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**Research Report**

## Migration, labor markets, and integration of migrants: An overview for Europe

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Hamburg Institute  
of International  
Economics

# Migration, Labor Markets, and Integration of Migrants: An Overview for Europe

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HWWI Policy

Paper 3-6  
by the

HWWI Research Programme  
Migration Research Group

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# **Migration, Labor Markets, and Integration of Migrants: An Overview for Europe<sup>1</sup>**

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## **Executive Summary**

For more than two centuries most countries of Western Europe have primarily been countries of emigration. During the last 60 years, all countries of Western Europe have gradually become destinations for international migrants and asylum seekers. Today all West European countries and several new member states of the European Union (EU) have a positive migration balance. And it is very likely that sooner or later this will also be the case in other new EU member states and today's candidate countries.

This paper discusses the size of Europe's migrant population, its demographic structure, and the socio-economic position of migrants. The European Labour Force Survey (LFS) as well as Eurostat, OECD and UN migration data are used as the main databases. In most sections of the paper the geographic unit of analysis is EU 15 as the so-called "old" EU Member States are home or host some 94 percent of all migrants and some 97 percent of all legal foreign residents living in EU 27. But general information on stocks of international migrants and recent migration flows are given for all countries of Western, Central and South-Eastern Europe.

In this paper the criterion "place of birth" is used to distinguish between foreign-born vs. native-born residents of the EU. At the same time the paper looks into differences by citizenship comparing EU nationals vs. legal foreign residents. This exercise shows both lower employment rates, higher unemployment and the concentration of immigrants and foreign nationals from middle- and low-income countries in certain sectors of the economy and in low-pay jobs.

The picture, however, is somewhat better when looking at the foreign-born population, which includes naturalized citizens of EU member states who on average are economically better integrated than those who remain third country nationals. Naturalized immigrants have higher employment rates and, on average, are occupied in better positions than legal foreign residents. These findings suggests that in Europe the process of integration of immigrants differs to a lesser degree from that of traditional countries of immigration such as the US, Canada and Australia than has been

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<sup>1</sup> This paper profited from discussions between the author and services of the European Commission as well as from discussions with a number of scholars and senior civil servants active in the fields of migration and integration. European Labour Force Survey data were provided by Eurostat and additional analysis by Heinz Fassmann (University of Vienna), Stephanie Jasmand, and Florin Vadean (Univ. of Singapore).

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previously assumed. However, further sustained efforts to enhance integration of immigrants and their children and to provide equal opportunities are necessary.

Europe's demographic situation is characterized by longevity and low fertility. This leads to population aging and eventually shrinking domestic populations and work forces. Given the high levels of employment already reached by skilled EU-nationals, recruitment of migrants from third countries is increasingly appearing as the main way of responding to the growing demand for medium and high skilled labor. At the same time, Europe experiences a continuing demand for low skilled labor. For these demographic and economic reasons, during the 21<sup>st</sup> century, all present EU+EEA member states and EU candidate countries will either remain or become immigration countries.

In this context Europe has to consider pro-active migration policies and measures to identify future labor and skills gaps. In the medium- and long-term the EU and its member states will have to compete with other OECD countries for attractive potential migrants. In this context Europe has a genuine incentive to compare its efforts and experiences with those of traditional countries of immigration—in particular with the US, Canada and Australia. And Europe should develop a genuine interest in becoming both more attractive for highly skilled migrants as well as more inclusive towards all employable migrants.

## **Migration, Labor Markets, and Integration of Migrants: An Overview for Europe**

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Between 1750 and 1960 Europe was the prime source region of world migration sending some 70 million people—the equivalent of one third of its population growth—overseas. During the last 50 years, however, all countries of Western Europe<sup>3</sup> gradually became destinations for international migrants (Table 1). Several of the new EU member states in Central Europe and the Mediterranean also follow that pattern (Table 2).<sup>4</sup> It is very likely that, sooner or later, this will be the case in other new EU member states and candidate countries<sup>5</sup> as well. Many Europeans, however, still do not see their homelands as immigration countries—in particular not as destinations of permanent immigrants. Today, this contra factual perception of demographic realities has become a major obstacle to the development and implementation of proactive migration regimes and comprehensive integration programs. As a consequence it might be more difficult for the EU and its member states to attract the mix and kind of migrants this world region will need to recruit in the future for demographic and economic reasons.

### **European migration pattern since 1950**

During the 1950s Europe as a whole and most of today's EU/EEA member states still had more emigration than immigration. On average today's 27 EU member states experienced an annual net migration loss of -0.7‰ of total population. In absolute numbers the net loss was -2.6 million people altogether for today's 27 EU countries during the period 1950-1960. North and South America as well as Australia were dominant overseas destinations of permanent emigrants. To a smaller degree Europeans also emigrated to Israel, New Zealand, and South Africa.

During this period, Ireland, Italy, Poland, Portugal, Spain, and the UK recorded the largest net outflows (1950-60, Table 1). Single events like the mass emigration from Hungary linked to Soviet military intervention ending the revolution of 1956 are also visible in available flow statistics. At the same time intra-European labour migration became more important. At that time the main receiving countries in Europe were Belgium, France, Germany and Switzerland, where post-war recruitment of (supposedly temporary) labour mainly from Italy, Portugal and Spain, but also from the

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<sup>3</sup> Western Europe is defined as the EU 15, Iceland, Liechtenstein, Norway and Switzerland (see Annex).

<sup>4</sup> In 2005, Cyprus (Greek part only), the Czech Republic, Hungary, Malta, Slovakia, and Slovenia already had a positive migration balance.

<sup>5</sup> In January 2007 Bulgaria and Romania became EU Member States. Croatia and Macedonia will not be admitted to the EU before 2010. The prospects of Turkish EU membership are uncertain.

Maghreb had already started. The Baltic States – in particular Estonia and Latvia – experienced the inflow of slavophone migrants from other Soviet republics.

During the 1960s European emigration to overseas destinations continued. But as immigration grew, net gains and net losses from migration balanced each other. Between 1961 and 1970 today's 27 EU member states recorded a very small net migration surplus (+12,000 people). The main reason was that additional West European countries – in particular Austria, Luxemburg, the Netherlands and Sweden – also had started to recruit labour migrants. As a result other sending countries of labour migrants became important– in addition to Italy, Portugal and Spain. The new sending countries of intra-European migration were Finland, Greece, Ireland, Turkey and former Yugoslavia (in particular Bosnia, Croatia, Serbia and Kosovo). Morocco and Tunisia also registered increasing numbers of emigration leaving for Europe. Return of former colonial settlers to Western Europe also contributed to the positive migration balance of countries like France. In total, France, and Germany recorded by far the largest net inflows. Within Europe net outflows were largest in Italy, Poland, Portugal, and Turkey (1961-70, Table 1). Other migrants came in larger numbers from North Africa, South Asia and the Caribbean.

During the 1970s labour migration to Western Europe peaked and came to an end as, between 1972 and 1974, most receiving countries halted recruitment in response to the so-called oil price crisis and the baby boom cohorts reaching working age. This created return flows to Southern Europe and Turkey, but also led to the inflow of dependent family members of previously recruited labour migrants. In total, for the first time in modern European history the migration balance of today's 27 EU member states became positive (1971-80: +2,8 million people; +0.6‰ p.a.). Among today's EU countries Germany, France, the Netherlands and Portugal recorded the largest net-inflow; in the case of Portugal mainly because of post-colonial return migration. Net outflows were largest in Cyprus, Poland, Turkey, the UK and former Yugoslavia (1971-80; Table 1).

During the 1980 Europe experienced net inflows of similar magnitude (1981-90: +2,8 million people; +0.6‰ p.a.) as during the previous decade. The flows as well as the main gates of entry, however, had changed. Inflows to Western Europe were dominated by family reunion as well as the re-emergence of refugee and ethnic migration flows; in particular to Germany. In sum Germany, France, the Netherlands and Portugal recorded the largest net-inflow; the latter mainly caused by post-colonial return migration. In total France, Germany, Greece, Italy, Spain, and the UK recorded the largest net-inflows. Net-outflows were largest in Bulgaria, Ireland, Poland, Portugal, and Turkey (1981-90; Table 1).

With the fall of communist regimes in Central and Eastern Europe, the dismantling of the Iron Curtain and the disintegration of former Yugoslavia and the Soviet Union

intra-European East-West migration gained momentum; including ethnic migration flows, refugee flows and new labour migration. During the 1990s total net inflows had more than doubled in size (1991-2000: +6.4 million people; +1.4‰ p.a.). Latin America, North Africa, Russia and Kazakhstan became prime source regions of immigration from outside today's EU countries to Western Europe. In the first part of the 1990s Germany was the main destination in the EU while in the second part of the 1990s Italy and Spain became prime destinations. In total France, Germany, Greece, Italy, the Netherlands, Spain, and the UK recorded the largest net inflows. Net outflows were largest in Bosnia, Bulgaria, Estonia, Latvia, Poland, Romania, and Turkey (1991-2000, Table 1). Larger numbers of immigrants also came from Russia and Central Asia, Albania, Moldavia, North Africa and Latin America.

In recent years migration was characterized by new labour migration from new EU member states (in particular from Poland, Lithuania, Bulgaria and Romania) to parts of Western Europe (in particular to Italy, Ireland, Portugal, Spain, and the UK). Other countries of Western Europe experienced continuous family reunion, reduced flows linked to asylum and ethnic migration, and a steadily growing inflow of irregular migrants from Northern and Western Africa, the Middle East and Asia. Ukraine emerged as new important source country. In total net migration peaked at +8.2 million people (or +3.4‰ p.a. in today's 27 EU member states) for the period 2001-05. The underlying migration flows were the largest ever recorded in Europe during peace times. Italy and Spain recorded by far the highest numbers of newly arriving immigrants; followed by France, Germany, Greece, Ireland, and the UK. Net outflows were largest in Bulgaria, Poland, Romania, and Turkey (2000-2006, Table 1). Large numbers of immigrants also came from Ukraine, Ecuador, Morocco, Moldova, Western Africa and parts of Western Asia (Afghanistan, Iraq). Following the general trend, most EU/EEA countries (including several new EU member states) had become net immigration countries (Table 2).

Since Europe's international migration balance first became positive in the 1960s the demographic net gain from migration for today's 27 EU member states altogether was more than +20 million people. As there is considerable intra-European migration the total number of EU residents born outside their country of birth is twice as high (Table 4).

### **Migration and population in 2005**

In early 2006, the total population of Western and Central Europe, the Balkans and Turkey was 572 million. The European Union with its current membership (EU 27) had 491 million inhabitants;<sup>6</sup> of these, 388 million were either citizens or foreign residents of the 15 pre-enlargement Member States (EU 15). The other 103 million were citizens or foreign residents of the 12 new EU Member States (EU 12; of them: 102 million in Central Europe and the Baltic States [EU 10]). 73 million people were living in EU

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<sup>6</sup> Including citizens of Romania and Bulgaria who only became EU citizens in 2007.



candidate country Turkey, another 12 million people in the rest of Western Europe,<sup>7</sup> and 23 million in other Western Balkan countries (of them: more than 6 million in EU candidate countries Croatia and Macedonia).<sup>8</sup>

In absolute terms, Germany has by far the largest foreign-born population (10.1 million), followed by France (6.5 million), the UK (5.6 million), Spain (4.9 million) and Italy (2.5 million). Relative to population size, two of Europe's smallest countries – Luxembourg (37.4%) and Liechtenstein (33.9%) – have the largest stock of immigrants, followed by Switzerland (22.9%) and two Baltic States (Latvia 19.5% and Estonia 15.2%), Austria (15.1%), Ireland (14.1%), Cyprus (13.9%), Sweden (12.4%) and Germany (12.3%). In the majority of West European countries, the foreign-born population accounts for 7-15% of total population. In Central Europe<sup>9</sup> (with the exception of Slovenia), the share of foreign-born is still below 5% (see Table 4).

In 2005, Western and Central Europe still experienced a population increase. In today's 27 EU and 3 other EEA countries and Switzerland, total population growth was +2.1 million. But 11 of today's 30 EU/EEA countries (as well as EU candidate country Croatia) had an excess of deaths over births. The other 19 EU/EEA countries as well as Switzerland still experienced some natural population growth. Net migration was positive in 25 of the 33 analyzed countries (Table 2). In the coming years, the number of countries with declining domestic population will increase while net gains from migration are expected to become normality..

## Recent flows

In 2005, today's 30 EU/EEA countries (plus Switzerland) had an overall positive net migration rate of 3.4 per 1,000 inhabitants and a net gain from international migration in the order of 1.8 million people. Positive net migration accounted for about 85 percent of Western and Central Europe's total population growth of 2.1 million people (2005). In absolute numbers for 2005, net migration was largest in Spain (+646,000) and Italy (+339,000), followed by the UK (+198,000), France (+103,000), Germany (+99,000), Portugal (+41,000), Austria (+61,000) and Ireland (+47,000).<sup>10</sup> Among the new EU Member States the Czech Republic experienced the largest net migration gain (+36,000). In addition, Hungary, Slovakia, Slovenia and EU candidate country Croatia also had a positive migration balance.

Several European countries, in particular the Czech Republic, Italy, and Slovenia, only showed a population growth because of immigration. In other countries, for example

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<sup>7</sup> Iceland, Liechtenstein, Norway and Switzerland.

<sup>8</sup> EU candidate countries Croatia and Macedonia, plus Albania, Bosnia-Herzegovina, Montenegro, and Serbia (including Kosovo).

<sup>9</sup> New EU member states excluding the Baltic States, Cyprus, and Malta.

<sup>10</sup> Net flow of migrants (regardless of citizenship; without seasonal workers) according to Eurostat (Chronos data base).

Germany and Hungary, recent population decline would have been much larger without a positive migration balance.

In 2005, relative to population size, Cyprus<sup>11</sup> had the largest positive migration balance (+27.2 per 1,000 inhabitants), followed by Spain (15.0 per 1,000), Ireland (+11.4), Austria (+7.4), Italy (+5.8), Malta (+5.0), Switzerland (+4.7), Norway (4.7) and Portugal (+3.9). On the other hand, Lithuania (-3.0 per 1,000 inhabitants), Bulgaria (-1.8), the Netherlands (-1.2),<sup>12</sup> Latvia (-0.5), Romania (-0.5), Poland (-0.3) and Estonia (-0.3) had a negative migration balance (Table 2).

