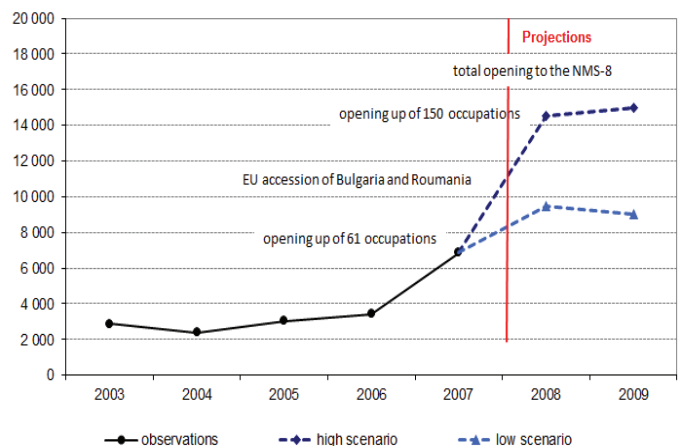


The opening of France's labour market to new EU member states: an economic primer

- As part of the enlargement of the European Union on 1 May 2004 and 1 January 2007, it was agreed that the fifteen existing member states could introduce transitional provisions to regulate the access of NMS citizens (but those of Cyprus and Malta) to their labour markets.
- Like most of the "old" member states, France implemented these restrictions opening up gradually its labour market to citizens of these countries. These transitional regulations were ultimately discarded entirely on 1 July 2008 for the countries that joined EU in 2004, while continuing to prevail for Bulgaria and Romania.
- Academic studies generally show that the economic benefits of immigration for the host country depend primarily on the "matching" between the qualifications of migrants and those of workers already present in the country. In this case, the particular characteristics of the citizens of the NMS have eased their integration into the labour market, since 40% of them are skilled manual workers, compared with 24% in the EU 15.
- At the outset, French immigration policy toward the NMS was built around favouring a selective approach geared to the French economy's manpower requirements. France gradually opened up its labour market, based on a list of prevailing job vacancies and persistent recruitment difficulties.
- Initial assessments show that labour market opening has been accompanied by a limited rise in migratory inflows from the NMS.
- Following the complete opening up of the labour market to the countries that joined in 2004 coupled with the maintenance of a list of occupations for Bulgarian and Romanian citizens, our projections suggest that migratory flows from the NMS may have ranged between 9,000 and 15,000 entries in 2009. This figure is however uncertain, since the economic downturn experienced over the period may have exert a downward pressure on migration flows over the last two years.

This study was prepared under the authority of the Directorate General of the Treasury (DG Trésor) and does not necessarily reflect the position of the Ministry for the Economy, Industry and Employment.

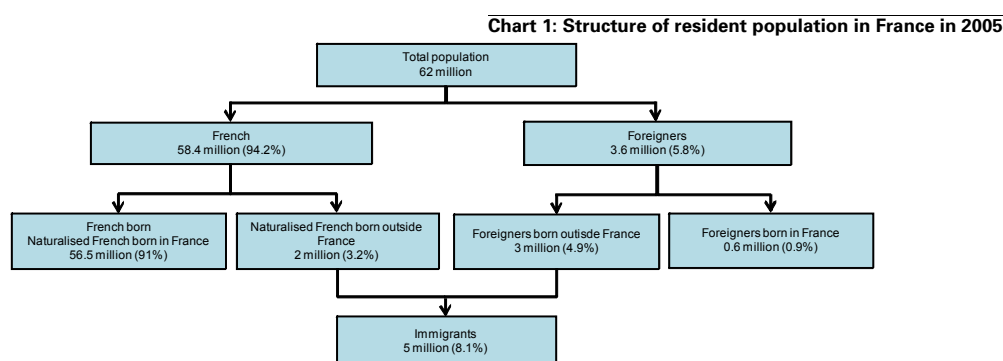
Temporary and permanent inflows of workers from the NMS (observed between 2003 and June 2008, and projected beyond that period)



Sources: OFII, DG Trésor calculations.

1. Economic migration from the NMS is low, although the potential economic gains may be sizeable

By definition, any person born with a foreign nationality in a foreign country is considered to be an immigrant (see Chart 1).



