

Assessment and recommendations

Europe is facing an historic challenge as the refugee crisis unfolds ...

In 2015, the number of refugees and asylum seekers entering Europe hit record levels with inflows of more than one million people – and more than 180 000 in the first four months of 2016 alone. Europe has both the capacity and the experience to rise to the challenge, yet such unprecedented numbers in so short a time span have placed great strain on infrastructure. There has also been a powerful impact on public opinion, which remains very sensitive to refugee and migration issues. As a result, policy attention has been devoted mostly to addressing the refugee crisis.

... yet it should also continue to improve its labour migration framework to be able to respond to upcoming challenges

Humanitarian migration does not account for the bulk of migration to the European Union. Nor can it replace the discretionary and selective channels of labour migration through which employers are expected to complement future skill needs of a European labour market where the working age population is declining and sizeable skills shortages could well expand in the near future. In this context, the question remains as to whether Europe remains an attractive place for talents, and what role EU policies can play to strengthen its attractiveness.

The European Union is a major migration destination...

The EU welcomes more migrants than any other single OECD destination – half of all recorded flows in the OECD are to its EU members (EU-OECD). In both 2013 and 2014, permanent-type migration flows to EU-OECD countries from third countries stood at about 1 million. Although numbers have been falling since 2007, they remain comparable to the number of migrants to the United States. The stock of immigrants, by contrast, has been growing. In the 2000s, the

population of adults born outside the EU rose by more than 42% in the EU15 countries alone, to more than 30 million, one-third of all migrants in OECD countries. Third-country nationals (TCNs) aged 15 to 64 who were resident in the European Union increased by 12% between 2006 and 2015.

...but only a fraction of incomers arrive as labour migrants or for employment...

Labour migrants comprise about one in three new migrants to the European Union, while family migrants make up a larger share. Most labour migrants are concentrated in just a few EU Member States (Italy, Spain and the United Kingdom), and principally in those where labour migration policies do not apply education or skill thresholds (southern Europe). This is in contrast to settlement OECD countries (Australia, Canada and New Zealand), where most permanent economic migration occurs through channels which apply restrictive criteria. The share of labour migrants among total flows, however, is higher in EU Member States than in the United States. Overall, migration to the EU has historically had a larger share of family and humanitarian migrants than in settlement countries.

...and the overall share and relative inflows are lower than in competing OECD destinations

Third-country migrants comprise 4% of the total EU working-age population between the ages of 15 and 64, less than half the share in the United States and even less than in Canada, Australia and New Zealand. Yet relative to its population, the EU welcomed flows comparable to those in the United States (0.3% of its population). They were, however, much lower than migration to Canada, Australia and New Zealand.

The European Union attracts migrants from a broad range of countries, but is most attractive to those from neighbouring countries ...

Several large Asian countries – India, China and the Philippines – drive international migration to OECD countries. Migrants to the European Union, though, come from a wider range of countries of origin, especially from non-EU Europe and Africa, because a wide cross-section of migrants see the European Union as an attractive destination. Among potential migrants in the Gallup World Survey (2011), 23% cited EU Member

States, similar to the share which would like to migrate to the United States. However, potential migrants in nearby European and African regions are more likely to cite the European Union as their desired destination.

... who are not always the most qualified

The European Union has attracted fewer higher-educated migrants than other OECD destinations, and hosts only 30% of the high-educated migrants, compared with 47% of the low-educated. Low educated migrants in OECD countries are increasingly concentrated in the European Union: between 2000 and 2010, the share of all low educated migrants in OECD countries living in the EU15 rose from 36% to 45%. The lower education levels and the higher rate of humanitarian migration in the European Union relative to other OECD destinations contribute to the migrants' lower employment rate. In 2014, for example, the employment rate among migrants in the EU15 countries was more than 10 percentage points lower than the rate in non-EU OECD countries. Still, recent migrants to the EU are better educated than earlier arrivals. In 2000, the European Union was home to a smaller share of recent migrants with high education than the United States (21% vs. 27%). This gap closed by 2010 when the share was comparable (34% vs. 33%). This is in contrast to migration intentions in the Gallup World Survey, where the European Union is the desired destination for a larger share of the high educated (27%) than the United States (21%) or other OECD countries (24%).

EU Member States have put in place labour migration frameworks to compete with other OECD destinations...

