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Immigration Policy and its Impact A comparative Study with A Focus on Spain

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THE LONDON SCHOOL
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Immigration Policy and its Impact

A Comparative Study with a Focus on Spain

LSE Migration Studies Unit & CIEES



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Immigration Policy and its Impact A comparative Study with A Focus on Spain

LSE Migration Studies & CIEES

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Executive Summary

International Migration Dynamics

- In 2009, 2.9% of the global population, or approximately 190 million people, were migrants, with foreign-born people making up around 12% of the total population in OECD countries. Migration rates to OECD countries have tripled since the 1960s and are likely to continue to increase overall, despite a slight decline in numbers in the past couple of years.
- Migrating for family reasons is the most prominent explanation for immigration. Around 70% of immigration in the United States and 60% of immigration in France is family-related. Labour migration also constitutes an important explanation for movement. 30-40% of the permanent migrants settling in Italy, Ireland, Spain and the United Kingdom arrived for labour related reasons. The world has also witnessed a significant increase in the number of asylum seekers in recent decades, though the numbers have recently dropped.
- Immigration to Europe in particular has been on the rise. In 2006, according to Eurostat, the largest immigrant groups entering EU27 countries were from Poland (290,000), Romania (230,000), Morocco (140,000), the United Kingdom, Ukraine and China (each with approximately 100,000), and Germany (90,000).
- The countries that in turn received the most immigrants were Spain (803,000), Germany (558,500) and the UK (451,700). Together, these three countries received 60% of all of the immigrants in the EU27. When the size of the host population is considered, however, it was Luxembourg that accepted the most immigrants (28.8 foreign immigrants per 1000 inhabitants), as well as Ireland (19.6), Cyprus (18.7), Spain (18.1) and Austria (10.3). The average for the entire European Union was 6.2 foreign immigrants per 1000 inhabitants.
- For the past decade, net migration has been the most significant cause for population change in the European Union. In 2007, the population of the EU27 grew by 2.4 million people. This growth consisted of net migration of 1.9 million people and with a natural population increase of 0.5 million people.

Spain as a destination country of international migration

- When compared with immigration dynamics in other European countries over the past decade, Spain has clearly experienced quite extraordinary trends. Spain is noteworthy for being one of the countries with the largest influx of foreigners during the 2000-2007 period in proportion to its size: in the Spanish case, an increase representing 12% of its population in just 7 years. By early 2009, the number of foreigners residing in Spain had surpassed 5.5 million. Although Spain represents only 9% of the population

of the 27 countries of the EU, it has been responsible for over 35% of overall EU population growth in the last decade.

- Undocumented immigrants are estimated to make up 20% of foreign population in Spain. This situation ultimately compromises an immigration policy meant to regulate immigration flow.
- The most common type of immigrant in Spain is a young (32-33 years old) man or woman (50% of each sex) coming typically from Romania, Morocco, Ecuador and Colombia (these 4 countries make up 60% of total economic immigrants) who is willing to enter immediately into the Spanish labour market.
- Two main factors explain the influx of immigrants to Spain: a period of strong economic growth in sectors dependent on intensive manual and low-skilled labour, and the relative scarcity of population in the potentially active age group due to an aging population.
- Spanish real GDP growth between 2001 and 2008 was 3.5%, the second largest in the EU12. In this period 4.7 million new jobs were created in the country (31% of all EU employment). The slight increase in the potential workforce, in the activity rate and in the employment rate among the native population only accounts for two million out of this 4.7 million jobs; the rest were filled by immigrants.

Historical review and evaluation of Spanish immigration policy

- The legal requirements for foreign workers are similar to those of the majority of all EU states: authorization to live in the country is granted primarily on the grounds of obtaining permission to work, with the duration of the residence permission being linked to the duration of the employment.
- According to the evolution of the Spanish immigration policy, three distinctive stages can be highlighted. The first involved the establishment of a legal basis for entry and stay, the second established the presumption that immigration would be lasting, and therefore saw the introduction of social integration and family reunification policies, and the third is characterised by the reinforcement of security related measures.
- Since the year 2000, immigration issues have been a particular bone of contention among the main political parties represented in Parliament (PSOE and PP). This conservative – liberal political polarization has posed an obstacle for a coherent immigration policy, as it has been partly responsible for frequent changes of immigration laws and procedures.
- One of the main distinctive characteristics of Spanish immigration policy history has been the regular use of mass regularisation programmes since the mid 1980s. The possible consequences of these massive regularizations are not clear and the opinion swings from those who think that regularization processes may have intensified attempts of illegal entry into Spain, to those that deny this “knock-on effect” and judge such regularisation measures as inadequate but necessary for solving the problem of irregular migration.

- Overall, the historical design and application of Spanish immigration policy can be criticised. The promotion of immigration through the legally established channels of entry and stay has remained unsatisfactory and the rigidity of the work permit system has meant that labour demand could not be satisfied with documented immigrants.
- The current economic crisis has led to an over-supply of workers which in turn has promoted the adoption of more restrictive measures for the admission of new immigrants.

Economic integration and contribution

- The activity rate (rate of those who are actively seeking employment) is substantially higher among immigrants (77%) than natives (58%) but the employment rate is substantially higher for natives both before and after the current economic crisis (90% versus 83% pre-recession and 84% versus 72% pre-recession).
- The total number of employed immigrants was nearly 3 million before the current economic downturn, which represents about 15% of the total Spanish workforce (14% during current recession levels).
- The Spanish job market has a very clear gender segmentation which is even more pronounced with respect to immigrants: about 90% of immigrant women work in the service sector; male immigrants were employed, before the recession, in the building industry (40%) and the service sector (40%)
- Around 35% of immigrants are working without a contract (62% in rural areas). While reliable figures are difficult to find, reasonable estimates suggest that the number of undocumented workers is about one million, which has given rise to a de facto labour market duality.
- The direct contribution to the total Spanish GDP from immigrant labour is about 9.7%. Adding “economic chain reaction effects”, the total economic impact, with respect to the private sector, has been estimated to be 13.2% of GDP.
- The employment of immigrants (both regular and irregular), estimated at 2,444,000 workers can be directly linked to the jobs of 1,624,000 natives, which means that for approximately every three jobs held by immigrants one additional job held by a native worker has been created.

Social integration of immigrants

- According to the MIPEX index, Spain ranked tenth (out of 25 countries) in terms of immigrant integration policies, showing its best performance in the area of access to job markets (second) and its weakest in political participation, access to citizenship, and anti-discrimination (ranked 17th in this last category).

- The different approaches taken on immigrant integration issues from the perspective of different integration plans (national, regional or local) limit the effectiveness of immigrant integration policy.
- An important policy trend is to foster the development of specific integration programs for new immigrants by means of integration policies focused heavily on actions aimed at improving access to local resources and shelter (short-term focus on integration) but more attention needs to be paid to the adoption of medium and long-term integration measures.
- Existing integration measures insufficiently treat integration as a “two-way” process which requires the adaptation of both migrants *and* the host society.

Challenges and opportunities for Spanish immigration policy

- With the new circumstances brought on by the recession, the ground rules are likely to change dramatically over the coming years. In the medium and long term, one key way to achieve adequate growth in job demand is by investing technology-oriented companies, thus preventing the off-shoring of production due to lower labour costs.
- The Spanish labour market can be expected to witness further job losses through the year (2010). In the medium term, growth can be expected to be stronger in sectors that, on one hand, are generally consumptive and offer fewer jobs, and, on the other, that require a more highly skilled workforce.
- In this new context, the benefits that have attracted a large influx of immigrants will decline considerably, and, presumably, so too will the numbers of those seeking to immigrate. Studies confirm that being unemployed can indeed be a factor that would increase an immigrant’s likelihood to return but that other variables will also have to be considered.
- Taking into account the forecast for migration flows and the future period of economic recovery, as well as considering the trend of immigration policies of other Member States, Spanish immigration policy is likely to become more restrictive. In particular, the number of family reunifications can be expected to become a more contentious issue.
- Nevertheless, we can expect a continued influx of new third country nationals and also a sustained inflow due to family reunifications. In addition, given the growth of the young population in many third countries, the economic and social differences as well as the political instability, it is unlikely that migratory pressure will fall dramatically in the near future even taking into account that the current economic crisis is expected to reduce the number of new entries.
- The reinforcement and formalising of dialogue with immigrant organizations and other organizations which deal with migration issues, including Trade Union and Employer Organizations, could help the development of effective migration and migrant integration policies.
- With regard to irregular migration policies, it the regular use of mass regularization programmes should be re-considered.

- It is further necessary to design and implement more effective migrant integration programme in order to achieve the sustainable integration of people already settled in Spain as well as those who will arrive in the near future. There is a growing need to articulate more clearly the benefits of diversity and to pursue policies that promote social cohesion.

The Effectiveness of Immigration Laws: How Much Does Policy Matter?

- A key analytical challenge for academics and policy makers is the relationship between migration flows, policies and the impact of immigration. Crucially, one would need to be able to assess the capacity of policy measures to influence migration outcomes, i.e. to what extent variation in migratory flows are due to differences in policy. In order to find answers to such questions, we need comparative datasets of policy measures.
- Such datasets currently exist in only few areas of migration policy. Where they do exist, such as in the field of asylum policy, they allow for studies that can provide unprecedented insights into the effectiveness of policy measures.
- In the case of asylum policy, highlighted here, it has been shown that the most prominent public policy measures aimed at regulating asylum flows are often less effective than sometimes assumed. The most powerful explanatory factors for migrants' (and asylum seekers') choice of host country are only partly due to differences in policy, but more importantly due to legacies of migrant networks and relative employment opportunities in host countries. This means that asylum destination choice is affected above all by 'structural' factors that, at least in the short and medium term, are beyond the reach of asylum policy makers.
- It can be shown that the most effective policy instruments to regulate asylum flows are determination policies and policies that regulate labour market access for asylum seekers. Many other prominent policy measures such as safe third country provisions, dispersal and voucher schemes for asylum seekers can be shown to have little or no effect on the distribution of asylum flows in Europe.
- The results of research that uses comparative and disaggregated policy data as highlighted in this report, opens up the prospect of a highly promising future agenda for migration research that is likely to provide important new insights for academics and policy makers alike.

Looking Ahead: A Future Agenda for Immigration Policy Research

- As comparative datasets for disaggregated policy data are currently very rare, it should be a priority for future research in this field to compile such datasets as they can be expected to give researchers and policy-makers new insights on how to best manage and regulate immigration.
- This report provides an important stepping stone for this wider research ambition. By taking stock of our existing knowledge and its current

boundaries, highlighted with the case of Spain, a country that has undergone a unique transformation in migration flows and policies, this report has directly fed into this future comparative migration research agenda.

- The International Migration Policy and Law Analysis (IMPALA) Project, a collaborative research undertaking initiated by the LSE Migration Studies Unit, Harvard University, the University of Sydney, the University of Amsterdam and the University of Luxembourg, aims to devise a system for measuring and evaluating the operation of national immigration laws, policies and practices against contextualised statistical data and outcomes. The project aims to devise a common standard or coding system that will facilitate the evaluation and comparison of immigration law and policy both across nations and through time within individual states.
- By creating a comprehensive, cross-nationally comparable dataset on immigration laws, policies and practices - contextualised by the parallel collection of statistical and other outcomes - the project will enable scholars and policy makers to evaluate the effects of different approaches to managing immigration, which is hoped to make a critical contribution to ongoing debates and policy decisions.
- The envisaged IMPALA dataset should be of great value not only to policy makers but also to researchers in a wide variety of academic disciplines. It will be useful to economists interested in explaining immigration flows and their economic effects, to sociologists examining the social and cultural consequences of immigration, to political scientists interested in explaining immigration policies and the political impact of immigration, and to legal scholars studying the rights granted to immigrants and refugees in different countries.
- This report, like the envisaged IMPALA dataset, by providing a precise and comprehensive survey of immigration flows, policies and the wider impact of immigration, is hoped to help researchers and policy-makers to assess the effectiveness of immigration policy measures more accurately. Hopefully this will inform future migration policies that will maximise the benefits of international migration for migrants and destination countries alike.

1. Introduction

Immigration dynamics have varied across time and across countries and immigration flows can have a significant economic, social, political and cultural impact on host countries. The challenge for policy makers and academics is to better understand to what extent public policy decisions can influence migration flows and their impact. To address this research challenge, we need to advance a broader comparative research agenda that allows for a systematic comparison of immigration policy outputs (laws) and immigration policy outcomes (the impact of such laws).

This report seeks to contribute to such a research agenda and the development of a corresponding methodological framework that would allow for such an empirical investigation. This report will first provide a historical overview of European migration trends that will set the Spanish experience in its broader context. The next part focuses on the evolution of Spanish immigration policy and its impact, and also provides an analytical summary of recent research contributions in this area. The final part identifies the limitations of existing research designs and proposes a broader comparative research agenda that would help the academic and policy-making community deepen their understanding of the variation and differential impact of immigration policies.

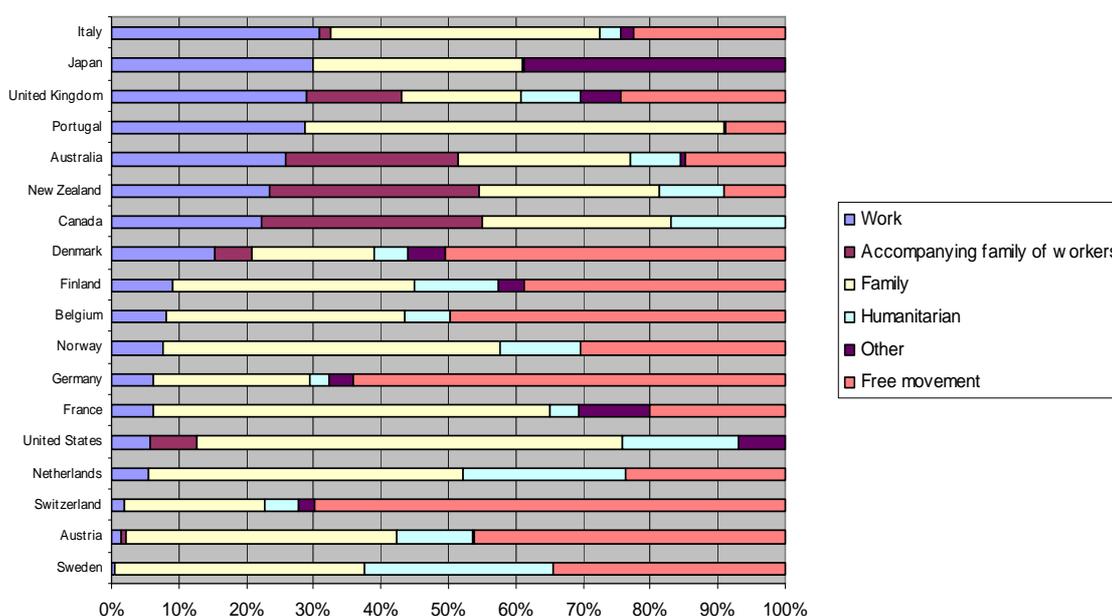
2. International Migration Dynamics

2.1 Global Trends

Over the past few decades, the world has witnessed a surge in the global migrant population. In 1970, 2.2% of the global population were migrants, yet as of 2009, 2.9% of the global population, or approximately 190 million people, were migrants. Migration rates to OECD countries have tripled since the 1960s and are likely to continue to increase overall, despite a slight decline in numbers in the past couple of years (Keeley, 2009, 12).

While immigration was primarily economically driven in the past, and arguably still is, recent years have witnessed a variety of other factors come to play a greater role in influencing peoples' decisions to move. Migrating for family reasons is the most prominent explanation for immigration, as around 70% of immigration in the United States and 60% of immigration in France is family-related. Labour migration also constitutes an important explanation for movement as 30-40% of the permanent migrants settling in Italy, Ireland, Spain and the United Kingdom arrived for labour related reasons (SOPEMI, 2008, 22). Immigrants also generally play a very important role in the work force in many OECD countries, with immigrants filling over 1/3 of low-skilled jobs in the United States (Keeley, 2009, 12).

Figure 1. Permanent-type Immigration by Category of Inflow, 2006



Source: SOPEMI, 2008, 36 (*equivalent Spanish data unavailable from SOPEMI).

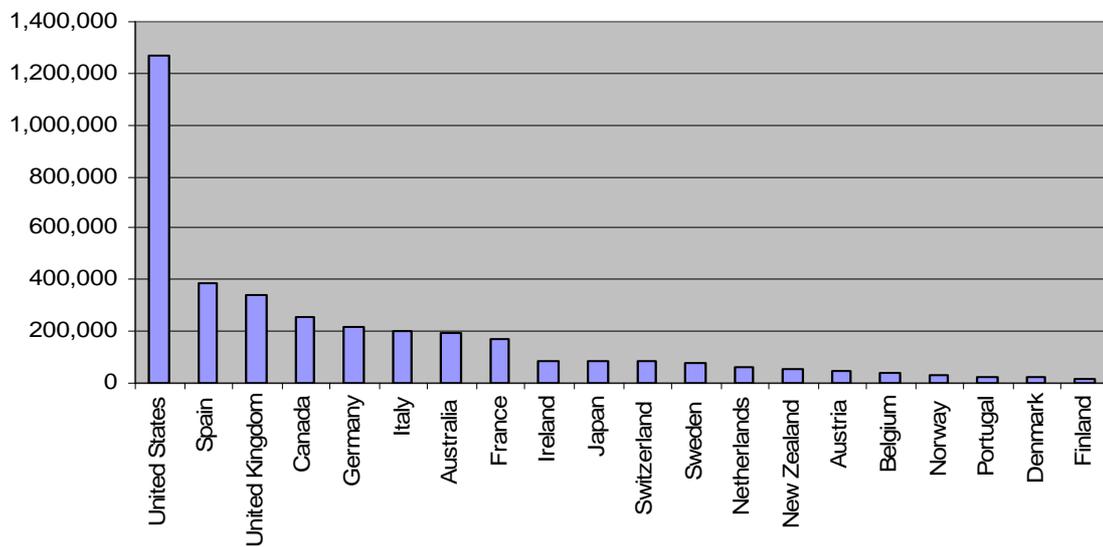
The composition of migrant in-flows and out-flows are also impacted by the different push-pull factors that influence where people come from and where they go. Europe is very attractive to other Europeans, as 60% of the inflow of immigrants into Europe in 2006 were of European origin. People emigrating from Asia, however, made up over 50% of the total flow to non-European OECD countries. A large number of Latin Americans immigrate to non-European OECD countries, and for the most part, this represents the large number of Mexicans that journey to the United States. Recent years, however, have also seen an increase in the number of Latin Americans moving to Spain and Portugal. Approximately 85% of the people emigrating from Northern Africa land in Europe, but over 60% of those emigrating from sub-Saharan Africa venture to non-European OECD countries. Non-European OECD countries also saw four times as many immigrants from South Asia and six to seven times as many immigrants from East and Southeast Asia as European countries did. Furthermore, while Poland and Romania top the list in Europe as the source countries of immigrants, they produce less than half of the immigrants that China does, most of whom move to non-European OECD countries (SOPEMI, 2008, 23). And while many people do move from wealthy countries to other wealthy countries, over 60% of the world's migrants are now resident in the developed world (Keeley, 2009, 31).

With the increase in global migration, foreign-born people have come to make up larger percentages of the populations of many OECD countries. In 2006, foreign-born people made up 12% of the total population of OECD countries, which was an 18% increase since the year 2000 (SOPEMI, 2008, 24). Some countries are obviously more affected than others, as migrants constitute approximately 25% of the population in Switzerland and Australia, yet only 3% of the population in Finland and Hungary. While figures on irregular immigrants are hard to gather and hard to verify, it is

estimated that irregular migrants make up approximately 3% of the population in most developed countries (Keeley, 2009, 44).

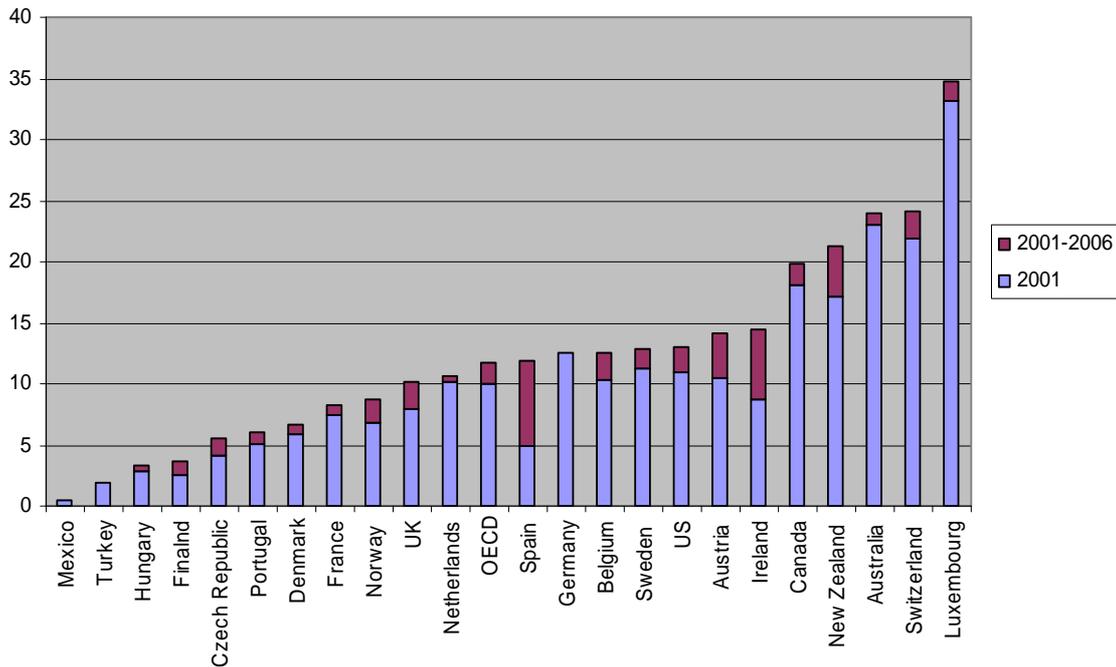
The world has also witnessed a significant increase in the number of asylum seekers in recent decades, though the numbers have dropped in the past few years. The number of refugees throughout the world stood at 2.4 million in 1975, peaked at 18.2 million in 1993, and has since fallen to a still substantial 12.1 million as of the year 2000 (Castles, 2003, 11). In 2006, global asylum applications were down for the fourth consecutive year, with the United States receiving the most applications (41,000), followed by Canada, France, Germany and the United Kingdom (each with between 20-30,000 applications). Sweden, Austria and Switzerland, however, received the highest number of asylum applications when host population size was considered.

Figure 2. Inflows of Permanent Migrants to OECD Countries, 2006



Source: SOPEMI, 2008, 29.

Figure 3. Foreign-born population in OECD Countries (%), 2000-2006



Source: Keeley, 2009, 34.

2.2 European Trends

Prior to 2002, net migration to the EU had never exceeded 1 million; however, from 2002 to 2007, net migration in the EU averaged between 1.64 and 2.03 million persons per annum (Eurostat Yearbook, 2009, 166). In 2006 alone, approximately 3.5 million people settled in a new country within the EU27, with 1.8 million of these migrants coming from non-EU countries (Eurostat, 2008, 1). In that same year, the largest immigrant groups entering EU27 countries were from Poland (290,000), Romania (230,000), Morocco (140,000), the United Kingdom, Ukraine and China (each with approximately 100,000), and Germany (90,000) (Eurostat 162/2008, 1). The countries that in turn received the most immigrants were Spain (803,000), Germany (558,500) and the UK (451,700). Together, these three countries received 60% of all of the immigrants in the EU27. When the size of the host population is considered, however, it was Luxembourg that accepted the most immigrants (28.8 foreign immigrants per 1000 inhabitants), as well as Ireland (19.6), Cyprus (18.7), Spain (18.1) and Austria (10.3). The average for the entire European Union was 6.2 foreign immigrants per 1000 inhabitants. (Eurostat 162/2008, 1).