Source: Insee, 2004-2005 population census.

1.1 As for now NMS citizens represent a small proportion of immigration in France

There are some 5 million immigrants in France in 2005, accounting for 8.1% of the population. At that date, 36% of immigrants were citizens of the EU 26 (the 27-member European Union excluding France). Citizens of the NMS then represented around 3% of total immigration and 10% of EU 26 immigration (see Table 1).

The total population of the NMS is more than 100 million, or nearly 24% of the total population of the EU 26. Consequently, NMS citizens are underrepresented among immigrants to France relative to citizens of the "old" member states.

Table 1: Distribution of immigrants by country of origin (2004-2005)

	In %	No. of persons (million)
Europe	40	1.9
EU26	36	1.8
of which Nms	3	0.2
Other European countries	4	0.2
Others	30	3.0
Total	100	4.9

Source: Insee, 2004-2005 population census.

1.2 Citizens of the NMS are overrepresented in economic migration flows relative to those from non-EU member states

According to the data contained in the AGDREF¹ database, economic migration, i.e. immigration for work purposes, accounted for 10% (18,500 people per year) of migrant flows (see table 2), more than a third of them (6,000 people per year) being NMS citizens.

Economic migration in turn can be broken down into short-term immigration (less than one year, or "temporary") and long-term immigration (more than one year, or "permanent"). Among permits issued to all immigrants for work purposes, more than a quarter were temporary permits, which is high relative to those issued for other purposes (for study or family reasons, for instance).

More specifically, NMS citizens are more heavily represented among long-term economic migrants relative to short-term economic migrants—41% of permits issued in 2007 for work purposes and valid for one year or more are issued to workers from the NMS, versus 17% of permits for less than one year issued for work purposes.

Table 2: Immigration flows by purpose and by country of origin in 2007

Nationality	All		Work		Family		Study		Humanitarian		Other	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
New EU member countries (NMS)	9 575	5%	6 368	34%	1 726	2%	1 203	3%	22	0%	256	2%
Of which: NMS-8	4 644	2%	3 019	16%	831	1%	649	1%	7	0%	138	1%
Of which: Bulgaria and Romania	4 931	3%	3 349	18%	895	1%	554	1%	15	0%	118	1%
Others	176 886	95%	12 154	66%	89 466	98%	46 778	97%	15 897	100%	12 591	98%
All	186 461		18 522		91 192		47 981		15 919		12 847	
	100%		10%		49%		26%		9%		7%	

Source: MIINDS, AGDREF, 2009.

Scope: issuance of first residence permits (other than to nationalities exempt from the residence permit requirement). Only some seasonal workers, holders of the "3-year seasonal workers" permit, come under the "Work" heading.

(1) See Box 2 for sources of data on immigration in France.

1.3 Immigration from the NMS is a potential driver of long-term economic growth

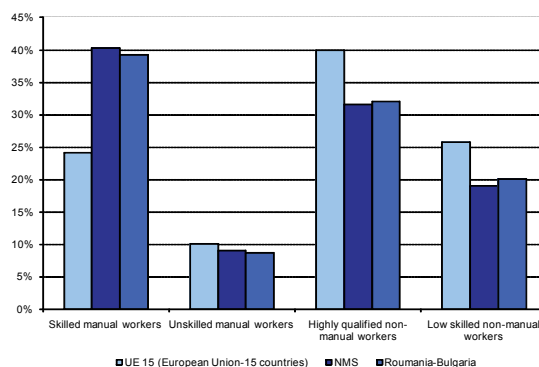
Mainstream economic theory suggests that immigration has a positive impact on the economy: a homogeneous rise in the population raises the level of productive employment and hence GDP, with no change in the living standards of the native population. For example, the arrival in France of 50,000 immigrants with characteristics identical to those of the resident population would boost the economy's output potential by 0.1% of GDP with no impact on per capita GDP².

Several factors suggest that immigration's impact on a country's economy do not only produce this scale effect but also help to boost per capita income. This occurs, for instance, when immigrants enjoy better qualifications than the local population, which means they contribute positively to economic growth³.

However, the positive impact of immigration on the economy depends mainly from how well immigrants join the labour market. Consequently, the benefit for the host country stems from the complementary nature of the new workers, and not necessarily from their skill level.