In 2004,<sup>13</sup> for today's 27 EU member states the main external countries of origin were Morocco, Turkey and Ukraine. Inside today's 27 EU countries, Bulgaria, Romania, Poland, the UK and Germany had the largest outflows to other countries in Western Europe.

Comparisons with the US suffer from the lack of population registers in North America. But estimates that include both legal and irregular migrants put the US foreign-born population at 38 million people. In fiscal year 2004 the US admitted 1.3 million legal permanent immigrants (3.9 per 1000 inhabitants) and some 1.5 million temporary migrants.<sup>14</sup> Net migration, however, only accounted for over one third of US population growth.

## **Gates of Entry, Relevance of Labor Migration**

EU and EEA citizens are more or less free to move within Western and Central Europe, to take residence and to join the work force in any other EU/EEA member states.<sup>15</sup> Restrictions only apply to citizens of new EU Member States in Central Europe (EU 10) seeking employment in another EU country. The transitional regime limiting the free movement of workers from new member states (except Cyprus and Malta) following enlargement of the European Union on May 1, 2004 and January 1, 2007 allows other EU countries to decide to postpone the opening of their national labor markets up to a maximum period of seven years.<sup>16</sup> Initially only three countries, the

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<sup>11</sup> Greek part of Cyprus only.

<sup>12</sup> In the case of the Netherlands Dutch citizens moving their place of residence for fiscal reasons to neighboring Belgium and Germany while remaining economically active in the Netherlands have largely contributed to negative migration balance.

<sup>13</sup> OECD (2006); data for 2005 not available.

<sup>14</sup> Non-immigrant visas for foreign migrants arriving for business, pleasure, work, educational and other purposes. Many of these non-immigrant legal foreign residents later manage to adjust their status in the US and become permanent immigrants (Goździak and Martin 2004). Some are even able to adjust their status after irregular entry (Massey and Malone 2002). Statistically they only become visible as 'immigrants' in the year that this adjustment takes place.

<sup>15</sup> And to Switzerland.

<sup>16</sup> According to the transitional arrangements (2+3+2 regulation) the EU 15 can apply national rules on access to their labor markets for the first two years after enlargement. After two years (new EU member states of 2004: already in 2006; new EU member states of 2007: in 2009) the European Commission reviews the transitional arrangements. Member States that wish to continue national measures need to notify the European Commission and can continue to apply national measures for up to another three

UK, Ireland, Sweden had opened their labor markets to newly arriving EU citizens from Central Europe and the Baltics.<sup>17</sup> In 2006-07 Finland, Greece, Italy, the Netherlands, Portugal and Spain followed their example. Since 2007 a similar transitional regime limits the free movement of Bulgarian and Romanian workers. So far only a few EU countries (including the Czech Rep., Estonia, Finland, Poland, Slovakia and partly France) have opened their labor markets for workers from Bulgaria and Romania.

The key gates of entry for third-country nationals immigrating to the EU are temporary and long-term labor migration, family reunion<sup>18</sup> and family formation, the inflow of asylum seekers (some 350,000 applications in EU 25 in 2005),<sup>19</sup> and the inflow of co-ethnic “return” migrants and their dependent family members.<sup>20</sup> In 2004 some 25% of the residence permits (issued to newly arriving third country nationals) were granted in EU 15 for employment and another 45% for family reunifications.<sup>21</sup> Statistics on residence permits, however, do not give the full picture. On the one side these numbers do not account for seasonal and temporary labor migration, which is quite common in countries like Austria, Germany, France, Italy and Spain. On the other side, they do not include irregular migration.<sup>22</sup>

For a selected number of EU/EEA member states, the relative importance of employment, family reunion, asylum and other reasons for immigrants to enter the Union is known. Entry visa or residence permits granted for work purposes accounted for over 40 percent of all permits in Denmark, Portugal and Switzerland (2004). In the UK, Finland, Austria, Italy and the Netherlands their share was 30-35 percent. In

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years. At the end of this period (new EU member states of 2004: in 2009; new EU member states of 2007: in 2011) all member states will be invited to open their labor markets entirely. Only if countries can show serious disturbances in the labor market or a threat of such disturbances, will they be allowed to resort to a safeguard clause for a maximum period of two years. From 2011/2013 all member states will have to comply with the Community rules regulating the free movement of labor.

<sup>17</sup> As a result Ireland (2004-2006: +160,000) and the UK (2004-2006: +427,000) experienced unprecedented gross inflows from new EU member states, mainly from Poland, Lithuania and Slovakia (Tamas and Münz 2006).

<sup>18</sup> The European Union sees ‘the right to family reunification (...) as an indispensable instrument for integration.’ The European directive on Family unification adopted by the Council in September 2003 therefore “recognises the right to family reunification for third-country nationals holding a residence permit of one year or more who have reasonable prospects of obtaining permanent residence”. Member States will be entitled to require for the exercise of this right that third-country nationals comply with integration measures in accordance with national law. An essential provision for the integration of family members is that they be entitled, in the same way as the applicant, to access to employment, education and vocational training.” (European Commission 2003a)

<sup>19</sup> UNHCR (2006); see also UNHCR (2004). The US, in FY 2001, admitted 97.000 refugees and 11.000 asylum seekers. The European directive on “minimum standards for the qualification and status of third-country nationals and stateless persons as refugees or as persons who otherwise need international protection contains a specific chapter regulating the content of international protection and specifying the rights to be enjoyed by a refugee or person granted subsidiary protection. These require Member States to provide programmes tailored to the needs of refugees to facilitate their integration into society.” (European Commission 2003a)

<sup>20</sup> These two related inflows are of particular relevance for countries like Germany (ethnic German Aussiedler), Greece (Pontian Greeks) and Hungary (ethnic Hungarians).

<sup>21</sup> Source: European Commission 2003a.

<sup>22</sup> Münz (2004).

Austria, France, Germany, Italy, Sweden, and Switzerland over 50 percent of residence permits were granted for purposes of family formation/reunion (2004). In Italy, Norway and the UK asylum and the admission of quota refugees played a quantitatively significant role (2004: over 20 percent of all permits).<sup>23</sup> In the UK, employment was the reason for entry in only 27 percent of the cases, as was family reunion (also 27 percent).<sup>24</sup>

These figures, however, do not account for all relevant migration flows. For example, in several EU countries economic migration takes place to a larger extent in the form of seasonal and temporary labor migration (some 600,000 persons admitted annually in EU 27)<sup>25</sup> as well as in the form of irregular labor migration of at least the same magnitude. The latter only becomes statistically visible at the occasion of so-called amnesties and regularization programs. During the period 1995-2005 some 3.7 million migrants were formally regularized in EU 15.<sup>26</sup> An unknown, but considerable number of EU 10 citizens living in EU 15 acquired legal resident status when their countries of origin became EU member states in 2004.<sup>27</sup> The same happened when Bulgaria and Romania joined the EU in 2007.

## Education Levels

The skills profile of Western Europe's foreign-born population is somewhat different from that of the total EU27 population<sup>28</sup> (Table 5). People with high formal education<sup>29</sup> are overrepresented among immigrants (immigrants from other EU countries: 28.3%, immigrants from third countries: 25.8%, natives: 24.3%). Immigrants with low formal education<sup>30</sup> are also overrepresented (immigrants from other EU countries: 30.7%, immigrants from third countries: 36.3%, natives: 28.1%), while people with medium formal education<sup>31</sup> are underrepresented (immigrants from other EU countries: 41.0%, immigrants from third countries: 37.9%, natives: 49.6%; Table 5). This is mainly a result of EU labor markets primarily creating demand for high skilled migrants as well

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<sup>23</sup> OECD (2006).

<sup>24</sup> In January 2005, the European Commission published a "Green Paper" on economic migration following a "proposal for a directive on the conditions of entry and residence of third-country nationals for the purpose of paid employment and self-employed economic activities" which failed to get sufficient support in the Council. The idea behind the proposal for the directive and the Green paper "is both to provide a pathway for third-country workers which could lead to a more permanent status for those who remain in work, while at the same time giving a secure legal status while in the EU to those who return to their countries of origin when their permit expires." (European Commission 2003a)

<sup>25</sup> Admitted mainly by Austria, Germany, France, Italy, the Netherlands and Switzerland (see OECD 2006).

<sup>26</sup> The US on the basis of the 1986 Immigration Reform and Control Act legalized 2.8 million irregular foreign residents. For regularization in Europe and the US see Papademetriou et al. (2004). In 2005, Spain offered regularization to some 800,000 irregular migrants.

<sup>27</sup> Tamas and Münz (2006).

<sup>28</sup> In this and the following sections the geographic unit of analysis is EU15 as the so-called "old" EU Member States are home or host to 94 percent of all migrants and to 97 percent of all legal foreign residents living in EU27.

<sup>29</sup> Tertiary education completed.

<sup>30</sup> Only primary education completed.

<sup>31</sup> Lower or higher secondary education completed.

as low skilled migrants (many of whom are not represented in the European Labour Force Survey as they are either part of the irregular or the seasonal work force).

Immigrants' skills are, however, not evenly distributed between the EU Member States. Some were more successful in attracting high skilled labour; for example Ireland (59.0%), Denmark (37.8%) and Estonia (37.0%). In the same time other countries were destinations of mainly low skilled migrants: Portugal (50.5%), Malta (50.4%), Belgium (48.3%), France (47.6%), Austria (45.6%), Greece (44.4%) and Spain (43.9%; Table 5).

Immigrants from Southern Europe living in another EU country as well as immigrant populations from Turkey, North Africa/Middle East and sub-Saharan Africa have relatively high proportions of people with low skills (Southern EU: 64.1%; TR: 65.7%; MENA: 46.9%). In contrast, immigrant groups from North-Western Europe living in another EU country and, in particular, immigrants from other industrialized world regions (North America, Australia/New Zealand: 43.6%) have higher proportions of highly skilled people. Medium skills dominated among immigrants who had come from EU8 (52.4%), EU2/ CEE (40.1%) and Asia (41.4%; Table 6).

## **Work Force, Employment**

The size of Western and Central Europe's labour force is 227 million. In the absence of immigration and at constant labour force participation rates this labour force would shrink to 201 million in 2025 and to 160 million in 2050. In order to maintain it constant over the analysed period a net inflow of 66 million labour migrants would be necessary.<sup>32</sup> This would mean that on average a net inflow of slightly less than 1.5 million labour migrants per year would be required to keep Europe's economically active population at constant levels. However, since not all newcomers will join the work force, the total net migration would have to be higher.

In 2005, some 19.4 million legal immigrants (born in another EU country or in a third country) were economically active in EU27, representing 9.3 percent of Western and Central Europe's regular work force (Table 3). Some of them were naturalized citizens of their country of residence. But 12.2 million foreign nationals (citizens of other EU countries and third country nationals) were part of Western and Central Europe's work force (5.4 percent; Table 3).

Between 2000 and 2005 the number of people at working age (i.e. 15 to 64) employed in the 15 pre-enlargement Member States (EU15) increased by about 8.2 million.<sup>33</sup> Of them about 34%<sup>34</sup> were third country nationals and the remaining were citizens of the

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<sup>32</sup> For more details see Münz et al. (2006).

<sup>33</sup> The analysis of employment growth between 2000 and 2005 refers only to the EU-15, which is home to 97% of all third country nationals residing in the EU-27.

<sup>34</sup> The number could be significantly higher if taking into account that 21% of the LFS respondents did not declare their nationality. We can say that third country nationals contributed during the period of 2000-2005 between 27% and 48% of the creation of jobs. Source: European Labour Force Survey, Eurostat.

country of residence or citizens of another EU15 Member State.<sup>35</sup> The share of third country nationals in the total employment was 4% in 2005.<sup>36</sup>

It is, however, not surprising that third-country nationals contributed overproportionally to total employment growth, when taking into account that in the same period some 80% of the population increase in the EU was due to a positive net migration balance. Furthermore, during the past five years, citizens of countries which were not part of the EU in 2000 (today: EU10 + third country nationals) increased their employment rates in the EU15 compared to natives. In 2000 they lagged 14.8% points behind EU15 nationals (11.1% points for males; 18.5% points for females). Until 2005 the employment gap decreased to 11.4% points (7.6% points for males; 15.0% points for females). The employment rates of nationals of a country outside EU15 were 50.8% (62.6% for males; 38.9% for females) in 2000 and 55.6% (66.0% for males; 45.4% for females) in 2005; as compared to 67.0% for EU15 citizens (73.6% for males; 60.4% for females; Table 7).

### **Employment and Unemployment Rates**

During the 1990s empirical studies analyzing the effects of labor migration on native employment pointed to small negative employment effects (Angrist and Kugler 2003). A statistical analysis of the period 2000-2005, however, illustrates that in EU15 the employment rates of natives grew by 1.4% to reach 65%; during the same period the immigrants' share in the total employment increased by over 40%. Since the year 2000 the number of medium skilled third-country nationals economically active in EU15 increased by 50 percent and that of high skilled third-country nationals doubled, amounting to more than 60 percent of the total increase in employment.<sup>37</sup> This reflected cyclical growth in employment and the migrants' over-proportional contribution to the overall increase of the work force. The situation for the low skilled is less favorable, with more modest employment increase, but was nonetheless stronger for third-country nationals than for EU-nationals.<sup>38</sup>

One should also notice that the employment rates of natives showed the highest increase in countries with primarily economic immigration and less regulated labor markets: from 56.0% to 62.5% in Spain, from 56.4% to 59.8% in Greece and from 64.7% to 67.0% in Ireland.

The employment rate of working age adults (15-64 years) varies according to the place of origin (Table 8) and the country of residence. In 2005, EU 15 working age adults had an overall employment rate of 66.3 percent and an unemployment rate of 6.1 percent.

The average employment rate of immigrants from countries outside EU27 (across all skill levels) is 4.3% points lower than that of the natives (see Table 8). The largest employment gaps are reported in Poland (23.0% points), Finland (21.2% points), Denmark (20.1% points), Sweden (19.7% points) and Belgium (19.6% points). Labor market performance of non-naturalised immigrants and their children (i.e. third country

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<sup>35</sup> Source: European Labour Force Survey, Eurostat; own calculations.