For the past decade, net migration has been the most significant cause for population change in the European Union. In 2007, the population of the EU27 grew by 2.4 million people, which marked positive net migration of 1.9 million people with a natural population increase of 0.5 million people. The countries with the highest positive net migration values from 2002 to 2007 were Spain, Italy, the UK, France and Germany. In 2003, there were 2 million more immigrants than emigrants in the European Union. We can clearly see then, that the EU has witnessed a significant surge

in immigration over the past decade. As a result of the recent global economic decline, however, there has been a slight drop in the number of people immigrating to the EU over the past two years. Though as mentioned previously, net migration is still positive for most EU countries and immigration continues to be a significant source of population growth.

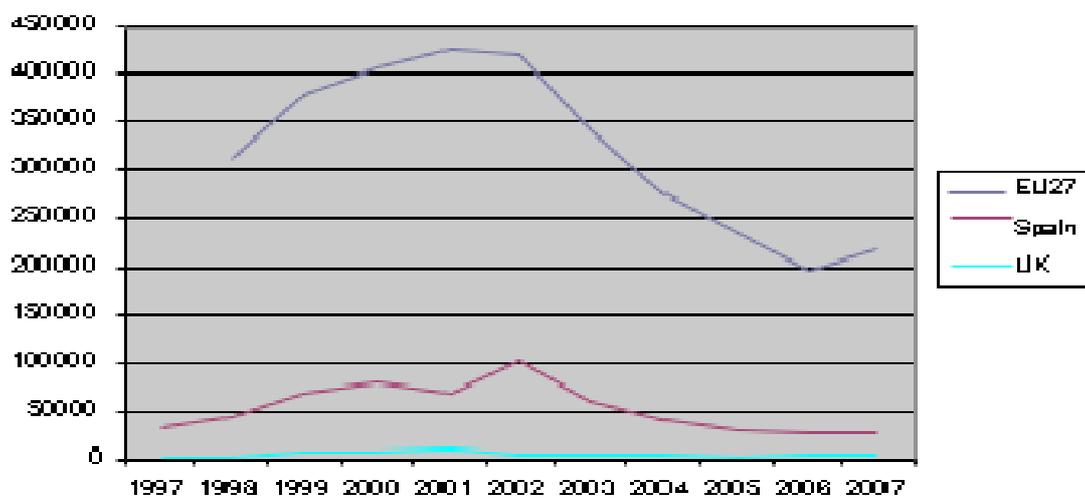
When asylum applications in the European Union are considered, the trend is quite similar. Of all asylum applications made in industrialized countries over the past twenty years, about two-thirds of them were made in the European Union of fifteen member states prior to enlargement (Hatton, 2005, 106). Asylum applications reached their peak in the EU in 1992, which saw 670,000 applications made in the EU15. Like immigration though, asylum applications have also witnessed a decline over the past few years, though the decline has been much more dramatic. In 2001, there were only 424,000 applications compared to 670,000, and in 2007, there were only 218,900 applications, which was a slight increase from 2006. (Eurostat Yearbook, 2009, 166). This means that since 2001, the number of asylum applications lodged in the EU has dropped by half, and if today's numbers are measured against the recorded peak in 1992, there has actually been a 70% decline in applications. (Eurostat 110/2007, 2). France has seen the largest overall drop in absolute numbers, followed by Austria and Germany. This downward trend has not been seen in all countries, however, as Sweden, Greece and Hungary all reported an increase in asylum applications in 2006.

Table 1. Foreign Immigration, 2006

	Foreign Immigration	Of which (%)		Immigration per 1000 inhabitants
		EU27 Citizens	Non-EU27 Citizens	
EU27	3,000,000	40	60	6.2
Spain	803,000	38	62	18.1
UK	451,700	31	69	7.4

Source: Eurostat News Release 162/2008, 2.

Figure 4. Asylum Applications (persons), 1997-2007



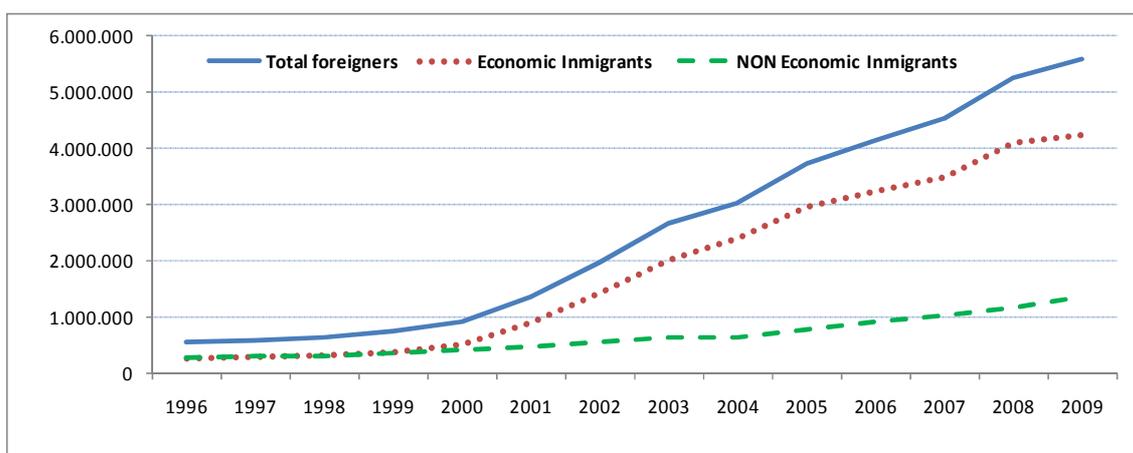
Source: Eurostat Yearbook, 2009, 172.

2.3 Trends in Spain

When compared with immigration dynamics in other European countries over the past decade, Spain has clearly experienced quite extraordinary trends. In early 2000, the number of immigrants resident in Spain was less than one million in a country with over 40 million people; by early 2009¹, the number of foreigners residing in Spain had already surpassed 5.5 million.

¹ The most current data available when preparing this report (October 2009) was found in the Statistical Use of the Municipal Register of Inhabitants by the National Statistics Institute (INE), referring to the population as of 1 January 2009.

Figure 5. Total Number of Foreigners and Economic Immigrants² 1996 - 2008



Source: Calculated from population data as of 1 January for each year from the Statistical Use of Municipal Registry Data (INE)

A few simple international comparisons will suffice to illustrate the magnitude of both the scope and the rate of the recent immigration influx in Spain:

According to homogeneous data published by the OECD³, Spain is among the 3 countries with the largest relative presence of immigrants among its population⁴. Moreover, Spain is particularly noteworthy for being the country⁵ with the largest influx of foreigners during the 2000-2007 period in proportion to its size: an increase representing 12% of the Spanish population in just 7 years⁶.

Regarding Europe during the same period (2000-2007), 16 million non-EU15 foreigners joined one of the 15 EU countries: 4 million of them, or 25% of the total, chose Spain as their destination.

Although Spain contains only 9% of the population of the 27 countries of the EU⁷, it has captured over 35% of overall EU population growth in the last decade⁸. This increase of over 14% in a 10 year period is extraordinary, and starkly contrasts with the slight 3.5% net population increase in the entire EU27 area; 11 of those 14 percentage points represent the arrival of new foreign residents.

² Generally speaking, we use the term "foreigner" to refer to those whose nationality is not Spanish, regardless of their birthplace. However, we distinguish those coming from developing or underdeveloped countries as "economic immigrants" (sometimes referred to simply as "immigrants" in the text), i.e. immigrants who migrate for economic reasons. Foreign nationals of one of the developed European countries (EU or not) or the United States, Canada, Japan, Australia or New Zealand (see technical details on this subject in the Technical Annex) are not considered "economic immigrants". Such a distinction is analytically necessary because, despite sharing the same general description, these immigrant groups share little in common: the reasons for leaving their countries are different, conditions of entry and residence differ, their economic capability is unequal, their participation in the labour market is not comparable, their living conditions are dissimilar, their prospects for returning are quite different, etc.

³ OECD International Migration Database consulted in October 2009

⁴ Comparative calculation is not simple because there are countries, such as Luxembourg or Switzerland, where a huge stock of foreigners but not "economic immigrants" was registered.

⁵ Luxembourg actually received the greatest influx, but we have excluded it from this analysis in light of the fact that it does not represent "permanent economic migration from developing or underdeveloped countries", but of persons in transit or residents hailing from developed countries.

⁶ This ratio is calculated by dividing the influx of foreign population during 2000 – 2007 by the total Spanish population in 2000.

⁷ Eurostat, 2009 data was consulted in October 2009.

⁸ Eurostat. Comparison of the population (provisional for certain countries) from 1 January 2000 to 1 January 2009.

The demographic and socio-cultural significance of an event of this magnitude could not go unnoticed but it would be worthwhile to underscore its economic impact. It should suffice to mention the paradox that, from the early 2000s up to the start of the 2008 crisis, nearly 5.5 million new jobs⁹ were created in Spain, yet the growth of the Spanish (native) workforce population during this period was negligible¹⁰.

2.3.1 Flow patterns, size, and characteristics of immigrant groups residing in Spain

The foreign population with registered residency in Spain as of January 1, 2009 has reached 12% of the total population, representing 5,598,691 people. The evolution of the foreign resident population in Spain shows that immigration flows intensified from the early 2000s until 2008 when the current economic downturn caused a significant reduction in the rate of entry of economic immigrants. In fact the number of registered economic immigrants grew by only slightly more than 125,000 people in 2008, compared to 385,000 on average over the last three years or 450,000 on average in annual terms since 2000.

⁹ Growth in employment held between 2000 and the last quarter of 2007 according to quarterly data by the Economically Active Population Survey (EAPS) of the INE.

¹⁰ Actually, net growth of the native-born population between 16 and 65 years of age (i.e. potentially economically active) was positive, but only by 41,500 people during that eight-year period.

Table 2. Influx and Stock data on all immigrants and on economic immigrants

Immigrant Influx	Avg. 2000/07	Avg. 2005-2007	2008
Total Immigrants			
Annual influx	543,110	512,717	329,929
Yearly growth rate	25%	12%	6%
Economic Immigrants			
Annual influx	450,154	385,042	125,435
Yearly growth rate	32%	12%	3%
Non-economic Immigrants			
Annual influx	92,956	127,675	204,494
Yearly growth rate	14%	14%	18%

Immigrant Stock	Data as of 1 January of each year		
	1998	2005	2009
Total Population	39,852,651	44,108,530	46,661,950
Total Immigrants	637,085	3,730,610	5,598,691
(% of total population)	2%	8%	12%
Economic Immigrants	325,385	2,952,207	4,232,769
(% of total immigrants)	51%	79%	76%
Non-Economic Immigrants	311,700	778,403	1,365,922

Source: Calculated from population data as of 1 January of each year from Statistical Use of the Municipal Registry (INE). Final series for 1998 - 2008 and provisional data for 1 January 2009.

According to current data from the State Secretary of Immigration and Emigration (SEIE) the total number of undocumented foreigners as of 31 December 2008 (a figure comparable with the one listed in the Register on 1 January 2009) was 4,473,499 people. The comparison between the SEIE (4,473,499) and the aforementioned Register (5,598,691) is commonly used in Spain to estimate, in spite of obvious limitations, the number of undocumented¹¹ immigrants seeking to reside and work in Spain¹². In early 2009, this method produced a figure of about 1,125,000 undocumented immigrants, an amount that represents 20% of the registered foreign population. Despite the progressive reduction in the percentage of undocumented immigration¹³ (it averaged 47% between 2002 and 2005 rising to 50% in 2003), the number of undocumented foreign residents has also remained quite high since 2003—

¹¹ We prefer to use the Spanish terms “*indocumentada/o/as/os*” (undocumented) or “*irregular/es*” (*unregistered*) interchangeably rather than the Spanish term “*ilegal*,” which is equivalent to the commonly used English word “illegal”. Among all of the terms frequently used, the term “*ilegal*” is the most erroneous because the lack of proper documentation by a foreigner is not considered a crime in Spain (i.e. it is not included in the Criminal Code), but, rather, an administrative misdemeanour.

¹² Data from SEIE account for regular permits of residence and work; in contrast, Municipal Register data accounts for every foreigner (regular or irregular) that freely want to register. Registration is quite common, given the fact that it is a compulsory requirement for accessing public services, such as health and education.

¹³ A significant part of the reduction in this high percentage of undocumented immigrants stemmed from legislative changes affecting citizens from Romania and Bulgaria. As of 1 January 2007, Romania and Bulgaria joined as full members of the European Union. Although the Spanish government issued a two-year moratorium that limited their effective right to apply for an employee work permit, citizens of Romania and Bulgaria enjoyed the same rights as any other EU citizen to enter Spain, become self-employed, pursue studies, or simply seek residence.

easily surpassing one million individuals and even reaching the 1.8 million mark in 2005 (see Annex Table A.1).

Spain has also witnessed a gradual increase in the number of asylum applications that it receives. Like most other EU countries, Spain experienced an increase in asylum applications between 1999 and 2001, which peaked in 2001 at 9,490 applications (see Table 3). In 2007, Spain received 7,195 applications, which is a considerable increase from the 4,975 applications it received in 1997. (Eurostat Yearbook, 2009, 172). While Spain has undergone an increase in the number of asylum applications it receives, it is important to note that Spain actually receives very modest numbers of asylum applications compared to other EU countries. Between 1997 and 2007, Spain received an average of 6,428 asylum applications per year. This is considerably lower than the 62,821 applications that Germany received on average, as well as the 53,834 applications that the UK received and the 39,980 applications that France received over the same time period.

Table 3. Total Number of First Asylum Applications

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Number	4,975	4,934	8,405	7,926	9,490	6,309	5,918	5,553	5,257	5,297	7,664

Source: Ministry of Interior, Asylum and Refugee Office.

As Table 3 demonstrates, applications for asylum in Spain are very low compared to other EU countries like Germany, the UK or Switzerland, and the number of applications have hardly increased between 1997 and 2007 (4,975 to 7,664). These numbers are striking when compared to the large increase in the foreign population in Spain, which has risen from 241,971 in 1985 to 4,625,191 in 2009 (Cornelius, 2004, p.388) (Informe Trimestral Junio, 2009, p. 5).

Table 4. Asylum and Migration Data – Total Number of Decisions

	2004			2005			2006			2007		
	Total	First Instance	First Appeal									
Total	9,591	6,625	2,966	8,185	4,857	3,328	8,398	4,248	4,150	7,597	6,640	1,317
Positive	233	161	72	285	202	83	212	168	44	233	225	8
Negative	8,689	6,301	2,388	6,634	4,531	2,103	7,567	3,892	3,675	7,367	6,070	1,297
Other	669	163	506	1,266	124	1,142	619	188	431	357	345	12

Source: Own Elaboration. Data from European Migration Network, 2009.

The above table shows that only a small percentage of the lodged applications are accepted. Also, the positive decisions have been constant from the 2004-2007 period and few appeals are successful.

When it comes to the origin of all categories of registered migrants, we can see in Table 5, four nationalities make up 60% of ‘regular’ immigrants living in Spain.

Table 5. Origin of economic immigration (Regular residents by country of origin and percentage of total economic immigration)

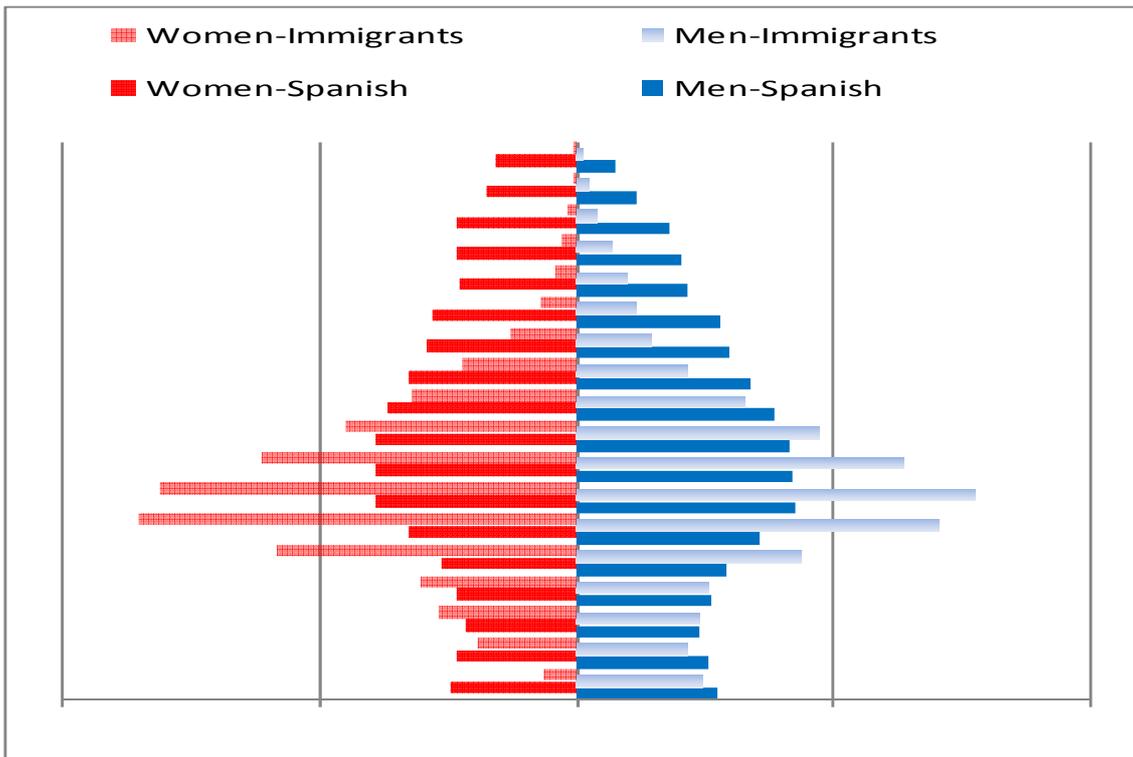
Main Countries of Origin		
Country	Stock	Percentage
Romania	718,844	20%
Morocco	717,416	20%
Ecuador	421,527	12%
Colombia	274,832	8%
Bulgaria	144,401	4%
China	138,558	4%
Group Total :		66%

Source: Prepared from SEIE data (as of 31 December 2008).

An analysis of trends shows stronger growth in recent years of immigration from other European countries (particularly from underdeveloped countries that are now EU members) in contrast to a tendency toward reduced immigration flows from African countries and, to a lesser extent, from Latin America.

With respect to basic demographics, that is to say age and gender, the comparative graph below shows Native – Immigrant population pyramids.

Figure 6. Relative (*) population pyramids for Natives - Immigrants (**)



Source: Calculated from population data as of 1 January of each year from Statistical Use of the Municipal Registry (INE).

(*) Bars representing natives and immigrants are shown separately in order to highlight the importance of each age level within its own respective group. As such, they should only be considered to represent the percentage of each age level within its corresponding group, WITHOUT indicating the relative percentages between National / immigrant groups in each age level.

(**) Data on immigrants refers to economic immigration, not to the total number of foreign residents (see technical note 2 on this subject).

The above graph illustrates the following demographic characteristics:

- Parity between men and women: Taking into account both Municipal Registry data as well as documented residency information (SEIE)¹⁴, men made up about 53% of the immigrant population. In aggregate terms, trends toward rising numbers of females or males among immigrant groups have not been observed. Despite this general parity, gender figures by nationality differ in comparison with the overall average: while "only" 46% of Latin American immigrants are men, this percentage rises to 64% for Africans¹⁵. These differences reveal different family migration patterns according to point of origin, although we cannot say at this point if the causes are only a

¹⁴ Both sets of data refer to the same period, 31 December 2008 for the SEIE and 1 January 2009 for the municipal register.

¹⁵ Provisional data refers to the Statistical Use of the Municipal Register as of 1 January 2009.

cultural phenomenon or if they are also influenced by gender issues affecting admission policy and/or the ease in joining the workforce.

- Relative youth of immigrants residing in Spain: The average weighted age of immigrants is about 33 years old (32 in the case of women) compared with 41 years of age for the Spanish population. This age distribution is associated with the essentially work-related aspect of immigrants arriving in Spain, particularly during the early years. Approximately 85% of the immigrant population fall into the potentially active age group category, which corresponds to the age range of the workforce, whereas only 67% of the native population falls into this category. On the other hand, the impact of their relative youth in demographic terms has become apparent in such important areas as the birth rate as 24% of births in 2008 involved a foreign mother and/or father¹⁶.

The geographical distribution of immigrants in Spain does not correspond exactly with the distribution of the native population (see Annex Table A.2). On one hand, immigrants appear to be somewhat more concentrated across the national territory: the concentration index¹⁷ is 14% as opposed to 10% for nationals. On the other hand, the regional distribution diverges between nationals and immigrants for two very distinct and complementary reasons in general terms¹⁸: first and foremost, the different degree of employment opportunities in each of the Spanish regions, and, secondly, the dissimilar amount of important cities, urban centres that tend to act as migration magnets. For example, Catalonia and Madrid, two of the most urban and economically active regions in Spain, attract 23% and 22% of the immigrant population respectively, which represents half of the immigrant population coming from developing countries.

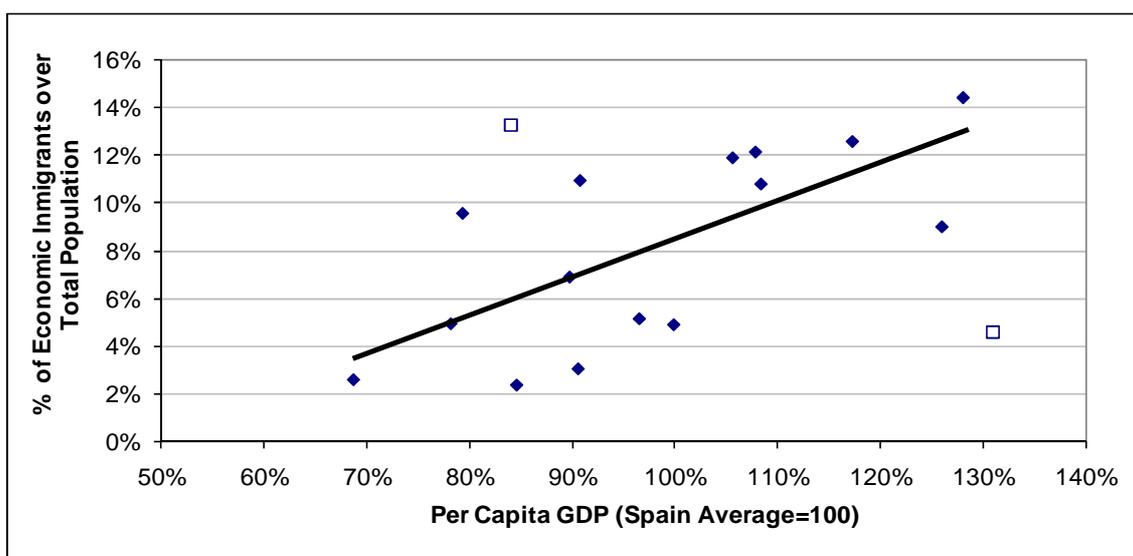
This concentration phenomenon has important implications in terms of integration, regional parity and development which should be considered essential when analyzing the circumstances and outlook for immigration in Spain.

¹⁶ Vital Statistics (INE). Data refers to births by nationality of the mother and father in 2008 (published on 4 June 2009).

¹⁷ Measured with a traditional, non-standardized Herfindahl index using percentages of population distribution by Region of native and immigrant populations. The standardized index would produce a value of 0.047 for natives as opposed to 0.084 for immigrants.

¹⁸ There exist specific reasons why certain regions have a larger or smaller immigrant presence. For example, the high rate of immigration in Murcia, due to agricultural needs, cannot be explained by the region's per capita income of 83% of the national average. At the other end, the low rate of immigration in the Basque Country, which is likely due to a greater difficulty to integrate (e.g. language barrier) does not correlate with a per capita income representing 131% of the national average.

Figure 7. Percentage of Economic Immigrants and Relative per Capita Income



Source: Percentage of immigrants coming from underdeveloped countries with respect to the total population: Calculations based on provisional data as of 1 January 2009 from the Statistical Use of the Municipal Register (INE). Relative per capita income: Spanish Regional Accounts (INE). Base 2000. 1st Estimate for 2007 (INE). Regression line excludes the regions of Murcia and the Basque Country.