Now it happens that the qualifications of workers from the NMS complement those available in the EU 15 countries⁴. More specifically, skilled manual workers account for a large proportion of labour in the NMS (40.3%), whereas this type of qualification is much less abundant in the EU 15 (24.1%) (see Chart 2). Conversely, 40% of jobs in the EU 15 are held by qualified non-manual workers, versus fewer than 32% in the NMS.

Chart 2: Structure of employment (aged 15 and over) in 2007



Sources: Eurostat, DG Trésor calculations.

NB: The distribution of people holding jobs is based on the CIP 88 COM classification (groups 1 to 3 for highly skilled manual workers, 4 to 5 for low skilled non-manual workers, 6 to 8 for skilled manual workers, and 9 for unskilled manual workers).

Economic theory⁵ suggests that the inhabitants of host countries globally benefit from immigration. Recent articles⁶ show more particularly that enlargement and the removal of the transitional arrangements are capable of benefiting both the EU 15 countries and the NMS.

Yet these benefits are unevenly shared, in the short term at least, among the native population. That is because workers whose skills are complementary with those of immigrant labour enjoy an increase in incomes, whereas the incomes of workers with substitutable skills are likely to join a competitive labour market, or whether these workers are liable to experience a rise in unemployment if a minimum wage applies that exceeds the market clearing wage (see Box 1).

2. French immigration policy vis-à-vis the NMS is geared to the economy's long-term manpower needs

2.1 The progressive opening up of the French labour market to NMS citizens is economically beneficial

France implemented the regulations authorised by the EU following the accession of the NMS-8 on 1 May 2004. Between May 2004 and May 2006, workers from the NMS-8 were subject to the same rules as those applicable to workers from non-EU member states. They needed a work permit in order to gate a job in France, subject to conditions in the labour market. In other words, one had to be able to show that no one already present in France could perform the job in question (according to the principle of the obligation to refer to the situation in the labour market).

As from 1 May 2006, France progressively lifted the restrictions on labour mobility affecting workers from the NMS. The French labour market was partially opened to citizens of states that joined the union in 2004, and subsequently to Bulgarians and Romanians upon their countries' accession on January 1, 2007. Work permit

issuance criteria were eased for 61 occupations experiencing hiring difficulties, which meant that the state of the labour market could no longer be presented as an argument for opposing the issuance of work permits for these occupations. Workers from the NMS could thus theoretically apply for around 20% of the job vacancies listed by the Pôle Emploi (Job Center).

The list of these occupations was expanded in January 2008 (including for Bulgaria and Romania) to 150 occupations, representing around 40% of job vacancies listed by the Pôle Emploi. Finally, on 1 July 2008, restrictions were abolished for countries that joined the EU in 2004. Bulgaria and Romania, on the other hand, remain subject to the transitional arrangements of January 2008.

From an economic standpoint, France's policy with regard to opening up to the NMS is wise because:

- The first countries to open up attract individuals that produce the greatest gains from migration, both for the migrants and for the host country;

(2) Coupet M., 2006 "Estimates of French medium to long-term potential growth revisited", *Trésor-Economics*, no. 2.

(3) Skilled workers have above-average productivity. Consequently, they held boost the economy's potential supply to a larger extent than would other workers, on average.

(4) IOM. 2005 "World Migration 2005: Costs and Benefits of International Migration".

(5) Borjas, G. 1995. "The Economic Benefits from Immigration", *Journal of Economic Perspectives*, 9:3-22.

(6) European Commission and Iranzo, S. and G. Peri, 2007. "Migration and Trade in a World of Technological Differences: Theory with an Application to Eastern-Western European Integration", *NBER Working Papers*, 13631.