<sup>36</sup> In 2005 the share of third country nationals in EU-25 employment was 4.6%.

<sup>37</sup> European Commission (2006a).

<sup>38</sup> European Commission (2006a).

nationals) residing in EU27 is even worse. With an employment rate of 54.4% they lagged 10.5% points behind citizens of the respective country of residence (and 10.6% points behind citizens of other EU27 countries; Table 4). While employment rates for third country nationals increased during the period 2000-2005, unemployment rates remained stable at about 18%, being twice as high as those of EU-nationals. The largest differences in unemployment rates were registered in Belgium (26.7% points), Finland (20.0% points), Sweden (17.6% points), France (16.3% points) and the Netherlands (14.2% points).

Immigrants from the new EU Member States (EU8) living in an EU 15 country and from other industrialized countries have higher employment rates (EU8: 68.4 percent; North America, Australia: 74.1 percent; Latin America and Caribbean: 70.3 percent). At the same time, immigrants from Western and Southern Europe living in another EU country as well as immigrants from North America had lower unemployment rates (Western EU 6.8 percent, Southern EU: 6.1 percent, North America/Australia: 7.4 percent) than those of the total EU15 (Table 9).

The opposite is true for immigrants from other parts of the world. Employment is particularly low and unemployment rates are correspondingly high among immigrants from Turkey (47 percent and 19.6 percent), Middle East/Africa (57 percent and 16.0 percent), and Asia (59 percent and 11.5 percent). Immigrants from EU 2, the Balkans and Eastern Europe (CIS) have almost the same employment rate (65 percent) as the EU 15 average, but higher unemployment rates (11.5 percent).

Foreign-born men only have a slightly lower employment rate (71 percent), but significantly higher unemployment (10.5 percent) than the total EU 15 male population (74 percent; and 6.7 percent, respectively). Employment is high among male immigrants from the new EU member states (EU8), North America and Australia, Latin America, and the Caribbean (79 percent, 83 percent, and 78 percent respectively). Only male immigrants from Turkey and also Africa and the Middle East have significantly lower employment rates (64 percent and 66 percent respectively) and much higher unemployment (16.2 and 16.0 per cent respectively).

Differences are larger among women. Female immigrants from Turkey, and from Africa and the Middle East have particularly low employment rates (29 percent and 46 percent respectively) and high unemployment rates (26.9 percent and 16.9 percent respectively) relative to all EU15 women (60 percent and 8.1 percent respectively). The opposite is true for women from Western EU countries (61 percent and 6.7 percent) and from North America and Australia (67 percent and 6.6 percent). Women from Asia have particularly low employment and unemployment rates (46 percent and 10.9 percent, respectively). Women from Latin America and Africa and the Middle East have particularly high unemployment (12.8 and 16.9 percent respectively).

When comparing legal foreign residents with the EU15 average, the differences are much larger (Table 10). The overall employment rate of other EU10 citizens residing in the EU15 and of third country nationals, is only 62 percent (EU10) and 55 percent (third country nationals) respectively as compared with an average of 66 percent for the EU15 as a whole. The unemployment rate of foreign residents is 14.8 percent as compared with an average of 8.4 percent for the EU15 as a whole. Among foreign men

the employment rate is 68 percent and the unemployment rate is 14.6 percent, as compared with EU15 averages of 73 percent and 8.0 percent, respectively. Among foreign women, the employment rate is 49 percent and the unemployment rate 15.1 percent, compared with averages of 60 percent and 8.9 percent respectively for all women in EU15.

A comparison of rates of employment computed for the foreign-born and those computed for the legal foreign resident population (Table 10) shows clear discrepancies. Labor force participation is particularly low among immigrants and legal foreign residents from Turkey, Africa and the Middle East (Table 10). Such discrepancies, however, vary by country of residence. This is exemplified in a cross-country comparison of immigrants from and nationals of the Maghreb<sup>39</sup> and Turkey (Table 12).

In most EU15 countries, which in the past received immigrants from the Southern and/or Eastern Mediterranean, the immigrants born in Turkey and the Maghreb have higher employment rates than Algerian, Moroccan, Tunisian and Turkish citizens living in these countries. For Turks this is true in Belgium, Denmark, France, Netherlands, Austria, and Sweden. For Maghreb citizens the differences are visible in France, Belgium, the Netherlands, Spain, Denmark, and in particular Sweden. This can be interpreted as a result of particularly exclusionary mechanisms in labor markets of these countries affecting foreign nationals more adversely than naturalized citizens. But such discrepancies are almost nonexistent when comparing immigrants from other EU member states as well as North America and Australia with nationals of the same regions living in EU15 (Table 10). We can conclude: Citizenship matters for immigrants from middle and low-income countries. Those who naturalize are better integrated into the work force.

In the US, the foreign-born population is also extremely heterogeneous with respect to labor market performance as measured by labor force participation and unemployment rates. Among persons between the ages of 15 and 64, the US-born population as well as North/West European, Canadian, and African immigrants to the US have labor force participation rates of over 72 percent. In contrast, Mexican, Caribbean, West Asian, Caribbean and Central American immigrants have considerably lower rates of labor force participation (between 62 and 66 percent).<sup>40</sup>

Likewise, in the US there is strong variation in unemployment rates between groups. North/West European and Canadian immigrants have the lowest unemployment rate (3.1 percent); moreover, the rate for several other immigrant groups is less than that for the US-born population (5.6 percent). Other groups have unemployment rates that are almost double that of the American born population: rates for Mexican (9.4 percent), Caribbean (9.3 percent) and Central American (8.4 percent) immigrants are particularly high.<sup>41</sup>

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<sup>39</sup> Algeria, Morocco, Tunisia.

<sup>40</sup> US Census results of 2000; see Ray (2004). For a critical review of these findings see Lowell 2004.

<sup>41</sup> US Census results of 2000; see Ray (2004), Lowell 2004.



## Occupational Structure and Industry Structure

On the whole the occupational structure of foreign-born workers in Europe (as identified in the LFS) is different from the EU15 average (Table 13). Immigrant workers are underrepresented in medium-skilled non-manual positions (immigrants: 11 percent; EU 15 average: 15 percent) and over-represented in non-skilled manual positions (immigrants: 20 percent; EU 15 average: 11 percent). Immigrants from North-Western Europe living elsewhere in EU 15, as well as immigrants from other industrialized countries (North America, Australia/New Zealand), predominantly occupy highly skilled non-manual positions (Western EU immigrants: 35 percent, North American immigrants: 48 percent, EU15 average: 24 percent). Immigrants from Southern Europe living elsewhere in EU15 (skilled manual: 35 percent, unskilled manual: 22 percent), as well as immigrants from EU10, the Balkans, and Eastern Europe (skilled manual: 35 percent, unskilled manual: 34 percent) and from Turkey (skilled manual: 37 percent, unskilled manual: 23 percent), are disproportionately active in skilled and unskilled manual positions (EU15 average skilled manual: 24 percent, unskilled manual: 11 percent). Immigrants from North Africa/Middle East and sub-Saharan Africa as well as from Asia have an average representation in highly skilled non-manual positions,<sup>42</sup> but are disproportionately active in unskilled manual positions (Africa: 20 percent, Asia: 14 percent; Table 16).

In comparison with the overall EU 15 population (Table 17), legal foreign residents on average are less concentrated in highly skilled non-manual positions (17 percent, EU15 average: 23 percent), but they are over-represented in skilled manual (27 percent, EU15: 24 percent) and particularly in unskilled manual positions (23 percent, EU15: 10 percent). These differences between the foreign-born and foreign nationals are significant for the following regions of origin and groups of foreign nationality: Turkey, countries in the Balkans, Russia, Belarus, Ukraine, Caucasus and Central Asia, North Africa/Middle East and sub-Saharan Africa, Latin America and the Caribbean. Such differences are less pronounced but still visible for migrants from/nationals of Southern Europe and the new EU member states (EU8/EU2). And there are only very small differences for migrants from or nationals of northwestern Europe and North America, Australia/New Zealand.

Differences between the industrial distribution of immigrant and overall EU15 workforce are accentuated when comparing the latter with the legal foreign resident workforce. Foreign nationals are more frequently employed in manufacturing, construction, hotels and restaurants, real estate, renting and research, and private households than the EU15 average (Table 18). At the same time they are less likely to work in the public sector, in particular public administration and defense (Table 18). Such differences point to the fact that many foreign residents take up less stable jobs in manufacturing, construction and tourism. And it clearly reflects the exclusion of third country nationals from important parts of the public sector while naturalized immigrants have access to this segment of the labor market (Table 19).

In the US, Mexican and Central American immigrants are heavily concentrated in manufacturing, construction, and accommodation and food services industries, both

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<sup>42</sup> This could well be influenced by an over representation of skilled migrants in the LFS.

relative to the US-born population and other immigrant groups. In contrast, African and Caribbean immigrants are strongly represented in education, health, care and social services, and like Mexicans and Central Americans, in accommodation and food services. Other immigrant groups, namely those from Northern/Western Europe and Canada and Eastern Europe are more strongly represented than the US-born population in some high-skill industries: professional, science, management and administration, finance, insurance and real estate, and information technology.<sup>43</sup>

### **Economic Inclusion and Exclusion of Migrants**

In Europe, over the last decade, unemployment of immigrants born outside EU27 has remained higher (2005 total: 12.9%, males: 11.9%, females: 14.2%) than unemployment of EU27 natives born in their country of residence (2005 total: 8.5%, males: 7.9%, females: 9.3%; Table 10). The difference is even more accentuated between EU27 nationals and third-country nationals. The latter have much lower employment rates than EU nationals (8 percentage points lower in 2005; Table 11), in particular, in the prime-age group (20 percentage points lower) and for the highly skilled. The gap is, on average, wider for women than for men, within all working age groups.<sup>44</sup>

In more than half of the EU15 countries this gap has been shrinking over the last decade. From 1994 to 2004, the employment rates of non-EU nationals improved significantly in Portugal (+28 percentage points), Spain, (+22 percentage points), Denmark (+18 percentage points), the Netherlands (+16 percentage points), Ireland (+13 percentage points) and Finland (+12 percentage points).<sup>45</sup> In Portugal and Denmark, the employment rate of non-EU nationals increased by more than 10 percentage points. Smaller increases were recorded in the United Kingdom, Sweden, and Greece. The employment rates for non-EU nationals remained below average in France and Belgium, and there was a decline in the employment rates of non-EU nationals in Austria (-3.5 percentage points)<sup>46</sup>, Luxembourg (-3.1 percentage points) and Germany (-2.0 percentage points).<sup>47</sup>

Migrant workers from non-Western and non-EU countries as well as migrants from Romania and Bulgaria (EU2) are not only concentrated in a few sectors, but within them, in the lower skilled segments. A growing number of them are employed in the health and care sector as well as in education. Domestic services also play an important role, though not always visible in available statistics due to the high proportion of irregular migrants working in this sector. By contrast, young people of foreign origin tend to be increasingly working in jobs closer to the native profile.<sup>48</sup>

Whether these changes mean a better starting point for migrants' longer-term integration in the labor market is questionable, as they still tend to remain concentrated in low quality service jobs offering little room in terms of adaptability and mobility.

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<sup>43</sup> US Census results of 2000; see Ray (2004).

<sup>44</sup> European Commission (2003b).

<sup>45</sup> Finland since entering EU in 1995.

<sup>46</sup> Austria since entering EU in 1995.

<sup>47</sup> See European Commission (2003b), Ray (2004).

<sup>48</sup> See OECD/Sopemi (2003, 2004).

The distinction, however, tends to be less marked if one compares native-born with foreign-born workers (Table 14, Table 20). This is to be expected as naturalized citizens, on average, tend to be better integrated than legal foreign residents. And they may have access to segments of the labor market which are not open to third-country nationals. However discrepancies mainly exist between immigrants from middle and low-income countries and Western Europe's majority populations.

Those third country nationals who entered the EU in recent years as legal immigrants tend, on average, to have a higher skill level than those established in the EU for a decade or longer. Yet their activity rates are lower and their unemployment rates higher than for longer established immigrants. In 2002, the employment rate of migrants originating from non-EU countries who arrived in 2001 (45 percent) was nearly 20 points below that of those who arrived 10 years earlier.<sup>49</sup> At the same time a considerable share of immigrants is working in jobs that require a lower educational level than these workers actually have. Overqualification of foreign-born workers is particularly common in Spain (43 percent), Greece (39 percent), Ireland (24 percent), Italy (24 percent), Austria (21 percent) and Germany (20 percent).<sup>50</sup>

Differences in employment, economic performances, and integration of third country nationals are strongly correlated with the country of origin. The employment rate of legal foreign residents from North Africa and Turkey is systematically lower than for EU nationals at any skill level (Table 14). This gap is more marked for women. Again the differences are somewhat less pronounced if native-born vs. foreign-born populations are compared (instead of citizens vs. foreign residents).<sup>51</sup> In contrast, citizens of Balkan countries have employment rates that are equal to or exceed EU nationals' levels both for men and women. The same is true for North Americans and Australians residing in Europe as well as for citizens of North-Western Europe residing in another EU member state.

In order to get a more accurate and complete picture of the economic position and performance of migrants in Europe, the focus has to shift beyond the foreign resident/foreign national population, as they only constitute a sub-segment of the overall migrant population. Naturalization in many EU15 countries has drastically increased during the 1990s and the early 21<sup>st</sup> century, making foreign nationals less and less representative of the migrant population. As a result, the economic position of the foreign-born population in EU15 differs less on average from that of the total European population than does the economic position of the legal foreign resident population. The latter are, on average, in a less favorable economic position.

If one only looks at foreign nationals, i.e., disregarding persons who have been naturalized in the receiving country, one could derive an overly negative picture. And one might even get the impression that the economic position of migrants is deteriorating, particularly in EU countries with a longer tradition of immigration and higher naturalization rates.<sup>52</sup> But the analysis of European Labour Force Survey data

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<sup>49</sup> Calculations kindly provided by European Commission services.

<sup>50</sup> OECD (2006)

<sup>51</sup> See Münz and Fassmann (2004).