2.3.2 Analysis of the causes of immigration in Spain

The influx of immigration in Spain may be due to the confluence in time of two very powerful “pull” factors:

An economic factor: strong economic growth based on sectors dependent on intensive manual and low-skilled labour that the native workforce is neither able nor willing to perform.

A demographic factor: a relative scarcity of population in the potentially active age group due to an aging population.

These two phenomena generated an initial wave of immigration from the outset of 2000 that exceeded all forecasts. A tolerant immigration policy is also mentioned frequently as one possible explanation for the influx of immigrants into Spain, but we do not believe it to be a root cause. In fact, an argument against the idea of immigration policy as a pull factor is that over the course of many years, the entry of large numbers of immigrants has occurred unevenly, which is inconsistent with the idea that lax rules of admission are to blame.

Indeed, since the early 2000s, many newly arrived immigrants did not enter via normal channels but through clandestine or unauthorized means, whereas others who had initially used legal channels later dropped into undocumented status. How can one explain the fact that such a high degree of unregulated immigration did not hinder the arrival of new immigrants? In our view, the reason is relatively simple: first, although

migration policy did not grant legal admission to a large number of immigrants, the vast majority of them did manage to find jobs thanks to the size of the informal labour market in Spain. Moreover, various "amnesty" or "regularization" processes that granted legal residency to successive groups of undocumented residents acted as a final safeguard in the expectations of new immigrants.

Apart from economic and demographic reasons that explain the initial years of the immigration process, immigration became a dynamic factor that stimulated itself. Immigrants already settled have formed networks intended to attract or provide shelter for new immigrants. Spain has become an international destination of choice among the main migration destinations, even though the conditions that were so attractive appear to be waning.

This analytical framework is based on disparate migration theories: the case of Spain, as with all other contemporary migration patterns, does not easily fit into any single theoretical proposal. Ultimately, we would argue that the pull factors that have encouraged immigration to Spain are the key factors in understanding the evolution of immigration to Spain, and not any push factors present in countries of origin. Although it is assumed that these characteristics "at origin" promote emigration and perhaps had an impact on aspects such as the "composition" of immigrant flows (by nationality, for example) they are a "necessary" precondition but not a "sufficient" circumstance to explain the wave of immigration in Spain.

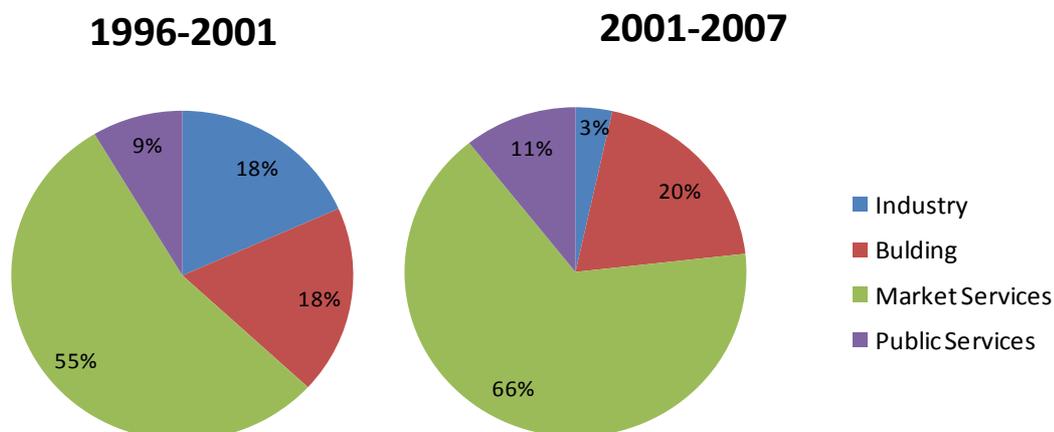
2.3.2.1 The economic cause of immigration or the "glorious decade" of the Spanish economy

Given the current economic situation, no expert would currently describe the years of economic growth from 2000 to 2008 as "glorious". However, before the arrival of the current crisis affecting growth and employment, the figures were persuasively revealing:

- The real GDP growth between 2001 and 2008 was 3.5%, the second largest in the EU12;
- During this period of extraordinary growth, 4.7 million new jobs were created (7.3 million since 1996); and
- Although the Spanish job market represents only 9% of the overall EU27 market, it was responsible for creating 31% of all EU employment between 2001 and 2007.

The reason for this extraordinary job growth is that labour-intensive job sectors played a major role in the Spanish growth model. Thus, industry (traditionally responsible for more than 20% of workforce demand between 1996 and 2000) gave way to building (which rose from 9% to 23% in terms of contribution) and services (largely services related to building and market services with negligible added value).

Figure 8. Contribution to Spanish growth of Non-Agricultural Economic Sectors Comparison of 1996-2000 with 2001-2007



Source: Calculations based on current weights for each sector and year to year growth rates of their chain-linked volume indexes 1996-2007. Base 2000 (provisional estimate for 2007) National Statistics Institute (INE).

This model, which proved to be extremely effective in converting economic growth into employment, was nevertheless highly pro-cyclical and vulnerable¹⁹ and thus Spain is currently suffering the greatest impact on its job market.

Returning to the immigration scene of recent years, it should be stated that this huge increase in labour demand could only be partially covered by the native workforce, due to a combination of three complementary factors:

- A slight increase in the native potential workforce (population between ages 16 and 65) at a rate of about 75,000 people a year;
- A slight increase in the rate of the native activity rate of about half a percentage point per year; and
- A small rise in the native employment rate of 3.5 percentage points accumulated over the eight years mentioned.

The combination of these three factors meant that there were "only" 2 million native employees to meet the labour demand, so the balance (to cover the 4.7 million jobs created) were filled by immigrants. These immigrants had not previously taken up residence in Spain (the total number of economic immigrants living in Spain in 2000 was only 500,000 people). Rather, they came from abroad, generating one of the most intense voluntary immigration flows ever recorded in Europe. Nearly 4.5 million foreigners entered Spain between 2001 and 2008, with 3.6 million coming from poor

¹⁹ The vulnerability associated with the extremely pro-cyclical nature of work in key sectors of the economy, along with heightened labour intensity as well as other factors such as the precarious nature of the work itself (due, among other reasons, to their temporary and dual or segmented nature).

countries. Around 90%²⁰ of this population entered the workforce with the firm intention of getting a job, and a total of 2.7 million immigrants eventually succeeded in finding employment.

It can be observed, therefore, that at the foundation of the arrival of these immigrants, there is a layer of demographic decline that deserves a closer, albeit brief, study in the following section.

2.3.2.1 Ageing population and immigration

In 2005, the “World Population Ageing” Report by the United Nations placed Spain in 2050 as the most aged population on Earth, and more recently, the OECD report “A Statistical Overview of 2007” situated Spain in 2050 as the third most elderly country in the group, behind only Japan and Korea.

The ageing process in Spain is a phenomenon that has been evident since the middle of the last century, although it has become much more pronounced in recent decades. On one hand, the proportion of people over 64 has grown significantly, from 7% in 1950 to 17% in 2001. On the other hand, the percentage of children under age 15 declined in the same period from 26% to 14%. Because of these two opposing trends, the ageing index (calculated as the percentage of people over 64 years per 100 children under age 15) multiplied by 4 in only 50 years from 28 in 1950 to 117 in 2001. It makes sense to infer that demographic trends, coupled with a progressively greater delay in joining the Spanish job market, has given rise to an insufficient population base to meet labour demand, especially if one considers the high rate of economic growth and, consequently, the intense demand for workers.

Most notions on ageing promoted by the European Union, the United Nations, the ILO, and UNESCO, associate immigration with ageing, and, for developed countries, it is often referred to as a palliative factor for its economic impact. The Guidelines for Employment Policies (2003-2005) included the need for countries to “address [...] the deficit in manual labour and paucity in the job market [...] by taking immigration into account”. The EU Commission also noted in the Green Paper on The EU approach towards Management of Economic Immigration “... the need to review long-term immigration policies...” stating that “even if Lisbon employment targets are reached in 2010, overall employment levels will fall due to demographic changes” and thus “...steady immigration flows will become increasingly necessary to meet the needs of the EU labour market and to ensure Europe's prosperity”.

Apart from the global figures for dependency rates²¹, the association between the demographic base and labour market demands are relevant to the context of immigration. In this sense, a simple calculation can be made that illustrates the

²⁰ The 90% activity rate corresponds to the EAPS data from INE at the end of 2008. The average activity rate for the 2001 - 2008 period is obviously somewhat lower.

²¹ The evolution of the dependency rate in recent years shows two opposing forces: on the one hand, the widening of the population pyramid at older age groups, and on the other hand, a reduction in the youngest group. These competing factors have helped stabilize the overall dependency rate which gives the erroneous impression of an adequate labour supply, when in reality, the ageing factor has a much more striking impact on the real rate of “work” dependence than does a numerical decline in the youngest individuals.

progressive shortage in native population supply by annually comparing individuals entering the potentially active age group (16 years) with those exiting the same group at age 65. This calculation illustrates that in the early '70s, this variant of the "replacement rate" was 2.0 and reached 2.3 in the early 80s when baby boomers began to join the workforce. However, the "baby boom effect" came to an end²² in the early '90s and the replacement ratio fell to 1.1 in 1999 where it has remained until the present. This lower rate of replacement obviously implies an increase in the average age of the potential workforce, moving from 37 years old in 1970 to an average of 39 years of age currently.

Using the Economically Active Population Survey provided by the INE as a database, we can illustrate the shortage of native labour supply with a few simple calculations. Given the reported employment rates and the real population base, the native labour supply would have been exhausted, at best, in the last quarter of 2004²³. The only two unlikely alternatives to immigration to prevent a breakdown in the labour supply would have been: an increase in the native population between 16 and 64 years of over 4.5 million people between 1996 and the end 2007²⁴ (actual growth was only 600,000 people); or a rise in the workforce employment rate to 86%²⁵ (the current rate is about 70%).

3. The Evolution of Immigration Policy

It comes as no surprise that given these momentous changes in international migration trends, policy makers around the world have had to react and adapt their policy responses. Spanish immigration policy in particular has undergone significant changes over the three decades.

Having earlier been a 'country of emigration', Spain adopted its first Organic Law regulating the entry and stay of foreigners²⁶ in 1985 before joining the EEC. This law outlined the rights and obligations of foreigners inside the country with restrictions based on the notion that, following membership, Spain would be considered by potential migrants as a transit country in order to reach other Member States - traditional receivers. Immigration was not regarded as a phenomenon which would persist, so the steadiness of residence permits, as well as family reunification and integration were not issues of particular interest. It is important to point out that monitoring immigration flows should not be limited only to entry control, because a large number of undocumented immigrants entered initially through legal channels. Many of them come from visa exemption countries, others come with tourist visas or with short stay permits, but then remain once their permit has expired. As a result, to control the immigration influx, it is also necessary to monitor the duration of stays which represents a much more difficult task (Arango, 2005).

²² The phenomenon known as the "baby boom" occurred in Spain between 1957 and 1977, so those born during that period would have reached 16 years of age between 1973 and 1993 respectively.

²³ The calculation was made by adding the total number of local and immigrant employees and dividing that overall employment figure by the real active native population.

²⁴ The calculation was carried out by dividing the active native and immigrant population by the real employment rate observed for the native population.

²⁵ The calculation was carried out by adding employed and unemployed immigrants to the total active native population and then dividing that total by the potentially active real native population.

²⁶ OL 7/1985

At the beginning of the nineties, although the number of immigrants had still not grown substantially, diversification of immigrants' countries of origin could be observed. It was at this time that government authorities began considering the economic transcendence of immigration flows and the need for regulation as a result of the increasing demand for workers. In 1993 annual contingents²⁷ began to be used²⁸, but it was not until 2002 that they became a main instrument in the hiring process. Visa policies for immigrants proceeding from principal sending countries were adopted in the early nineties, and issues related to border protection, flow control, combating illegal²⁹ immigration, deportation as well as integration of documented immigrants began to come under scrutiny. In 1994, the General Direction of Migrations³⁰ was created and the Plan for Social Integration of Immigrants was adopted. Consequently, regulations relating to the right to family reunification as well as the introduction of permanent residence permits were initiated in 1996 with the modification of the Ordinance of the 1985 law.

Even though immigration was becoming more noteworthy in labour and economic policy, estimates regarding its volume and speed did not reflect the scale of what was actually taking place. The growing need for workers and the increasing number of new entries during the second half of the nineties urged the modification of existing legislation in an attempt to adapt it to real necessities. The fact that the demand for labour in some regions and economic sectors could not be satisfied by native workers led to the signing of an agreement between the Government, Trade Unions and Employer Organizations in 1999 enabling the temporary hiring of foreign workers in their countries of origin when the native supply of workers was insufficient.

In an attempt to respond to changing circumstances, the Government proceeded urgently with a project for the modification of the OL 7/1985. In January 2000 the OL 4/2000 on the Rights and Obligations of Foreigners in Spain and their Social Integration came into force. Worthy of note is the major importance placed on integration and the concession of increased rights to immigrants such as free health services and education for all³¹. Hence, the structural character of immigration was recognised.

Significantly, the adoption of this law led to a trend of political polarization over immigration issues which has been growing steadily ever since, becoming, in fact, a particular bone of contention over the last few years. The main political parties represented in Parliament³², the Spanish Socialist Workers Party (PSOE) and the People's Party (PP)³³, which normally maintain opposing positions on important matters of State, have demonstrated clear disagreement regarding the design and

²⁷ The final aim of this procedure was the quantification and description of the necessities of workforce that could not be satisfied with workers from the local market through job offers processed in the country of origin.

²⁸ The annual contingent varied from 15,000 to approximately 30,000 new work permissions. Such contingents were also used in Italy. Some other EU countries considered this option in the last few years, but only for highly skilled immigrants necessary in certain economic sectors.

²⁹ Illegal immigration refers to immigration across national borders in a way that violates the immigration laws of Spain.

³⁰ In Spain, a "Dirección General de Inmigración" is an administrative office in a third level range, right after the Ministry range and the Secretary-General range.

³¹ Including undocumented immigrants.

³² With a similar number of representatives.

³³ In the Spanish political scene, PSOE is defined as a progressivism party and PP is a centre-right conservative party.

implementation of immigration policy. Indeed, this on-going confrontation has posed an obstacle in the decision-making and management regarding this important topic.

The controversies resulting from the adoption of the OL 4/2000 legislative text contributed further to this political polarization³⁴ and led to additional difficulties in combining such opposing visions into a coherent immigration policy. Such was the widespread political disagreement regarding the stipulations of OL 4/2000 that some months after its entry into force, the People's Party, after winning an absolute majority in the 2000 elections, launched a modification aimed at moulding a more restrictive law. This substantially reduced immigrants' rights³⁵ and expanded the Administration's range of action to control and manage the influxes based on the GRECO Program³⁶ - an integral plan on political coordination and immigration regulation.

Apart from reasons of political conviction, the adoption of the OL 8/2000 also aimed to respond to international commitments relating to this matter, in particular to encompass the principles adopted by the Prime Ministers and Presidents of the EU Member States during their meeting on October 16 and 17, 1999 in Tampere³⁷ regarding the creation of an area of freedom, security and justice³⁸, as well the Schengen community patrimony on entry controls, visa issuance, regulation of stay and the carrier's responsibility and sanctions. The new law came into force in January 2001 modifying the previous OL 4/2000 which had been adopted less than one year before.

The most important modifications related to deportations as immigrants who were working without valid permits were prioritized, and increased penalties were applied to businesses found to be employing such immigrants without requiring documentation. Also included were stipulations for new conditions relating to family reunification and unaccompanied minors. In addition, sanctions to combat the trafficking of human beings were empowered. In short, the reinforcement of the fight against illegal immigration was an important characteristic of OL 8/2000, along with an emphasis on enhanced border control and diversification, such as the introduction of the Intensive External Vigilance System in the Canary Islands and in the Gibraltar Strait.

It can also be noted that the responsibilities of the Ministry of Interior³⁹ increased in 2000 when the position of Secretary of State for Immigration and Emigration was created and given extensive power in matters relating to immigration.

As in other EU Member States, immigration policy in Spain has undergone important changes since 11 September 2001, placing more emphasis on security related questions. A legislative modification was introduced with the OL 14/2003, owing to diverse circumstances which had occurred during the previous two laws which entailed

³⁴ Taking into account the consolidating economic situation at the time and the desire to prevent an excessive increase in immigration flows, the centre-right parties called for more restricted admission of immigrants.

³⁵ Especially undocumented immigrants' rights, but also included the acquiring of permanent residence after five years of continuous residence. Permanent residence authorises the individual to live in Spain indefinitely and to enjoy the same working conditions as the Spanish.

³⁶ In Spanish, the acronym means "Programa Global de Coordinación y Regulación de la Extranjería y la Inmigración"

³⁷ Using the possibilities offered by the Treaty of Amsterdam.

³⁸ In this sense, it indicated common criterion directives for the development of asylum and migration policies: the management of migration flows, fair treatment of third country nationals (and their integration), a common European asylum system and partnership with countries of origin.

³⁹ Previously assigned to the Ministry of Labour and approximately two years ago they were transferred back to the Ministry of Labour and Immigration.

the need to adapt legislation to the continuous changes of the immigration phenomenon in Spain. The considerable increase in the number of foreign residents in the preceding years, together with changes in entry channels and lengths of stay of immigrants in Spain, had generated more knowledge on this phenomenon and led to the introduction of new regulation instruments which would enable an improved and simplified ordinance of migration influxes, although this was not actually achieved. Other proposals began to surface regarding the increased allocation of resources to facilitate documented immigration and additional reinforcement of the mechanisms to fight illegal immigration, human trafficking and deportation.

Border control became a primary focus once again. Measures to promote collaboration with transport companies were introduced with a view to gathering more information on people transferring into Spanish territory. It was hoped that such information would help improve the existing instruments guaranteeing the security of international transport, especially by air. The OL 14/2003 allowed the Ministry of the Interior to obtain data on documented and undocumented immigrants registered in the municipalities⁴⁰.

The determination of visa types and their terms and the fight against the fraudulent use of administrative proceedings also became top priorities. All of this was aimed at facilitating documented immigration as well as the integration of foreigners entering and staying in Spain through these legally established channels.

Although there are many common characteristics during those years, taking into account the legislation developments described above, three distinctive stages can be highlighted. The first relates to the establishment of a legal basis for entry and stay, the second relates to the presumption that immigration would be lasting, and therefore saw the introduction of social integration and family reunification, and the third relates to the reinforcement of security related issues. Ultimately, however, Spanish immigration policy cannot be regarded as very restrictive⁴¹ during the aforementioned years.

One important distinctive characteristic of Spanish immigration policy, in contrast to other European (and in particular Northern) states, is that following every legislative change, one or more mass regularizations have been carried out⁴².

It was highlighted earlier in the report that the chronic persistence and increase of undocumented foreigners is one of the most important characteristics of the immigration process in Spain. As a result, six regularization programs have been implemented during the short but intense period of time in which the country has become the main immigration receiver in the EU.

Even in 1986 when immigration was not yet a large-scale phenomenon, the first regularization process was put into practice for the immigrants residing in the country before the entry into force of OL 7/1985. In its nine-month duration, 43,815

⁴⁰ As well as the urgent deportation of foreigners considered dangerous for the National Security.

⁴¹ Especially when its implementation is taken into account.

⁴² Italy, and to a certain extent, Greece and Portugal adopted similar practices. It is important to add that the principal source of the increase in undocumented immigrants was in the case of foreigners arriving as tourists but who then exceeded their permitted legal stay with the aim of accessing the job market (with or without a regular labour contract or irregular way). We also have to consider nationals coming from countries with visa exemptions, free transit through EU borders, and vessels arriving from Africa in a clandestine manner.

applications were presented of which 87% were resolved favourably. Although the second regularization scheme in 1991 was directed at immigrants who had arrived after the first process and who were working undocumented in the country, it did recognise that some of the people regularized in the first process had become undocumented again. So, in 1991, all foreign citizens who could demonstrate a solid job offer or new business project were invited to submit applications. On that occasion, 135,393 applications were presented and 84% of them were granted (Arango and Suarez, 2002). The need to carry out a second regularization in only a few years when the immigrant population in Spain was still relatively insignificant shows the Government's inadequate management of immigrant influxes, in spite of this being an essential aim of immigration policy.

The predominance of labour immigrants can be seen in all regularization processes, as well as the unexpected increase of unregistered foreigners and the policy's clear failure in preventing further need for large-scale regularizations, which have since become commonplace in the last ten years. Thus, in 1996 a third process was organised, in which applicants had to demonstrate sufficient economic means and health insurance for the period of stay applied for. Of the 24,691 foreigners who filed applications, 70% were applying for work permits.

From this point on, despite the continued increases in the presence of undocumented migrants, the government came to routinely rely on large-scale regularization programs rather than trying to come up with new ways of addressing this growing problem. Thus, in 1998 another amnesty process was scheduled. After the adoption of OL 4/2000, a four-month period was announced in which all foreigners who could prove employment settlement⁴³ and who could provide evidence of their arrival prior to June 1999 were invited to apply. Out of 246,086 applications⁴⁴ 60% were resolved favourably (Arango and Suarez, 2002). We can suppose that the vast majority were newcomers, since only 6% of the applications presented were from immigrants who had lost their previous permits, and it is logical that once an initial work permit is obtained, the owner does not lose the possibility of renewing it. In this case, the fact that the permits issued were not linked to particular geographic or economic sectors could be considered as a shortcoming⁴⁵.

The following year, after the passage of OL 8/2000, the next regularization process took place, designed to deal with applications rejected in the previous process; a large number of them were, once again, resolved favourably.

The intense increase in the stock of unregistered immigrants in 2004-2005 required a new "exceptional" Government intervention which was dubbed the "extraordinary regularization process". As before, the target was labour immigration on the grounds that an estimated 800,000 immigrants were working without administrative

⁴³ The procedure called "arraigo laboral" (stable work situation) is an exceptional circumstance that may entitle a foreign person to obtain a residence authorization. It basically applies to those persons that can provide evidence of having remained in Spain continuously for a number of years (at least 2 years, in current legislation) have no criminal records either in Spain or in his or her country of origin, and can prove the existence of an employment relationship of no less than one year of duration.

⁴⁴ 90% were work permit applications.

⁴⁵ An example being the fact that many immigrants who obtained permission for employment in agriculture quickly changed to better jobs, leaving farmers once again without sufficient workers.

authorization⁴⁶ and, therefore, without a labour contract. This “irregular work” in the shadow economy has well known prejudicial effects on the economic health of a country and its labour market, and must be considered the main obstacle to the social integration of immigrants. In this case, the Socialist Government simply did what any Government would have had to do sooner or later (Sandell, 2005), by providing a solution to failures in the legal system. The OL 14/2003 was the first law which did not include regularization processes, but rather included it in the Ordinance, and so the last and largest regularization process was implemented in 2005. Around 700,000 applications were filed with 87% being resolved favourably⁴⁷. Nonetheless, even after this regularization process, at the end of 2005 there were about 1,400,000 undocumented immigrants according to the municipalities’ registries.

The current economic crisis has entailed an excess of workers which in turn has promoted the adoption of restrictive measures for the admission of new immigrants, further family reunifications and the renewal of permits for unemployed immigrants residing in Spain, etc. One measure introduced by the Government in 2008 was the capitalization of unemployment benefits for people with the aim to commit people to return to their countries of origin⁴⁸, but the result was unsatisfactory. The only measure of this kind envisaged in the new legislative reform in the case of unemployment is voluntary return. According to data from the OECD, only 4,000 immigrants out of a possible 80,000 actually enrolled in the program by the end of March 2009.

Along the same lines, a further measure affected the annual contingent for 2009, namely the Government’s decision to reduce the number of job authorizations to 900. On 23 July 2009, a Royal Decree modifying the Ordinance of OL 4/2000 was adopted, which stipulated that initial work permits fall into the remit of the Autonomous Region labour authorities⁴⁹ with the participation of the State authorities. This measure could in fact have been very useful in the past when a strong regional demand for workers existed but could not be satisfied owing to rigidity and slow processing, and which in many cases obliged businesses to employ immigrants without work permits. Another modification is that foreign students and researchers can obtain work permissions after three years of stay and on completion of their studies⁵⁰.