- The qualifications of workers from the NMS complement those available in the EU 15 countries (see above), which improves both the labour supply and the match with French market needs;
- In the context of the free movement of people, the removal of restrictions on labour mobility helps to curb fraud (illicit uses of manpower; fraudulent secondments, and excessive use of subcontracting, etc.);
- French firms with subsidiaries in the NMS can inte-

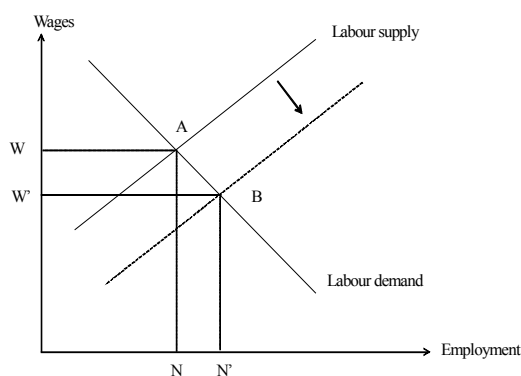
grate and in some cases train their employees at their French sites.

While the fact that this opening up took place progressively, which might have limited the full benefits that could theoretically be gained from migration from the NMS, it served to reduce the adjustment costs and the risks of shocks to the French labour market that could have occurred if the transitional arrangements had been removed brutally (especially since these are scheduled to be removed automatically 5 to 7 years after the NMS' accession).

Box 1: the effects of an increase in labour supply in the short term

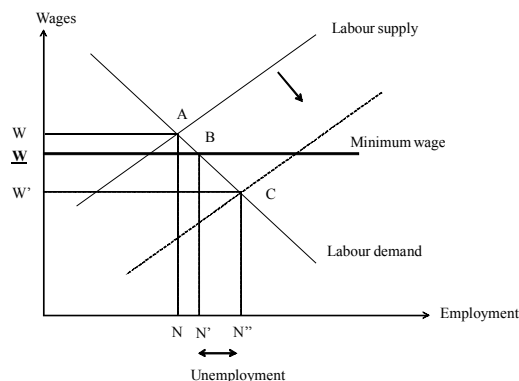
The case of a labour market with flexible wages

In a competitive market, workers' wages (which are equal to the marginal productivity of labour) adjust perfectly to the increase in the labour supply. The equilibrium shifts along the labour demand curve (from A to B). In other words, the increase in the labour supply depresses wages (from W to W') and increases the quantity of employment in the economy (from N to N').



The case of a labour market where the minimum wage exceeds the market-clearing wage

In a non-competitive labour market, or one with wage rigidities, the arrival of immigrants leads to a shift along the labour demand curve. The extent of that shift (from A to B) is insufficient, however, to achieve competitive equilibrium (C), resulting in a smaller decline in wages (from W to W) than in a competitive market (from W to W') and in a rise in unemployment (from N' to N'').



2.2 As a matter of fact, the opening of the labour market to NMS citizens focussed initially on jobs and qualifications experiencing "labour shortages"

The opening up of the labour market to NMS citizens took place against a background of policies to revive economic migration. For Bulgaria and Romania, this operates, and still operates, through a system of work permit exemptions for occupations where labour is in short supply.

An indicator of labour market tension served to determine which occupations qualify for this exemption mechanism. The indicator measures the relationship between labour supply and demand flows for a given occupation registered at the Pôle Emploi. An occupation is deemed to be experiencing labour market tension if job vacancies exceed applications, i.e. when the indicator of tension is greater than 1.

Based on the répertoire opérationnel des métiers (ROME-operational database of occupations) used by the Pôle Emploi, the French Government has selected those occupations that suffer from "extensive and structural" labour shortages, i.e. those for which the indicator

of tension has been equal to or greater than 1 for some years. An initial list of 61 occupations spread across 7 sectors (mainly in the building trades and industry) was drawn up according to this method (see Table 3).

This indicator has the advantage of being simple and transparent. It does suffer limitations, however, and allowance has been made for these in the instruments used to guide policy on economic migration. Reasons for this include:

- The indicator of tension is not comprehensive, since the Pôle Emploi does not cover the whole of the labour market and does not list all job vacancies, particularly those for the highest qualified jobs;
- The indicator does not accurately reflect the state of demand for jobs: a jobseeker may accept a job in a different occupation from the one he initially applied for when signing on at the Pôle Emploi;
- Some occupations exhibit a high rate of turnover and consequently a high indicator of tension, while not experiencing any persistent shortage.