<sup>52</sup> In the years 1992-2004 some 8 million people were naturalized in the EU 15 (OECD/Sopemi 2005).

shows that immigrants in Europe are apparently more successful than is suggested by the surveys and data that put their main focus on foreign nationals. Thus, differences between traditional countries of immigration—such as Australia, Canada and the US<sup>53</sup>—and European countries are apparently smaller than assumed.<sup>54</sup> Nevertheless for certain immigrant groups—in particular those coming from middle- and low-income countries—considerable employment gaps remain. The analysis of LFS data also makes clear that immigrants who do not naturalize within the first 10-15 years are especially likely to remain in low-skill and low-paid employment. This sectoral concentration of foreign residents can partly be explained by labor shortages and lower requirements in terms of specific skills. Such circumstance may provide immigrants and their children with an opportunity to enter the EU labor market. However, relatively large numbers of non-EU nationals in some sectors with limited rights or scope for labor market mobility will not be in a strong position regarding wages and job-quality.<sup>55</sup>

Therefore integration of third-country nationals newly arriving and residing in Europe remains an important issue for the EU, its member states and European civil society.<sup>56</sup> In recent years a growing number of EU member states have introduced integration programs, ranging from language training courses to civic education.<sup>57</sup>

In contrast to many EU Member States, economic integration of newcomers in the US is primarily based on the power of labor market absorption. In the rapidly expanding economy of the 1990s, this seemed to be justified as immigrants found employment in a wide range of occupations and industrial sectors, and many groups had both high rates of labor force participation and low to modest unemployment levels. It is also clear that some groups fared far better in these vigorous economic circumstances than others, and that many individuals, even after many years of residence in the United States, remain in low-skill and low-paid employment.<sup>58</sup> The absence of integration policies and programs seemingly had few immediate negative consequences in the context of an expanding and, by European standards, much less regulated labor market open to regular and irregular immigrants. But it has also been argued that the lack of attention to utilizing and/or developing the human capital of newcomers so that they might effectively participate in a knowledge-based economy may simply create a more daunting set of long term problems for immigrants and their children.<sup>59</sup>

The analysis for Europe clearly shows the importance of citizenship for the process of integration. There is, however, no simple causality. On the one hand, naturalization may help to gain access to certain segments of the labor market and to reduce discrimination. On the other hand, it is evident that successful economic integration of

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<sup>53</sup> See Lowell (2004), Papdemetriou and O'Neill (2004).

<sup>54</sup> See Münz and Fassmann (2004).

<sup>55</sup> See European Commission (2003a).

<sup>56</sup> See European Commission (2000, 2003a).

<sup>57</sup> For a summary of such integration programs see Bade, Bommers and Münz (2004), Ray (2004), Tijdelijke Commissie onderzoek Integratiebeleid (2004), Heckmann and Schnapper (2003).

<sup>58</sup> The US-born population also experienced varying degrees of socio-economic mobility during the 1990s.

<sup>59</sup> See Ray (2004), Portes and Rumbaut (2001).

immigrants makes it more likely that they become citizens of the receiving country.<sup>60</sup> In any case the results clearly show that sustained efforts for the economic and civic integration of immigrants and their native-born children (i.e., the so-called second generation) are necessary.<sup>61</sup> This goes along with efforts of the EU to implement anti-discrimination and equal opportunities legislation in all its member states.<sup>62</sup>

## Outlook

Europe's demographic situation is characterized by longevity and low fertility. This leads to aging and eventually shrinking domestic populations and work forces. Given the high levels of employment already reached by skilled EU-nationals, recruitment of migrants from third countries is increasingly appearing as the main way of responding to the growing demand for medium and high skilled labor. At the same time, Europe experiences a continuing demand for low skilled labor.<sup>63</sup> For these demographic and economic reasons, during the 21<sup>st</sup> century, all present EU+EEA member states will either remain or become immigration countries.

After 2010, many countries will have to develop pro-active migration policies to meet burgeoning demographic and economic needs. For a relatively short period of time, European East-West migration will continue to play a role.<sup>64</sup> But in the medium and long term, potential migrants will inevitably be recruited from other world regions. In this context, Europe will have to compete with traditional countries of immigration—in particular Australia, Canada, and the USA—for qualified migrants to fill labor gaps. The main challenge will be to put Europe in a position that allows the EU and its member states to actually attract and recruit migrants matching EU labor market needs and to sustain economic growth as well as support for the public pension system. In this

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<sup>60</sup> This can be demonstrated for Canada (see DeVorez and Pivnenko 2004) and for Sweden (see Bevelander 2000).

<sup>61</sup> “Since the launch of the European Employment Strategy (EES) in 1997, the integration of disadvantaged groups, including migrant workers and ethnic minorities, as well as combating discrimination, have been key features of the employment guidelines. In its Communication of July 17<sup>th</sup> 2002, the Commission reviewed the experience of five years of the EES and identified major issues for the debate on its future. These include reducing the employment gap between EU nationals and non-EU nationals, promoting full participation and employment for 2nd generation migrants, addressing the specific needs of immigrant women, fighting illegal immigration and transforming undeclared work into regular employment.” (European Commission 2003a)

<sup>62</sup> “The EU has also put in place a legal framework to combat discrimination – which can seriously impede the integration process – and in particular common minimum standards to promote equal treatment and to combat discrimination on grounds of racial or ethnic origin, religion or belief, age, disability and sexual orientation. Directives approved at EU level in 2000 will give important new rights both to arriving migrants and to established ethnic minorities in the EU. The scope of Community legislation banning racial discrimination is wide and covers employment, education, social security, health care, access to goods and services and to housing. Although the directives do not cover discrimination on grounds of nationality, and are without prejudice to the conditions relating to the entry and residence of third country nationals and to any treatment, which arises from their legal status, they do apply to all persons resident in the Member States, including third country nationals. In addition, several activities aiming at exchange of experiences and good practice are carried out under the accompanying programme to combat discrimination. The Commission also supports the work of the European Monitoring Centre on Racism.” (European Commission 2003a) See also EUMC (2003).

<sup>63</sup> See European Commission (2004a, 2005h).

<sup>64</sup> See Fassmann and Münz (2002), Krieger (2004).

context a pro-active approach to immigration can play a crucial role in tackling shortages of labor and skills, provided the qualifications of immigrants are appropriate.<sup>65</sup>

The demographic projections are relatively robust. For the foreseeable future they clearly indicate a decline of Europe's native working age population. There are, however, significant impediments to deriving accurate projections to help with the middle and long-term planning of policies to meet labor supply requirements. This partly is linked to problems with predicting phenomena that are influenced by complex, often volatile economic factors, and that may also be significantly affected by unforeseeable policy developments in years to come. Accurate projections are also difficult to disaggregate, especially regarding occupations and skills requirements. In any case, while demographic projections give a clear picture for the next 40 years, projections of emerging skills gaps cannot realistically cover more than a 15-year time frame at most. More accurate or disaggregated projections may not even be possible for such a time span.<sup>66</sup>

The migrants most likely to help match shortages of labor and skills and with the best chances to integrate are probably those who are able to adapt to changing conditions, by virtue of their qualifications, experience and personal abilities. Future selection mechanisms of a pro-active migration policy must be put in order to assess both qualifications and adaptability of potential immigrants.<sup>67</sup> Given international competition for talent and skills, European countries and the EU as a whole will not only have to establish selection and admission mechanisms, but will also have to offer the migrants sufficiently attractive conditions.

At the same time, given the political sensitivity of immigration, it is likely that governments will find it difficult to justify introducing programs in the absence of already existing acute labor shortages. Even if projections predict quantitative and qualitative shortages with a sufficient degree of certainty, governments may require more tangible "proof" in order to convince their electorates of the need for additional foreign labor. This implies that while projections may provide a basis for policy planning in the areas of education, labor market, welfare or social reforms, because of the special political sensitivity linked to immigration, it is likely that migration policy will remain subject to more short-term, ad hoc planning.<sup>68</sup> In this context the EU is well placed to develop medium and long-term migration policies able to cope with the demographic and economic challenges for Europe described in this paper.

Today both Europe and North America are home or host to more than one fifth of the world's migrant population each. Along with the US and Canada, Western Europe has become one of the two most important destinations on the world map of international migration. And, given foreseeable demographic and economic imbalances, it is not only likely but also necessary that Europe remain on that map and continues to manage economically motivated migration for its own benefit. In this context future labor

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<sup>65</sup> See European Commission (2003), Holzmann and Münz (2004).

<sup>66</sup> See Boswell et al. (2004).

<sup>67</sup> See Holzmann and Münz (2004); for the experiences of traditional countries of immigration see Papademetriou and O'Neil (2004).

<sup>68</sup> See Boswell et al. (2004).

market needs will lead to increased competition among EU member states and between OECD countries as they will try to recruit attractive potential immigrants. Such a competition calls for policy co-ordination and for sustained efforts in the area of integration to ensure equal opportunities for the actors involved. In this context, today, many deplore a lack of integration of immigrants with different ethnic and religious background.

Potential migrants will inevitably be recruited from other world regions. In this context, Europe will have to compete with traditional countries of immigration—in particular with the US, Canada, and Australia—for qualified migrants to fill labor gaps. The main challenge will be to put Europe in a position that allows the EU and its member states to actually attract and recruit migrants matching EU labor market needs and needs to sustain economic growth as well as support for the public pension system.

In this context a pro-active approach to immigration could play a crucial role in tackling shortages of labor and skills, provided the qualifications of immigrants are appropriate. The migrants most likely to help match shortages of labor and skills and with the best chances to integrate are probably those who are able to adapt to changing conditions, by virtue of their qualifications, experience and personal abilities. Future selection mechanisms of a pro-active migration policy should therefore assess both qualifications and adaptability of potential immigrants. Because of an already existing international competition for talent and skills, European countries and the EU as a whole will not only have to establish selection and admission mechanisms, but will also have to offer the migrants sufficiently attractive conditions.

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## Tables

**Table 1: Cumulative Net Migration Flows in Europe, 1950-2005**

	Cumulative Net Flows (+inflow, -outflow)											
	1950-1960		1961-1970		1971-1980		1981-1990		1991-2000		2001-2005	
	in thousands	annual rate in ‰	in thousands	annual rate in ‰	in thousands	annual rate in ‰	in thousands	annual rate in ‰	in thousands	annual rate in ‰	in thousands	annual rate in ‰
<b>Total EU 25</b>	<b>-2,284</b>	<b>-0.6</b>	<b>148</b>	<b>0.0</b>	<b>3,078</b>	<b>0.7</b>	<b>2,926</b>	<b>0.7</b>	<b>7,343</b>	<b>1.7</b>	<b>8,786</b>	<b>3.8</b>
Austria	-129	-1.8	67	0.9	79	1.0	138	1.8	238	3.0	235	5.8
Belgium	86	0.9	114	1.2	111	1.1	28	0.3	142	1.4	198	3.8
Cyprus <sup>1</sup>	n.a.	n.a.	-31	-5.3	-147	-29.9	21	3.9	68	10.5	54	15.2
Czech Republic	37	0.4	-99	-1.0	-18	-0.2	-39	-0.4	87	0.8	50	1.0
Denmark	-59	-1.3	34	0.7	22	0.4	45	0.9	133	2.6	40	1.4
Estonia	58	4.8	90	7.0	63	4.4	32	2.1	-147	-10.2	1	0.1
Finland	-85	-1.9	-178	-3.9	4	0.1	44	0.9	60	1.2	33	1.2
France	973	2.1	2,033	4.2	605	1.2	494	0.9	227	0.4	718	2.4
Germany <sup>2</sup>	1,011	1.4	1,488	2.0	1,505	1.9	2,022	2.6	3,347	4.1	799	2.0
Greece	-201	-2.4	-397	-4.7	258	2.9	220	2.2	718	6.8	193	3.6
Hungary	-190	-1.9	6	0.1	-19	-0.2	-167	-1.6	177	-1.7	64	1.2
Ireland	-392	-13.8	-140	-4.9	105	3.3	-204	-5.8	112	3.1	217	10.9
Italy	-1,014	-2.0	-972	-1.9	-84	-0.2	-132	-0.2	410	0.7	1,889	6.6
Latvia	62	3.0	133	5.9	98	4.0	74	2.9	-172	-6.9	-10	-0.8
Lithuania	-112	-4.1	43	1.5	52	1.6	86	2.4	-217	-6.0	-29	-1.6
Luxembourg	7	2.2	16	4.9	27	7.6	16	4.4	39	9.6	12	5.4
Malta	n.a.	n.a.	-54	-16.8	-3	-1.0	4	1.2	16	4.3	9	4.6
Netherlands	-164	-1.4	113	0.9	330	2.4	206	1.4	370	2.4	58	0.8
Poland	-308	-1.0	-300	-1.0	-307	-0.9	315	0.9	-543	-1.4	-71	-0.4
Portugal	-637	-7.2	-1,306	-14.5	383	4.3	-209	-2.1	199	2.0	284	5.4
Slovakia	73	1.8	-92	-2.1	-41	-0.9	-36	-0.7	-48	0.9	10	0.4
Slovenia	-50	-3.2	14	0.9	62	3.5	25	1.3	-9	0.5	19	2.0
Spain	-796	-2.6	-608	-1.9	144	0.4	-227	-0.6	1,302	3.3	2,967	14.2
Sweden	85	1.1	223	2.9	84	1.0	172	2.1	200	2.3	140	3.2
United Kingdom	-539	-1.0	-49	-0.1	-235	-0.4	-2	0.0	634	1.2	906	3.0
<b>EU Member States of 2007</b>												
Bulgaria	-165	-2.0	-20	-0.2	-134	-1.5	-351	-3.9	-370	-4.4	7	0.0

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Romania	-179	-0.9	-116	-0.6	-109	-0.5	263	1.2	-533	-2.3	-584	-5.4
<b>Total EU 27</b>	<b>-2,628</b>	<b>-0.7</b>	<b>12</b>	<b>0.0</b>	<b>2,835</b>	<b>0.6</b>	<b>2,838</b>	<b>0.6</b>	<b>6,440</b>	<b>1.4</b>	<b>8,209</b>	<b>3.4</b>
<b>EU Candidates Countries</b>												
Croatia	-140	-3.3	-1	0.0	-28	-0.6	-6	-0.1	-201	-4.2	56	2.6
Macedonia	10	0.7	-37	-2.5	1	0.1	-253	-12.6	-10	-0.5	-31	-2.9
Turkey <sup>3</sup>	25	0.1	-488	-1.6	-488	-1.2	-488	-1.0	-513	-0.8	-413	-1.2
<b>Other EEA and Switzerland</b>												
Iceland	0	0.0	-5	-2.6	-5	-2.3	0	0.0	2	0.8	5	3.4
Liechtenstein	0	4.9	2	10.5	2	8.4	2	7.5	2	6.5	1	5.8
Norway	-23	-0.6	1	0.0	40	1.0	58	1.4	102	2.4	68	3.0
Switzerland	307	5.8	326	5.6	-89	-1.4	255	4.0	251	3.6	198	5.4
<b>Other South-Eastern Europe</b>												
Albania <sup>4</sup>	7	0.4	7	0.4	-6	-0.3	-43	-1.5	-311	-9.6	-350	-22.4
Bosnia <sup>5</sup>	-182	-5.7	-224	-6.3	-133	-3.4	-20	-0.5	-350	-8.8	31	1.6
Moldova	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Serbia, Montenegro <sup>6</sup>	-111	-1.4	-29	-0.3	-29	-0.3	174	1.7	-1	0.0	50	1.6

*Notes:*

<sup>1</sup> 1971-2005: Since 1971, Greek part of Cyprus only.