A new reform in the legislation which comprises strengthening sanctions for immigrants working without the necessary documentation through an increase in deportations has been adopted⁵¹ in Parliament. Internment of undocumented immigrants is intended to be expanded to up to 60 days in the Internment Centre for Foreigners (CIE) as well possible fines of up to Euros 10,000. In addition, sanctions are envisaged for people registering foreigners in their municipality who do not usually live at the declared address. This could prevent some undocumented immigrants from obtaining free health services, because one of the conditions to obtain health services is that they must be registered in the municipality where they live.

⁴⁶ The primary aim was to register undocumented immigrant workers.

⁴⁷ The available statistics contemplated them separately until the end of 2005, when they became part of the total stock. As a result, further information on their actual status is not available.

⁴⁸ With payment of 40% before leaving and the remaining 60% 30 days after arrival in the country of origin.

⁴⁹ Limited geographically to the Autonomous Region in which the permit was issued.

⁵⁰ If they were not beneficiaries of scholarships granted by public or private entities in origin upon programmes for cooperation and development.

⁵¹ With disagreement of the People’s Party which announced that they will modify it immediately if they reach the government, as the Socialist Party did not accept PP parliamentary amendments.

The identification and treatment of unaccompanied minors has also witnessed enhanced restrictions, including the right to legal aid. The requirement to provide increased documentary evidence of lack of economic means in order to be eligible for a court-appointed attorney would limit access to legal defence for people denied entry at airports or other points of repatriation origin. In many cases, the necessary documents could not be gathered within the timeframe of repatriation. Moreover, new reinforcement of policy control measures regarding the entry and deportation of third country nationals is considered.

A further restriction included in the new law⁵² is that only immigrants with more than five years of documented residence can reunite with parents or grandparents older than 65 years. Unfortunately, there are no further plans to address the issue of chain reunification, which should be legally addressed now as it could become the main source of immigration increases in the near future. It is noteworthy that during the period of 2002-2008, only 2,500 of the 500,000 people who reunited with their families in Spain were older than 65 years.

All of these changes were adopted in a parliamentary session recently and additional modifications were introduced. Following the recommendations of the Council Directive 2009/50/EC of 29 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment⁵³, extensive support was given by the main parliamentary groups. According to the European Union Justice Commissioner Franco Frattini, Europe draws only about 5% of the skilled foreign workforce - compared to the 55% who head for the United States. Actually, “the experience of the recent past in which some sectors have been consistently reporting labour shortages (e.g. the IT sector, health services, building) shows that it is not necessarily easy to solve these shortages by tapping into the native workforce” (EC, 2003).

In sum, while one has been able to observe some restrictive trends in recent years, overall it remains true that “...the mechanism for generating regular immigration opportunities to satisfy the demand for immigrant labour has been hopelessly underdimensioned and extremely inefficient in the past” (Sandell, 2005). Ultimately, large scale regularizations have perhaps been the most distinctive feature of Spanish immigration policy in recent years.

4. The Impact of Immigration in Spain

The significant impact of immigration on Europe’s economic and social landscape over the past two decades has perhaps been particularly pronounced in Spain.

4.1 Participation in the workforce

⁵² Only direct members of the family could reunify according to the law reform.

⁵³ Germany, for instance, adopted preference for highly qualified immigration years ago. France recently followed suit. In short, this is a common interest which forms part of the Common Migration Policy.

The arrival of immigrants in Spain has been uniquely associated with their participation in a job market with a noteworthy shortage of native workers. From this standpoint, economic integration of immigrants has gone hand in hand with existing demand for labour, and this fact represents a key point to understanding the dynamics of immigration, determining the level of integration/acceptance within the community, and discerning future prospects.

The following points sum up the main characteristics of the immigrant population⁵⁴ in contrast to the native population with regard to their activity in the Spanish labour market. These figures make it possible to highlight certain aspects of interest:

- As seen in the Municipal Register population figures, potentially active workers over 16 years of age are more numerous among the immigrant population (in relative terms);
- As for the working age population, the rate of those who are actively seeking employment (Activity rate) is also notably higher among immigrants (77%) than natives (58%), which underscores the worker-rich profile of immigration flow.
- The average activity rate also obscures some important differences in specific age groups. Thus, above the obligatory schooling age, activity rates rise among immigrants with respect to natives for both the first group 16-24, as well as the second 25-34.
- Of those actively seeking employment, the employment rate is substantially higher for natives both before and after the current economic crisis (90% versus 83% pre-recession and 84% versus 72% pre-recession).
- The total number of employed immigrants was nearly 3 million before the current recession, which represents about 15% of the total Spanish active workforce (14% during current recession levels).
- With respect to distribution of natives and immigrants across employment sectors, we must always make a distinction based on gender: the Spanish job market has a very clear gender segmentation which is even more pronounced with respect to immigrants.
- Prior to and after the economic crisis, about 90% of immigrant women worked in the service sector. This enormous percentage is not vastly different from the figure for Spanish women, approximately 85% of whom are also concentrated in this sector.
- Male immigrants were employed before the recession in the building sector (40%) and market services (40%) with a smaller presence in the industrial sector (16%). This distribution revealed important differences with natives, whose presence in the building sector barely reached 17%, and was significantly higher in services (56%) and manufacturing (22%).
- The arrival of the economic crisis altered employment distribution for male immigrants. The decline in industrial jobs and the sharp realignment in building jobs displaced men toward the tertiary sector which now employs 1 out of every 2 immigrants (51% in the third quarter of 2008).

⁵⁴ In this section we are required to use data referring to total number of immigrants, not just those coming from developing or underdeveloped countries, because the quarterly EAPS does not distinguish between different nationalities with a sufficient degree of detail. In spite of this fact, however, the figures discussed in these sections, all of which are structural, do not vary significantly.

Table 6. Main data on immigrant participation in the labour market - Aggregate data and pre- and post-recession comparison

	Immigrants		Natives	
Over 16 years old ⁽¹⁾	83%		89%	
Overall Activity Rate ⁽¹⁾	77%		58%	
16-24 years of age ⁽¹⁾	10%		5%	
25-34 years of age ⁽¹⁾	29%		15%	
Employed (2008)	2,942,100		17,271,700	
% immigrants / total	15%			
Employed (2009)	2,652,200		15,997,700	
% immigrants / total	14%			
Employment Rate (2008) ⁽²⁾⁽³⁾	84%		87%	
Employment Rate (2009) ⁽²⁾⁽⁴⁾	72%		84%	
	Immigrants		Natives	
% By Sector (2008) ⁽⁵⁾	Males	Females	Males	Females
Agricultural	7%	3%	5%	3%
Industrial	16%	6%	22%	10%
Building	39%	1%	17%	2%
Service Sector	39%	89%	56%	85%
% By Sector (2009) ⁽⁶⁾				
Agricultural	9%	3%	5%	2%
Industrial	14%	5%	20%	9%
Building	27%	0%	15%	2%
Service Sector	51%	91%	61%	87%

(1) EAPS (INE) statistical average of the first three quarters of 2009.

(2) Percentage of active population.

(3) Average for 2008.

(4) Average for 2009.

(5) Pre-recession sector weights (average for the first and second quarter 2008)

(6) Post-recession sector weights (summer 2009)

It is worthwhile to note in view of the previous table that immigrant presence in the Spanish job market is quite pronounced. It may also be argued that the distribution of immigrants by sector is characterized by significant differences from native workforce patterns, and there is a greater disparity in terms of gender for immigrants than for Spanish nationals. These initial sector differences would seem to underscore the segmented nature of the Spanish job market.

This argument could not be based exclusively on the uneven distribution by sector of native and immigrant workers, however, there is further evidence to confirm this dichotomy:

- According to the latest data available⁵⁵, 25% of immigrant men perform unskilled work compared with 9% of natives. As for immigrant women, 25%

⁵⁵ Economically Active Population Survey. Data for the third quarter of 2009. Ratio calculated from employment by occupation (level 9: unskilled workers).

are unskilled workers whereas 14% of the native female Spanish workforce falls into this category.

- Only about 50% of immigrants have an open-ended work contract compared to 74% for natives. This consideration is extremely important as the temporary aspect of the employment itself suggests a significant qualitative decline in working conditions compared to permanent workers in Spain.

But beyond *de facto* segmentation due to contract terms or the type of activity, one must also remember that the immigrant worker is actually "administratively" penalized because of his or her distinct administrative status:

- Firstly, immigrants over 16 years may not be freely employed on demand, unlike natives, because they must first obtain a special work permit. Such a permit is granted and/or renewed under certain circumstances based on various restrictive conditions.
- Secondly, the permit limits, at least in the initial years⁵⁶, the type of activity for which immigrants may be hired, thereby reducing the degree of flexibility the employee has to adapt to the job market.
- Thirdly, work permits are temporary during the first few years, which rules out access to open-ended contracts, and limits even further the immigrant worker's ability to adapt to changes in labour demands.

Such administrative difficulties, in large part⁵⁷, have resulted in an enormous group of employees without labour contracts. In fact⁵⁸ a recent study published by Social Security Administration found that 56% of immigrants who said they had trouble finding jobs, referred to the "lack of papers" as the issue that had led to this hardship.

Administrative dysfunction is clearly not the sole cause of illegal hiring practices: the Spanish economy, in general terms, is characterized by a sizeable percentage of underground employment —the ideal "breeding ground" for over one million jobs for undocumented foreigners. The aforementioned study published by the Social Security Administration revealed that 38% of immigrants were working without a contract (62% in rural areas) and another study carried out in the Community of Madrid⁵⁹ showed a rate of 25% for that region. In any case, this means at the base of any estimate there are more than one million undocumented workers who give rise to an undeniable, *de facto* labour market duality. Moreover, this situation constitutes a serious risk not only of segmentation, but also of discrimination (segmentation outside the legal framework of the Workers' Statute) due to their heightened vulnerability.

⁵⁶ Generally speaking, Spanish work permits granted to immigrants place limits on the type of work the immigrant can perform on both the first permit issued as well as on the first annual renewal.

⁵⁷ The existence of underground hiring practices extends well beyond the immigrant community, and, as such, it does not entirely stem from deficiencies in administrative policy regarding immigrant documentation or the granting of permits. Nonetheless, this circumstance undoubtedly makes it more difficult to resolve the issue.

⁵⁸ Condiciones de Trabajo de los Trabajadores Inmigrantes en España [Working Conditions for Immigrants in Spain]. Jose Felix Tezanos. GETS-UNED. 2007

⁵⁹ Consumption and savings habits of immigrants in the Madrid Region. Madrid Regional Ministry of Economy and Technological Innovation. CM. 2008. Coordinated by Ramon Mahia.UAM.

4.2 Contribution to economic growth

4.2.1 Introduction

The basic purpose of this section is to evaluate the economic impact of immigrant workers, specifically those who migrated for economic reasons, on Spanish GDP. With regard to the outlook for the future, certain observations have also been made regarding the impact of the recession on this group, and potential scenarios have been drawn up and analyzed with respect to employment structure and native and immigrant job demands in coming years.

During this period of intensive immigration, analysis of this phenomenon has attracted growing interest due to the clear, socio-economic and political consequences that such immigration entails. As such, a significant number of studies and analyses of diverse scope, depth, and degree of partiality, have been carried out by a host of organizations (see Izquierdo and Jimeno, 2005), in order to study this new circumstance affecting the Spanish economy.

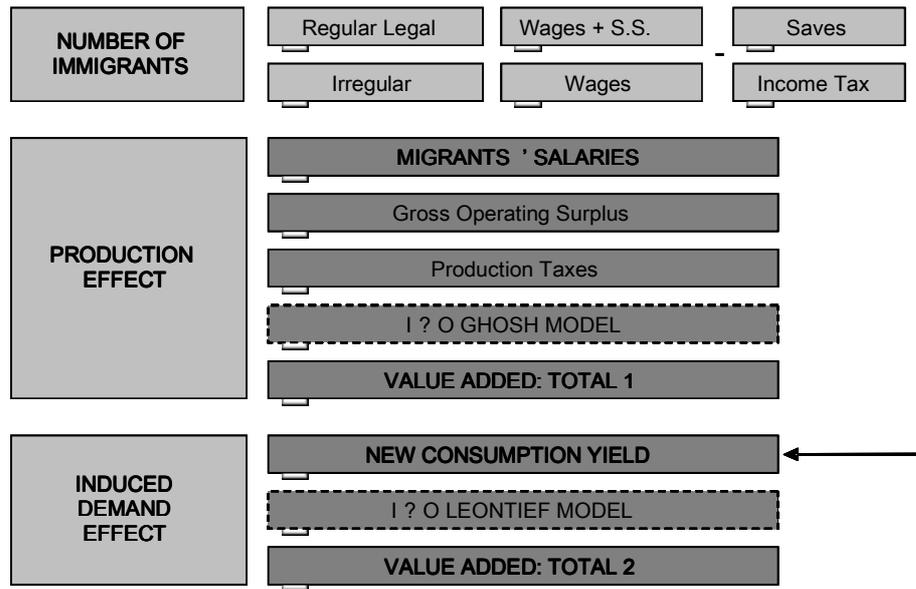
In this context, various contributions from a range of public and private entities have led to an economic impact assessment⁶⁰. It has often been reckoned that the direct contribution of immigrant labour, calculated based on their wages, could be considered to represent the estimated value of the aforementioned economic impact on the country. While this represents a significant part of the overall effect of the immigrant workforce on our labour market, there are equally important facets among the consequences of immigration which must be integrated into a model in order to determine the overall economic impact: the incorporation of work performed by immigrants must indeed have an impact on further hiring of native workers. Meanwhile, such work tends to have an impact on the structure of corporate profits in the country as well as on tax revenues.

In addition to these direct effects on the national production system (increases in related employment, business profits and margins, and direct taxation on production and labour), the dynamics influencing interrelationships among various economic sectors have been reinforced as well (indirectly through a rise in production attributable to the new workforce). This is another aspect that has frequently been overlooked in the past. However, in our analysis, we have resolved the issue by utilizing an Input-Output model.

Apart from this proper assessment of direct and indirect impact from the standpoint of production and with a view to achieving a more comprehensive analysis of economic impact, a third aspect must be accounted for: growth in private consumption derived specifically from the newly employed population of both natives as well as immigrants, or rather what the economic texts refer to as " the induced demand effect" (see Arce and Mahia, 2010 for more technical details on the full model).

⁶⁰ Similar analyses have been carried out on several occasions, as in cases involving Madrid, 2005, Izquierdo et al, 2007; Herrador, 2001; and Ferri et al, 2002.

Figure 9. Impact of induced demand and production linked to immigrant labour



Source: Arce and Mahia, 2010

At this point, it is important to define the scope of our study:

- The immigrant population studied represents the so-called "economic immigrants" as defined earlier in this report as well as in Note 1 of the Technical Annex, and not those who move from countries where work and economic opportunities are comparable to those found in Spain (e.g. other countries in the EMU or the USA). Nor do we include in this study the economic impact of immigrants who seek retirement or recreation in Spain.
- This analysis focuses on the economic impact of work and consumption by economic immigrants, without expanding the scope in this section to include the resulting economic impact on public expenditures. The only aspect considered with regard to the public sector refers to increased revenue from this population in terms of income tax, social benefits program contributions and VAT.

Reliable measurement of the "economic scope" of immigration in Spain is not a simple task: the quantity and quality of statistical information available is less than ideal and, moreover, there are significant numbers of immigrants working in the underground economy, which leads to obvious problems when attempting to properly "account" for them all.

With the aforementioned limitations as well as the benefits derived from the use of the proposed simulation scheme, effort has been made to produce a meaningful analysis of the basic input for our model by using the wages earned by documented and undocumented immigrants to develop a model which links the previously mentioned effects of supply and demand in order to ascertain the overall economic impact of immigration in Spain.

In the final paragraph of this section, an attempt is made to assess the future impact of the current recession on immigrants. Moreover, the distinct employment sectors relevant to them and the potential areas for job growth in coming years are analyzed, as well as the capacity of the immigrant population to seize these new opportunities.

4.2.2 Assessment of the direct impact on value added from the participation of the immigrant labour force

The first input needed to estimate overall impact is a calculation of the earnings paid out directly to immigrants in Spain. A simple way to estimate this figure is by multiplying the number of immigrants in each economic sector by the average salary earned. However, this step involves two factors that are difficult to measure. On one hand, the need to distinguish documented from undocumented employees is not an easy task and "unofficial" sources must be consulted. On the other hand, with respect to wages earned by immigrants, reliable official figures are not readily available even for documented workers because they are often still not adequately represented in surveys prepared by the INE.

To get the figures that will serve as the basis for the proposed model, information was gathered from the Wage Structure Survey and the Quadrennial Survey of Salaries (both by the INE), as well as data from a Delphi conducted by the LR Klein Institute in 2006.

Table 7. Average earnings by gender, nationality and sector in 2006 (Euros per year)

	All Sectors	Industry	Building	Services
Both Genders				
Spain	20,123.40	22,849.00	18,282.80	19,708.70
Rest of Europe	14,101.30	14,582.50	-15,803.00	12,933.00
Central and South America	13,811.30	15,202.80	16,070.60	12,359.70
Africa	13,458.80	15,370.00	14,916.10	11,735.50
Asia	12,476.00	-15,930.60	"	-11,736.00
Males				
Spain	22,720.90	24,616.90	18,567.00	23,371.70
Rest of Europe	15,404.20	15,635.10	-15,898.10	14,697.20
Central and South America	15,149.90	16,093.10	16,082.00	13,728.00
Africa	14,027.50	15,674.90	14,914.50	12,395.90
Asia	-12,650.90	-17,408.80	"	-11,744.40
Females				
Spain	16,499.10	17,651.00	15,622.70	16,373.60
Rest of Europe	11,279.60	-11,532.60	"	-11,280.80
Central and South America	11,564.30	-12,781.20	"	11,360.20
Africa	-10,346.00	"	"	-10,156.60
Asia	-11,659.40	"	"	-11,699.70

Source: INE Wage Structure Survey, 2008.

* Negative values are unreliable because they are drawn from surveys numbering from 100 to 500 people

From the table above, with the precautions needed to meet the data quality standards set by the INE itself, it may be observed that immigrant wages were, on average, between 30% and 45% lower than native wages with clear differences by gender, nationality and sector⁶¹. This data is consistent with other data gathered in the ILR Klein Delphi mentioned above, which contains details on contrasts between documented and undocumented workers: while wage differences between documented workers and native workers could be around 30%, the wage gap between undocumented workers and the native workforce could reach about 50%.

As for the proportion of undocumented immigrant workers (in the shadow or underground economy) obviously very little precise information is readily available. However, certain estimations for "fiscal" purposes do indeed exist, such as those made periodically by the Bank of Spain referring to the overall economy (between 15% and 25%, including the entire population), or as gathered in Tezanos (2008) as the group specifically targeted in this study of non-national workers were undocumented (working without a contract or papers in general)⁶². To start with, we will work with this hypothesis, although we will subsequently vary this percentage.

⁶¹ Although not the aim of our study, it may be briefly pointed out that these differences could be associated with different work characteristics between locals and immigrants. From information gathered in the Continuing Survey on Working Conditions 1999-2004, it can be inferred that 47.5% of the sample of immigrant workers hold a temporary contract with their employer, compared to 25.6% of local workers. Furthermore, 28.8% of immigrant workers consider their employment situation as precarious, which is higher than for local workers (16.9%). (For further details, see Gamero, 2009).

⁶² Tezanos (2008) reached this conclusion based on a survey conducted with 2,200 immigrants throughout 2008.

To determine the distribution of immigrant workers by sector, information from the Economically Active Population Survey of the INE for the second quarter of 2009⁶³ has been used. Analysing the micro data in this survey and an assessment of jobs deemed full-time or equivalent⁶⁴ produced the following results:

Table 8. Employees by sector, nationality and gender (Number of “equivalent” workers)

	Sex	Agriculture, livestock and fishing	Energy	Industry	Building	Market Services	Public Services
EU 25	Males	1,153	2,370	2,749	6,695	4,764	-1
	Females	1,100	-1	1,603	321	19,321	148
EU 27	Males	22,075	17,472	27,684	93,248	60,878	4,641
	Females	11,581	1,798	16,758	264	190,210	16,017
Rest of Europe	Males	3,676	3,483	4,275	11,184	14,886	1,049
	Females	1,016	223	1,772	-1	42,94	2,963
Africa (except Morocco)	Males	42,151	18,308	23,225	58,530	89,065	5,621
	Females	5,544	175	5,298	3,480	57,021	5,129
Central America and Caribbean	Males	2,855	4,512	3,038	11,046	28,189	3,940
	Females	741	-1	2,898	733	76,215	9,270
South America	Males	37,800	18,267	41,878	192,883	258,168	19,101
	Females	18,738	7,169	25,903	837	617,238	50,147
Eastern Asia	Males	-1	458	-1	1,549	24,587	-1
	Females	-1	-1	1,306	3,098	12,212	-1
Western Asia	Males	-1	-1	1,268	-1	-1	179
	Females	-1	-1	-1	-1	-1	112
Southern and South Eastern Asia	Males	4,097	2,731	5,512	1,967	34,673	0
	Females	-1	-1	-1	-1	15,175	443
Stateless	Males	-1	-1	-1	-1	-1	-1
	Females	-1	-1	-1	-1	-1	-1
Total for both sexes:		152,527	76,967	165,168	385,837	1,545,547	118,759

Source: Authors' findings on equivalent jobs drawn from EAPS data for the 2nd quarter of 2009.

-1 Empty cells correspond to insufficient information.

From this data and from the average proportions between wages and business profits (Gross Operating Surplus) and taxation on production data available in the National Accounts of Spain⁶⁵, the overall direct impact of the use of labour immigrant on added value by sector may be estimated as follows:

⁶³ Subsequently, a comparison was made between these data and the EAPS data for the second quarter of 2008 in order to determine certain consequences of the recession.

⁶⁴ To estimate the number of jobs to be considered “full-time”, micro data information on real hours worked were used.

⁶⁵ GDP with respect to income.

Table 9. Contribution to National Added Value directly attributable to immigrant labour (Persons and proportion of national added value. Values for 2009)

	Agriculture	Energy	Industry	Building	Market Services	Public Services	TOTAL
Documented Workers	118,361	59,726	128,171	299,409	1,199,344	92,157	1,897,168
Undocumented Workers	34,166	17,241	36,998	86,427	346,202	26,602	547,636
Wages of Documented Workers (1)	1.70%	7.20%	1.90%	5.10%	3.40%	2.10%	3.30%
Wages of Undocumented Workers	0.30%	1.10%	0.30%	0.80%	0.60%	0.30%	0.50%
Taxation on Production	-0.60%	1.00%	0.00%	0.10%	0.10%	0.00%	0.10%
Business Gross Profit	9.70%	9.20%	1.60%	5.10%	6.20%	0.40%	4.90%
Added Value	11.50%	20.60%	4.30%	12.50%	11.40%	3.50%	9.70%

*Source: Authors' findings.
(1) including social security*

In short, contribution to the total value added to the Spanish economy that is derived from immigrant labour may be directly calculated at about 9.7% of the total GDP. To this contribution must be added additional benefits that stem from a "chain reaction effect" on the general production system, from the impact of consumption by immigrant workers themselves, and from the emergence of new jobs for natives that have arisen as a result of their presence.

From an inverted viewpoint, that is to say, estimating hypothetically what the impact might have been if immigrants had not joined the job market, and assuming that the rate of growth had remained the same, it can be argued that the Spanish economy would have created approximately one and a half million fewer native jobs. In other words, it is estimated that for every two jobs held by immigrants, an additional job had been created for a native.

4.2.3 Assessment of overall impact of production and induced demand on GDP

The next step of our simulation consists of evaluating the indirect impact of the use of immigrant labour on the business sector. This includes both the chain reaction effect on the rest of the production system as it is obliged to pay attention to the additional demand, as well as the induced demand effect to meet enhanced demand for nationwide consumption stemming from all of the new jobs created for both immigrants and natives.