Labour migration policy in individual EU Member States is the product of national policies that have evolved over past decades, driven by different national goals. However, there has been convergence across the EU Member States around the need to attract talents, including international students. Hardly any EU Member State uses migration as part of a general demographic strategy, or as a central element in developing the labour force, although some do recognise its contribution. Each EU Member State boasts its own comparative advantage in the competition for skills from abroad, and some benefit from the historical links with third countries which shape migration flows.

... but despite some policy convergence they have developed a multitude of approaches with different effects on inflows

Although EU Member States share challenges and – at least some – objectives, there are important differences in the criteria they apply for admission – particularly where there is no EU level harmonisation – and the means they use to manage flows. Many Member States impose education, occupation or salary requirements which can be barriers to recruitment, while others manage migration largely through numerical limits or volumes of admission. Still others rely on labour market tests or trust the market to regulate itself as long as conditions are respected. A number of Member States deny entry to all less skilled labour migrants, while others only admit them for seasonal activities.

The institutional labour migration framework, as well as the labour market situation, also vary among EU Member States. Different policy settings explain in part why just a few EU Member States account for the bulk of issuances of work permits – to be precise, the top three, Italy, Spain and the United Kingdom, issue more than half of all work permits. Furthermore, in contrast to OECD settlement countries with fixed admission targets or caps, there are sharp fluctuations from one year to the next in flows. Since 2010, they have fallen by half. As a result, labour migration flows to EU Member States are less constant than those to other OECD destinations.

EU Member States have agreed that more can be achieved through co-operation at the EU level

The European Union has been developing common rules on certain categories of third country nationals since the 1999 Amsterdam Treaty. The 2009 Lisbon Treaty enshrines the agreement of EU Member States that certain objectives should be supported and complemented through EU initiatives and makes the European Parliament co-legislator in the area of legal migration. The common immigration policy regards conditions of entry and residence, including criteria and rights. On the political level, support is particularly strong for common action in making the European Union more attractive for highly qualified third-country nationals. The final decision on admission of third-country nationals rests, however, with individual countries, which may set limits to initial entries of those who come for economic purposes. Three EU Member States are not obligated to participate in these measures,

through a general opt-out in this area (Denmark) or a right to opt-in on a case by case basis (United Kingdom and Ireland).

The main legislative instruments are Directives...

EU-level action in labour migration has been taken through a series of Directives proposed by the Commission and approved by the Council and, after 2009, the European Parliament. Directives are transposed into national legislation and implemented by each Member State. Most Directives have built on existing practices and categories, harmonising them and setting minimum standards. The main Directives in managing labour migration cover researchers, highly-qualified employees (the “Blue Card” Directive), a single residence permit combining stay and employment and harmonising certain rights, seasonal workers and intra-corporate transferees (ICTs). Each of these Directives requires Member States to grant certain rights and structure the admission and stay of a category of migrants. Other Directives cover the acquisition of long-term residence, the right to family reunification and the admission of students. Provisions are generally included to facilitate the mobility of third-country nationals within the European Union, a measure which can only be achieved at the EU level. With few exceptions (the ICT and the Seasonal Workers Directive, as well as the new recast Directive on Students and Researchers), national permit regimes have been allowed to continue alongside the EU schemes, and even to be introduced in the future.

...as well as mainstream actions to reinforce the single market and foster harmonisation

In addition to Directives, the European Union has complementary measures to promote employment and to support the single market, including the mutual recognition of foreign qualifications between EU Member States, and the creation of a network of public employment services to match employees and job seekers in the European Union. Such measures have not been developed specifically for TCNs but can also play an important role in relation to labour migrants coming to the European Union.

The policy making process is lengthy and rigid

The preparation of new Directives takes from five to ten years from the preparatory stage to final transposition in national legislation and entry into force, making it difficult to react to unexpected changes in circumstances. Changing specific elements in a Directive requires a formal amendment and renegotiation with the Council and the European Parliament. There is no scope for the pilot programmes or policy experimentation that often drive national policy. One solution has been to grant flexibility within Directives, but this room for manoeuvre has often led to the development of very different national procedures to the point where they undermine harmonisation. The transposition of the EU Blue Card Directive is a case in point – administrative procedures and eligibility requirements differ across Member States to such a degree that the ease of acquisition of the permit is hardly comparable.

EU-level action has not met with the expected uptake...