<sup>2</sup> 1951-1990: Migration between East (GDR) and West Germany (FRG) not included.

<sup>3</sup> 1961-1990: Estimates for Turkey based on an average for 1961-1990.

<sup>4</sup> 1971-1980: Data for 1978 missing.

<sup>5</sup> 2001-2005: Provisional data.

<sup>6</sup> 1961-1980: Estimates for Serbia based on an average for 1961-1980.

Source: Brücker (2002); Laczko and Münz (2003); UN Population Division Data Base (2006), own calculations.

**Table 2: Demographic Indicators in Europe, 2005**

	Pop. January 2005	births	deaths	Nat. pop. change	Net migration	Total pop. change	Pop. January 2006
	in 1,000	per 1,000 population					in 1,000
<b>EU 27</b>	<b>488,910</b>	<b>10.5</b>	<b>9.9</b>	<b>0.6</b>	<b>3.3</b>	<b>3.9</b>	<b>490,816</b>
Austria	8,207	9.4	9.0	0.4	7.4	7.8	8,270
Belgium	10,446	11.4	10.0	1.4	3.2	4.6	10,494
Bulgaria	7,761	9.0	14.6	-5.6	-1.8	-7.4	7,704
Cyprus <sup>1</sup>	749	10.9	6.7	4.1	27.2	31.3	773
Czech Rep.	10,221	10.0	10.5	-0.5	3.5	2.9	10,251
Denmark	5,411	11.8	10.3	1.6	1.4	3.0	5,428
Estonia	1,347	10.6	13.1	-2.5	-0.3	-2.8	1,343
Finland	5,237	11.0	9.2	1.8	1.7	3.5	5,255
France	60,561	12.6	8.8	3.7	1.7	5.4	60,892
Germany	82,501	8.4	10.1	-1.7	1.2	-0.5	82,456
Greece	11,076	9.4	9.2	0.2	3.1	3.3	11,112
Hungary	10,098	9.6	13.5	-3.9	1.8	-2.1	10,076
Ireland	4,109	15.3	6.5	8.8	11.4	20.2	4,193
Italy	58,462	9.9	10.4	-0.5	5.8	5.3	58,772
Latvia	2,306	9.3	14.2	-4.9	-0.5	-5.4	2,294
Lithuania	3,425	8.9	12.9	-4.0	-3.0	-7.0	3,401
Luxemburg	455	11.5	7.6	3.9	3.4	7.3	458
Malta	403	9.9	7.2	2.7	5.0	7.8	406
Netherlands	16,306	11.6	8.4	3.1	-1.2	2.0	16,338
Poland	38,174	9.4	9.7	-0.3	-0.3	-0.7	38,148
Portugal	10,529	10.5	9.7	0.8	3.9	4.7	10,579
Romania	21,659	10.2	12.3	-2.1	-0.5	-2.5	21,604
Slovakia	5,385	10.0	9.8	0.2	0.8	0.9	5,390
Slovenia	1,998	8.8	9.2	-0.5	3.6	3.1	2,004
Spain	43,038	10.9	8.8	2.1	15.0	17.1	43,781
Sweden	9,011	10.4	9.9	0.5	2.7	3.2	9,040
UK	60,035	11.9	9.9	2.0	3.3	5.3	60,354
<b>Candidate Countries</b>							
Croatia	4,444	9.4	11.1	-1.7	2.6	0.9	4,448
Macedonia	2,030	:	:	:	:	0.2	2,034
Turkey	71,610	18.9	6.2	12.7	0.0	12.7	72,520
Iceland	294	14.2	6.2	7.9	2.0	10.0	297
Liechtenstein	35	10.8	6.4	4.5	3.8	8.3	35
Norway	4,606	12.4	8.8	3.7	4.7	8.4	4,645
Switzerland	7,415	9.6	8.3	1.3	4.7	6.0	7,460

Notes:

<sup>1</sup> Greek part of Cyprus only.



Source: EUROSTAT, Chronos Database; for Macedonia: World Development Indicators 2006; Münz et al. (2006).

**Table 3: Labor force with foreign citizenship (EU and non-EU) and foreign-born labor force in selected countries of Western and Central Europe, 2004 (absolute size and as share of total labor force)**

Country	Foreign-born Labor Force Total In 1,000	Foreign-born Labor Force As Percent of Total Labor Force	Regular Foreign Labor Force Total In 1,000	Foreign Labor Force As Percent of Total Labor Force
Austria	585	15.3	320	8.4
Belgium	512	11.5	357	8.0
Czech Rep.	109	1.2	36	0.7
Denmark	161	5.9	107	3.9
Finland	70	2.6	41	1.5
France	2,990	11.3	1,444	5.4
Germany	4,800	12.2	3,539	9.0
Greece <sup>3</sup>	402	8.5	303	6.4
Hungary <sup>4</sup>	85	2.1	30	0.7
Ireland	188	10.0	112	5.9
Italy <sup>4</sup>	1,350	5.6	759	3.2
Luxembourg	88	45.0	88	45.0
Netherlands	929	11.1	299	3.6
Norway	167	7.1	88	3.8
Portugal <sup>4</sup>	379	7.3	150	2.9
Spain <sup>4</sup>	2,241	11.2	1,852	9.3
Sweden	606	13.3	204	4.5
Switzerland	1,022	25.3	889	22.0
United Kingdom	2,759	9.6	1,557	5.5
<b>Total</b>	<b>19,443</b>	<b>8.6</b>	<b>12,175</b>	<b>5.4</b>

Notes:

<sup>1</sup> EU citizens from other EU Member States and third country nationals in 2005 according to OECD Data Base (UN Data Base and national sources for Cyprus, Estonia, Italy, Latvia, Lithuania, Malta, and Slovenia);

<sup>2</sup> Intra-EU migrants from other EU Member States and migrants born in third countries in 2005 according to UN Data Base (OECD Data Base for Belgium and the Netherlands);

<sup>3</sup> Data based on third country nationals entering Greece for legal employment;

<sup>4</sup> Substantial irregular foreign work force not included in country results.

Source: OECD (2006).

**Table 4: Foreign-national and foreign-born population in Europe (EU 25/27, EEA EU candidate countries, Switzerland), 2005**

	Foreign nationals <sup>1</sup>		Foreign born <sup>2</sup>	
	in 1000	%	in 1000	%
<b>EU 25</b>	<b>23,837</b>	<b>5.2</b>	<b>40,501</b>	<b>8.8</b>
Austria	777	9.5	1,234	15.1
Belgium	871	8.4	1,186	11.4
Cyprus <sup>3</sup>	65	9.4	116	13.9
Czech Republic	254	2.5	453	4.4
Denmark	268	4.9	389	7.2
Estonia	95	6.9	202	15.2
Finland	108	2.1	156	3.0
France	3,263	5.6	6,471	10.7
Germany	6,739	8.9	10,144	12.3
Greece	762	7.0	974	8.8
Hungary	142	1.4	316	3.1
Ireland	223	5.5	585	14.1
Italy <sup>4</sup>	2,402	4.1	2,519	4.3
Latvia	103	4.3	449	19.5
Lithuania	21	0.6	165	4.8
Luxembourg <sup>5</sup>	177	39.0	177	37.4
Malta	7	1.6	11	2.7
Netherlands	699	4.3	1,736	10.6
Poland	49	0.1	703	1.8
Portugal	449	4.3	764	7.3
Slovakia	22	0.4	124	2.3
Slovenia	37	1.9	167	8.5
Spain	2,984	6.9	4,790	11.1
Sweden	463	5.1	1,117	12.4
United Kingdom	2,857	2.9	5,553	9.3
<b>EU Member States of 2007</b>				
Bulgaria	26	0.3	104	1.3
Romania	26	0.1	103	0.6
<b>EU 27</b>	<b>23,889</b>	<b>4.9</b>	<b>40,708</b>	<b>8.3</b>
<b>EU candidate countries (CC)</b>				
Croatia	18	0.4	661	14.5
Macedonia	:	:	101	5.2
Turkey	94	0.1	1,279	1.9
<b>Other EEA and Switzerland</b>				
Iceland	:	:	23	7.3
Liechtenstein	:	:	12	33.9
Norway	213	4.6	344	7.4
Switzerland	1,495	20.2	1,660	22.9
<b>EU 27/ EEA / candidate countries/ CH</b>	<b>25,709</b>	<b>4.4</b>	<b>44,788</b>	<b>7.7</b>

Notes:

<sup>1</sup> EU citizens from other EU Member States and third country nationals in 2005 according to OECD Data Base (UN Data Base and national sources for Cyprus, Estonia, Italy, Latvia, Lithuania, Malta, and Slovenia);

<sup>2</sup> Intra-EU migrants from other EU Member States and migrants born in third countries in 2005 according to UN Data Base (OECD Data Base for Belgium and the Netherlands);

<sup>3</sup> Greek part of Cyprus only;

<sup>4</sup> Foreign nationals for Italy: ISTAT 2006;

<sup>5</sup> Foreign nationals for Luxembourg: Census Data 2001.

*Source:* Foreign-born population: OECD Data Base (2006), UN (2005); Foreign national population: OECD Data Base (2006), UN (2005), Eurostat; national sources (see notes); own calculations.

**Table 5: Population aged 25 to 64 by place of birth, level of education, and country of residence, 2005 (in percent)<sup>1</sup>**

	Born in country of residence			Born in an other EU27 country			Born in a country outside EU27		
	Low	Medium	High	Low	Medium	High	Low	Medium	High
<b>EU27</b>	<b>28.1</b>	<b>47.6</b>	<b>24.3</b>	<b>30.7</b>	<b>41.0</b>	<b>28.3</b>	<b>36.3</b>	<b>37.9</b>	<b>25.8</b>
Austria	16.5	65.8	17.7	14.0	57.7	28.3	45.6	41.5	12.9
Belgium	32.7	36.2	31.1	41.8	26.5	31.7	48.3	25.4	26.3
Cyprus	33.9	40.2	26.0	25.1	31.8	43.1	38.1	29.5	32.4
Czech Republic	9.9	77.2	13.0	23.6	62.2	14.3	15.9	54.2	29.9
Denmark	17.0	50.5	32.4	(10.6)	42.2	47.2	26.4	35.7	37.8
Estonia	11.0	56.2	32.8	:	:	:	10.5	52.5	37.0
Finland	20.8	44.6	34.6	20.5	47.0	32.5	28.3	44.8	26.9
France	31.3	43.5	25.2	51.0	28.7	20.3	47.6	27.9	24.5
Germany	12.4	62.2	25.4	:	:	:	:	:	:
Greece	40.4	38.9	20.8	25.3	51.3	23.4	44.4	40.5	15.0
Hungary	24.1	59.0	16.8	16.4	60.8	22.8	11.0	57.9	31.1
Ireland	37.0	35.9	27.2	25.5	35.5	39.0	13.1	27.9	59.0
Italy	50.0	38.1	11.9	:	:	:	:	:	:
Latvia	16.7	62.4	20.9	(33.7)	43.6	:	12.1	62.6	25.3
Lithuania	13.1	60.5	26.5	:	:	:	7.7	65.3	27.0
Malta	74.7	13.7	11.5	68.2	10.9	20.9	50.4	26.1	23.5
Netherlands	28.0	40.8	31.2	14.9	51.2	33.9	33.8	44.1	22.1
Poland	15.3	68.2	16.5	38.7	47.4	(13.9)	(19.9)	58.1	22.0
Portugal	75.7	12.5	11.8	45.3	27.9	26.8	50.5	25.9	23.6
Slovakia	12.3	73.9	13.8	(15.5)	63.9	20.6	:	:	:
Slovenia	18.4	60.7	20.8	(21.8)	(60.9)	(17.3)	30.3	57.5	12.2
Spain	52.8	19.1	28.2	32.2	33.0	34.8	43.9	30.0	26.1
Sweden	15.7	55.1	29.2	16.6	50.3	33.1	23.0	46.1	30.9
United Kingdom	14.4	56.2	29.5	14.8	56.7	28.6	20.0	50.0	30.0

Notes:

<sup>1</sup> Incomplete EU27 average: education levels of natives do not include data for Bulgaria, Luxembourg and Romania; education levels of immigrants (born in another EU27 country or outside EU27) do not include data for Bulgaria, Germany, Italy, Luxemburg and Romania.

Data in brackets are of limited reliability due to the small sample size.

Source: European Labour Force Survey (LFS) ad hoc modules, Eurostat; own calculations.

