

Not all flows are equal

Using permit data to estimate labor supplied by temporary migrants in
OECD countries

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Motivation

- The impact of immigration on the host country labour market is a key question in the economics of migration
- Most of the literature has focused on permanent migrants, more likely to be covered in usual data sources (census, labour force surveys, household income surveys, etc.)
- More temporary than permanent migrants enter OECD countries each year
- Ignoring temporary migration potentially leads to an incomplete picture of the impact of migration on the labour market



Question

- > How much do temporary migrants contribute to total employment in the host country?

- > Challenge: How does the inflows of temporary migrants translate into labour supplied?
 - Temporary migrants differ widely in their employment spells in the host country
 - Many different categories of temporary migrants: labour migrants but also other migrants with work rights (ex. international students, working holiday makers)

- > Use permit data to estimate the full-year equivalent contribution of all temporary migrants with work rights to the employed population in 20 OECD countries



- OECD measure of international migration flows into OECD countries is for the most part based on permit data
- The focus has been on measuring permanent-type migration flows but also (increasingly) collection of data on temporary flows
- For this project, we collected detailed data from OECD countries on permits issued to temporary migrants:
 - > Yearly data on first issuances, renewals, stocks, by permit
 - > Characteristics of the permit: duration, renewability, rights of spouses and dependents
- We use alternative data sources to capture EU/EFTA free movement temporary migrants (EU labour force survey; UNESCO/OECD/Eurostat data on students; EC data on posted workers)



Estimation

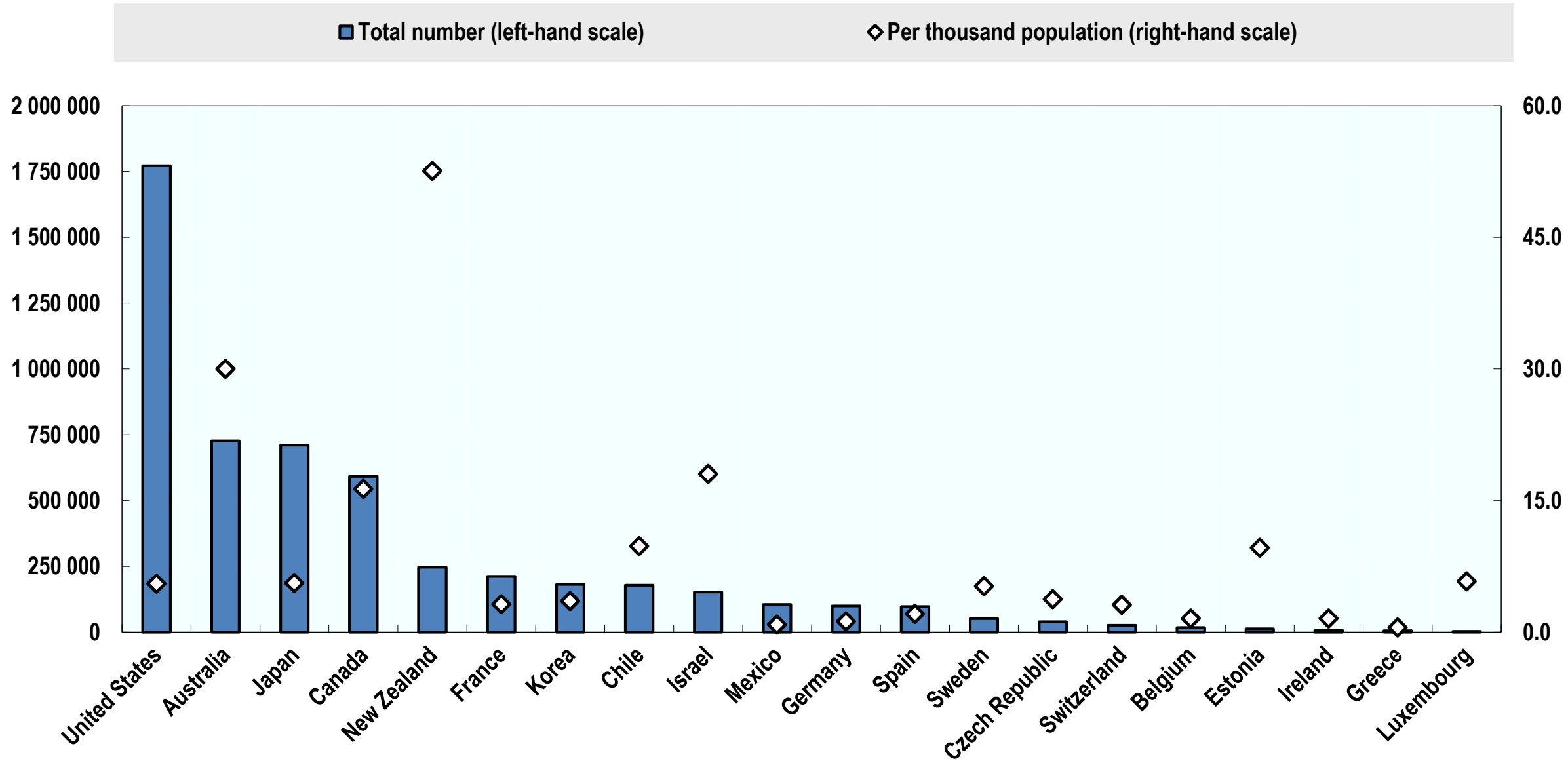
> Permit-by-permit estimation

Country	Permit	Permits issued in 2017			Stock of permits 31/12/2017	Estimated duration of stay in months	Estimated full-year equivalent
		First permits	Renewals	total			
Japan	Researcher	604	313	917	1598	31.7	1598
Sweden	Berry picker	3081				4	1027

