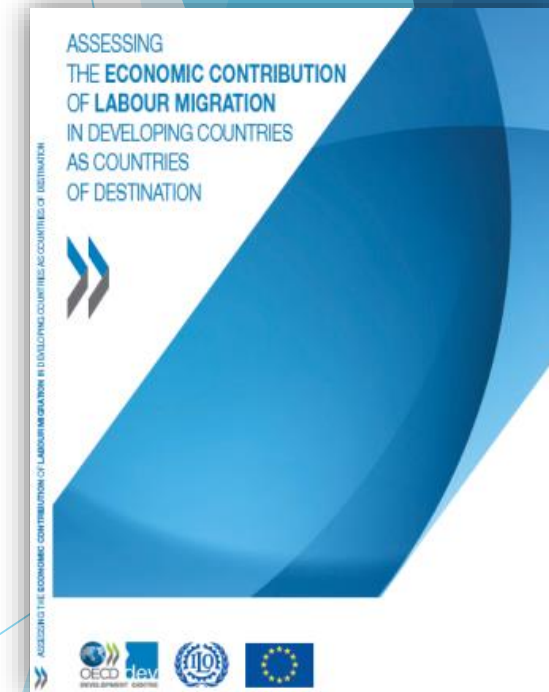


Economic effects of migration in developing countries

- Effects of migration in developing countries may be similar to those in advanced economies but may also be different:
 - due to labour markets - large informal economy/employment
 - due to capital dilution (insufficient investment)
 - Institutions/policies

ILO/OECD/EC Research project on assessing the economic contribution of labour migration in developing countries as countries of destination:

http://www.ilo.org/global/topics/labour-migration/projects/WCMS_344706/lang--en/index.htm.

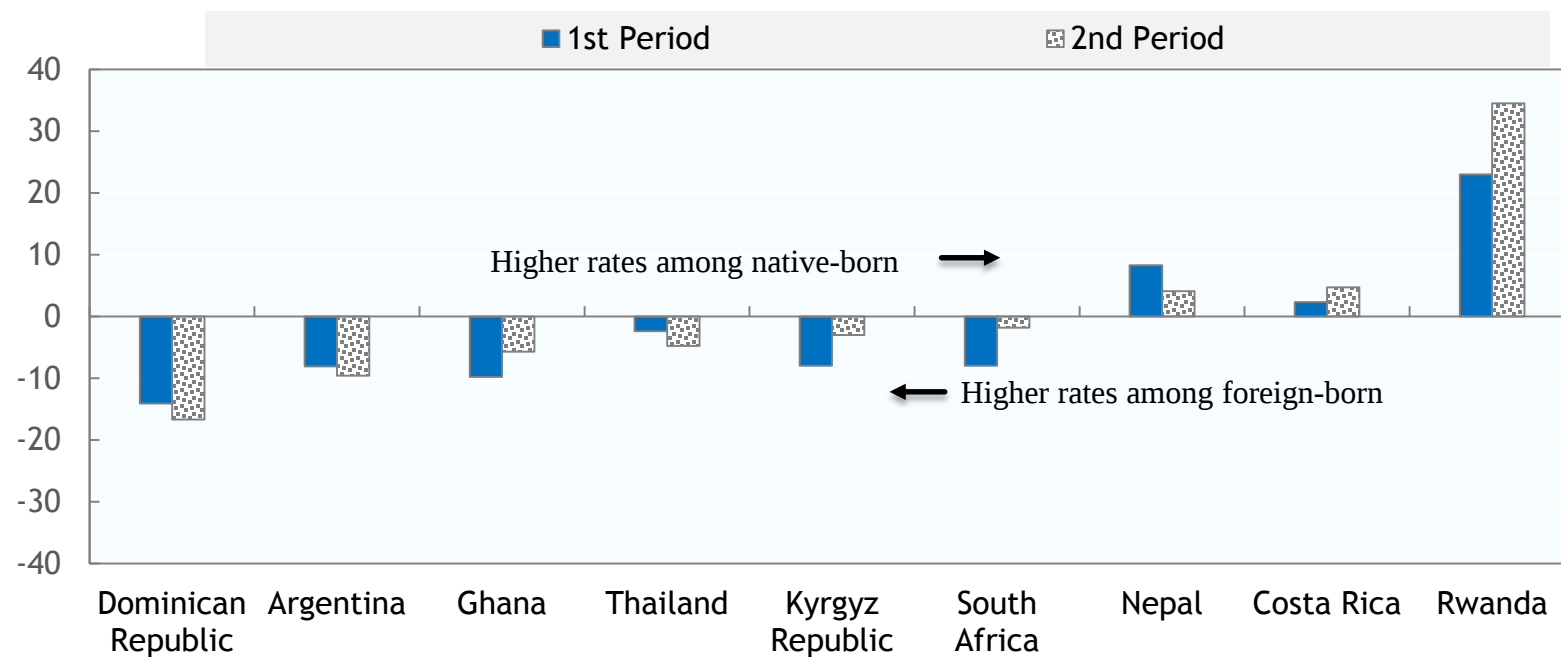


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Underqualification of natives and immigrants in selected developing countries