**Table 6: Population aged 25 to 64 by place of birth and level of education, 2005 (in percent)<sup>1</sup>**

Highest Education Level Completed (in Percent)	Immigrant Population by Known Country of Birth										EU15 Total Population
	EU15 West <sup>2</sup>	EU15 South <sup>3</sup>	EU8 <sup>4</sup>	EU2, CEE <sup>5</sup>	Turkey	Africa, Middle East	USA, Canada, Austral.	Latin America, Caribb.	Asia	Total Immigrants	
<b>Low<sup>6</sup></b>	27.1	64.1	25.2	40.0	65.7	46.9	12.1	37.3	34.2	40.3	40.7
<b>Medium<sup>7</sup></b>	39.4	25.9	52.4	40.1	27.3	31.4	44.4	39.1	41.4	36.5	37.8
<b>High<sup>8</sup></b>	33.5	10.0	22.4	19.8	6.9	21.7	43.6	23.6	24.4	23.2	21.5
<b>Total (Percent)</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Total (in 1,000s)</b>	3,810	1,848	770	1,902	709	5,955	622	2,685	1,939	21,087	198,678

*Notes:*

<sup>1</sup> Incomplete EU15 average: education levels of natives do not include data for Luxembourg; education levels of immigrants do not include data for Germany, Italy, and Luxembourg;

<sup>2</sup> EU15 residents born in another EU15 country (except Italy, Greece, Portugal, or Spain) or born in Iceland, Liechtenstein, Norway, or Switzerland;

<sup>3</sup> EU15 residents born in Italy, Greece, Portugal, or Spain but living in another EU15 country;

<sup>4</sup> EU15 residents born in new EU member states (that joined in 2004);

<sup>5</sup> EU15 residents born in new EU member states (that joined in 2007), other countries of Central/Eastern Europe and the Balkans, Russia, Belarus, Ukraine, Caucasus, Central Asia;

<sup>6</sup> Completed primary education only;

<sup>7</sup> Completed lower or upper secondary education only;

<sup>8</sup> Completed tertiary education.

*Source:* Labour Force Survey (2005), own calculations.

**Table 7: Employment rates by citizenship and gender, 2005 compared to 2000 (in percent)**

	EU15 nationals			EU15 foreigners		
	Total	Males	Fem.	Total	Males	Fem.
<b>2005</b>						
European Union (EU15) <sup>1</sup>	67.0	73.6	60.4	55.6	66.0	45.4
Austria	69.1	75.6	62.7	60.6	70.6	50.9
Belgium	61.9	68.3	55.4	37.0	50.7	23.5
Denmark	76.3	80.5	72.0	50.3	61.1	43.4
Finland	69.5	71.1	67.8	47.5	54.9	42.1
France	64.0	69.2	59.0	44.5	59.0	30.6
Germany	66.6	72.0	61.2	48.2	58.7	37.7
Greece	59.8	73.8	46.0	68.7	85.4	50.6
Ireland	67.0	75.9	58.1	68.6	78.2	56.0
Italy	:	:	:	:	:	:
Luxembourg	60.9	70.5	51.0	56.9	74.3	43.7
Netherlands	74.1	80.7	67.4	42.0	54.1	30.9
Portugal	67.5	73.3	61.8	72.7	79.5	66.2
Spain	62.5	74.5	50.2	70.7	80.1	61.3
Sweden	73.5	75.3	71.6	46.3	50.3	42.8
United Kingdom	72.1	77.8	66.5	59.6	67.4	52.4
<b>2000</b>						
European Union (EU15) <sup>1</sup>	65.6	73.8	57.4	50.8	62.6	38.9
Austria	68.3	77.3	59.3	70.7	82.7	57.8
Belgium	62.1	70.6	53.6	33.7	47.8	18.8
Denmark	77.1	81.3	72.9	50	55.3	45.3
Finland	68.4	71.3	65.4	48.1	54.2	41.8
France	:	:	:	:	:	:
Germany	66.3	73.4	59.2	51.2	62.1	39.4
Greece	56.4	71.3	41.7	65.0	84.0	46.2
Ireland	64.7	76.0	53.4	49.7	56.4	41.4
Italy	:	:	:	:	:	:
Luxembourg	61.6	75	46.7	53.3	68.3	40.8
Netherlands	73.8	82.9	64.5	44.7	59.1	30.7
Portugal	68.2	76.2	60.4	72.3	76.2	67.8
Spain	56.0	71.0	41.1	60.3	75.5	46.1
Sweden	72.3	73.7	70.8	42.7	45.7	39.5
United Kingdom	71.6	78.2	65.2	54.2	64.0	46.0

Notes:

<sup>1</sup> Incomplete EU15 average: employment rates of citizens and legal foreign residents do not include data for Italy (2005, 2000) and France (2000).

Source: Community Labour Force Survey (LFS), 2005; Eurostat, Münz et al. (2006b).

**Table 8: Employment rates of population aged 15 to 64 by place of birth and gender, 2005 (in percent)**

	Born in country of residence			Born in an other EU27 country			Born in a country outside EU27		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
EU27 <sup>1</sup>	64.5	71.2	57.7	66.8	74.4	60.2	60.3	69.8	51.2

Austria	68.8	74.5	63.0	66.6	71.3	63.1	58.8	66.2	51.5
Belgium	62.8	68.7	56.7	56.9	67.6	47.2	43.2	55.6	31.2
Cyprus	68.4	80.1	56.8	61.8	73.8	52.2	74.4	76.9	72.8
Czech Republic	64.7	73.3	56.1	59.1	64.6	53.1	68.8	88.1	46.4
Denmark	76.8	80.8	72.6	67.7	71.8	64.0	56.6	68.0	48.4
Estonia	64.4	65.4	63.4	60.7	:	:	68.7	73.6	64.8
Finland	69.6	71.2	68.0	64.4	70.9	58.0	48.4	53.9	43.6
France	63.6	68.6	58.6	65.5	73.7	58.6	53.6	63.4	44.1
Germany	67.0	72.2	61.8	:	:	:	:	:	:
Greece	59.8	73.8	45.9	62.8	77.3	53.6	66.6	83.8	47.8
Hungary	56.7	62.8	50.9	62.2	73.9	52.6	63.2	70.9	56.5
Ireland	67.0	75.8	58.0	71.6	81.8	60.6	61.0	71.0	50.2
Italy	57.3	69.4	45.3	:	:	:	:	:	:
Latvia	62.3	65.6	59.3	62.4	(66.3)	(58.4)	69.1	79.3	60.4
Lithuania	62.4	65.8	59.1	:	:	:	73.0	82.7	64.5
Malta	53.5	73.6	33.3	45.2	72.7	26.0	61.6	73.1	48.2
Netherlands	75.1	81.6	68.5	69.1	76.4	63.5	58.6	67.4	49.6
Poland	52.4	58.3	46.6	(26.1)	(25.2)	(27.1)	29.4	(36.5)	(22.5)
Portugal	67.2	73.1	61.4	66.0	74.4	58.1	74.8	79.8	70.4
Slovakia	57.5	64.1	50.9	48.4	62.6	36.8	(70.2)	:	:
Slovenia	65.9	69.8	61.8	(59.2)	(69.9)	(51.1)	68.2	75.5	61.0
Spain	62.3	74.4	50.0	70.2	79.6	61.4	69.6	79.5	60.0
Sweden	74.6	76.3	72.9	72.9	75.3	70.7	54.9	58.4	51.4
United Kingdom	72.4	77.9	67.0	70.7	76.6	65.7	61.4	71.0	52.4

Notes:

<sup>1</sup>Incomplete EU27 average: employment rates of natives do not include data for Bulgaria, Luxemburg, and Romania; employment rates of immigrants (born in another EU27 country or outside the EU27) do not include data for Bulgaria, Germany, Italy, Luxemburg and Romania.

Data in brackets are of limited reliability due to the small sample size.

Source: European Labour Force Survey (LFS) ad hoc modules, Eurostat; own calculations.

**Table 9: Employment rates of population aged 15 to 64 by citizenship and gender, 2005 (in percent)**

	Citizen of the country of residence			Citizen of an other EU27 country			Citizen of a country outside EU27		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
<b>EU27<sup>1</sup></b>	<b>64.9</b>	<b>71.4</b>	<b>58.4</b>	<b>67.0</b>	<b>75.1</b>	<b>59.0</b>	<b>54.4</b>	<b>64.8</b>	<b>43.7</b>
Austria	68.3	74.1	62.5	70.5	76.3	65.9	57.1	64.6	49.2
Belgium	61.9	68.3	55.4	59.8	68.3	50.4	34.0	48.0	19.5
Cyprus	68.3	80.1	56.8	66.8	75.0	58.2	75.8	74.3	76.6
Czech Republic	64.6	73.2	56.0	74.0	84.7	62.2	70.8	88.3	49.7
Denmark	76.3	80.5	72.0	67.3	78.2	57.1	50.1	61.5	42.2
Estonia	65.7	66.3	65.2	:	:	:	61.8	67.3	56.4
Finland	69.5	71.1	67.8	61.3	70.9	51.7	45.1	52.9	38.6
France	63.5	68.6	58.5	66.3	75.1	57.9	44.3	58.6	29.4
Germany	66.7	72.1	61.2	64.2	73.0	54.8	47.7	58.5	36.3

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Greece	59.8	73.8	46.0	62.5	78.6	52.3	69.4	86.6	49.2
Hungary	56.7	62.9	50.9	65.2	76.4	56.1	67.8	76.1	59.5
Ireland	67.0	75.9	58.1	73.5	83.1	61.7	58.9	70.0	46.8
Latvia	63.1	66.9	59.5	:	:	:	(64.3)	:	:
Lithuania	62.6	66.2	59.2	:	:	:	72.8	87.5	:
Malta	53.6	73.6	33.4	40.1	68.2	25.4	62.9	73.0	52.7
Netherlands	74.1	80.7	67.5	75.2	82.3	68.1	41.2	53.8	28.7
Poland	52.2	58.2	46.4	:	:	:	(44.4)	(64.3)	(31.4)
Portugal	67.5	73.3	61.8	69.0	76.3	(59.5)	72.2	78.7	66.1
Slovakia	57.4	64.1	50.8	:	:	:	:	:	:
Slovenia	66.0	70.2	61.8	:	:	:	(54.5)	(76.9)	:
Spain	62.5	74.5	50.2	70.8	79.0	62.9	69.4	78.8	60.1
Sweden	73.5	75.3	71.6	71.9	75.0	68.9	44.7	49.2	40.6
United Kingdom	72.1	77.8	66.5	70.2	76.4	64.9	57.7	65.8	50.1

Notes:

<sup>1</sup>Incomplete EU27 average: employment rates do not include data for Bulgaria, Italy, Luxemburg and Romania.

Data in brackets are of limited reliability due to the small sample size.

Source: European Labour Force Survey (LFS) ad hoc modules, Eurostat; own calculations.

**Table 10: Unemployment rates of population aged 15 to 64 by place of birth and gender, 2005 (in percent)**

	Born in country of residence			Born in an other EU27 country			Born in a country outside EU27		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
<b>EU27<sup>1</sup></b>	<b>8.5</b>	<b>7.9</b>	<b>9.3</b>	<b>7.6</b>	<b>6.8</b>	<b>8.4</b>	<b>12.9</b>	<b>11.9</b>	<b>14.2</b>
Austria	4.3	4.1	4.4	6.2	6.3	6.0	13.3	14.0	12.3
Belgium	6.9	6.3	7.5	8.6	5.0	12.8	25.2	23.0	28.8
Cyprus	5.5	4.4	7.0	(7.1)	:	(9.9)	4.6	(5.4)	(4.0)
Czech Republic	7.7	6.2	9.7	14.6	14.2	15.2	9.1	:	21.6
Denmark	4.5	4.0	5.0	:	:	:	12.2	(9.1)	15.1
Estonia	8.0	10.0	6.0	:	:	:	(10.3)	:	:
Finland	9.3	9.3	9.4	15.5	:	(17.8)	28.8	30.4	26.9
France	8.6	8.1	9.2	6.7	5.8	7.7	18.1	16.2	20.6
Germany	10.4	10.6	10.1	:	:	:	:	:	:
Greece	9.7	5.9	15.2	10.9	(7.9)	13.4	10.1	6.1	16.8
Hungary	7.2	7.0	7.4	:	:	:	:	:	:
Ireland	4.1	4.5	3.5	5.7	5.6	(5.9)	(6.9)	:	:
Italy	7.4	6.2	9.2	:	:	:	:	:	:
Latvia	9.3	10.1	8.5	:	:	:	7.4	:	(10.8)
Lithuania	8.5	8.6	8.3	:	:	:	11.1	:	:
Malta	7.6	7.0	8.8	18.0	11.1	28.8	11.1	11.3	10.7
Netherlands	4.0	3.6	4.5	5.8	(6.2)	(5.4)	12.2	13.1	10.9
Poland	18.3	17.4	19.4	:	:	:	(15.8)	:	:
Portugal	7.5	6.8	8.4	(9.6)	:	:	8.9	(9.0)	(8.8)
Slovakia	16.3	15.7	17.0	29.1	(26.1)	(33.0)	:	:	:
Slovenia	5.7	5.7	5.8	:	:	:	(7.5)	(4.3)	(11.2)
Spain	9.1	7.0	12.0	9.8	7.8	12.0	11.9	10.1	14.1
Sweden	7.9	7.8	7.9	7.0	8.1	6.0	20.2	20.8	19.5
United Kingdom	4.3	4.7	3.7	5.9	6.5	5.3	7.9	7.8	7.9

Notes:

<sup>1</sup>Incomplete EU27 average: unemployment rates of natives do not include data for Bulgaria, Luxembourg, and Romania; unemployment rates of immigrants (born in an other EU27 country or outside EU27) do not include data for Bulgaria, Germany, Italy, Luxemburg and Romania.  
Data in brackets are of limited reliability due to the small sample size.

Source: European Labour Force Survey (LFS) ad hoc modules, Eurostat; own calculations.