Applying the models of Ghosh and Leontief as mentioned in the introduction (for greater detail, see Arce and Mahía, 2010) the results obtained may be summarized as follows (see table below):

- The total economic contribution may be estimated at 13.2% to the GDP, with a particularly significant contribution from all sectors except for industrial and non-market services (i.e. public services).
- The formal and casual employment of immigrants, estimated at 2,444,000 workers, may be directly linked to the jobs of 1,624,000 natives, which means that for approximately every three jobs held by immigrants one additional job held by a native worker may have been created.
- Logically, the aforementioned effects on employment took place throughout the process of integrating immigrant workers into the Spanish labour market. In other words, more than one and a half million new jobs for natives were created over the last nine years, on the basis that the beginning of the century marked the beginning of the immigration process.
- Contributions to Spanish Social Security funds may be estimated at around 7.5% of the overall 2008 Social Security revenue. Although immigrant workers represent nearly 15% of the total working population, their higher incidence of undocumented status and their lower wages explain this inferior percentage of contributions to the public system.
- The VAT collected from immigrant consumption is estimated to be about 6,100 million a year (about 3% of overall 2008 VAT revenue). Again, the lower wages for this group indicate that tax revenues for consumer goods purchased are inferior as well.
- The effects described are based on the hypothesis that immigrant workers employed in the underground economy reached 22.4%. If this number were to be raised to 30%, the economic contribution would be approximately half a point less (15.5% instead of 16.4% of the base scenario).

Table 10. Results of the simulation model to determine the economic impact of immigrant workers in 2009 ^{(1) (2)}

	Agriculture	Energy	Industry	Building	Market services	Non-market services	Total
Added Value generated (Millions of Euros)							
Value Added Directly from Immigrant Work	2,782	4,488	4,985	11,422	52,051	3,575	79,303
Effect on Production (Ghosh)	2175	2576.5	6203.6	9574.7	47495.4	5446.1	73471.4
Induced Demand Effect (Leontief)	872.6	908.3	3233.5	937.2	27881.8	153.8	33987.2
Aggregate Effect (production + induced)	3047.6	3484.7	9437.2	10512	75377.2	5599.9	107458.6
Added Value generated (% contribution)							
Value Added Directly from Immigrant Work	11.47%	20.63%	4.31%	12.55%	11.37%	3.46%	9.75%
Effect on Production (Ghosh)	8.97%	11.84%	5.36%	10.52%	10.37%	5.28%	8.52%
Induced Demand Effect (Leontief)	3.60%	4.18%	2.80%	1.03%	6.09%	0.15%	4.18%
Aggregate Effect (production + induced)	12.57%	16.02%	8.16%	11.55%	16.46%	5.43%	13.20%
Jobs created (thousands of persons)							
Jobs held by immigrants	152,527	76,967	165,168	385,837	1,545,547	118,759	2,444,805
Effect on Production (Ghosh)	94,790	19,933	212,887	253,161	994,068	140,132	1,714,971
Induced Demand Effect (Leontief)	38,028	7,027	110,964	24,781	583,559	3,958	768,317
Aggregate Effect (production + induced)	132,817	26,960	323,851	277,942	1,577,628	144,090	2,483,288

Source: Authors' findings.

(1) The IO Tables used are from 2005 (the most up-to-date available) so euro data refers to that year.

(2) In sectors with a heavy influx of imported inputs, initial direct contribution supposes an increase in goods purchased abroad and therefore a reduction of national GDP. Thus, certain added value totals are lower than those directly provided by immigrants.

4.3. Social integration

The degree to which foreign-born persons become socially integrated in immigrant-receiving countries is a basic aspect of measuring their contribution and impact on the *host societies*. How the integration of immigrants in society is managed, in terms of policy, as well as how it takes place in everyday life are the most decisive factors in determining the success or failure of today's societies.

In the light of existing data on international migration flows, three essential characteristics of contemporary migration patterns may be identified:

- Globalization: fewer and fewer areas of the world are left untouched by international migration flows.
- Diversification: current flows increasingly diverge from a single model: temporary and circular migration patterns coexist; the causes of migration are becoming more and more diverse; there is free movement as well as a rise in human trafficking, etc.
- Feminization: This is a key aspect of the new global situation.

Along with these three factors, the roles played by the various participants in the integration process should also be noted. As for developing policies to integrate immigrants, three key players are worthy of mention. Firstly, the importance of government (central, regional or local) in drafting policies meant to integrate immigrants should be emphasized. While in Part 2 we considered migration policies as a tool for managing flows and impact, when we consider integration, the local situation is undoubtedly the most significant. (See Graph A.1 in Annex).

Nowadays, it is easy to imagine a medium size city in which one out of six residents is foreign-born (that is to say around 15% to 20% immigrants), whose population growth is due mainly to immigration (either through the arrival of new members, or via births of offspring with nationalities other than that of the host country), and where more than 100 different nationalities intermingle with different languages. Given this situation, it is worthwhile to devote special attention to Local Administrations and their integration policies.

Secondly, there is the organized civil society, made up of all social institutions and organizations related to the area of migration (e.g. immigrant associations, social organizations, unions, youth clubs, etc.). In most cases, these are the ones who handle functions set forth in the various integration schemes.

Finally, the third major player in the integration process is the population as a whole, consisting of both immigrants and natives who are the target of immigration policies and practices.

Throughout this section we aim to analyze and offer food for thought on key issues that will allow us to gain a better understanding of the term “integration” and, by comparison with circumstances across Europe, to learn about the current trends in establishing procedures and policies in this area. For instance: What is the true degree of

integration in our societies? What is the specific meaning of the notion that "immigrants are integrated into a particular country, region or municipality? How may this "integration" be measured? Who is involved? What is meant by "integration"? What current practices and policies exist? Integration is a complex and multifaceted concept involving many different factors and areas: labour, educational, social, civic, ethno-cultural, linguistic, legal-administrative, etc. Different *attempts* have been made to measure levels of integration in societies, covering one or more areas, with an emphasis on one or another social factor (for instance, focusing either on immigrants or on the society receiving them).

Two well-known, reputable sources shall be discussed: an integration index and an immigration survey, which focus their efforts in divergent ways. The former is known as the Index on Immigrant Integration Policy (MIPEX)⁶⁶ and the latter is called the National Survey on Immigrants, by the National Statistical Institute of Spain.

Firstly, MIPEX considers integration from the standpoint of the legal framework (the existence of legislation and/or regulations which favour or restrict the aspects studied) of the host societies in six different areas: access to job markets, family reunification, long-term residence, political participation, access to citizenship, and anti-discrimination. The study, carried out in 28 countries (the 25 Member States of the EU and three non-EU countries), concluded that "the overall integration policies of the EU 25 have been determined to be about "halfway along the road toward establishing good practices". Only one country, Sweden, had managed to institute good practices in all six areas. Notably, Spain ranked tenth in terms of integration policies, showing its best performance in the area of access to job markets (second) and its weakest in political participation, access to citizenship, and anti-discrimination (ranked 17th in this last category).

On the other hand, the National Survey of Immigrants, conducted in 2007 by the National Statistical Institute of Spain, sought to study the demographic and social characteristics of those born abroad, their migration routes, work and residency backgrounds, bonds with family and country of origin, and ties with Spanish society. Thus "integration" data is gathered from the viewpoint of individual immigrants themselves using *indicators* such as "the current number of mixed couples (Spanish/immigrant)", degree of proficiency with the Spanish language, length of residence in Spain, home ownership, work experience, social or interpersonal networks, etc. The authors go so far as to claim that "*at the heart of integration is marriage and cohabitation (...)*". This, they assert, is coupled with "*a strong trend toward nationalization of people who either have become well established in Spain over many years or those who have acquired Spanish nationality, specifically through marriage or by having children with a Spanish partner.*"

As may be observed, regardless of the perspective, similar aspects are commonly used to assess integration, such as participation in the labour market, migratory routes, or family reunification processes as prerequisites for full integration. Is the fact that a person has chosen to reunite his or her family indicative of better integration in society? The concern in Europe regarding the family reunification process is not founded on

⁶⁶ British Council, Index of Immigrant Integration Policy (MIPEX) 2007.

whether or not it facilitates the integration of immigrants, but, rather, on the control of immigration flows stemming from family reunification.⁶⁷

In Spain⁶⁸ approximately 5% of all foreigners, or about 225,000 people, possess a temporary residency permit for the purpose of family reunification. Approximately 50% of these individuals are from Latin America, followed by individuals from Africa.

Undoubtedly, the existence of legislation favouring family reunification or political participation leads to the integration of immigrants, but, as shall be seen, one must delve into other complementary subjects to fully assess the degree of integration. For the purpose of taking this analysis a step further, it is imperative to move beyond mere indicators in an attempt to define and delimit the term “integration”.

In 2008, the Commission of the European Communities⁶⁹ stated "apart from its economic potential, immigration may also enrich European society in terms of cultural diversity. However, the potential benefits of immigration can only come about if integration into host societies is successfully achieved. This call for an approach that takes into account not only the benefits that immigration can bring to the host society, but the interests of the immigrants as well."

Does the integration process for immigrants take into account the interests of these people as well, or, on the contrary, is integration merely considered in light of its potential to offer benefits to host societies? In most cases, the integration practices and policies discussed below define integration as "bidirectional" (of immigrants and host societies) but in practice these "two directions" are summed up in one way: immigrants are the ones who must be integrated. “Integration”, in practical terms, may be understood to represent "the process by which immigrants become accepted in societies both as individuals as well as groups" (Rinus Pennix, 2003). Thus, it is undeniable that international immigration has led to increased diversity among societies, most of which were already diverse prior to receiving waves of immigrants from abroad. This enhanced diversity also increases the degree of complexity in managing societies, along with the fact that it represents an opportunity for enrichment that promotes positive change and transformation.

What can be done to enhance the benefits of diversity and minimize the drawbacks? Taking advantage of diversity as an opportunity for improvement requires the drafting of public policies in different countries (regions or cities) to promote integration and equality in exercising rights, responsibilities and opportunities so that those from diverse, dynamic cultural backgrounds may be encouraged to live and interact together in terms of mutual respect.

The UNESCO General Conference⁷⁰, upheld this ideal by approving the *Convention on the Protection and Promotion of the Diversity of Cultural Expressions* in 2005, which sets forth the *Universal Declaration on Cultural Diversity*. It shares the concept of cultural diversity as a facet of development and as a guarantor of human dignity, which implies a "commitment to respect human rights and basic freedoms" (article 4 of the Universal Declaration).

⁶⁷ Council Directive 2003/86/EC, 23 September 2003, on the right to family reunification, and the Commission Report to the European Parliament and the Council, 8 October 2008, regarding its enforcement.

⁶⁸ On 29 October 2009, Immigration Act 4/2009 in Spain was amended, and it contains changes in this area.

⁶⁹ See communiqué number 359, 2008.

⁷⁰ UNESCO World Report "Investing in diversity and intercultural dialogue", 2009.

Faced with this issue, two more questions arise: 1) what is being done in terms of policy?; and 2) What are the hard facts and the real practices that are truly taking place?

Beforehand, it would be worthwhile to briefly consider the theoretical and legal framework involved in the integration of immigrants. Different models exist for managing diversity and promoting integration, depending on whether or not there are impediments to incorporating immigrants (Exclusion or Inclusion Models) and based on the positive regard and respect for differences that exist among groups that make up the society (Non-Pluralistic or Pluralistic Models). (See Table A.2 in Annex).

Integration policies and practices are only suited to Inclusion Models, which promote the incorporation of immigrants in host societies. However, in light of the objectives sought, integration plans shall be designed for either case (plural or not).

How do these “theoretical” approaches translate into practical efforts to integrate immigrants into host societies? Based on various factors (historical, political, ideological, social, etc.), nations (or regions or municipalities) implement various plans, programs and courses of action. Regarding the influence of these factors in preparing the initial theoretical model, a certain outcome will be reached depending on which way is chosen. This is important with respect to the overall impact and social contribution of immigration in different societies. If one opts for a pluralistic model that promotes the integration of immigrants into host societies, one must implement measures that reflect multicultural or intercultural principles. It is not sufficient to design *politically correct* integration plans, but, rather, ones whose measures are consistent with the model chosen.

At this point, it is worthwhile to examine the European trends regarding integration, starting with a common definition of “integration” and a discussion of various practices in the integration of immigrants. Following this analysis, the focus will be shifted to Spain.

In 2004, the European Council adopted the Common Basic Principles on integration⁷¹ and agreed on the development of various methodological tools⁷² to facilitate the coordination and exchange of information regarding the integration of immigrants. The aim of “promoting the integration of immigrants” is made in common basic principle No. 10, which states, “The policies and measures that tend to include the issue of integration in all relevant areas of political power, levels of government and public services must be duly considered when planning and implementing public measures”.

In the 2nd European Ministerial Conference on Integration, held in Potsdam (Germany) in 2007, the need to develop a comprehensive and coherent integration policy for EU Member States was underscored. Whereas this might be considered the standard European framework for designing integration policies, when examining integration patterns of European countries a diversity of approaches may be seen, all of which are influenced by a multitude of factors. For example, French republicanism is

⁷¹ See Council of Europe on 19 November 2004.

⁷² Highlights include the creation of the National Contact Points in each Member State, the Integration Manual, and the Integration Website.

leading the way towards an “assimilationist” model whose objective is to turn foreign immigrants into “French” citizens. At the same time, there are more multicultural models being used, such as those in Britain or Holland, which accept differences.

Table 11. Programs promoting integration of immigrants in Europe

Name of Plan	Objective	Country
Welcome to Birmingham (<i>Bienvenido a Birmingham</i>)	Creation of the website: www.welcometobirmingham.org where newly arrived immigrants may find all types of information needed to integrate into British society.	United Kingdom
Allotment gardens to provide activity for residents and to promote social cohesion.	Planting and cultivation of community vegetable gardens by neighbours to promote interaction and to establish common areas.	The Netherlands
Organizational Training for Immigrant Associations	Training directed toward Immigrant Associations to reinforce their organization and promote improved institutional coordination.	Germany
French language instruction aimed at young immigrants	French language instruction for young immigrants using a didactic and entertaining method.	France
Centre for the certification of professional degrees	Occupational Centre that offers job guidance counselling services to immigrants based on their studies in their country of origin and on the job opportunities available in Sweden.	Sweden
Integration service	Wide-ranging service with the objective of promoting diversity, social cohesion and active citizenship.	Belgium
Certification of doctoral degrees held by immigrants	Enabling immigrants with post-graduate degrees to work in occupations related to their educational background.	Portugal
Equality in Health Care	Promoting equality for ethnic minorities and immigrants with respect to the right of access to health care services.	Greece
Prevention program against female genital mutilation	Determining strategies to prevent female genital mutilation by working with families and immigrant associations.	Italy
Integration Barometer	Developing 33 assessment indicators as well as monitoring Danish integration policy.	Denmark
Frühstart. (Intercultural Education in pre-schools)	Offering early language teaching support (in pre-schools) to foreign-born children. Teachers receive specialized training in intercultural issues to enable them to provide support from the outset of childhood education.	Germany

Source: Authors' findings.

As can be seen, depending on which country is involved, experiences vary widely, and this is closely related to the integration model employed. We shall now review integration practices for immigrants in Spain.

To assess the policies and practices in Spain with regard to social integration of immigrants, it would be advisable to familiarize oneself with the Spanish constitutional framework and the powers granted to the various departments of administrative and regional government. Article 149 establishes that ‘the State has exclusive authority in matters of nationality, immigration, emigration, foreigner’s affairs and asylum law. Article 148 sets forth the diverse powers that may be assumed by the autonomous regions, among which are *“social assistance, and health care”*.’ Finally, article 150 stipulates that *“the state may, via organic law, transfer or delegate powers vested in the*

state to the Autonomous Communities if they are, by nature, subject to transfer or delegation," as has been the case for education or employment. As such, integration policies may be set at the state, regional or local level.

In this regard, a series of state wide measures exists whose main aim is to guide and coordinate policies. Communities must plan interventions and create integration models while assuming responsibility for specific areas such as healthcare or education. On the other hand, local authorities (municipalities, provincial councils, associations, etc.) must handle direct intervention in their own areas of authority, through social services or the promotion of civic participation.

Since 1994 in Spain, when the first integration plan for immigrants was drafted, several different plans have successively been presented irrespective of the political party in power. Along with the development of these plans, one must strive to keep abreast of changes in legislation with respect to immigrants. The orientation of an integration plan is indubitably affected by ideological slants, depending on which party is backing it at the time. The development of an integration policy is certainly influenced by how the process of integration is perceived and defined. Integration measurements and benchmarks have been examined, taking into consideration the scope of authority for each level of government.

In the following table, one may observe the various existing plans, the implementation period for each of them, and the Ministry responsible for carrying each of them out. In this regard, the range of ministries managing the immigration plans is quite significant and undoubtedly influences the focus of immigration policy—from regulation of immigration flows to immigration policies that place a greater emphasis on integration.

Table 12. Integration plans for immigrants in Spain

Name of Plan	Period of Execution	Ministry in Charge
Plan for the Social Integration of Immigrants (PISI)	1994-1996	Ministry of Social Affairs
Global Program for the Regulation and Coordination of Foreigners Affairs and Immigration (GRECO)	2001-2004	Ministry of the Interior
Strategic Plan for Citizenship and Integration (PECI)	2007-2010	Ministry of Work and Immigration

Source: Authors' findings.

Also worthy of mention is the adoption of measures to integrate immigrants in other general plans such as National Action Plans for Social Inclusion (PNAin), drafted as part of the European Strategy for Social Inclusion. To date, five PNAin have been approved, each of which lends the issues involving the immigrant population a greater or lesser degree of attention. Thus, the *First National Action Plan for Social Inclusion* (2001-2003) was confined to the immigrant population at risk of or suffering social exclusion with measures focusing on unaccompanied immigrants and their efforts to join the job market. In contrast, in the *Second National Action Plan for Social Inclusion* (2003-2005) the immigrant population was already perceived as a particularly

vulnerable group and the elaboration of specific programs was set forth as an objective. In turn, the *Third National Action Plan for Social Inclusion* (2005-2006) aimed to ensure equal opportunities, combat discrimination, and promote cultural awareness and social participation of immigrants in line with European strategies in this area. The *Fourth National Plan for Social Inclusion* (2006-2008) stated that the objective of facilitating the integration of immigrants was top priority. In the *Fifth National Plan for Social Inclusion* (2008-2010) the integration of immigrants has become one of the basic pillars for social cohesion in order to address the negative impact that unemployment and the rising cost of goods and services is having on the most disadvantaged.

As a complement to the elaboration of integration plans, the creation in 2008 of the *Support Fund for the Reception and Integration of Immigrants and their Educational Development*⁷³ by the Ministry of Labour and Immigration deserves emphasis. It aims to "promote and reinforce public policies in these areas (Reception, Integration, and Education), based on principles of subsidiarity, complementarity and cooperation among the Autonomous Communities and Town Halls." The creation of this fund has stimulated the drafting of measures that seek to integrate Regional and Municipal Plans.

In 2009, nearly all of the Autonomous Communities are carrying out plans to integrate immigrants. The table below offers a summary of them:

Table 13. Integration plans for immigrants in the Autonomous Communities of Spain

Name of Plan	Period of Execution	Autonomous Region
Second Comprehensive Integration Plan	2005-2009	Andalucía
Citizenship and Immigration Plan	2005-2008	Generalitat Catalana
Integration Plan	2009-2012	Madrid
Galician Plan for Citizenship, peaceful coexistence and integration	2008-2011	Galicia
Plan for the social inclusion of immigrants in the community of Murcia	2006-2009	Murcia
Second Basque Plan on Immigration	2007-2009	Pais Vasco
Second Plan for the social inclusion of immigrants in Extremadura	2008-2011	Extremadura
Master plan on inclusion and peaceful coexistence	2008-2011	Generalitat Valenciana
Second Comprehensive Immigration Plan	2009-2012	La Rioja
Second Comprehensive Plan for intercultural coexistence in Aragon	2008-2011	Aragon
Comprehensive Immigration Plan	2005-2009	Castilla y León
Second Plan for Social Inclusion	2008-2011	Castilla-La Mancha
Second Comprehensive Plan for Immigrant Services	2004-2007	Baleares Islands
Second Immigration Plan of the Canary Islands	2006-2008	Canary Islands
1 Plan for Social Inclusion of the Immigrant Population	2002-2006	Navarra

Source: Authors' findings.

⁷³ Resolution of 19 February 2008 (B.O.E. [Official State Gazette] of 29-02-2008)

Whether or not an Immigrant Integration Plan is in place is not prerequisite to being able to measure the scope of integration policies and practices. It is necessary, however, to thoroughly assess the concept of integration that is being promoted and the measures that are being adopted to develop it.

On a nationwide scale, within the framework of the Strategic Plan for Citizenship and Integration of Ministry of Labour and Immigration, integration is seen as a *"two-way process of mutual adaptation that requires the active participation of all citizens, immigrants and natives, as well as the host country's institutions, and aims to achieve an inclusive society that guarantees the full economic, social, cultural and political integration of immigrants based on the principles of equality and equal opportunity. Integration is a continuous and dynamic process that gradually takes place, in different stages and facets, over the short, medium and long term. Integration is two-way because it affects immigrants and host society's individual citizens and institutions. And this bi-directionality supposes the acknowledgement by both parties of their rights and duties. Integration represents a mutual adjustment process between those who are citizens by birth and those who settle in Spain and become new citizens by residence. In this two-way process of mutual adaptation everyone must respect the basic values prevalent in Spain and in the European Union. (PECI, 2007-2010)*

This definition of integration implies that changes and reforms must be made in the host society to achieve bi-directionality. A clear example of efforts made in this regard may be found in Education, one of the twelve areas of assistance set forth in the PECI (see table A.3 in the Annex). For instance, the measures toward the *"preservation of languages and cultures of origin: Measure 10.1. Advancement toward signing agreements with the countries of origin of the immigrant population to elaborate plans for the preservation of languages and cultures. Measure 10.2. Promotion of efforts associated with immigrant students' languages and cultures of origin that target students themselves or the educational community as a whole. Measure 10.3. Promotion of academic certification for knowledge of vehicular language of the immigrant student's countries of origin"*.

The aforementioned model of regional and administrative organization may lead to definitions of integration processes that are dissimilar and even contradictory. If one continues to pursue an analysis of the concept of integration and the measures adopted to promote it in regional and municipal plans on immigration, a vast disparity in criteria becomes apparent. The existing definitions of integration are diverse:

- Inclusion Plan of the Community of Madrid (2009-2012): "it is worthwhile to organize integration by taking into account several levels: the first is related to problems of language and education, and employment and social protection, to which must be added security and respect for the law. Without addressing these basic issues, integration is not possible. (...)Again, it is worthwhile to note that integration into the host society or "with" it (because integration is to a certain extent reciprocal) does not represent a repudiation of the culture of origin—and mixing or alternating practices and behaviour from both cultures is common. This may or may not be done in a "positive" way, because it may or may not be "destructive" (and determining what is "positive" and what is "destructive" becomes problematic.) Any integration process deals with individual freedoms. The immigrant is a free person, not merely a member of a particular community or ethnic group. A society

divided into separate ethnic groups or communities represents a political regression: a return to the concepts of the Old Regime (different rights and status according to social or national origin) (...). We should bring into play the idea of gradual integration. We realize that the real situation for immigrants is not uniform and varies widely, for example, depending on the time spent in Spain. Gradual progression toward citizenship is a response to this heterogeneity. These stages do not imply by any means a distinction between immigrants by category. Quite the contrary, it indicates the beginning of a dynamic, a virtuous circle, to push and motivate the immigrant towards greater integration, and toward a greater awareness and participation in his or her surroundings. Clearly what should not be at stake in this gradual process are the basic, inalienable and universal rights, or the safeguards and enforcement of the law, also universal and equal for all. What is sought is not to penalize marginalization, but, rather, to encourage integration and participation."

- Plan for Social Inclusion and Intercultural Coexistence of Zaragoza (2006-2009): (...) this integration should be understood as a process to put new members of Zaragoza society on an equal footing with the rest of the native population, leading to changes both in the newly arrived population, as in the receiving one. Thus, our proposal for social inclusion and intercultural harmony is focused on the "they" and the "us", taking into account that we are all heterogeneous from a cultural and personal point of view. In this context, we must avoid adopting general, simplistic attitudes toward homogeneity (there is no single group of immigrants, but, rather, many different groups in terms of origin, culture, beliefs, family circumstances, occupations, legal status, languages, etc.) or excessively particularistic, "cultural" or "ethnic" positions that make immigrants feel as though they are not part of a collective citizenry."