Table 3: Presentation of the first list of occupations opened up to citizens of the NMS between May 2006 and January 2008

<p>Building and public works 16 occupations, incl.:</p> <p>Construction workers Roof slater and tiler Building and public works draughtsman Land surveyor Building and public works site manager</p> <p>Hotels and catering: 5 occupations, incl.:</p> <p>Restaurant server Butcher</p>	<p>Mechanical engineering, metalworking and misc. industries 14 occupations, incl.:</p> <p>Boilerworker, sheet metalworker Fitter Mechanical engineering project draughtsman Industrial pipefitter</p> <p>Process industries 14 occupations, incl.:</p> <p>Chemical and power production industries installation foreman Glass forming operative</p>	<p>Commerce and sales 6 occupations, incl.:</p> <p>Technical home shopping operative Door-to-door sales representative</p> <p>Services to individuals and institutions 3 occupations, incl.:</p> <p>Specialised window cleaner Municipal service and cleaning worker</p> <p>Agriculture, merchant marine, fisheries: 3 occupations, incl.:</p> <p>Market garden-garden worker Off-land livestock breeding worker</p>
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NB: The complete list of the 61 occupations opened up to citizens of the NMS at 1 May 2006 can be consulted at: http://www.ofii.fr/IMG/pdf/conference_presse_8_Nov_2007/listenationale_des_metiers_ouverts_aux_ressortissants_desnouveaux_etats_membres.pdf.
The list of the 150 occupations opened up to citizens of the NMS at 1 January 2008 can be consulted at: http://www.immigration.gouv.fr/spip.php?page=dossiers_det_imm&numrubrique=286&numarticle=1410

It is also worth noting that the coexistence of unfilled job vacancies and applications does not systematically imply the existence of a labour shortage. This notably applies when market imperfections (e.g. transaction costs or lack of information) thwart the instantaneous matching of jobsearchers to vacancies.

Nor is immigration an optimal response to all observed tensions in the labour market, especially when they are cyclical. Consequently, the economic wisdom of an immigration policy also depends on the degree to which these tensions are structural, so as to limit the risks of distorting the labour market in the event of a cyclical downturn. The same applies to the hiring outlook in the occupations concerned: the indicator of tension will be relevant only if the number of people in this occupation is large enough to be significant, and if that number is capable of growing in the future.

These difficulties have been overcome to some extent by crossing the indicator of tension with other indicators, such as the one used by Union nationale pour l'emploi (UNEDIC-French unemployment insurance scheme) in its surveys of manpower needs (via the BM0⁷ survey) or in the forward-looking survey of occupations for 2015

("Les métiers en 2015") carried out by the "Prospective des métiers et des qualifications" (the future for occupations and qualifications) working group (published by DARES/CAS).

2.3 The list of occupations was expanded in phase 2

France went a step further with its policy of opening up its labour market to NMS citizens in January 2008. The list of open occupations was expanded, with an easing of the tension criterion (the threshold indicator was lowered to 0.8), and also in response to calls from trade bodies. These selection criteria led to a list of 150 occupations where average qualification levels had risen: 13% of the occupations in the list of 61 occupations were very highly qualified occupations, whereas 32% were in the 150-occupation list.

The French labour market has been open to all NMS-8 citizens since 1 January 2008. Workers from countries that joined the European Union on 1 May 2004 are thus free to take any job offered on the labour market. Bulgarian and Romanian citizens remain subject to the transitional arrangements,⁸.

3. Economic effects of the opening up of the labour market for NMS citizens

The reform of the transitional measures has had only a very limited impact on the French: in 2007, only 2% of jobs listed by the Pôle Emploi in open occupations (7,000 out of 350,000 vacancies) were filled by new migrants from the NMS. No labour market distortion has been observed subsequently, either globally or in any specific sector.

3.1 The opening up of the labour market to NMS citizens did not trigger a massive influx of migrants

20% of the French labour market⁹ was opened up to NMS-8 citizens between May 2006 and February 2007. This opening up of the French labour market did not

trigger a wave of migrants. One reason for this could be the total opening up of labour markets in the United Kingdom, Ireland, Sweden, Spain, Finland, Greece, Portugal and Italy. It may be inferred that these countries attract most of the migrants, thereby limiting the inflows into France.

Conversely, immigration from the NMS accelerated with the accession of Bulgaria and Romania in January 2007. Citizens of Romania and Bulgaria proved more responsive to the opening up of the French labour market, no doubt due to the restrictions on movement still imposed on them by most of the other EU member states.