**Table 11: Unemployment rates of population aged 15 to 64 by citizenship and gender, 2005 (in percent)**

	Citizen of the country of residence			Citizen of an other EU27 country			Citizen of a country outside EU27		
	Total	Males	Females	Total	Males	Females	Total	Males	Females
<b>EU27<sup>1</sup></b>	<b>9.0</b>	<b>8.5</b>	<b>9.6</b>	<b>9.9</b>	<b>9.6</b>	<b>10.4</b>	<b>17.7</b>	<b>17.3</b>	<b>18.3</b>
Austria	4.5	4.4	4.7	6.5	6.4	6.6	14.7	15.5	13.5
Belgium	7.4	6.6	8.3	9.6	7.1	13.1	34.1	32.9	36.8
Cyprus	5.5	4.3	7.0	7.0	(6.5)	(7.8)	(4.1)	:	(3.8)
Czech Republic	7.9	6.3	9.8	5.1	:	:	8.5	:	20.0
Denmark	4.7	4.1	5.3	:	:	:	13.9	:	(18.2)
Estonia	6.6	8.6	4.7	:	:	:	15.3	(15.3)	(15.4)
Finland	9.5	9.4	9.5	(16.8)	:	:	29.4	(30.8)	(27.8)
France	8.8	8.3	9.4	7.1	5.9	8.6	25.1	20.8	32.7
Germany	10.5	10.7	10.3	14.1	14.2	13.9	23.7	24.3	22.6
Greece	9.9	6.0	15.4	7.4	:	(10.9)	8.3	4.5	15.2
Hungary	7.2	7.0	7.4	:	:	:	:	:	:
Ireland	4.1	4.5	3.6	6.0	(6.1)	:	(6.9)	:	:
Latvia	9.1	9.5	8.7	:	:	:	:	:	:
Lithuania	8.6	8.7	8.5	:	:	:	:	:	:
Malta	7.8	7.2	9.0	22.1	17.2	28.1	6.6	5.3	8.5
Netherlands	4.5	4.2	4.9	(4.5)	:	:	18.7	19.8	(16.6)
Poland	18.3	17.4	19.4	:	:	:	:	:	:
Portugal	7.5	6.8	8.3	:	:	:	12.9	(11.2)	(14.8)
Slovakia	16.4	15.7	17.1	:	:	:	:	:	:
Slovenia	5.9	5.6	6.3	:	:	:	:	:	:
Spain	9.1	7.0	12.1	9.8	8.2	11.7	12.3	10.8	14.2
Sweden	8.4	8.4	8.4	7.5	8.6	6.2	26.0	28.4	23.1
United Kingdom	4.3	4.8	3.8	7.4	7.6	7.1	9.3	9.7	8.9

Notes:

<sup>1</sup> Incomplete EU27 average: unemployment rates do not include data for Bulgaria, Italy, Luxemburg and Romania.

Data in brackets are of limited reliability due to the small sample size.

Source: European Labour Force Survey (LFS) ad hoc modules, Eurostat; own calculations.

**Table 12: Labor force status of population aged 15 to 64 by place of birth and gender, EU15, 2005 (in percent)<sup>1</sup>**

Labor Force	Immigrant Population by Country of Birth	EU15 <sup>1</sup>
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Status		EU15 West <sup>2</sup>	EU15 South <sup>3</sup>	EU8 <sup>4</sup>	EU2, CEE <sup>5</sup>	Turkey	Africa, Middle East	USA, Canada, Austral.	Latin America, Carib b.	Asia	Total Immigrants	Total Population
Total	Employed	66.9	66.3	68.4	65.2	47.3	56.5	74.1	70.3	57.3	62.5	66.7
	Unemployed	4.9	4.3	8.3	8.8	11.5	11.1	3.7	8.8	5.7	8.0	5.3
	Inactive	28.3	29.3	23.3	26.0	41.2	32.4	22.2	21.0	37.0	29.6	28.0
	Total (Percent)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Active (Percent)	71.7	70.7	76.7	74.0	58.8	67.6	77.8	79.0	63.0	70.4	72.0
	Unemployment Rate (Percent)	6.8	6.1	10.9	11.9	19.6	16.4	4.7	11.1	9.0	11.3	7.4
	Total (in 1,000s)	3,083	1,364	636	1,797	653	5,236	562	2,517	2,247	18,341	160,314
Male	Employed	74.2	73.5	78.5	74.2	64.4	65.6	83.2	77.8	70.4	71.4	73.9
	Unemployed	5.4	3.5	8.1	8.4	12.4	12.5	2.3	8.0	5.8	8.4	5.3
	Inactive	20.3	23.0	13.4	17.5	23.2	21.8	14.5	14.3	23.8	20.2	20.8
	Total (Percent)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Active Percent	79.7	77.0	86.6	82.5	76.8	78.2	85.5	85.7	76.2	79.8	79.2
	Unemployment Rate (Percent)	6.8	4.5	9.4	10.1	16.2	16.0	2.7	9.3	7.6	10.5	6.7
	Total (in 1,000s)	1,397	689	264	869	339	2,746	246	1,128	1,061	8,852	79,857
Female	Employed	60.8	59.0	61.2	56.9	28.8	46.4	67.0	64.2	45.6	54.1	59.6
	Unemployed	4.4	5.2	8.5	9.2	10.6	9.4	4.7	9.4	5.6	7.5	5.3
	Inactive	34.9	35.8	30.3	34.0	60.6	44.2	28.3	26.4	48.8	38.3	35.1
	Total (Percent)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Active Percent	65.1	64.2	69.7	66.0	39.4	55.8	71.7	73.6	51.2	61.7	64.9
	Unemployment Rate (Percent)	6.7	8.1	12.2	13.9	26.9	16.9	6.6	12.8	10.9	12.2	8.1
	Total (in 1,000s)	1,685	675	372	928	314	2,490	315	1,390	1,186	9,489	80,458

Notes:

<sup>1</sup> Data for Germany and Italy not available;

<sup>2</sup> EU15 residents born in another EU15 country (except Italy, Greece, Portugal, or Spain) or born in Iceland, Liechtenstein, Norway, or Switzerland;

<sup>3</sup> EU15 residents born in Italy, Greece, Portugal, or Spain but living in another EU 15 country;

<sup>4</sup> EU15 residents born in new EU member states (that joined in 2004);

<sup>5</sup> EU15 residents born in new EU member states (that joined in 2007), other countries of Central/Eastern Europe and the Balkans, Russia, Belarus, Ukraine, Caucasus, Central Asia.

Source: Labour Force Survey (2005), own calculations.

**Table 13: Labor force status of population aged 15 to 64 by citizenship and gender, EU15, 2005 (in percent)<sup>1</sup>**

Labor Force Status		Legal Foreign Resident Population by Citizenship										EU15 <sup>1</sup> Total Population	
		EU15 West <sup>2</sup>	EU15 South <sup>3</sup>	EU8 <sup>4</sup>	EU2, CEE <sup>5</sup>	Turkey	Africa, Middle East	USA, Canada, Austral.	Latin America, Caribb.	Asia	Total Immigrants		
Total	Employed	67.3	66.9	62.9	60.4	45.4	46.8	72.2	70.8	54.0	58.7	66.3	
	Unemployed	5.2	7.7	12.5	11.6	12.8	14.7	4.2	9.1	7.0	10.2	6.1	
	Inactive	27.5	25.5	24.6	28.1	41.8	38.5	23.6	20.1	39.0	31.1	27.6	
	Total (Percent)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Active (Percent)	72.5	74.5	75.4	71.9	58.2	61.5	76.4	79.9	61.0	68.9	72.4	
	Unemployment Rate (Percent)	7.1	10.3	16.6	16.1	22.0	24.0	5.6	11.4	11.5	14.8	8.4	
	Total (in 1,000s)	2,414	2,161	828	2,544	1,807	2,853	466	1,735	882	16,463	215,020	
Male	Employed	75.1	74.3	72.2	70.5	59.3	58.3	80.9	78.2	67.4	68.4	73.2	
	Unemployed	6.0	8.1	14.8	12.0	16.8	17.2	3.8	8.1	7.4	11.6	6.4	
	Inactive	18.8	17.7	13.0	17.5	23.9	24.5	15.3	13.7	25.2	20.0	20.5	
	Total (Percent)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
	Active Percent	81.2	82.3	87.0	82.5	76.1	75.5	84.7	86.3	74.8	80.0	79.5	
	Unemployment Rate (Percent)	7.4	9.8	17.0	14.6	22.1	22.7	4.4	9.4	9.8	14.6	8.0	
	Total (in 1,000s)	1,171	1,189	347	1,242	941	1,587	224	772	402	8,272	107,404	
Female	Employed	60.0	57.8	56.2	50.7	30.3	32.2	64.1	64.8	42.7	49.0	59.5	
	Unemployed	4.4	7.2	10.9	11.1	8.4	11.7	4.7	9.9	6.8	8.7	5.8	
	Inactive	35.6	35.0	32.9	38.2	61.3	56.1	31.2	25.3	50.6	42.2	34.7	
	Total (Percent)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
	Active Percent	64.4	65.0	67.1	61.8	38.7	43.9	68.8	74.7	49.4	57.8	65.3	
	Unemployment Rate (Percent)	6.8	11.1	16.2	18.0	21.8	26.6	6.8	13.2	13.7	15.1	8.9	
	Total (in 1,000s)	1,243	971	481	1,302	865	1,265	243	961	480	8,192	107,616	

Notes:

<sup>1</sup> Data for Italy not available;

<sup>2</sup> EU 15 nationals (except Italy, Greece, Portugal, Spain) and nationals of Iceland, Liechtenstein, Norway, or Switzerland living in (another) EU 15 country;

<sup>3</sup> Nationals of Italy, Greece, Portugal, or Spain living in another EU 15 country;

<sup>4</sup> Nationals of new EU Member States (that joined in 2004);

<sup>5</sup> Nationals of new EU Member States (that joined in 2007), other countries in Central/Eastern Europe and the Balkans, Russia, Belarus, Ukraine, Caucasus, or Central Asia living in an EU 15 country.

Source: *Labour Force Survey (2005)*, own calculations.

**Table 14: Employment Rates of legal foreign residents (EU 27 and third-country nationals) by citizenship and of immigrants (born outside the country of residence) by place of birth, working age population (age group 15-64), EU15, 2005 (in percent)**

Citizenship/ Country of Birth	Employment rate in EU15					
	Male		Female		Total	
	Foreign National <sup>1</sup>	Foreign Born <sup>2</sup>	Foreign National <sup>1</sup>	Foreign Born <sup>2</sup>	Foreign National <sup>1</sup>	Foreign Born <sup>2</sup>
<b>EU15</b> <sup>3</sup>	74.7	74.0	59.0	60.3	67.1	66.7
<b>Non EU 15 Europe</b>	70.5	74.2	50.7	56.9	60.4	65.2
<b>N. Africa, M. East</b>	60.5	64.6	24.3	40.0	45.0	53.1
<b>North America</b>	80.6	80.1	61.2	63.1	70.5	70.2
<b>Turkey</b>	59.3	64.4	30.3	28.8	45.4	47.3
<b>Total</b> <sup>4</sup>	68.4	71.4	49.0	54.1	58.7	62.5
<b>EU 15 average</b>	<b>73.2</b>	<b>73.2</b>	<b>59.5</b>	<b>59.5</b>	<b>66.3</b>	<b>66.3</b>

Notes:

<sup>1</sup> Data on foreign nationals for Italy not available;

<sup>2</sup> Data on foreign born for Germany and Italy not available;

<sup>3</sup> EU15 nationals/people born in EU15 and currently living in EU15, but outside their country of citizenship or birth;

<sup>4</sup> All foreign nationals/all migrants.

Source: Labour Force Survey (2005), own calculations.

**Table 15: Employment rate of working age population (age group 15-64) born in the Maghreb and Turkey / nationals of Maghreb and Turkey in selected EU countries, 2005: Turkish/Maghreb nationals and Turkish/Maghreb born immigrants compared (in percent)**

	Immigrants from Maghreb countries <sup>1</sup>	Nationals of Maghreb countries <sup>1</sup>	Immigrants from Turkey	Nationals of Turkey
<b>Belgium</b>	36.3	24.8	33.9	27.8
<b>Denmark</b>	58.3	26.3	53.1	39.7
<b>Germany</b>	n/a	28.8	n/a	46.6
<b>Greece</b>	64.1	64.9	68.0	73.3
<b>Spain<sup>2</sup></b>	57.6	55.9	<sup>2</sup>	<sup>2</sup>
<b>France</b>	53.0	42.0	42.5	39.2
<b>Netherlands</b>	50.1	39.1	56.0	41.8
<b>Austria</b>	58.3	81.6	50.4	46.0
<b>Sweden</b>	70.3	22.4	52.1	27.6
<b>UK</b>	54.4	54.7	40.9	50.4

*Notes:*

<sup>1</sup> Algeria, Morocco, Tunisia;

<sup>2</sup> No Turkish labor migration to Spain.

*Source:* Labour Force Survey (2005), own calculations.

**Table 16: Immigrant work force and total work force (age group 15-64) by ISCO<sup>1</sup> skill level and place of birth, EU15, 2005 (in percent)<sup>2</sup>**

ISCO Skill Level	Immigrant Workforce by Country of Birth										EU15 <sup>2</sup> Total Work-force
	EU15 West <sup>3</sup>	EU15 South <sup>4</sup>	EU 8 <sup>5</sup>	EU2, CEE <sup>6</sup>	Turkey	Africa, Middle East	USA, Canada, Austral.	Latin America, Caribb.	Asia	Total Immig. Work-force	
Highly skilled non-manual	35.0	17.3	13.7	7.9	15.9	23.2	48.3	11.7	27.9	22.3	23.9
Medium skilled non-manual	16.9	7.5	10.3	5.1	6.5	12.3	18.8	8.7	11.5	11.3	14.5
Low skilled non-manual	24.6	18.3	26.7	18.3	18.0	23.2	17.7	28.9	29.5	24.2	26.8
Skilled manual	15.5	35.2	26.3	35.1	36.5	21.0	8.9	19.3	16.6	22.0	23.6
Non-skilled manual	7.5	21.7	23.0	33.5	23.0	20.0	4.8	31.2	14.2	19.9	10.6
Armed Forces	0.5	0.0	0.0	0.0	0.1	0.2	1.5	0.1	0.2	0.3	0.6
<b>Total (Percent)</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

<sup>1</sup> International Standard Classification of Occupations;

<sup>2</sup> Data for Germany and Italy not available;

<sup>3</sup> EU15 residents born in another EU15 country (except Italy, Greece, Portugal, Spain) or born in Iceland, Liechtenstein, Norway, or Switzerland;

<sup>4</sup> EU15 residents born in Italy, Greece, Portugal, or Spain but living in another EU 15 country;

<sup>5</sup> EU15 residents born in the new EU Member States (that joined in 2004);

<sup>6</sup> EU15 residents born in new EU member states (that joined in 2007), other countries of Central/Eastern Europe and the Balkans, Russia, Belarus, Ukraine, Caucasus, Central Asia.