As can be observed, the different approaches taken on immigrant integration issues from the perspective of different integration plans (national, regional or local) influence the measures and actions adopted to achieve their objectives, which has a profound impact on social benefits for host societies. Although, as stated at the beginning of this section, most tasks associated with the integration process fall to immigrants.

In tables A.4 and A.5 of the Annex, one may compare different areas of intervention and measures adopted under three regional plans as well as in others carried out by the largest Spanish cities.

Virtually all of the regional plans analyzed are involved in one or more of the following areas: refugee reception, employment and training, health, housing, awareness, women and youth, mainstreaming and coordination. On the other hand, a few of them deal with Participation and Co-Development.

Additionally, upon examination of local plans, measures adopted include the following: the establishment of "observatories", the use of studies, mediation and translation services, legal assistance, awareness in the fight against discrimination, association building measures (subsidies), and the forming of interactive organizations (forums). A few plans address issues such as civil servant training at local government

offices, whereas none of them contemplate any actions against discrimination and racism beyond raising awareness.

The current trend is to foster the development of specific integration programs for new immigrants, with an emphasis on learning the language of the host society, so-called “welcome programs”, orientation courses, etc. In the case of Spain, but also in other European Union countries, integration policies have focused heavily on actions aimed at improving access to local resources and shelter, or, what amounts to the same thing, a short-term focus on integration. Little attention has been dedicated toward medium and long-term measures that might have an impact on future integration processes. In other words, once an immigrant has held an initial residency and work permit over a reasonably steady period, they are deemed "integrated into their host societies." Generally speaking, adequate measures and actions needed to ensure their *true integration* are currently lacking, as seen above, such as bolstering work advancement, streamlining access to political rights, avoiding discriminatory situations, and so on.

The vast majority of integration plans and practices should seek to strengthen the concept of two-way integration previously discussed, and establish benchmarks, principles and effective measures to promote real change in host societies. The *rules of the game* must be changed in such areas as citizen participation, the fight against discrimination, equal opportunity, training and youth-oriented educational measures, and intercultural dialogue (i.e. a two-way conversation involving at least two groups: immigrants and host societies).

All such questions should be addressed even more urgently during an economic crisis characterized by rising unemployment among immigrants, many of whom are long-term residents in the host societies. Palliative measures have been adopted, such as the procedure for voluntary return⁷⁴, for example, for immigrants who opt for the Advance Payment of Unemployment Benefits to Immigrants Program (APRE). The number of immigrants participating in this program speaks for itself: In June 2009, a total of 1,800 requests had been made, the same amount as for 2008, which seems to underscore the limited scope of this type of proposals that, if they are indeed needed, must always go hand in hand with plans and proposals that aim to integrate immigrants in effective and sustainable ways.

Two main conclusions may be drawn from this analysis:

- The integration of immigrants is a priority issue for host societies, even though it is closely associated with different control and management policies for migration flows.
- Plans, Programs and Actions geared toward various facets of integration are being developed based on different models for managing diversity.

⁷⁴Royal Decree 1800/2008 of 3 November regarding the implementation of Royal Decree-Law 4/2008 of 19 September, which dealt with the voluntary return of migrants under the auspices of the APRE program.

4.4 The impact of the recession on the economic contribution of immigrants

With the new circumstances brought on by the recession, the economic landscape for immigrants is likely to change dramatically over the coming years. The issue to be worked out in the coming years is how Spain can be put back on a path of growth that leads to the creation of jobs. In any case, intense growth that is heavily based on the building sector and on low-skilled labour-intensive sectors clearly does not seem to offer the most promising way forward. In the medium term, restructuring the production base could lead to a job market more akin to those of our nearest competitors and with similar production capacity depending upon current levels of development and infrastructure. In the more distant future, perhaps the only way to achieve adequate growth in job demand is by investing in technology-oriented companies, thereby preventing the off-shoring of production due to lower labour costs.

What will the role of foreign workers be in this new general economic and specific labour market scenario? Before approaching an overview as complex as the one attempted in this section, certain basic questions should be considered beforehand:

- How has the current recession affected the immigrant worker population?
- By how much has the rate of entry of immigrants decreased, and how likely are they to return to their country of origin?
- How much have GDP contributions by immigrants fallen during the first year and a half of the recession?
- What short-term effect has this had on public revenues (VAT, social service contributions and income tax)?
- Which sectors will lead Spanish economic growth in coming years and what possibilities exist that will enable immigrants to find new jobs?
- In the medium and long term, what will Spanish economic growth and what kind of jobs will be created as a result?

Currently, it is possible to speak of a significant rise in the number of unemployed workers among the immigrant population. Based on EAPS micro-data and contrasting the values of the second quarter of 2009 with those for 2008, one may observe that while 36.4% of immigrants stated that they were unemployed a year ago during the week studied, in the second quarter of this year the percentage rose to 46%. The EAPS unemployment rate has grown from 16.8% in 2008 to 28.8% in the current year.

Underlying these 12 percentage points of difference, of course, is both the number of redundancies (about 5.5%) as well as the rise in the immigrant active population (6.5% for the same period). If data for the last quarter of 2009 is taken into account, after a full year of recession the situation would seem to have deteriorated still further, with a net destruction of immigrant jobs because workforce growth would have noticeably declined (there was an increase of about 80,000 people comparing the third quarter of this year with that of last year).

Given the low average seniority of jobs held by immigrants (just 1.7 years according to data from the 2006 Wage Structure Survey by the INE) and reductions due to lack of official documentation for this group of newly unemployed workers (as well as their relatively low wages), the impact on unemployment benefit expenditures may be considered minimal and short term (entitlement to these benefits expires quickly). Regarding indirect taxation, once again the short-term impact is relatively slight (one must remember that VAT revenues derived from the overall immigration process represent 3% of the total, so the impact stemming from relatively short-term job losses among this population may be considered minimal as well).

Following the same macroeconomic impact simulation scheme used in this research, the effect of the recession on the economic impact of immigration may be estimated as a reduction by just over one percentage point of their contribution to the overall Spanish GDP (dropping from 14.5% in 2008 to 13.2% in 2009). Clearly, most of this loss is concentrated in services and building. These two sectors have been hit the hardest by the recession, and they contained a heavy concentration of jobs held by immigrants.

The key question in light of this issue over the coming months and years is how to reemploy this existing group of individuals whose numbers continue to show a growth trend as new workers arrive (although this is likely to be much less pronounced than in the past). In this context, two important questions arise: 1) which sectors will drive growth in the Spanish economy and, thus, lead to the greatest demand for jobs?; and 2) what possibilities exist so that immigrants currently performing low-skilled work may be retrained for other occupations?

In every possible way, it seems obvious that the period in recent years during which the building sector has served as a main driving force for Spanish GDP is coming to a close (albeit later than originally forecasted), but continuing in this way into the future would have become unsustainable. As for the rest of Europe, this sector should become less significant in coming years, giving way to other sectors such as high value-added industry and skilled services, because traditional Spanish sectors may have reached a level of semi-saturation (tourism) or decline (textile and shoes manufacturing).

Over the next 2-3 years, less activity in building will produce a rise in the relative importance of other sectors, even if they do not necessarily experience a boost in their own levels of activity. If this was to be the case, this could simply lead to a scenario in which a surplus of workers in certain sectors would not even be able to gain access to other sectors where the demand for jobs is also flat (moreover, all of this supposes that the transition from one sector to another was simple and did not need a retraining process that might temporarily delay or even permanently prevent it from taking place).

Over the medium term, i.e. over the next decade, it may be projected that, on the one hand, the Spanish economy could again re-establish rates of growth that could approach those of other countries in our surrounding economic environment in terms of characteristics as well as proximity in production methods. This situation must coexist with the progressive appearance of companies with greater long-term growth potential that would feed long-term economic growth (perhaps over the next thirty years) characterized by a prevalence of high-tech, highly-productive industries that are

internationally competitive, less labour-intensive, and less vulnerable to possible off-shoring to countries with lower labour costs.

With a host of nuances, perhaps an outline similar to that of our closest EU neighbours might help to partially define the structure of sectoral weight toward which convergence could lead in the short term. In this context, and to ascertain which potential scenarios for economic growth exist for future years, a comparative study can be carried out on similarities and differences between EU countries and Spain with respect to the characteristics of the sectors underpinning such growth. For this purpose, a statistical cluster analysis has been proposed to identify such similarities between patterns of sectoral growth with our closest neighbours in terms of geography and commerce. We begin by analyzing the historical impact on the GDP of each of the production sectors in Europe. The methodological strategy consists of performing a cluster analysis with two objectives:

- To identify groups to which each country belongs as per similarities observed in their sectoral weight over the last five years;
- To determine the values of sectoral weight that characterizes each of these groups (the *centroids* for each group).

The results of this analysis allow for the following grouping as per similarities observed⁷⁵:

Table 14. Statistical Cluster Analysis: Country groups by sectoral similarities.

Group 1	Group 2	Group 3	Group 4
Belgium	Bulgaria	Estonia	Greece
Denmark	Czech Rep.	Ireland	Cyprus
Germany	Lithuania	Spain	Latvia
France	Poland	Italy	
Holland	Romania	Hungary	
Sweden	Slovakia	Malta	
UK	Croatia	Austria	
Finland	Estonia	Portugal	

Source: Authors' findings.

In short, those in the first group represent most developed EU countries; in the second group are most of the Eastern European countries that have recently joined the EU; in the third are somewhat more diverse economies; and lastly, the fourth group consists of three countries that defy comparison with the rest.

In order to determine the “average weighted values” for each sector in the group in question (the third), we used a calculation of the *centroids* for this group, with the following results:

⁷⁵ For cluster studies, the Ward method was used with analyses of chi-square counts, all of which was applied to the data set resulting from the weights of the value added by each sector on the national GDP. To determine centroids, a weighted average of sector-specific weights of the components of Group 3 was calculated from the inverse of the agglomeration coefficients obtained via the Ward method, prioritizing the closest correlations in the group over the most distant.

Table 15. Estimation of sectoral weight on GDP in Spain on the 2020 planning horizon

Country	Agriculture	Industry	Building	Commercial Services, Transport, Communications ⁷⁶	Business and Financial Services ⁷⁷	Other Services ⁷⁸
Estonia	3.8	22	6.9	28.1	22.7	16.5
Ireland	2.3	28	8.9	17.6	25.6	17.6
Spain	3.6	18.7	10.7	25.4	20.9	20.7
Italy	2.4	21.5	5.8	23.3	26.5	20.6
Hungary	4.5	25.2	4.9	21	21.5	22.9
Malta	2.7	19.3	4	28.8	19.9	25.3
Austria	1.9	22.8	7.1	24.2	23.2	20.9
Portugal	3.1	18.5	7.1	24.4	21.3	25.8
Centroid	2.81	22.96	7.05	25.06	24.72	22.33
Std. Deviation	0.82	3.32	2.15	3.23	2.31	2.66
Distance Centroid - Spain	-0.8	4.3	-3.6	-0.4	3.8	1.6

Source: Authors' findings based on Eurostat data.

The methodological approach chosen provides a baseline scenario for the future (5-10 years) with regard to sectoral weights in Spain, characterized by a significant decline in the building sector (3.6 point drop) to be replaced by a marked increase in weight for industry (up 4.3 points than at present) and in the area of financial and business services (3.8 points), and slight adjustments in other sectors (agriculture and other services). The transfer, on the one hand, has occurred from building to industry, but there has also been a shift from lower value services to those of higher added value (to companies, financial and other non-commercial firms), which represents a growth model with greater potential for improvements in work productivity.

If this is the case, it would be possible to achieve a higher degree of growth in overall added value, but one that would be much less consumptive regarding labour (at least unskilled). In this sense, it is conceivable that the trend over the last decade to resort to "imported" labour force (i.e. immigration) should experience a sharp decline.

The scenarios discussed so far have a potential weakness: the group that contains Spain seems to be, in theoretical terms, very heterogeneous even though statistics show that they are the most similar in terms of their economic structures (sectoral weights). In this light, a second assessment of a production system in comparison with the rest of the EU might be worthwhile, taking into account only euro-zone countries, and, again, calculating the centroids of their sectoral weights

In short, rather than starting with making up a group of "similar members", a full group has been formed using the twelve euro-zone countries. The results obtained in this case are the following:

⁷⁶ Wholesale and retail trade, vehicle repair, personal and household goods, hotels, restaurants, transport, storage and communications.

⁷⁷ Financial services, real estate, renting and business activities.

⁷⁸ Public administration and defence, social security, education, health and social work, personal assistance, and households that employ domestic services.

Table 16. Centroid for a full group of the twelve euro-zone countries

	Agriculture	Industry	Building	Commercial Services, Transport, Communications	Business and Financial Services	Other Services
Centroid	1.69	19.5	5.55	22.53	27.39	23.36
Deviation	1.13	4.07	1.67	3.54	3.82	2.41
Distance Centroid – Spain	-1.87	0.81	-5.13	-2.88	6.44	2.63

Source: Authors' findings.

In this second approach, the building sector and low value-added services continue to represent those with the largest drop in contribution to GDP. The difference from the previous scenario centres on the fact that the increase in weight for the industrial sector is much more limited (less than one point), and growth in the business services and finance sector increases considerably (by more than six points).

Of course, one must not overlook the phenomenon of increasing average age as a decisive factor in a society such as Spain's. Apart from the fall in birth rates, longer life spans and improved "quality of life" give rise to a boom and steady growth potential in services sought by the elderly. The importance of these activities will undoubtedly continue to grow in the coming years.

Based on historical weights registered in the Spanish economy, before and after the increase, these percentages would be in the range of 16% to 20% with respect to industry, 6.5% to 11% in building and 46% to 47% for commercial services. With these figures in mind, the scenario showing a return to similar weights to those reflected by the centroids of EMU countries seems quite reasonable.

Raising the planning horizon to more than twenty or thirty years, the growth outlook should be focused on "a comparison with the best" as the most desirable objective, and the most successful companies with the greatest growth potential will likely aim to reach the one set for the current inner core EMU countries. This process will indeed be lengthy and gains in terms of macroeconomic sectoral weight may become protracted in time. Yet, in the immediate future, the green shoots of these types of high-end, long term businesses should begin to sprout and eventually grow to take the lead in driving future growth⁷⁹.

Outlined in this way for the different periods considered, one may foresee a Spanish labour market which will lose jobs for at least another year. Afterwards, growth in the medium term will be prevalent in sectors that, are generally consumptive and offer fewer jobs, and, which also require a more highly skilled workforce. Considering the longer term, job demand may recover in terms of the degree to which newly created companies are called upon to lead growth in the future. In any case, changes in employment such as those experienced in recent years seem to be unlikely to be repeated in the future.

⁷⁹ The case of Japan's development after World War II (a country with few natural resources and limited territory in terms of its population size) is an example of the possibility of reorganizing a production system to drive powerful national economic growth for many years based on cutting-edge technology.

Focusing specifically on the potential impact this new situation may have on immigrants, one clearly must analyze certain circumstances: the capability of moving workers from one sector to another (with or without retraining), trends projecting the influx of immigrants in coming years, and the likelihood that immigrants will return to their country of origin or simply move on to another destination country.

Regarding the first point, it is conceivable that workers with higher levels of education will be better equipped to switch from one sector to another. It is worthwhile to note on this subject that immigrant workers generally have a higher level of education, including a higher percentage with secondary-school studies when compared to the Spanish population in the same circumstances). As for the areas where a reduction in workforce is clearly forecasted (building and services in the segment of unskilled workers), it has been observed that the educational levels for immigrant workers tend to be higher than for the natives (one may surmise that they are overqualified for the work they perform). The case is similar, although much more pronounced, with unskilled jobs.

Table 17. Occupation and educational level for natives and immigrants (Percentage by educational level for each occupation)

	Nationality	Spanish	Immigrant
Administrative workers	Elementary	23.70%	21.60%
	Secondary School	36.80%	41.30%
	University	39.30%	37.10%
	Post graduate	0.20%	0.00%
Restaurant, personal or protective services workers, and salespersons	Elementary	48.80%	40.30%
	Secondary School	32.70%	43.30%
	University	18.30%	15.40%
	Post graduate	0.20%	1.00%
Skilled workers in the agriculture and fishing industries	Elementary	76.20%	50.40%
	Secondary School	14.40%	30.90%
	University	8.40%	14.00%
	Post graduate	1.00%	4.70%
Craftsmen and skilled tradesmen in the manufacturing, building, and mining industries	Elementary	65.40%	45.70%
	Secondary School	18.10%	38.20%
	University	16.40%	14.90%
	Post graduate	0.10%	1.20%
Installation and machinery operators and assemblers	Elementary	66.70%	42.30%
	Secondary School	20.90%	42.30%
	University	12.20%	14.90%
	Post graduate	0.20%	0.50%
Unskilled workers	Elementary	77.70%	51.60%
	Secondary School	14.90%	34.10%
	University	6.60%	11.80%
	Post graduate	0.80%	2.50%
Total	Elementary	57.10%	45.10%
	Secondary School	24.60%	38.30%
	University	17.90%	15.00%
	Post graduate	0.30%	1.60%

Source: INE Wage Structure Survey, 2008.

What has been seen with respect to skills may be subject to certain considerations regarding the equivalency of the training received in other countries or the weight of unofficial training received merely through work experience⁸⁰. Even in view of these considerations, the table above would be consistent with positive selection theory postulated by Borjas and with the broad consensus among researchers. People who choose to emigrate generally tend to be the most skilled, and, furthermore, they have already shown that they are able to adapt to other societies, different labour markets, distinct occupations, and so on. In short, and *a priori*, immigrants tend to be more willing to make the "jump" from one occupation to another.

⁸⁰ More detail on this argument may be consulted in the CES (2009) document, edited by Ramon Mahía.

In any case, and in spite of this, we must stress once again that the growth pattern characterizing the Spanish economy, which to date has been very labour intensive and has thus led to a strong demand for both native and immigrant workers, is going to change.

In this new framework, the benefits that have attracted a large influx of immigrants will decline considerably, and, presumably, so too will the numbers of those seeking to immigrate. In the economic publications on the importance of various factors that drive migration flows, the consensus seems to be that "pull factors" (as opposed to "push") are more relevant when choosing a destination country. That is, the chances of finding work and of improving quality of life in the destination country (logically) influence the final decision to emigrate⁸¹. In short, the pressure of an influx of immigration on the job market is expected to dissipate dramatically.

The analysis of potential repatriation, even with a limited scope, also draws particular interest to this subject. Although the government plan to offer incentives for immigrants who return to their country of origin has attracted very few takers among the immigrant population to date, these numbers may not be so scant in coming years⁸².

Measuring the likelihood of repatriation for the immigrant population is a particularly difficult task because of the many motivating factors that can affect the decision-making process, and also due to a lack of reliable statistical data on those who eventually do move back or move on to a new "host" country. Of course, the statistics of the destination country may be more or less stringent while the immigrant population remains in the country, but there is virtually a complete loss of data the moment a person leaves the country.

Nevertheless, there is a variable that may be used to measure, at least in approximate terms, the intention of immigrants to return to their country of origin, and we can concurrently assess the factors involved when there is a greater or lesser degree of willingness to take this decision. From the survey on immigration issued by the INE in 2008 (with 2007 data), responses to the question, "Do you intend to return to your country over the next five years?" may be used as a variable that provides the desired data, although these results should obviously be used with caution because of the many possible permutations that exist in the correlation between this variable (potential) and the actual decision to return.

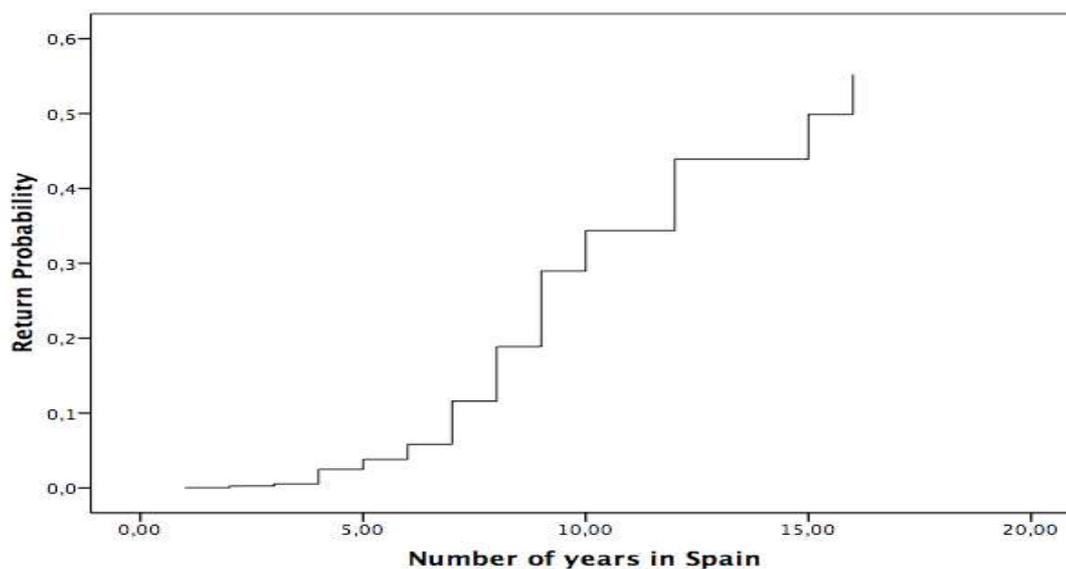
Performing a Cox regression to determine the probability of return as per the number of years living in the country while taking into account a broad range of factors that could have an impact on that likelihood⁸³, the following "risk of return curve" was obtained according to the number of years passed since first moving to the host country.

⁸¹ Immigrant admission requirement issues may be consulted in Arce y Mahía (2009).

⁸² In November 2009 figures, only around 8,700 immigrants have benefited from the voluntary return plan promoted by the government.

⁸³ Employed as conditioning variables to estimate this likelihood were the following: sex, nationality, whether remittances were sent regularly, whether the country of origin was visited during the migratory period in Spain, whether or not the migrant owns his or her home in Spain, whether or not the migrant is employed, whether contact with the family in the country of origin is maintained, whether or not the family has been reunited, educational level, and a survey question asking if he or she feels comfortable living in Spain.

Figure 10. Probability of return curve in terms of number of years of residence



Source: Authors' findings.

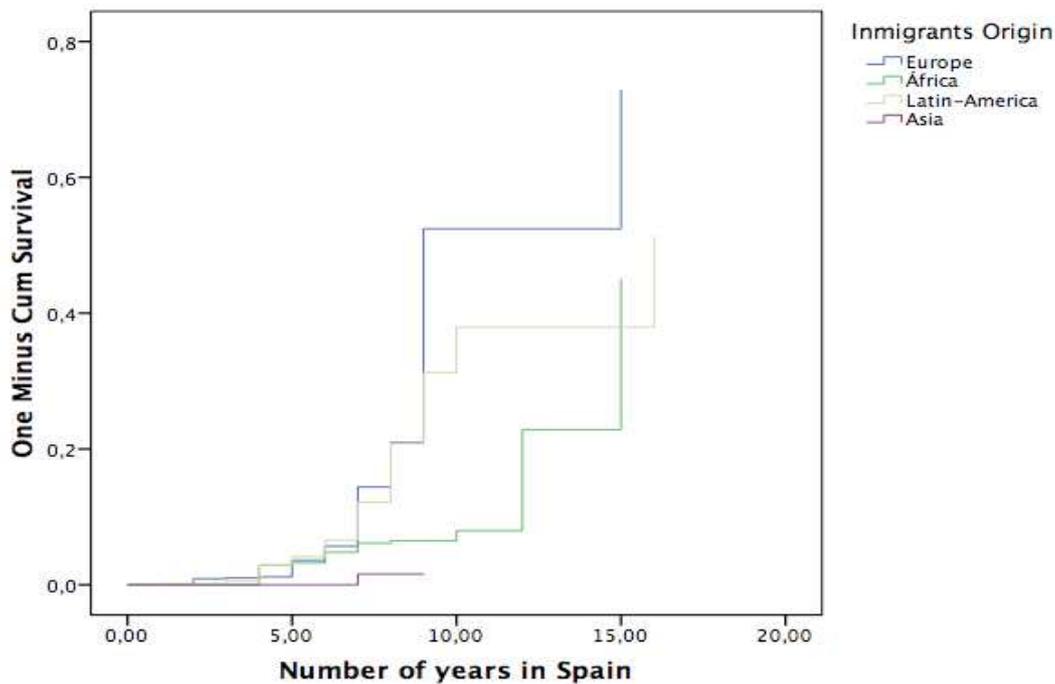
Thus, generally speaking, the decision to return is taken by a maximum of 20% of the immigrant population after approximately ten years living in the host country, with a much lower incidence during the first five years.