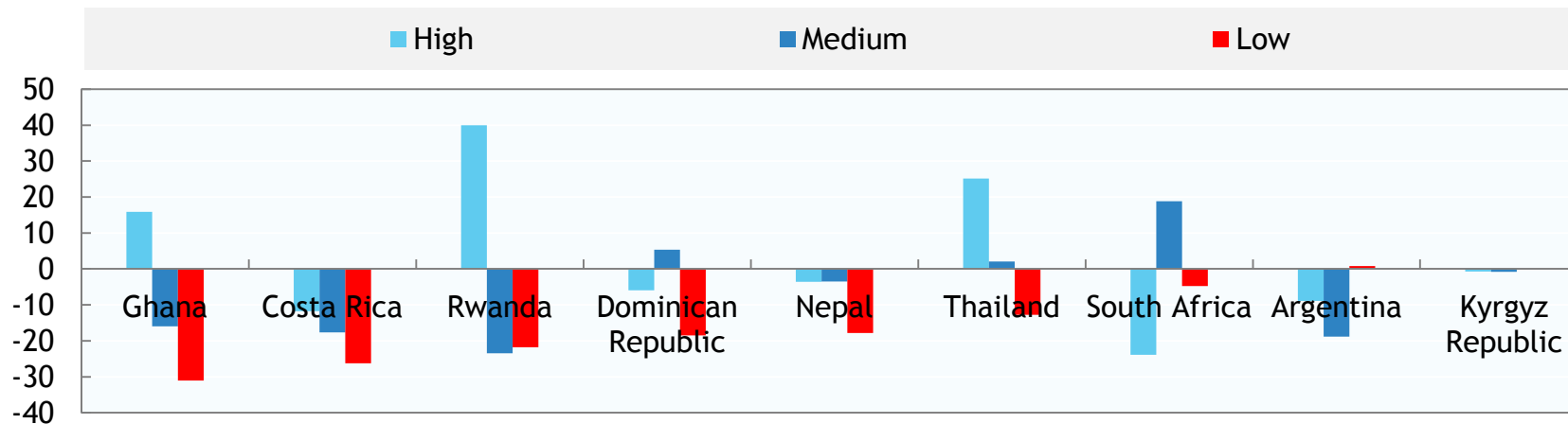
- Differences between underqualification rates for natives and migrants show that rates are higher for migrants in six out of nine countries.
- Results are likely to reflect positive self-selection of migrants.



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Underqualification of natives and immigrants in selected developing countries

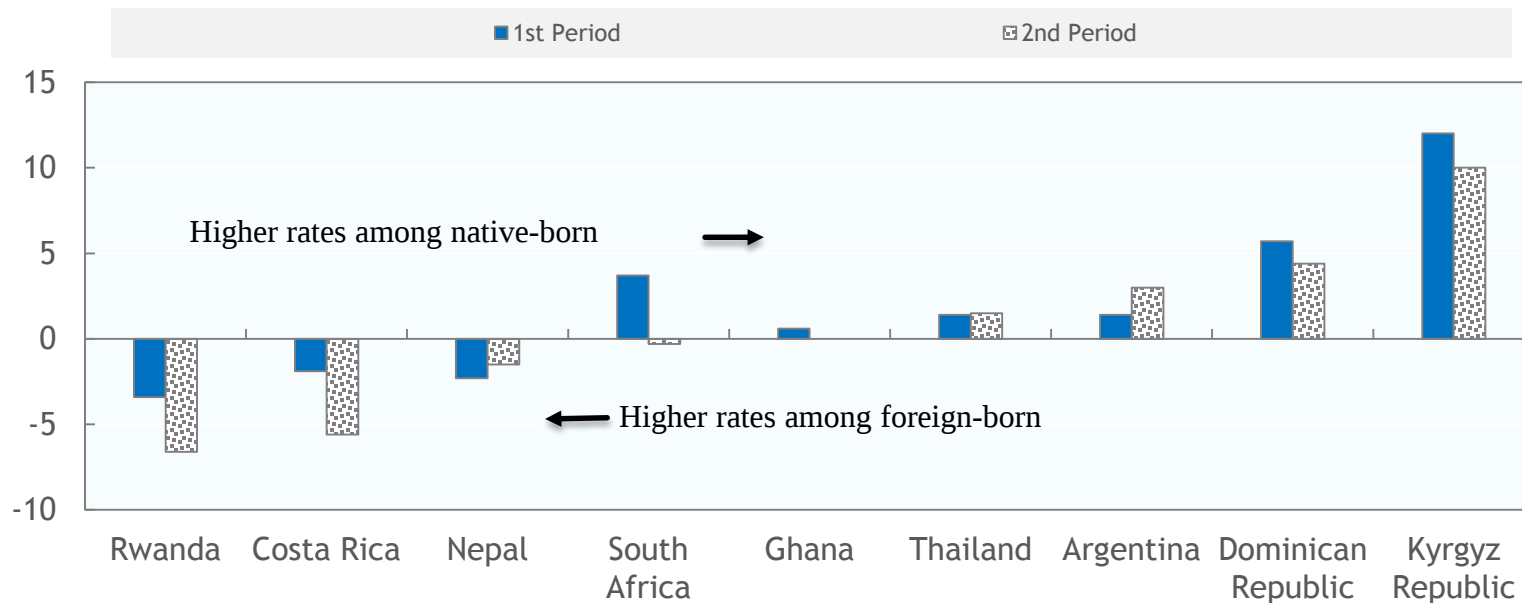
- Differences between underqualification rates for natives and migrants by level of skills show that rates are usually higher for migrants in low skill occupations.
- Results are likely to partly reflect 3D jobs for migrants.