Source: Labour Force Survey (2005), own calculations.

**Table 17: Legal foreign resident work force and total work force (age group 15-64) by ISCO<sup>1</sup> skill level and citizenship, EU15, 2005 (in percent)<sup>2</sup>**

ISCO Skill Level	Legal Foreign Resident Workforce by Citizenship										EU15 <sup>2</sup> Total Work-force
	EU15 West <sup>3</sup>	EU15 South <sup>4</sup>	EU 8 <sup>5</sup>	EU2, CEE <sup>6</sup>	Turkey	Africa, Middle East	USA, Canada, Austral.	Latin America, Caribb.	Asia	Total Immig. Work-force	
Highly skilled non-manual	38.8	16.5	12.3	7.1	6.7	11.3	48.6	6.0	24.7	17.4	23.0
Medium skilled non-manual	18.1	8.4	10.4	6.9	7.2	7.1	18.5	5.9	10.7	9.8	16.3
Low skilled non-manual	23.1	23.0	24.8	19.0	20.1	20.8	15.6	27.9	33.0	23.1	26.3
Skilled manual	13.4	33.5	29.2	36.5	43.1	29.2	10.1	20.8	14.9	26.7	23.9
Non-skilled manual	6.4	18.5	23.3	30.5	22.8	31.7	5.7	39.3	16.7	22.9	9.9
Armed Forces	0.1	0.0	0.0	0.0	0.0	0.0	1.5	0.1	0.0	0.1	0.6
<b>Total (Percent)</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Notes:*

<sup>1</sup> International Standard Classification of Occupations;

<sup>2</sup> Data for Italy not available;

<sup>3</sup> EU15 nationals (except Italy, Greece, Portugal, or Spain) and nationals of Iceland, Liechtenstein, Norway, or Switzerland living in (another) EU15 country;

<sup>4</sup> Nationals of Italy, Greece, Portugal, or Spain living in another EU 15 country;

<sup>5</sup> Nationals of new EU member states (that joined in 2004);

<sup>6</sup> EU15 residents born in new EU member states (that joined in 2007), other countries of Central/Eastern Europe and the Balkans, Russia, Belarus, Ukraine, Caucasus, Central Asia.

*Source:* Labour Force Survey (2005), own calculations.

**Table 18: Immigrant work force and total work force (age group 15-64) by sector/industry (NACE) and place of birth, EU15, 2005 (in percent)<sup>1</sup>**

NACE Sector or Industry	Immigrant Workforce by Country of Birth										EU15 <sup>1</sup> Total Work- force
	EU15 West <sup>2</sup>	EU15 South <sup>3</sup>	EU8 <sup>4</sup>	EU2, CEE <sup>5</sup>	Turkey	Africa, Middle East	USA, Can., Austral	Latin Amer., Caribb	Asia	Total Immig. Work- force	
Agric., fishing, mining	1,6	2,9	2,9	5,5	2,5	2,6	1,2	2,6	0,8	2,5	4,1
Manufacturing	14,9	16,8	16,4	15,9	23,5	12,6	11,6	10,5	16,2	14,1	16,4
Construction	5,7	17,3	15,3	22,1	12,4	9,3	6,1	13,8	2,7	10,8	8,3
Wholesale, retail trade	12,1	10,5	11,5	9,8	14,1	12,0	8,7	10,8	16,2	12,0	14,7
Hotels, restaurants	5,9	7,2	10,1	10,7	13,9	6,7	3,7	13,2	14,3	9,2	4,6
Trans., storage, communication	6,8	4,8	4,8	4,3	5,8	6,9	4,9	4,9	7,8	6,0	6,4
Financial intermediation	3,7	1,6	1,8	0,9	1,8	2,5	6,2	1,2	2,5	2,4	3,2
Real estate, renting, Research	14,5	11,2	12,3	7,9	9,6	14,7	17,4	10,8	10,2	12,4	10,1
Public administ., defense	5,3	3,8	1,8	1,3	3,0	6,2	7,5	2,9	4,6	4,5	7,5
Education	10,2	4,1	4,0	2,3	3,6	6,6	13,8	3,1	5,4	6,0	7,6
Health, social work	13,0	7,4	9,7	4,8	6,2	12,8	10,4	8,4	13,9	10,5	11,1
Personal services	5,4	3,7	4,7	3,5	3,5	4,2	7,8	3,5	3,8	4,3	4,6
Private households	0,9	8,7	4,7	10,8	0,1	3,0	0,7	14,1	1,8	5,4	1,6
<b>Total (Percent)</b>	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Notes:

<sup>1</sup> Data for Germany and Italy not available;

<sup>2</sup> EU15 residents born in another EU15 country (except Italy, Greece, Portugal, or Spain) or born in Iceland, Liechtenstein, Norway, or Switzerland;

<sup>3</sup> EU15 residents born in Italy, Greece, Portugal, or Spain but living in another EU15 country;

<sup>4</sup> EU15 residents born in new EU member states (that joined in 2004);

<sup>5</sup> EU15 residents born in new EU member states (that joined in 2007), other countries of Central/Eastern Europe and the Balkans, Russia, Belarus, Ukraine, Caucasus, Central Asia.

Source: Labour Force Survey (2005), own calculations.



**Table 19: Legal foreign resident work force and total work force (age group 15-64) by sector/industry (NACE) and citizenship, EU15, 2005 (in percent)<sup>1</sup>**

NACE Sector or Industry	Legal Foreign Resident Workforce by Citizenship										EU15 <sup>1</sup> Total Work-force
	EU15 West <sup>2</sup>	EU15 South <sup>3</sup>	EU 8 <sup>4</sup>	EU2, CEE <sup>5</sup>	Turkey	Africa, Middle East	USA, Can., Austral	Latin Amer., Caribb	Asia	Total Immig. Work-force	
Agric., fishing, mining	1.9	1.9	2.7	5.0	2.3	5.3	1.0	3.6	1.6	3.1	3.9
Manufacturing	16.2	22.6	18.1	19.4	32.2	14.6	13.0	9.7	15.3	18.0	17.8
Construction	4.7	12.2	15.9	19.9	10.1	14.8	5.2	16.8	3.0	12.2	7.9
Wholesale, retail trade	12.8	12.8	12.4	10.5	16.3	10.8	11.4	11.1	17.4	12.6	14.6
Hotels, restaurants	7.2	12.6	10.6	10.3	10.1	10.0	3.6	15.4	19.4	11.2	4.3
Trans., storage, communication	6.9	4.9	4.8	4.7	5.8	5.0	5.0	4.0	5.5	5.2	6.2
Financial intermediation	3.8	1.6	1.5	1.0	0.5	1.1	6.1	0.3	1.4	1.7	3.3
Real estate, renting, Research	15.2	11.1	12.6	8.5	9.0	15.7	14.2	8.5	9.4	11.6	10.1
Public administ., defense	2.9	2.0	1.0	1.2	1.5	1.9	7.8	0.8	1.3	1.9	7.5
Education	10.3	3.3	3.0	1.9	2.0	3.5	13.2	1.4	5.2	4.4	7.1
Health, social work	11.4	5.3	7.9	5.6	6.1	9.5	9.1	5.3	14.2	7.8	11.0
Personal services	6.0	4.9	5.3	3.6	3.3	3.6	9.7	3.2	3.0	4.4	5.0
Private households	0.6	4.7	4.1	8.3	0.8	4.2	0.8	19.7	3.1	5.8	1.3
<b>Total (Percent)</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

<sup>1</sup> Data for Italy not available;

<sup>2</sup> EU15 nationals (except Italy, Greece, Portugal, Spain) and nationals of Iceland, Liechtenstein, Norway, or Switzerland living in (another) EU15 country;

<sup>3</sup> Nationals of Italy, Greece, Portugal, or Spain living in another EU15 country;

<sup>4</sup> Nationals of new EU member states (that joined in 2004);

<sup>5</sup> EU15 residents born in new EU member states (that joined in 2007), other countries of Central/Eastern Europe and the Balkans, Russia, Belarus, Ukraine, Caucasus, Central Asia.

Source: Labour Force Survey (2005), own calculations.

**Table 20: Employment rates of foreign resident work force by citizenship and foreign born work force by country of birth, gender, and educational attainment (age group 15-64) EU15, 2005 (in percent)<sup>1,6</sup>**

Citizenship	Foreign Nationals (LFRs) <sup>1</sup>					
	Male			Female		
	Low education <sup>2</sup>	Medium education <sup>3</sup>	High education <sup>4</sup>	Low education <sup>2</sup>	Medium education <sup>3</sup>	High education <sup>4</sup>
Turkey	52,9	72,1	65,3	26,5	46,4	62,8
North Africa	58,1	65,2	65,5	22,4	27,5	37,6
North America	73,6	79,4	86,3	30,5	64,7	69,4
EU8	60,2	74,7	75,6	39,8	58,2	64,3
CEE	63,5	74,0	78,6	42,0	58,7	66,8
EU-West <sup>5</sup>	56,4	74,3	85,1	44,3	59,3	71,8
EU-South <sup>5</sup>	69,2	79,0	82,4	50,4	66,4	69,0
<b>EU 15 average</b>	<b>59,9</b>	<b>76,7</b>	<b>85,9</b>	<b>41,0</b>	<b>65,3</b>	<b>79,4</b>
Country of Birth	Foreign Born (Immigrants) <sup>6</sup>					
	Male			Female		
	Low education <sup>2</sup>	Medium education <sup>3</sup>	High education <sup>4</sup>	Low education <sup>2</sup>	Medium education <sup>3</sup>	High education <sup>4</sup>
Turkey	59,0	69,1	83,4	20,4	43,4	63,9
North Africa	59,1	65,7	77,5	30,7	43,7	67,5
North America	54,1	79,4	88,0	38,7	64,6	73,1
EU8	71,0	80,6	77,9	47,9	62,6	68,1
CEE	68,1	76,2	84,3	46,9	64,5	62,2
EU-West <sup>7</sup>	59,4	75,4	84,2	43,9	60,4	75,1
EU-South <sup>7</sup>	68,6	79,5	80,5	54,9	65,0	66,5
<b>EU 15 average</b>	<b>59,9</b>	<b>76,7</b>	<b>85,9</b>	<b>41,0</b>	<b>65,3</b>	<b>79,4</b>

Notes:

<sup>1</sup> Data on foreign nationals for Italy not available;

<sup>2</sup> Primary education only;

<sup>3</sup> Lower or upper secondary education completed;

<sup>4</sup> Tertiary education completed;

<sup>5</sup> EU 15 nationals living in EU15 but outside their country of citizenship;

<sup>6</sup> Data on foreign born for Germany and Italy not available;

<sup>7</sup> People born in EU15 but living in EU15 outside their country of birth.

Source: Labour Force Survey (2005), own calculations.

## Definitions of Terms

### Geographic Entities

**EU 27:** The current European Union, consisting of the EU 15 plus the EU 12 (see below).

**EU 25:** The 25 member states of the European Union in 2004-06 (relates to the analyzed Labour Force Survey data for 2005).

**EU 15:** The 15 states that comprised the European Union prior to May 1, 2004, including: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom. In this paper the EU 15 is also the main geographic unit of analysis as the 15 “pre-enlargement” EU Member States are home or host to 94 percent of all migrants and to 97 percent of all legal foreign residents living in EU 27.

**EU 12:** The 12 EU member states admitted in 2004, and 2007, including Cyprus, Czech Republic, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

**EU 10:** The Central European EU member states admitted in 2004 and in 2007, including Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

**EU 8:** The Central European EU member states admitted in 2004, including the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

**EU 2:** The EU member states admitted in 2007 including Bulgaria and Romania.

**EU Candidate Countries:** Countries scheduled for admission to the EU, currently including Croatia (not before 2010), Macedonia and Turkey.

**European Economic Area (EEA):** With the 1995 enlargement of the European Union, the EEA remained in existence to enable its 3 non-EU members (Norway, Iceland, and Liechtenstein) to participate in the Common Market.

**Switzerland** decided not to join the EEA, but is associated with the EU by bilateral treaties.

**Western Europe:** EU 15, Iceland, Norway and Switzerland.

**EU West:** EU 15 (except Italy, Greece, Portugal, and Spain) plus Iceland, Liechtenstein, Norway and Switzerland.

**EU South:** Italy, Greece, Portugal and Spain.

**CEE:** Central and Eastern Europe: the countries of Eastern Europe, the Balkans, Turkey and Central Asia, including: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Montenegro, Romania, Russian Federation, Serbia (including Kosovo), Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

**EECA 20:** CEE countries plus Turkey.

**MENA 14:** Countries of the Middle East (without the Gulf States) and North Africa including Algeria, Djibouti, Egypt, Iran, Iraq, Israel, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, West Bank and Gaza, and Yemen.

### **Immigration Terms**

**International migrant:** A person living for 12 months or more outside of his/her country of birth or citizenship (UN definition).

**Foreign-born:** A person born in a country other than the one in which he/she resides (regardless of his/her citizenship).

**Migrant:** Persons moving (or having moved) from one country to another.

**Immigrant:** Term synonymous to “foreign-born” with the prospect of long term or permanent residence. (In the US this term is reserved for persons who are granted lawful permanent residence in the United States.

**Foreign National:** Defined as a person who is a citizen of a country other than the one in which he/she resides.

**Legal Foreign Resident:** Defined as “foreign national” who is lawfully residing in a country other than the one in which he/she is a citizen. This includes not only foreign-born individuals but also many persons who were born in their current country of residence but at birth acquired only the foreign citizenship held by their parents.

**Irregular Migrant:** Persons resident in a country without legal permission to be there; also referred to as “undocumented,” “unauthorized,” “unlawful” or “illegal” migrants.

**Regularization:** A government program granting a large number of irregular migrants authorization to remain in their country of residence. In some countries such programs are also called “legalization” or “amnesties.”

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Hamburg, Februar 2007
1. Herausforderungen und Perspektiven der Migration im makroökonomischen Kontext  
Thomas Straubhaar  
Hamburg, Oktober 2006

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