(7) This annual qualitative survey of employers identifies the 15 occupations for which recruitment difficulties concern the largest number of planned hiring. However, there is nothing in this survey to determine whether or not the hiring difficulties reported by employers stem from a shortage of labour relative to the demand for it.

(8) They are eligible to benefit from the other immigration mechanisms, however, such as the "compétences et talents" (skills and talents) and "salarié en mission" (employee on assignment) permits, on the same basis as for citizens of non-EU countries.

(9) Job vacancies listed by the Pôle Emploi.

The recent opening up of the 150-occupation list to these two countries also prompted an increase in immigration flows in 2008, with 5,300 people in that year, versus 3,500 in 2007. But the flow of workers from these two countries appears to have slackened distinctly in 2009, probably as a result of the economic crisis.

- The number of short-term workers entering (see Table 4) was virtually constant at around 10,000

Table 4: Short-term entries of foreign workers into France (entries with permits valid for less than 1 year)

	2004	2005	2006	2007	2008	January-July		
						2007	2008	2009
NMS	1 507	1 563	1 605	1 764	nd	1027	1 037	nd
<i>of which: NMS-8</i>	1088	978	1 015	983	nd	627	395	nd
<i>of which: Bulgaria and Romania</i>	419	585	600	781	950	400	642	310
Others	8 443	8 842	9 062	8 134	8 513	3 598	4 204	2 777
All	9 950	10 405	10 677	9 898	nd	4 625	5 241	nd
Share of NMS	15%	15%	15%	18%	nd	22%	20%	nd

Source: OFII.

Interpretation: with the complete opening up of the labour market to the NSM-8, the OFII ceased recording entries from these countries separately in July 2008: "na" refers to data unavailable. From that date on, available data cover only Bulgaria, Romania and non-EU countries.

- The share of NMS citizens among long-term entries of foreign workers increased more significantly, rising from 13% in 2004 to 30% in 2007 (see Table 5). This

between 2004 and 2007, whereas the share of NMS citizens rose slightly, from 15% in 2004 to 18% in 2008. With particular reference to Bulgaria and Romania, flows recorded in the first months of 2009 reveal a distinct slowdown, with 310 entries, versus 642 for the same period in 2008, representing a 54% decline.

led to a sixtime multiplication of the number of permanent workers from the NMS between 2004 (roughly 900) and 2007 (roughly 5,000).

Table 5: Long-duration entries of foreign workers into France (entries with permits valid for 1 year and more)

	2004	2005	2006	2007	2008	January-July		
						2007	2008	2009
NMS	897	1 490	1 804	5 114	nd	2 615	4 322	nd
<i>of which: NMS-8</i>	510	1 060	1 372	2 409	nd	1 393	1 451	nd
<i>of which: Bulgaria and Romania</i>	387	430	432	2 705	4 353	1 222	2 871	1 568
Others	5 843	7 066	8 193	11 661	16 900	6 007	8 444	9 783
All	6 740	8 556	9 997	16 775	nd	8 622	12 766	nd
Share of NMS	13%	17%	18%	30%	nd	30%	34%	nd

Source: OFII.

Interpretation: "na" refers to data unavailable.

The increase in the flow of permanent workers from the NMS (see Table 7) substantially outweighed flows from non-EU countries (from 6,000 in 2004 to 12,000 in 2007). French immigration policy vis-à-vis the NMS has consequently had an impact on flows from these countries (see chart 3).