- > Need extra data (or assumptions) for non-labour temporary migrants on the share who work and how much they work
 - > Permit rules on maximal hours of work for international students
 - > Country estimations of months of employment of working holiday makers

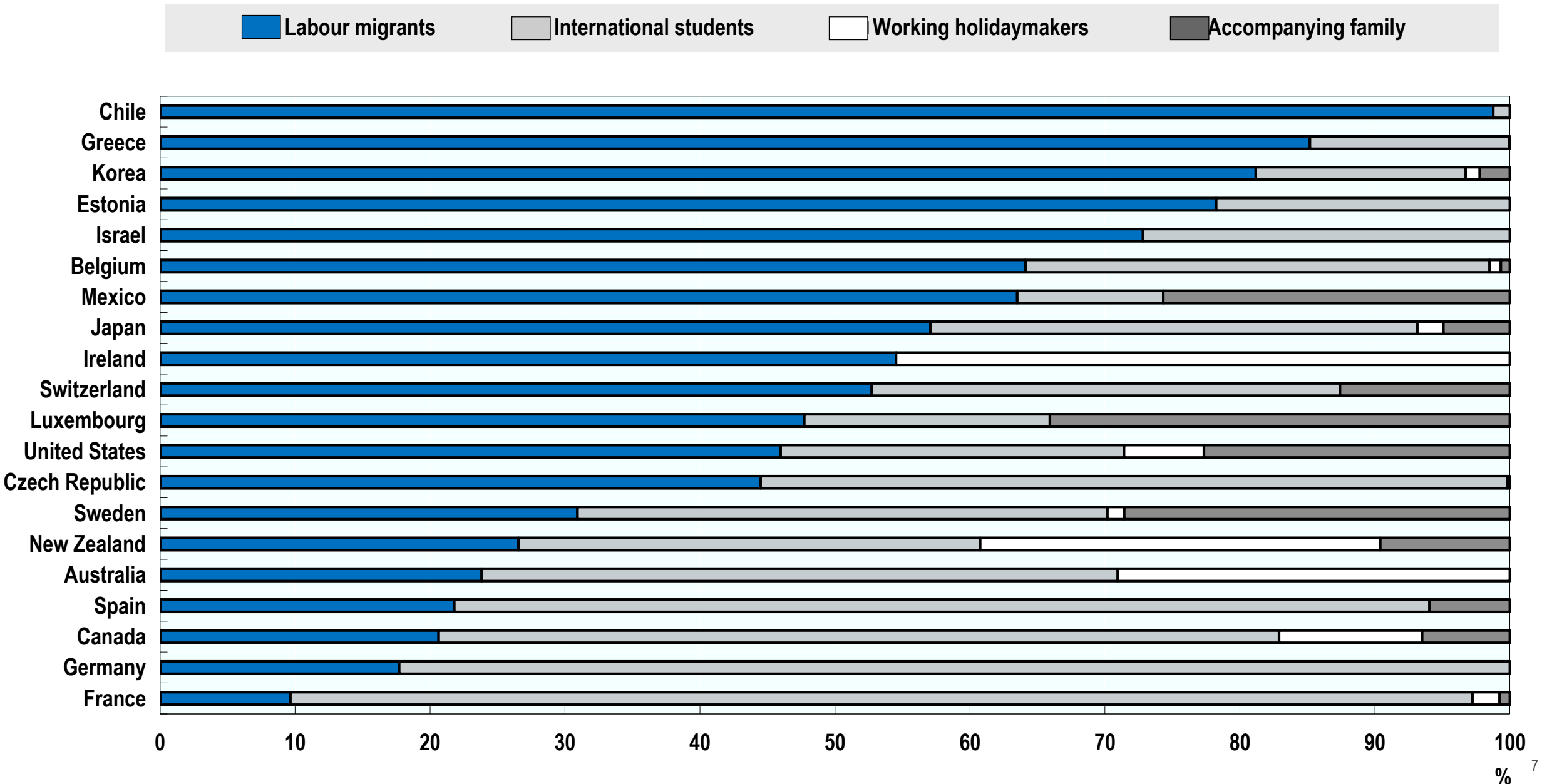


Permits issued to temporary migrants in 2017





Composition of temporary migration flows to OECD countries, 2017





Main results

Country	Full-year equivalent workers	Total added to resident employed population %	% Free movement EU-EFTA countries
Luxembourg	178 044	65.5	98.9
Switzerland	428 494	9.2	97
New Zealand	92 331	3.6	
Korea	632 710	2.4	
Israel	80 153	2.1	
Belgium	96 112	2.1	87.8
Chile	155 513	1.9	
Australia	200 347	1.6	
Czech Republic	79 560	1.5	70.8
Ireland	31 852	1.5	73.6

Country	Full-year equivalent workers	Total added to resident employed population %	% Free movement EU-EFTA countries
Canada	240 428	1.3	
United States	1 960 629	1.3	
Estonia	7 159	1.1	
Germany	449 071	1.1	91
Sweden	41 721	0.8	52.4
Japan	441 553	0.7	
France	122 576	0.5	60.4
Greece	16 178	0.4	71.5
Spain	72 903	0.4	52.2
Mexico	72 820	0.1	
Total	5 400 154	1.2	



Conclusion

- Temporary migrants contribute significantly to the employed population in some OECD countries. Yet, there is little data on temporary migrants in the host countries.
- The OECD tracks (imperfectly) temporary migration inflows into OECD countries using permit data.
- Given the heterogeneity of the categories of temporary migrants and their duration of stay, it is difficult to interpret cross-country comparisons of total inflows of temporary migrants.
- In this project, we have provided a first cross-country estimation of how temporary migration inflows convert into labour supplied by temporary migrants.