As may be expected, this study was able to confirm statistically whether or not being unemployed might indeed be a factor that would increase an immigrant's likelihood to return. Other variables may also increase the probability of return, such as whether visits had been made to the country of origin or whether remittances had been sent. On the other hand, other variables reduce this likelihood (if other family members had been reunified with the immigrant in Spain, whether or not they own their own homes, whether they have their residency documents in order, or if they first moved to the host country at a young age). A clearly decisive factor influencing these variables was the immigrant's place of origin.

Immigrants from Asia (about 6% of all immigrants), show the greatest reluctance to return. For a bit longer than the first five years of residence, few differences arise with respect to the likelihood of returning per place of origin. However, from about the seventh year, a higher propensity to return becomes manifest among citizens of other non developed European countries (in this period just over 50% of them appear willing to return) and Latin Americans (just over one third). As for citizens of Africa, the likelihood remains under 10% until at least the first twelve years of residence.

Undoubtedly underlying these distinctions are both the economic and social conditions in the country of origin left behind as well as future prospects for potentially returning to settle there once again under better conditions and with a greater capacity to employ gains acquired through emigration (savings, work experience, training—if received—, etc.).

Figure 11. Probability of return curve in terms of years of residence (Detail for areas of origin)



Cases weighted by Factor de elevación de personas encuestadas.

Source: Authors' findings.

4.4.1 Migration Policy Challenges: new requirements for the new environment

The present labour situation and the short-term forecasts show an extremely pronounced unemployment rate which could exceed 20% in 2010. According to the ECB, the sustainability of recovery will be precarious. In the absence of marked reforms, a new model based on innovation and economic dynamics and a sustainable growth cannot be achieved when the workforce is one of the least dynamic elements in the system.

If this suggestion is taken into account, the question remains as to the role that immigrants residing in Spain will play in this new model, especially if the objective of attracting and facilitating the insertion of more qualified foreigners would be satisfactorily completed.

Although the change in the production model should have been undertaken years ago, considering the present economic situation and the need for reform, in fact, it is a suitable moment to elaborate strategies for the future hiring of qualified immigrants. It is not feasible to expect them to arrive from other EU receiving countries because they are also in need of highly skilled workers.

With respect to this question, the first step should be to assess the real necessities of the labour market. It is important to offer very attractive conditions to

highly skilled immigrants if they are to settle in Spain. An example which is considered in the newly adopted law is inspired by the restrictive policies promoted by most European immigration receiving countries, including a recent receiver such as Italy. However, one of the characteristics of this policy includes the assumption that selected immigration is an undesirable option from the point of view of the sending countries (principally developing countries) because it accelerates brain drain as well as cultural, economic and technological impoverishment in highly qualified immigrants' countries of origin.

Taking into account the forecast for migration flows and the inevitable forthcoming period of economic recovery, as well as considering the trend of immigration policies of other Member States, Spanish immigration policy will become more restrictive, something that can be already perceived in the current legal reform. Therefore, further large regularization processes should no longer be used going forward as their results are questionable and regularization should instead occur on a case-by-case basis⁸⁴.

On the other hand, immigrants arriving have the intention to settle in Spain and we could predict that the main source of immigrant increase in the next years will be due to family reunifications which cannot be obstructed as a result of rights legislation. It is here that policy implementation could run into serious difficulties, resting as it does on one of the four pillars of EU migration policy. Therefore, one of the main tasks of immigration policy going forward will be related to addressing the integration of immigrants who already reside in Spain and their family reunifications.

Since family reunifications are important sources of foreign population increase in traditional receivers such as Belgium, Germany, the UK or France, new receiving South European countries (such as Spain) can expect a similar future experience. As has been the case in those countries, an increase in the number of nationalizations will occur as the stock of immigrants in Spain is already very high and have been accumulating years of residence. France, for instance, was the only traditional receiver which encouraged permanent immigration, although lately a tightening of new entries and an increase in deportations is taking place. An increase in the number of family reunifications can be expected as a result of growing networks between immigrants already settled in Spain and potential migrants still in their countries of origin.

In this respect, we can suggest that a large increase will come from third country foreigners. In the last few years, relevant increases proceeding from the latest EU members' nationals has been observed. In fact, Romanian nationals have become the main immigration group, although as the economic situation in their own countries improves, one could expect a large number to return, just as Spanish emigrants returned in the past, precisely because migration was labour related.

According to the EU approach to managing economic migration, "in order to decide when there is a need to recruit third-country nationals, very strict and more flexible conditions must be set out. Whatever system or systems are approved by the EU, they must be able to fill specific jobs and to meet recognized short-term and long-term workforce market requirements". It would be supposed, given the experience gained, that further documented entries will be conditioned by the economic situation

⁸⁴ In accordance with the European Pact on Immigration and Asylum.

and the reception capacity of the country involved, as well as immigrant unemployment trends.

It is envisaged that after the adoption of the new law, the Government will approve a plan on border control with an increase in the number of policemen dedicated to border protection designed to progressively implement the EU Integrated External Vigilance System. This would require border security policy planning in accordance with FRONTEX. More resources will also be allocated to an increase in deportations. In conjunction with this measure, mass media coverage could be considered to inform the population about deportations to the same extent that it is currently informed about undocumented entries. This could have an indirect effect on potential migrants' decisions.

Meanwhile, given the growth of the young population in many third countries, the economic and social differences as well as the political instability, it is unlikely that migratory pressure will fall noticeably in the near future even taking into account that the current economic crisis could check the intensity of new entries. However, considering the demographic forecasts referred to in another section, the impact of ageing cannot be averted without a significant increase in fertility and/or future intense migration influxes. In fact, as the already settled immigrant population is not large enough to compensate for the ageing process in Spain, making further influxes necessary to satisfy future workforce market necessities. According to the EC Communication on immigration, integration and employment, "maintaining the working-age population, and even more so maintaining old-age dependency ratio, would require massive increases in immigration until 2030. A major limitation of such an increase in economic terms would be the fact that the immigrant population is also ageing, in line with the indigenous demographic patterns". Therefore, any "immigration boom" over the next decades would, under the same assumptions, result in a similar situation as witnessed today but at a later point in time. From a social cohesion perspective, any massive increase in immigration would also increase the challenge of integration to a much larger extent" (EC, 2003).

The reinforcement and formalising of dialogue with immigrant organizations and other organizations which deal with migration issues including the most representative Trade Union and Employer Organizations, as well as encouraging active participation, could enhance both the creation and development of migration policy and issues relating to integration. Taking into account again the intense and recent growth of immigration in Spain, it is necessary to urgently design and implement efficient programmes in order to achieve the sustainable integration of people already settled in Spain as well as those who will arrive in the near future. Considering the economic nature of immigration in Spain, the first step of integration is insertion into the workforce. As we could see in the previous section, there is a prominent presence of immigrant workers in the secondary job market. Although the average education level of the immigrants in Spain is slightly lower than that of the native population, it is commonplace to employ foreigners with higher education in positions that do not match their qualifications. In the elaboration of integration plans and programs, the government should consider elaborating on reinsertion programs aimed at employing these people, as much as possible, in positions which are more suited to their education and previous professional background. There is already a wealth of experience around

immigration⁸⁵ and that, along with EU trends, could lead us to enacting a policy that is much more efficient in reaching objectives.

4.5 Milestones toward social integration

Several different programs, plans, actions and measures toward social integration of immigrants have been seen. But how does the choice of a model affect integration? What future challenges exist with respect to integration? As previously shown, immigration is not merely a circumstance that temporarily affects modern societies, but, rather, it is an integral part of them. Immigrants are going to continue to live, work, study, etc. in different countries, regions and cities. When drafting integration policies one must take into account not only those who come from abroad, but also the society as a whole—including those who come through an immigration project, those seeking reunification with their families, those who were born in the host societies, and so on.

It is important to reflect on two key factors in order to make real progress through integration programs and plans. Firstly, cultural diversity in societies must be promoted, and, secondly, social cohesion and intercultural harmony must be fostered.

The ability of a city to constantly attract and retain immigrants from abroad involves a process of political thought and action that is considered to be a key aspect of a city's success⁸⁶. It is true that today this trend is centred on being able to attract *skilled immigrants*⁸⁷, although persuasive and comprehensive arguments are often needed to defend diversity.

Sometimes countries develop "peculiar" strategies to encourage diversity in their societies. This is the case, for example, in the United States with its *Diversity Visa Program*. Each year the U.S. government raises the number of visas granted—50,000 for 2011—targeting those whose nationalities are underrepresented in the U.S.⁸⁸.

Why is cultural diversity enriching? Why should a neighbourhood with over fifty nationalities be preferable to one with just a single nationality? Cultural diversity enriches communities in two ways. Firstly, it offers more alternatives, because diversity revitalizes a society in continuous flux and transformation thereby reducing social, economic and cultural stagnation and stimulating permanent qualitative growth. Secondly, cultural diversity allows each individual to establish an identity in a multicultural society that offers a huge variety of options to choose from, ranging from merely folklore or gastronomy to a myriad of artistic and cultural expressions.

Clearly, diversity is a driving force for change and positive transformation as it involves the need to develop public policies that promote inclusion and equality with regard to all obligations, rights and opportunities. The main objective of such policies

⁸⁵ As well as following the example of practices carried out in other much more experienced EU states.

⁸⁶ See Opencities project of the British Council.

⁸⁷ For more information see the "blue card" of the European Union, or legislative changes in European Union countries (e.g. the Netherlands)

⁸⁸ For more information see: http://travel.state.gov/visa/immigrants/types/types_1322.html

should be to ensure peaceful interaction and voluntary co-existence among persons belonging to a wide and dynamic variety of cultural backgrounds.

It is very important that all those who live in a country, region or city should feel as though they are able to participate, and that the place where they have chosen to live, work, and study is suited to them. Such transformations of a place occur on behalf of all of its residents and demand not only this spirit and mentality, but also the very policies needed to adequately address them.

Social cohesion is understood to represent the degree of consensus among the members of a social group in the perception of belonging to a common project or situation. It is a measure of the degree of intensity of social interaction within the group. On the other hand, intercultural harmony is *"the interaction between two or more identities who, discovering and acknowledging each other reciprocally as sentient beings, attempt to become complementary for one another as opposed to becoming antagonistic, and begin to search for common ground for the future"* (Duccoli, 2001).

Europe has taken on 34% of the world's migrants from 1990 to 2005. Spain, in particular, has received more than 4 million immigrants over the same period. This was an economic boom period and the arrival of immigrants to meet labour market demands was understandable. The research studies took into account contributions made by these workers to Social Security, thus underscoring the positive impact of immigration.

In early 2009, immigrants still account for around 15% to 20% of most European regions (particularly in European capitals) and at the same time the number of unemployed immigrants has risen sharply.

Most immigrants choose not to return to their countries. Positive immigration flows towards Europe continue, even though many jobs have been lost and the arguments based on economic criteria during boom times tend to become inverted in a recession. Immigrants' economic contributions turn into costs, payouts for unemployment benefits, mortgage defaults, etc.

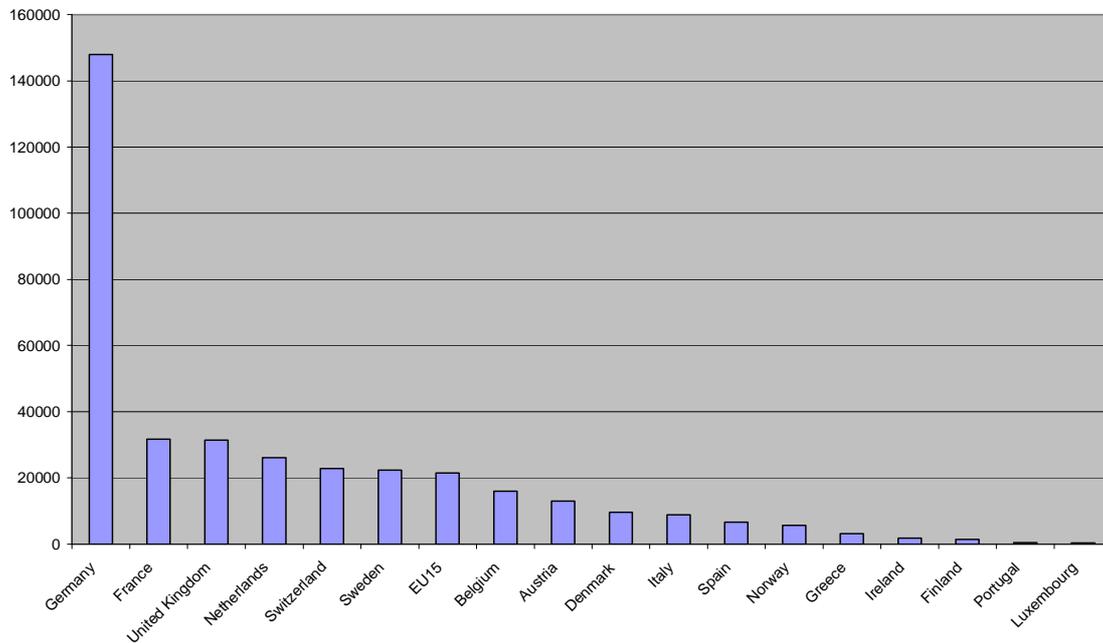
At this point it is more urgent than ever to state and reiterate the benefits of diversity, as described above, and to pursue policies that promote social cohesion as an alternative for both the present as well as the future.

To sum up, in case the aforementioned arguments leave any doubt, it is worthwhile to make one more: social cohesion is the cheapest option for societies. In addition to the social benefits of peaceful coexistence that have been described in depth above, one may add the social and economic costs of conflict. What is the cost to a country or city of racism or gender violence? An enlightening study was conducted in Guatemala, which estimated that losses due to discrimination and racism represent 3% of GDP (\$855 million each year). This research resulted in the drafting and implementation of a National Plan for Combating Racism and Discrimination in Guatemala.

5. The Effectiveness of Laws: How Much Does Policy Matter?

Having looked at flows, policies and the impact of immigration, it is clear that a key analytical challenge for academics and policy makers alike relates to the relationship between these three phenomena. Above all, it is crucial to be able to assess the capacity of policy measures to influence migration outcomes? Or put differently, to what extent are policy differences responsible for the variation in migratory flows such as those presented in Figure 12.

Figure 12. Average Number of Asylum Applications



Source: UNHCR Statistical Yearbooks. Data-range: 1985-2000

When looking at the relationship between migration flows and policies, it is reasonable to assume that, other things being equal, restrictive policy measures will make it more difficult (or less attractive) for immigrants to come and hence decrease immigration flows to that country.

However, there are at least two fundamental problems one encounters when trying to assess the impact of policies on migration flows. First, even if a causal relationship between particular policy measures and particular outcomes can be established, to determine what specific policy measures in a wider set of policies are responsible for the observed effect is very challenging. Without disaggregated, comparative policy data, it will be very hard to isolate the effects of particular policy measures. Second, the 'ceteris paribus' (or 'other things being equal') assumption usually does not hold when comparing situations before and after the introduction of a particular policy.

There are currently few comparative datasets that provide the kind of data with which one could analyse the impact of specific policy measures while controlling for other immigration push and pull factors. It seems reasonable to assume that the lack of such data will have led to researchers using less reliable research designs and potentially erroneous conclusions as the impact of policy changes. The following case study on European asylum policy in the 1990s will be used to illustrate this further.

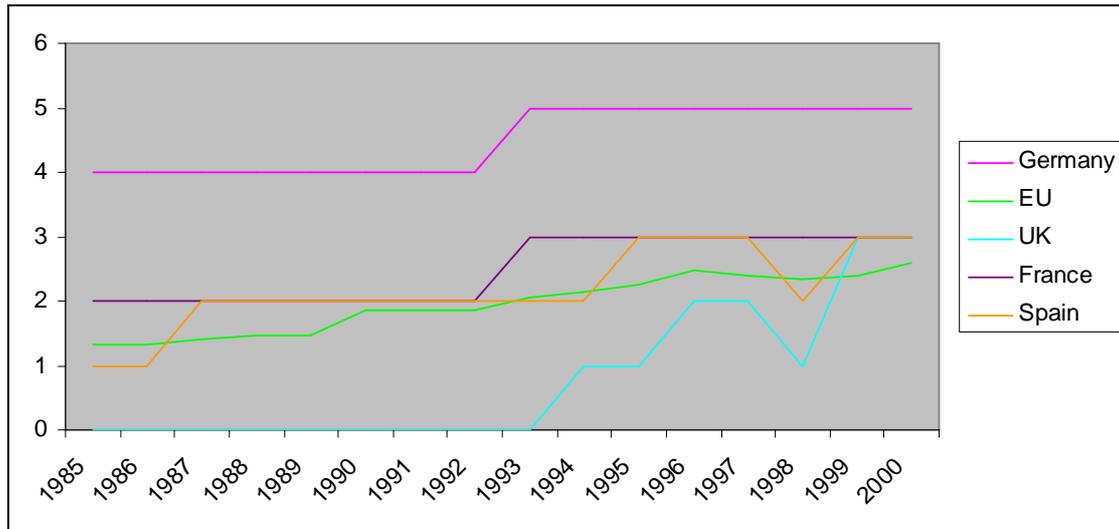
Asylum policy is one of the few areas of migration policy where researchers have collected some comparative and disaggregated policy data. In the following, we will show how these datasets can be created, how they can be extended to include other areas of migration and what new research opportunities are opened up by doing so.

In addition to their humanitarian objectives, the role of national asylum policies is to restrict the inflow into a particular country to an acceptable number. This means that policy makers will try to use migration policy instruments to make sure that their country will not be seen as a ‘soft touch’ or as an overly attractive destination country that will attract an unacceptable number of asylum seekers. Three sets of such instruments in particular are at their disposal: access control; the determination process; and migrant integration policy. Access control policy refers to the rules and procedures governing the admission of foreign nationals and its instruments including visa policy, regulations for carriers, safe third-country provisions, etc.⁸⁹ Rules concerning determination procedures relate to entry into a country’s refugee recognition system, appeal rights, and rules concerning protection that is subsidiary to the rather narrowly defined Geneva Convention criteria for full refugee status.⁹⁰ Finally, integration policy is concerned with rights and benefits given to asylum seekers inside a country of destination (e.g., work and housing conditions, rules on freedom of movement, welfare provisions, educational opportunities, etc.). Policy-makers might want to introduce restrictive policy measures in these three areas in an attempt to raise the deterrence effect of their policy, which in turn is expected to make their country less attractive to asylum seekers in relative terms. Recent research (Thielemann 2004, 2006; Hatton 2004) has developed a way to generate datasets of comparative, disaggregated policy measures that allow researchers to analyse the relative importance and effectiveness of deterrence policy measures. Thielemann generates a policy deterrence index (see Figure 13) for 20 OECD countries over a fifteen year period. The index ranges between 0 (most liberal/open) to 5 (most restrictive).

⁸⁹ “Safe third country” provisions mean that asylum seekers are denied access to the refugee status determination procedure on the grounds that they could or should have requested and, if qualified, would actually have been granted asylum in another country. In practice this means that asylum seekers who have travelled through other countries before reaching their destination will not have their asylum application examined in the country of their choice, but will be returned to the other country (Hailbronner 1993; Kjaergaard 1994).

⁹⁰ According to the Geneva Convention, a refugee is a person who, owing to a well-founded fear of being persecuted on account of race, religion, nationality, membership of a particular social group, or political opinion, is outside the country of their nationality, and is unable to or, owing to such fear, is unwilling to avail him/herself of the protection of that country.

Figure 13. Asylum Policy Deterrence (Restrictiveness) Index



Source: OECD SOPEMI Yearbooks and Yearbooks by the US Committee for Refugees

To calculate the index, Thielemann analyzed key developments in those countries' national asylum policies. The dataset identifies five measures in particular that stand out as they have been widely regarded by policy makers as having the potential to significantly influence an asylum seeker's decision as to which country to apply to (United Kingdom Home Office 2002).⁹¹ First, in the area of *access control*, arguably the most important measure was the introduction of so called 'safe third country' provisions, which mean that persons seeking asylum will be refused entry into a country, if on their way to this country they travelled through another state which the first country regards as safe, and in which the asylum seeker could have applied for asylum. If an asylum seeker's travel route only transpires in the course of the determination procedure, he or she can be sent back to the 'safe third country'. The introduction of 'safe third country provisions' meant that asylum seekers travelling 'overland' to Europe were no longer able to legitimately claim asylum in the country of their destination, as the responsibility for their case was shifted onto a neighbouring country through which they had travelled. To account for the introduction of safe third country provisions, a dummy variable is created which takes the value 1 for each year that safe third country provisions were applied in a country and the value 0 for all other years. Second, with respect to a country's *determination procedures*, the most important potential pull factors that can be influenced by national policymakers are the rules concerning the granting of subsidiary protection status which allows an asylum seeker to remain in a country of destination even though their application for full refugee status under the Geneva Convention is refused. Destination countries have complete discretion in defining the requirements that protection seekers have to fulfil to be awarded such subsidiary status, which means that within Europe, the percentage of asylum seekers allowed to stay in a country on the basis of the award of some protection status varies from single figures to over 70 percent (UNHCR 1999). Again, a dummy

⁹¹ Other relevant indicators such as a countries' detention and deportation rates, their visa requirements, and their readmission agreements with third countries have not yet been included in the index for lack of comparative data. However, these measure are expected to positively correlate with the other indicators used here and their omission is therefore not expected to significantly distort the results.

variable is created which takes the value 1 if a country of destination is below the average with regard to the percentage of asylum seekers it allows to stay in its country in a particular year, and which takes the value 0 if the percentage of protection seekers allowed to stay is above the OECD average. Finally, much of the discussion over the past few years has focused on the potential pull-effects entailed in a third category of asylum policy, namely that of *integration measures* for asylum seekers. Here three policy aspects are often regarded as being crucial: first, freedom of movement versus a compulsory dispersal policy; second, cash welfare payments versus a system of vouchers; and third, the right to work under certain conditions versus a general prohibition to take up employment as an asylum seeker. The first of these concerns is the right of asylum seekers to move freely within their country of destination until their asylum claim has been determined. While a federal state such as Germany has always had central reception centres from which asylum seekers are to be dispersed to the different Länder according to their relative population size, some unitary states – most notably the UK – have recently introduced similar measures. Although dispersal measures first and foremost are an attempt to alleviate pressures from particular (usually metropolitan) areas which are faced with a strong concentration of asylum seekers, such measures are also hoped to deter unfounded asylum claims. Second, the ‘cash’ payment of welfare benefits rather than a payment ‘in kind’ or through a voucher system has sometimes been regarded as a pull-factor for asylum seekers.⁹² This has led a number of OECD countries to stop giving asylum seekers cash benefits and to replace cash payments by the direct provision of housing, food and health care. In 1999, the UK and Ireland introduced a voucher system for asylum seekers, despite the fact that the two governments were advised that such a system would be more costly to administer than a cash-based system.⁹³ However, governments have been attracted to vouchers due to the deterrent effect that has sometimes been ascribed to such non-cash schemes. Finally, allowing asylum seekers to work while their claim to asylum status is being assessed has also sometimes been regarded as a potential pull factor for asylum seekers. All countries of destination have work restrictions for asylum seekers in place. However, a number of countries have gone further and now prohibit asylum seekers from undertaking any work until their asylum claim has been accepted. To assess the potential deterrence effect of the above measures, three dummy variables were created which take the value 1 (for each year and country) for the existence of a dispersal scheme, a non-cash based system of benefits, and a law which prohibits asylum seekers from work until their claim has been accepted. Adding all the dummy variables for all five of the above potential deterrence measures for each country and each year, results in a country’s deterrence index for a particular year summarised in Figure 13 above for Germany, France, the UK, Spain and the EU as a whole.⁹⁴ The expectation is that the higher the index for a particular country in a particular year, the lower that country’s relative attractiveness will be, and hence its relative burden stemming from asylum applications.