3.2 Flows of permanent labour immigration from the NMS are mainly concentrated in the "medium-range" skilled jobs

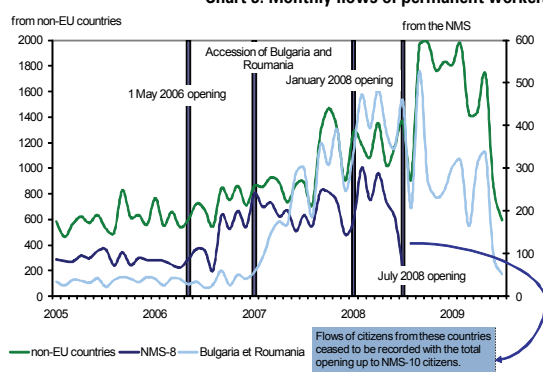
The level of qualification of workers from the NMS logically matches the level of qualification of the occupations open to them. In 2007, 54% of immigrants from these countries hold jobs as skilled labourers, and 18% of them as skilled office workers (see Table 6). Inflows for these two types of jobs rose threetime between 2006 and 2007. On the other hand, the share of managerial grade workers and engineers went from 24% in 2006 to around 11% in 2007. French immigration policy appears to have favoured immigration by workers with medium-level qualifications, a trend confirmed by initial observations for 2008.

Table 6: Level of qualification of permanent workers from the NSM

	2006	2007	January-September	
			2007	2008
Unskilled worker	6%	8%	7%	11%
Skilled worker	35%	54%	53%	56%
Unskilled office worker	6%	7%	7%	7%
Skilled office worker	25%	18%	19%	16%
Technician, supervisor	2%	2%	2%	1%
Managerial grade, engineer	24%	11%	11%	8%
Executive or senior manager	1%	1%	1%	1%
All	100%	100%	100%	100%

Source: OFII.

Chart 3: Monthly flows of permanent workers



Source: OFII.

Interpretation: In January 2005, monthly flows from the first 8 NMS amounted to around 90 immigrants, 35 from Romania and Bulgaria, and 580 from non-EU countries (lefthand scale). The vertical lines represent changes in French immigration policy vis-à-vis the NMS.

3.3 In the absence of any change in French immigration policy and provided that prevailing economic conditions remain unchanged, inflows from the NMS should have amounted to some 9,000-15,000 in 2009

In 2006, the Directorate General of the Treasury (Direction générale du Trésor) developed a method for determining the impact of the opening up of the labour market on the influx of workers from the NMS-8. This consisted in extrapolating for France from the experiences of the opening up of the labour market to NMS citizens in the United Kingdom, Ireland and Sweden. The potential number of work permits that could be issued to NMS-8 citizens in France was then estimated based on:

- The observed link between the size of the country and inflows (the size effect), by comparing inflows of NMS citizens to two countries with a shared language but of different size (the United Kingdom and Ireland);
- The observed link between language and inflows; French being relatively less attractive than English, which is more frequently used in the world of work and business¹⁰;
- The degree of French labour market opening. Although it is a strong assumption, here we assume a linear relationship between the degree of market opening (20% in 2006) and the number of entries.

With 3,400 entries of workers from the NMS-8 in 2007, observed inflows lie at the bottom end of the forecast range. As expected, the increase in inflows from the NMS-8 was not proportional to the rise in the number of job vacancies for which their citizens were eligible: the number of entries (permanent and temporary) from the NMS-8 did not rise between 2007 and 2008 (between January and July), despite the lengthening of the list of eligible occupations (see tables 4 and 5).

This was notably due to the fact that the recently-opened occupations were not necessarily experiencing a labour shortage (this applies to the highest qualified occupations particularly) and that there were consequently fewer opportunities for potential immigrants. Moreover, citizens of the NMS-8 may have postponed their migration when they learned that the French labour market would be opening up completely on 1 July 2008.

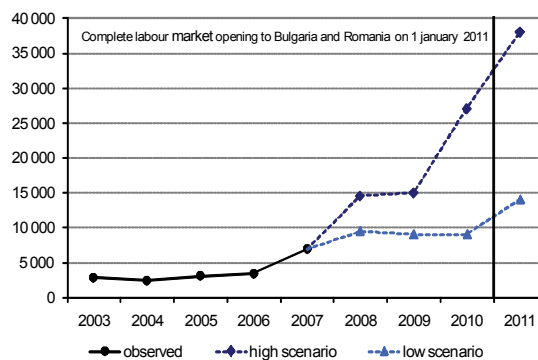
Immigration inflows from Romania and Bulgaria slowed sharply between autumn 2008 and until July 2009 (see tables 4 and 5). Yet, over the same period, inflows of permanent workers from non-EU countries increased. The decline in inflows of Bulgarian and Romanian citizens cannot therefore be traced to entirely to the crisis: it could stem from the fact that inflows stabilise naturally sometime after borders open up.