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Overqualification of natives and immigrants in selected developing countries

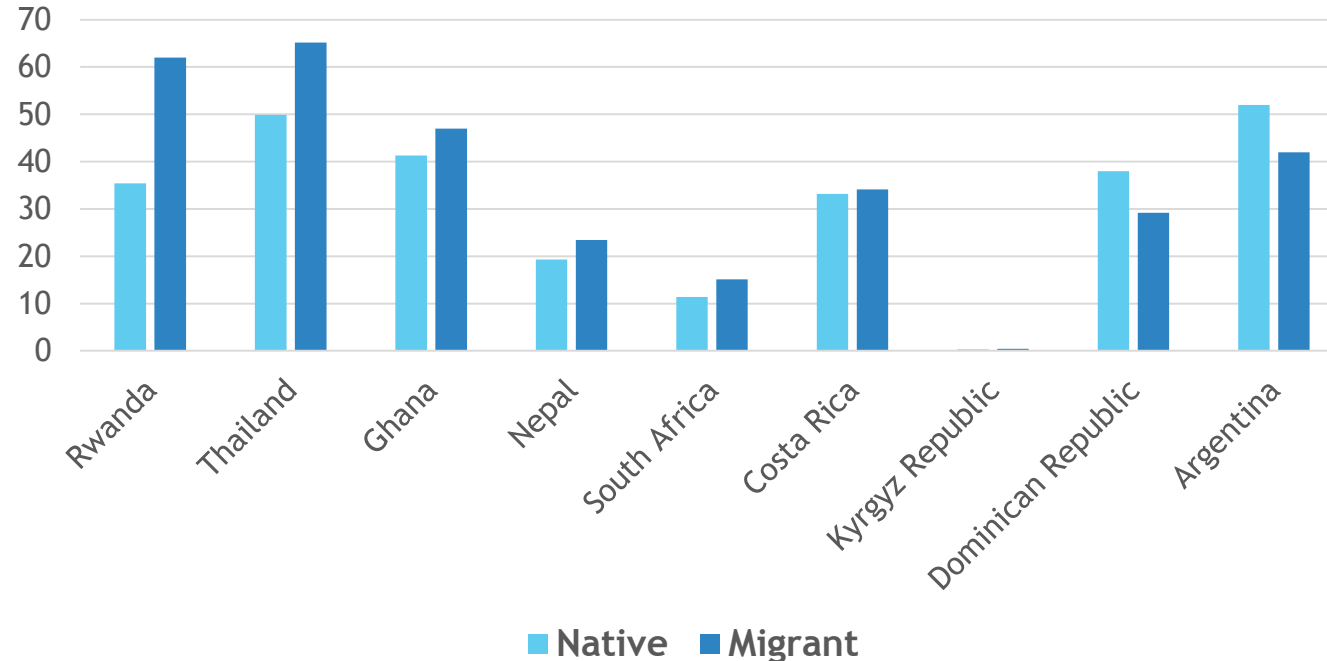
- Differences between overqualification rates for natives and migrants suggest no clear pattern.
- Results are likely to reflect positive self-selection of migrants (lower rates) but also factors such as skills recognition (higher rates).



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Overqualification of natives and immigrants in clerical occupations

- In most countries, rates of overqualification in clerical occupations are higher for migrants.
- Results are likely to reflect skills recognition issues.



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Policy considerations

- Need for non-discrimination and labour market integration of all migrant workers with due attention to women migrant workers' needs
 - *Important to monitor the labour market integration of migrants using sets of economic and labour market indicators, with special attention for indicators capturing employment and the utilization of skills*
 - *Need to search for an appropriate mix of targeted (special integration programmes) and mainstream measures*
- Skills recognition and skills matching issues
 - *Need for a platform to facilitate the exchange of good practices across-countries on skills needs and on education systems*
- Need to lower labour migration costs (SDG 10.7 joint ILO/WB custodianship)
 - *ILO General principles and operational guidelines for fair recruitment (2016): Governments have an obligation to respect, protect and fulfil internationally recognized human rights, including fundamental principles and rights at work, and other relevant international labour standards, in the recruitment process; importance of job matching and placement services*



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