Through this comparative measurement of disaggregated policy measures and a multivariate statistical research design, it can indeed be shown that the combined effects of deterrence measures, presented in the deterrence index, has led to a relative

⁹² The British government, for example, resisted pressure to abolish the UK’s voucher scheme. Government advisors warned that “re-introducing cash benefits would create a pull factor for thousands more asylum seekers” (“Details of Blunkett’s asylum shake up”, *The Guardian*, February 7 2002).

⁹³ In the light of strong protests by human rights NGOs and rising costs, the UK abandoned its voucher scheme and reintroduced the previous cash-based system only a few years later.

⁹⁴ To create the aggregated index, it was initially assumed that each of the five policy measures have the same potential deterrence effect, an assumption that was later relaxed when looking at the effect of individual measures.

reduction in the number of asylum applications. However, the effect of policy-related factors is not as strong as often assumed and weaker than that of historic network factors and general economic conditions. Moreover, if one disaggregates the measures included in the deterrence index (see Table 18), one finds that the index's restrictive effect is mainly due to the role of two of the five measures analyzed here. These two are: (1) not allowing asylum seekers to work until their application has been successful or until they have been allowed to stay in the host country more permanently on the basis of a subsidiary protection status; and (2) granting protection status to a smaller percentage of asylum seekers (in relation to the total number of applications) than other host states.

Table 18. Impact of Specific Restrictive Policy Measures

Deterrence Measure	Impact
Prohibition to Work	High
Below Average Recognition Rate	High
Safe Third Country Provisions	Low
No Freedom of Movement (Dispersal)	Low
Non-Cash Benefit Payments (Vouchers)	Low

There are a number of plausible reasons why it might not be greatly surprising that individual deterrence measures will be overshadowed by these other pull factors. Most importantly, ties through friends, family or other networks are likely to be very influential, even in the face of a country's not-so-welcoming asylum regime. Moreover, path-dependent processes can be expected to play strong roles because of the sunk costs involved in the creation of forced migration networks. Restrictive immigration control policies create a profitable niche for those exploiting the black market of international migration. Organized trafficking gangs and individual 'entrepreneurs' provide a range of services to migrants for which they are able to charge often extortionate fees.⁹⁵ Networks between these traffickers, agents, potential migrants and legal residents or citizens of destination countries are costly to build and are unlikely to be given up lightly. Finally, a country's reputation as a liberal, open and fair society can be expected to evolve over decades, if not centuries, and is unlikely to be undermined overnight by the introduction of a particular set of restrictive asylum measures. Third, as states tend to copy deterrence measures introduced by other states, the desired impact of such attempts by one state to make its asylum policy more restrictive *relative to other potential host countries*, is often limited to a very short-term first mover advantage. The rapid spread of 'safe third country' provisions across Europe in the 1990s (Thielemann 2004), is perhaps the most prominent recent example of such processes of cross-country policy transfer that have become very common in this area. Finally, the effectiveness of unilateral policy measures can be expected to be further undermined by multilateral efforts of international policy harmonization (Thielemann 2004). Given the structural character of many of the pull factors identified above, we can expect attempts to harmonize asylum law across receiving countries to consolidate, rather than effectively address, existing disparities in the distribution of asylum burdens. By curtailing states' abilities to use differentiated policy tools to counteract the effects of country-specific

⁹⁵ According to IOM figures, fees for services such as the smuggling across borders, arranging forged documents and visas, organizing employment and lodging range from several hundred to over \$30,000 US Dollars depending on which country of origin and which host country are involved. It is estimated that more than 70 percent of asylum seekers make use of such services.

structural pull factors, policy harmonization initiatives, such as those currently developed by the EU (Thielemann 2003), can further limit the capacity of states to effectively regulate asylum flows.

The results of this case study therefore suggests that some of the most prominent public policy measures aimed at regulating unwanted migration flows are less effective than has often been assumed. The analysis has shown that the most powerful explanatory factors for migrants' (and asylum seekers') choice of host country are only partly due to differences in policy, but more importantly due to legacies of migrant networks and relative employment opportunities in host countries. This means that asylum destination choice is affected above all by 'structural' factors that, at least in the short and medium term, are beyond the reach of asylum policy makers.

The comparative compilation of disaggregated policy data therefore allows researchers and policy-makers to draw conclusions that were beyond the scope of earlier policy research. The results of the research example discussed above, opens up the prospect of a highly promising future agenda for migration research that is likely to provide invaluable new insights for academics and policy makers alike.

6. Looking Ahead: An Agenda for Immigration Policy Research

Immigration is an often divisive and hotly contested political issue in most developed countries. It is seen by some as an economic lifeline for ageing western economies, but there are also widespread concerns about the potential strains imposed by immigration on local labour markets, welfare, public health, education systems, etc.. We suggested above, that a key issue for governments in all migrant-receiving states is whether and to what extent laws and policy actually affect migration patterns. Does policy matter and if so, how much?

Governments adopt a wide variety of approaches to regulating immigration. They give different meanings to basic concepts such as citizenship and residency, and place different importance on skills, family ties, or cultural and ethnic diversity when selecting immigrants. But it is impossible at the moment to say much more than that about alternative approaches to immigration policy. There are no comprehensive, cross-nationally comparable data on immigration policies and no systematic method for classifying, measuring, and comparing immigration policies across countries and over time.

The International Migration Policy and Law Analysis (IMPALA) Project, a collaborative research undertaking initiated by the LSE Migration Studies Unit, Harvard University, the University of Sydney, the University of Amsterdam and the University of Luxembourg, aims to address this void. Its goal is to devise a system for measuring and evaluating the operation of national immigration laws, policies and practices against contextualised statistical data and outcomes. The Project aims to devise a *common standard or coding system* that will facilitate the evaluation and comparison of immigration law and policy both *across nations* and *through time* within individual states.

This report provides an important stepping stone for this wider research ambition. By taking stock of our existing knowledge and its current boundaries, highlighted with the case of Spain, a country that has undergone a unique transformation in migration flows and policies, this report directly feeds into this future comparative migration research agenda. The following will briefly set out this agenda and show how this report can provide a valuable base for future studies.

In the past, scholars conducting comparative analysis of immigration policies have relied almost exclusively upon *qualitative* evidence for small samples of countries. Watts (2002) evaluates evidence of the restrictiveness of immigration policy in a number of dimensions (legalization, quotas, family reunification and work permits) for Spain and Italy from 1980 to 1999, for France from 1945-1999, and for the United States in the 1990s. Brochman and Hammar (1999) compile a set of detailed case studies of immigration control in Europe in the 1990s, but they do not attempt to quantify these policies for comparison, and focus instead on the potential obstacles to harmonization of immigration policy among EU member states. Meyers (2004) compiled an extensive list of immigration laws in the United States, Britain, Germany and the Netherlands, but does not compare them in terms of their restrictiveness and notes that there are large variations in the ways that laws are interpreted and implemented by government agencies.

In terms of its measurement focused analysis, the IMPALA Project builds upon the work of scholars in a variety of disciplines who have developed cross-national measures of immigration policies that are (however) very limited in scope. Timmer and Williamson (1996, 1998) developed a quantitative index of immigration policy change, which measures the changes in the general restrictiveness of immigration policy along a ten point scale. This measure was only assessed for the period between 1860 and 1930 and for only six countries: the United States, Britain, Argentina, Brazil, Canada and Australia.

Other scholars have attempted to evaluate immigration policies using immigrant inflow data. For instance, Money (1999) measures immigration policy as annual per capita immigrant inflows for twelve immigrant-receiving countries, from 1962 to 1989. Kogan (2007) constructs a measure of the “relative selectivity” of immigration policy for 15 European Union countries from 1992-2000 by examining the difference between the proportion of immigrants with tertiary education and the tertiary educated native born. But using immigrant inflows to evaluate immigration policy is extremely problematic, as inflows are determined by the applicant pool (the supply of potential immigrants from sender countries) and not simply the immigration policies of the receiving country. Many other factors can be involved: see (Castles 2004a, 2000b; Neumayer 2004; Thielemann 2006).

Other scholars have created specific comparative measures of asylum policies. This report has already outlined one of these approaches (Thielemann 2004, 2006) in the previous section. Hatton (2004) developed an alternative index of the “Toughness” of asylum policies for 14 European Union member states between 1980-1999, calculated from coding restrictions on access, procedures, outcomes of asylum decisions and the treatment of asylum seekers. However, these studies only focus on one specific aspect of policy responses to international migration and they rely on a relatively small number of indicators to capture policy differences among states. Such an approach has

its weakness when one seeks to broaden the comparison beyond fairly similar EU Member States.

Recent efforts among European Union Member States to harmonize their approaches to immigration policy have motivated some new comparative research on current policies in place in Europe. Sponsored by the European Union and its partner organizations, this research has focused most notably on citizenship and naturalization policies. A prominent study produced by Bauböck et al. (2006a; 2006b) applies a typology created by Harald Waldrauch that identifies 27 modes of “acquisition of nationality” and 15 modes of “loss of nationality.” Utilizing this typology Bauböck et al. have sketched a qualitative comparison of 15 EU countries between 1985-2004. The study makes no attempt to provide quantitative measures of immigration policies, however, or to quantify the modes of acquisition and loss of nationality.

Other EU-sponsored research that has focused on European harmonization includes the work by the British Council and the Migration Policy Group, which produced the Migrant Integration Policy Index (MIPEX) (see Niessen et al. 2007), to which this report already referred to earlier. The MIPEX is a quantitative measure of over 100 policy indicators across six policy areas including labour market access, family reunion, long-term residence, political participation, access to nationality, and anti-discrimination laws. The 2007 MIPEX, which covers 25 EU Member States and 3 non-EU countries, updates the 2004 European Civic Citizenship and Inclusion Index (produced by the British Council, the Migration Policy Group, and the Foreign Policy Centre and the University of Sheffield), which covered only the 15 EU States. No attempt has been made to produce the index for years prior to 2004. Both the 2004 and 2007 versions of MIPEX apply a normative framework measuring country policies along a three point scale according to how well a country has met a pre-determined EU-standard in that policy area. Coding is performed by two country experts. This research seems to represent the first substantial attempt to provide comparative, quantitative measures of immigration policies across EU Member States. Unfortunately, the normative criteria used to create the index, and the limited coverage of countries and years, limits suitability of the index for academic research.

The IMPALA research team is currently gathering comparable data on immigration law and policy in five pilot countries, before the scheduled extension of this data collection effort to 25 countries of immigration between 1960 and 2010. Based on the research for this report, the IMPALA team now plans to include Spain as a pilot country in the first phase of the project. The initial coding of laws and collection of corresponding outcome data in the pilot countries will ultimately be used to fine-tune the methodological approach for the empirical analysis of other OECD countries before moving on to the study of key non-OECD countries in a third phase of the project.

All major categories of immigration law and policy are examined: economic migration, family reunification, permanent immigration, temporary migration, asylum and refugee protection, policies relating to undocumented migration, border control and the acquisition of citizenship. Also examined are policies relating to the integration of immigrants into the host country, including government programs providing medical insurance, cash benefits, housing assistance, employment assistance, job skill and language training, and civics courses.

In terms of methodology, the IMPALA Project will use coders familiar with national policy regimes, who will analyse national legislation and policy documents for each country, tracing statutes and regulations over time to identify the laws and policies in effect in each year. Research using primary text legislation will be facilitated by the use of the leading annotated texts and electronic resources used by legal scholars and professionals for each country.⁹⁶ Additional documentary sources will include government department and agency publications, international conventions, regional and bilateral agreements, and reports from international organizations. Immigration laws and policies in each country will be coded independently by at least two different individual coders, with any discrepancies highlighted and resolved by the project team. Practice and context will be addressed by both review of relevant reports and other publications and through consultation with national experts.

Within each category of migration policy, the various types of statutes and regulations that affect the numbers and types of immigrants that can enter a country will be identified, as will the conditions under which those immigrants can enter, reside, work and become naturalised. These statutes, regulations and policies will be coded for each country annually to enable comparisons, for instance, between rules for family reunification; requirements for attaining citizenship; criteria relating to threshold issues such as health and character; limits on the mobility of temporary workers; quotas for refugees; detention practices regarding asylum seekers, undocumented arrivals and overstayers; and sanctions on employers for hiring illegal immigrants. In many cases the codes will indicate the presence or absence of a specific type of restriction (e.g., whether asylum seekers are placed in detention while their applications are decided); in other cases, the codes will reflect quantitative measures (e.g., the financial penalties imposed on employers found to have hired undocumented immigrants). Parallel data will be coded and analysed on the statistical data available in each category so as to capture both *outputs* on the one hand and *outcomes* on the other. These will be related both temporally (by year) and thematically using the coding categories.

Previous research has not provided comprehensive, cross-nationally comparable data on immigration policies or any systematic method for classifying and measuring the regulations and restrictions imposed in different countries and at different moments in time. This imposes severe constraints on policy makers who are expected to develop effective responses to the challenges that international migration poses.

By creating a comprehensive, cross-nationally comparable dataset on immigration laws, policies and practices - contextualised by the parallel collection of statistical and other outcomes - the project will enable scholars and policy makers to evaluate the effects of different approaches to managing immigration, which is hoped to make a critical contribution to ongoing debates and policy decisions.

The envisaged IMPALA dataset should be of great value to researchers in a wide variety of academic disciplines. It will be useful to economists interested in explaining immigration flows and their economic effects, to sociologists examining the social and cultural consequences of immigration, to political scientists interested in explaining immigration policies and the political impact of immigration, and to legal scholars studying the rights granted to immigrants and refugees in different countries.

⁹⁶ For instance, much of the preliminary coding of U.S. immigration laws and policies has been accomplished by the use of the Westlaw online database.

With better cross-national policy data, scholars in a variety of fields will be able to address core theoretical questions about the determinants and consequences of immigration policies, some of which this report has been able to highlight. However, this report has also shown that it is extremely difficult to engage in meaningful comparative analysis with the kind of datasets that are currently available to academics and policy makers. Lacking detailed and comparative quantitative data on actual policies, past research has tended to focus on the examination of qualitative policy data, restricted to a comparison of a small number of cases. This report, like the envisaged IMPALA dataset (by providing precise and comprehensive quantitative evidence on policies across countries and across time periods) will ultimately allow for more in-depth comparisons and consequently the more effective testing of established theoretical claims and the developing of new hypotheses about the determinants and impact of international migration. The aim of this report was to bring the international research community a step closer to the realisation of this ambition.

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TECHNICAL ANNEX

Note 1:

Brief comment on the main resources used to measure the stock of immigrants.

Municipal registry figures on residence may not accurately reflect the actual size of the immigrant population for several reasons. On one hand, residency certification, although required for access to basic public services, is not mandatory. This could mean that a certain number of immigrants may never have been listed in the records. On the other hand, the records may continue to describe as “residents” a certain number of immigrants who may have left the country long ago, even though immigrants are required to renew their residency status every two years since 2004.

An alternative source of data available when attempting to estimate the size of the immigrant population is the State Secretary of Immigration and Emigration (the SEIE), belonging to the Ministry of Labour and Immigration. This organization regularly publishes statistics on immigrants with registry certificates or valid residency permits. Obtaining a registry certificate or a permit allowing some sort of residency and/or work is prerequisite to holding residency in Spain. Clearly, the figures from the Ministry are, as is the case for the municipal registries, somewhat biased in that the statistics fail to take into account what are commonly referred to as "undocumented" immigrants.

Note 2:

Definition of “economic immigrants”

Those considered to be economic immigrants come from one of the following countries: Bulgaria, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovakia, Romania (European countries with EU membership); Albania, Armenia, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Macedonia (Ex-Yugoslavia), Moldova, Russia, Serbia, Turkey, Ukraine (Non-EU European countries), all African countries, all American countries except the USA and Canada, all Asian countries except Japan, and all citizens of Oceania except Australia and New Zealand.

Thus, the countries that have been excluded are the following: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom (European countries with EU membership); Andorra, Iceland, Liechtenstein, Norway, Switzerland (Non-EU European countries); United States and Canada (the Americas); Japan (Asia); and Australia and New Zealand (Oceania).

ANNEX OF TABLES AND GRAPHS

Table A.1: Comparison between the officially documented resident immigrant population and the estimated volume and percentage of unofficial or undocumented cases 1998 -2009.

	(1) Municipal Registry figures as of 1 January for each year	(2) SEIE figures as of 31 December of the previous year	(3)=(1)-(2) Undocumented Immigrants	(3)/(1) % of Undocumented Cases
1999	748,954	719,647	29,307	4%
2000	923,879	801,329	122,550	13%
2001	1,370,657	895,720	474,937	35%
2002	1,977,946	1,109,060	868,886	44%
2003	2,664,168	1,324,001	1,340,167	50%
2004	3,034,326	1,647,011	1,387,315	46%
2005	3,730,610	1,977,291	1,753,319	47%
2006	4,144,166	2,738,932	1,405,234	34%
2007	4,519,554	3,021,808	1,497,746	33%
2008	5,268,762	3,979,014	1,289,748	24%
2009	5,598,691	4,473,499	1,125,192	20%

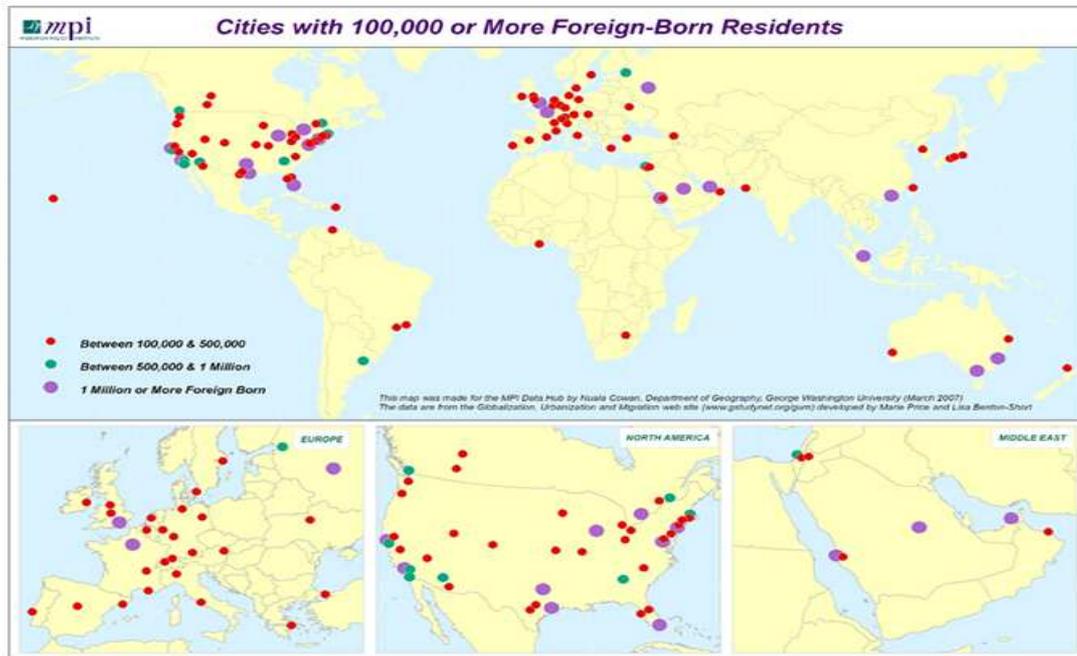
Source: Authors' findings based on data from the Statistical Use of the Municipal Register (INE) and from the Immigrants with Registry Certificates or valid Residency Permits (Secretary of State for Immigration and Emigration).

Table A.2: Immigrant residents broken down by Autonomous Community. Figures and percentages given for the total population

COMMUNITY	REGIONAL DISTRIBUTION OF THE POPULATION		% IMMIGRANTS of TOTAL POPULATION	
	Locals	Economic Immigrants	Total	Economic Immigrants
ANDALUSIA	18,6%	10,1%	8,8%	5,8%
ARAGON	2,9%	3,6%	14,5%	13,5%
ASTURIAS	2,5%	0,9%	4,5%	3,8%
BALEARIC ISLANDS	2,1%	3,2%	27,7%	16,2%
CANARY ISLANDS	4,4%	3,4%	16,6%	8,3%
CANTABRIA	1,3%	0,8%	6,9%	6,0%
CASTILE AND LEON	5,8%	3,3%	6,9%	5,9%
CASTILE-LA MANCHA	4,5%	4,9%	12,1%	11,6%
CATALONIA	15,3%	22,9%	18,8%	15,9%
COMMUNITY OF VALENCIA	10,2%	13,3%	21,0%	13,8%
EXTREMADURA	2,6%	0,7%	3,4%	2,7%
GALICIA	6,5%	1,7%	3,9%	2,8%
MADRID	12,9%	21,6%	19,6%	17,7%
MURCIA	2,9%	4,5%	19,4%	16,3%
NAVARRA	1,4%	1,4%	12,5%	10,8%
BASQUE COUNTRY	5,0%	2,6%	6,5%	5,5%
RIOJA	0,7%	0,9%	16,9%	14,7%

Source: Authors' findings based on provisional data as of 1 January 2008 from the Statistical Use of the Municipal Register (INE).

Graph A.1: Cities with 100,000 or more foreign-born residents



Source: Migration Policy Institute.

Table A.3: Strategic areas of the PECCI (2007-2010)

Reception
Education
Employment
Housing
Social Services
Healthcare
Childhood and Youth
Equal Treatment
Women
Participation
Awareness
Co-development

Source: PECCI and authors' findings.

Table A.4: Comparison of Regional Integration Plans for Immigrants

Integration Plan of the Community of Madrid (2009-2012)	Plan for social integration of immigrant persons in the region of Murcia (2006-2009)	Galician plan for Citizenship, Coexistence and Integration (2008-2011)
Welcome and Reception	Social Services Area	Reception
Social Services	Education and Culture Area	Legal Services and Safeguards
Employment and Job Training	Healthcare Area	Social Services
Housing	Housing Area	Healthcare
Education	Employment and Training Area	Housing
Healthcare	Cooperation and European Networks Area	Education
Communication and Awareness	Coordination Area	Social-employment
Work for Peaceful Coexistence		Civic Participation
Participation and Culture		Co-development
Women, Family, and Youth		Women
		Social Awareness
		Intercultural Coexistence
		Youth

Source: Authors' findings.

Table A.5: Comparison of municipal integration plans for immigrants

	MADRID (2004-2007)	BARCELONA (2005-2007)	SAN SEBASTIAN (2005-2007)	VITORIA (2005-2007)	ZARAGOZA (2006-2009)	VALENCIA (2006-2010)
Job placement	X	X	X	X	X	X
Reception	X	X	X	X	X	X
Civil Service Training	X	-----	X	-----	X	-----
Legal Services	X	X	X	X	X	-----
Mediation Services	X	X	X	X	X	-----
Translation-Interpretation Services	X	X	-----	X	X	-----
Coexistence	X	X	X	X	X	-----
Monitoring centres/Studies	X	-----	X	X	-----	-----
Intercultural Communication	X	-----	X	X	X	-----
Mainstream Perspective	X	X	X	X	X	X
Co-responsibility/ Bi-directionality	X	X	-----	-----	X	X
Equal Rights	X	X	-----	X	X	X
Equal Opportunities	X	-----	X	X	X	X
Gender Issues (Women)	-----	X	X	X	X	X
Fight against Discrimination	X	X	X	X	X	X
Acceptance/ Inclusion of diversity	X	X	-----	-----	X	X
Standardization of Access to Public Services	X	X	X	X	X	X
Interdepartmental Awareness	X	X	X	X	X	X
Social Participation (Association membership)	X	-----	X	X	X	X
Organizations for Civic Participation	X	X				