These observations lead us to formulate new assumptions in order to estimate inflows of immigrants from the NMS and forecast the impact of a third phase of labour market opening. We have constructed two opposing scenarios, namely:

- A "high" scenario: here we assume, first, that the low level of inflows from the NMS-8 observed between January and July 2008 was due to the postponement of migration, which resumed at the end of the year following a change in the law. Moreover, we have considered that the slowdown in inflows from Bulgaria and Romania was mainly due to cyclical factors, and that inflows of workers from these two countries can be expected to revert to their pre-crisis trend in 2010.
- A "low" scenario: here we consider that immigration from all of the NMS is tending to stabilise. The observed decline in inflows from the NMS is considered to be structural (with no spillover effect and no crisis-specific effect for Bulgaria and Romania).

Ultimately, we estimate the number of immigrants that have entered France in 2009 at between 9,000 in the low scenario, and 15,000 in the high scenario¹¹. There is a high degree of uncertainty surrounding these forecasts. The two methods of evaluation neglect some important effects. For example, they only imperfectly allow for the depletion of the "stock" of potential immigrants, the effects of competition from other European countries, the relative attractiveness of the occupations open to immigrants, the role of diasporas already present in France, and the degree of acceptance in the host country, along with the impact of the state of the economy. Another major uncertainty stems from the fact that the impact of immigration policy towards the NMS on the French labour market depends also on its impact on the other reasons for immigration entitling people to work in France, such as immigration for family reasons, notably. Consequently, an analysis of inflows that focuses solely on immigration for work purposes is bound to underestimate the impact of these forms of immigration on the labour market.

Chart 4: Temporary and permanent inflows of workers from the NMS (observed between 2003 and June 2008, and projected beyond that period)



Sources: OFII, DG Trésor calculations.

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(10) According to Eurostat figures on language learning, six times more NMS citizens speak English than French.

(11) When the labour market opens up completely to Bulgaria and Romania in 2011, annual immigration inflows from the NMS are expected to range between 14,000 and 38,000 if the negative effects of the crisis have ceased to operate by then.

Box 2: Sources of data on immigration in France

No statistical source in France covers the entire field of immigration flows. This is partly because not all immigrants (EU citizens, for example) need permits and hence do not need to register. Partly, too, because no record is kept of exits from French territory. Consequently, this study concerns inflows of foreign workers exclusively.

The fact that NMS citizens are required to be in possession of a work permit in order to be able to work in France has made it possible to record flows of economic migrants arriving from these countries. Two types of sources used here allow us to measure inflows of workers from the NMS, namely:

- The AGDREF (Application de gestion des dossiers des ressortissants étrangers en France-application for the administration of files on foreign citizens in France) database, which is administered by the Ministry in charge of immigration. This database contains all permits issued valid for more than 3 months (classified in particular by purpose, type of permit and nationality),
- The OFII (Office français de l'immigration et de l'intégration-French bureau for immigration and integration) records the medical check-ups which foreign workers (other than those not subject to work permit requirements) are required to undergo. Considerable use has been made of this database, in this study, for the purposes of analysing economic migration from the NMS since it provides monthly data broken down by country of origin, qualification and socio-occupational category of migrants.

There are limits to the use of these databases, however. Inflows of workers from the NMS-8 (i.e. excluding Bulgaria and Romania) are no longer recorded since 1 July 2008, with the abolition of the work permit requirement for countries that joined the EU in 2004. Moreover, both databases potentially contain measurement errors. However, discrepancies between the AGDREF and OFII data for inflows of foreign workers from the NMS are small, and our key findings are unchanged regardless of the database used.

Two other sources are commonly consulted for the purposes of studying immigration in France, namely the population census and the INSEE Employment survey. It has not been possible to use them here, however, as they are published too late (a minimum of 1-2 years after the event) to allow us to keep close track of the impact of recent policy changes. In the Employment survey, moreover, the share of NMS citizens among respondents is too small (0.3%) to permit any detailed analysis. Finally, neither of these two databases lists the conditions for entry to France or the nature of the residence permit (work or otherwise), thereby limiting the scope for evaluating French immigration policy vis-à-vis the NMS with this type of data.

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