Uptake of EU measures has not been universal. Few Member States have made the EU Blue Card their permit of choice for highly-qualified third-country nationals, with most still using their national schemes. At least 10 000 newly arriving third-country nationals should be eligible annually for the EU Blue Card, yet less than half that amount was issued in 2014 as first permits, and a single Member State, Germany, accounted for most of them. There are more than 100 000 potentially eligible TCNs already resident in Blue Card Member States, yet few have switched status to the EU Blue Card to benefit from its advantages. Nor has the Blue Card changed perceptions of the European Union: business and executive surveys suggest that the EU still lags behind other OECD destinations in its attractiveness for talented migrants.

Similarly, the EU Long-Term Resident permit has not been the permit of choice in many EU Member States: only 2.8 million out of the estimated 10-13 million long-term resident third-country nationals hold EU long-term resident permits. Although EU long-term residence was meant to qualify third-country nationals for mobility, it actually appears associated with reduced mobility. In other words, the longer they have been settled in an EU Member State, the less likely a TCN is to be mobile. In fact, mobility of TCNs is only half the level of EU nationals, with the exception of tertiary-educated TCNs.

...due to obstacles in the process and uneven transposition of details ...

Some national schemes may allow faster access to long-term residence, or entail less paperwork than the EU schemes for the highly-qualified, researchers, or long-term residents. EU Directives often allow a labour market test, but do not propose minimum standards for its duration, characteristics, or coverage. Labour market tests are structured very differently across Member States and are not a comparable barrier for labour migrants. Favourable elements in national schemes, such as priority processing or sponsorship, have not always been extended to EU schemes. Directives have also excluded a number of categories for whom participation would be beneficial, such as third-country nationals in the European Union on other grounds, including refugees.

The added value of EU action can be strengthened within the current framework...

EU measures also contain safeguards which complicate application, including reporting requirements, registries of host institutions for researchers, and verification of documents. Registries and verification are managed at the national level, rather than at the EU level, precluding any economy of scale or simplified vetting. Many EU Member States have kept more favourable national measures in place, spawning a patchwork of national schemes competing with the EU measures. Employers are more familiar with national procedures and continue to use them, even when eligibility requirements are similar. Favourable measures should be extended to and incorporated into EU schemes.

... by enlarging the candidate pool...

To increase the number of candidates available to employers and attract more applicants, other OECD countries have experimented with different forms of “Expression of Interest” systems. Although they are not directly transferable to the EU context, variations on the approach behind them at the EU level would bring more added value than any approach at the national level. Possible forms include eligibility lists for specific programmes such as seasonal workers or the EU Blue Card, for all origin countries or as part of bilateral agreements. An EU job search visa could have also increase the number of candidates available to employers, but would require safeguards and monitoring. A mainstream

approach could be to open matching platforms to third-country nationals abroad, including the services offered by EURES.

... and by more active promotion of the EU's comparative advantages relative to other OECD countries...

The European Union has not been effective in promoting the factors which make its admission scheme for global talent more accessible and generous than those of its main competitors among OECD countries. More active promotion can build on the EU's competitive advantages: few EU Member States cap admissions of qualified migrants with a job offer; the EU provides a clear pathway to permanent residence; the European Union guarantees family reunification and equal treatment in most domains; fees are much lower in EU Member States than in other OECD countries like the United States; processing times are shorter than in most other OECD migration destinations; EU Member States have a wide variety of national schemes in place, some of which admit less qualified workers, offering labour migration opportunities which are not available elsewhere in the OECD. Highlighting these comparative advantages would help the European Union to attract more candidates, especially away from competing countries with caps or queues.

... through, for example, more effective use of its measures in co-operation with third countries

The recently-created EU External Action Service inherited a framework for relations with third countries – the Global Approach to Migration and Mobility (GAMM) – in which the European Union can support negotiations with third countries but cannot offer them guaranteed channels for labour migration. The EU also co-ordinates relations with third countries through its Mobility Partnerships, which act as an umbrella for co-operation, and by supporting different forms of exchange and capacity-building programmes. To date, Mobility Partnerships have not led to changes in flows from the partner countries so far involved.

The European Union has taken on a public relations role, too, promoting the EU abroad and providing information on migration policies in EU Member States. Similarly, an EU Immigration Portal attracts visits from all over the world. The creation of a job-matching portal for third-country nationals or their inclusion in a mainstream platform would give a role to the European Union in negotiating

inclusion in eligibility lists. To develop human capital applicable in more than one EU Member State, training measures and co-operation with education institutions could improve the talent mobility component of Partnerships. With concrete measures in hand, the European Union will be better positioned to negotiate with potentially important origin countries.

The Blue Card Directive can be improved...

The high salary threshold partly explains the low uptake of the EU Blue Card. In most EU Member States, the salary threshold is rather restrictive: in only seven do over 40% of all tertiary-educated full-time employed in skilled occupations meet the salary threshold. Most EU Blue Cards are issued in countries where the threshold is less restrictive proportionately to the salary distribution. National schemes are much less restrictive. There are a number of EU-level measures that might help make the Blue Card more attractive and so increase uptake: adjust the Blue Card threshold for younger workers and new graduates to make the Blue Card more accessible; encourage migrants to upgrade to the Blue Card from other permits as soon as they meet requirements, since many do so only after a few years of residence; streamline the procedure for recognition of foreign qualifications – one of the main barriers to uptake; eliminate labour market tests and change the one-year contract requirement to make the Blue Card more appealing for employers; reduce the time it takes to obtain permanent residence; introduce a common application procedure that allows pre-qualification also in order to accelerate Blue Card applications; raise awareness of the Blue Card's advantages among third-country nationals and other actors so that they choose it over national schemes.

...and more flexibility can be built into EU migration governance

To build more flexibility into labour migration management, Directives could delegate some elements, such as mandatory processing times and costs, the design of labour market tests, requisites for recognition, salary thresholds, etc., to separate implementing measures of the Directives. This would allow for more frequent adjustment of these details, through administrative, political, technical or automatic means.

Missing elements could be addressed to complete the range of labour migration policy measures

The legislative approach to labour migration taken so far has been largely sector-based, and there remain some migrant groups that legislation has yet to cover or where preferential treatment could be considered – e.g., investors, entrepreneurs, certain regulated professions, and very highly qualified inventors and scientists. Minimum standards are relevant for these categories, but also for domestic workers and youth mobility programmes. An EU Working Holiday programme would attract more participants, expand the pool of qualified candidates and bolster the European Union’s clout in negotiations with third countries. Similarly, if international students find work after graduation, the European Union should offer them a favourable bridge to residence, through labour market test exemptions and the ability to apply for status change within the European Union.

Summary of the main recommendations

A. Increase the added value of EU initiatives

- Improve the framework for recognition of qualifications for third-country nationals and related support procedures.
- Develop EU-wide job-matching databases compatible with labour migration channels and schemes.
- Increase opportunities for intra-EU mobility by lowering barriers, including for seasonal workers, students who have graduated, and other legally present third-country nationals.

B. Improve “brand EU” and promote EU migration measures

- Strengthen the EU Immigration Portal and promote the comparative advantages of EU migration policy.
- Develop the labour migration component in mobility partnerships with third countries.
- Develop a gateway platform for initial contact and, in particular, for harmonised EU residence permits.

C. Strengthen the harmonisation of EU policies

- Build more flexibility into the EU law-making system by creating mechanisms allowing adjustments to legislative details outside of Directives (implementing measures).

Summary of the main recommendations (cont.)

- Spell out the characteristics of labour market test procedures clearly and state the terms of third country nationals' equal access to employment.
- Standardise application forms for labour migrants.
- Improve the portability of residence periods in mobility, allow applications for permits in one Member State to be filed from another Member State and facilitate international students' bridge to work permits across the European Union.

D. Revise the EU Blue Card to make it more effective and attractive

- Set separate, lower income thresholds for younger workers and new EU graduates, and waive labour market tests for labour migrants changing status.
- Reduce the required contract duration, waiting period before mobility, and duration to eligibility for permanent residence.
- Develop a “Blue-Card-Ready” pool of candidates whose qualifications have been recognised or who may benefit from facilitated mobility.

E. Fill the gaps in EU policy initiatives

- Allow refugees to access more favourable EU labour migration schemes.
- Develop an EU-wide youth mobility or Working Holiday scheme.
- Extend minimum standards to additional migrant groups, including investors.



From:
Recruiting Immigrant Workers: Europe 2016

Access the complete publication at:
<https://doi.org/10.1787/9789264257290-en>

Please cite this chapter as:

OECD/European Union (2016), "Assessment and recommendations", in *Recruiting Immigrant Workers: Europe 2016*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264257290-2-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.