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EUROPEAN INTEGRATION FORUM: ECONOMIC MIGRATION

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Introduction

- Economic migration can be seen from the perspective of being part of the EU's policy mix to raise productivity and competitiveness in Europe;
- Economic migration is needed in view of Europe's changing demographic structure and projected skills needs;
- Third country nationals legally residing and working in the EU can contribute to enhancing the EU's competitiveness and productivity by exchanging skills and knowledge;

Demographic change calls for mobility, migration and labour market reforms

- The state of play: currently just 2.8% of EU citizens live and work in a country other than their own (EU labour force survey 2010);
- This suggests latent potential exists for short-term labour needs to be met through greater intra-EU mobility and in this regard greater emphasis should be put on matching the skills of workers with employer demand, combined with better matching up of locations and sectors with specific demand;
- Greater emphasis should be put on providing information to employers and jobseekers about hiring and work opportunities across the EU. Working towards a more targeted approach along these lines is an important element of the proposed reform and strengthening of the European Employment Services tool (EURES). For example, responding to labour market needs in countries experiencing labour shortages can be facilitated by mapping unused human resources in countries with high levels of unemployment;
- Nevertheless, even if intra-EU mobility would increase it is unlikely to be able to meet the future needs of employers (in say 20-30 years). This is primarily due to projected changes in Europe's demography and the type of labour that is and will continue to be needed in the coming years;
- It is predicted that by 2050 in the region of 30% of Europeans will be over 60 years old;
- Consequently, there is a clear need to increase the supply of labour in the EU. One way to do this is to undertake labour market reforms, such as concerns the retirement age, to keep skilled and experienced workers active in the labour market for longer. Another is through facilitating economic migration in line with labour market and skills needs.



Skills needs

- Demographic change is one aspect. Another is skills shortages.
- Despite the present high rates of unemployment in Europe, companies continue to experience a shortage of skilled labour;
- Cedefop forecasts project an increase in demand for highly skilled people by 8.5 million between 2010 and 2020;
- BUSINESSEUROPE's members have also highlighted the lack of skilled labour, especially in science, technology, engineering and mathematics (STEM) skills as one of the main obstacles to economic growth in the coming years;
- Even with greater emphasis on a service sector-based economy in the future, there is a need for STEM skills within services, for example the high number of people with ICT skills working in financial services (70%) and in the UK 72% of all sectors employ STEM-skilled people
- The involvement of employers in the establishment of policies that are formulated in response to future labour market needs is crucial;
- The broader role of education in helping to address skills needs and mismatches is also important in this respect and can be achieved by:
 - Strengthening ties between business and educational providers, such as in the development and enhancing of dual-learning systems. This should go hand in hand with Member States upgrading their education and training systems;
 - Encouraging more people to study STEM skills. The number of graduates specialising in STEM subjects is falling in relation to the total number of university graduates from 24.8% in 1999 to 22.7% in 2005;
 - Intra-EU mobility is also important in matching supply with demand, whether this is EU citizens working in another member state or the ability for third country nationals to also have the opportunity to move within the EU;
 - Harness the skills of migrants already residing in the EU and ensure migrants with a lower skills base have the opportunity to up-skill.

Business perspectives on economic migration

- Economic migration can help raise Europe's productivity and can therefore be an important element in boosting economic growth in Europe and our competitiveness in the global economy;
- To help achieve this there needs to be a coherent EU framework within which Member States can manage their admission systems and which respects the subsidiarity principle;
- EU rules on admission procedures should leave enough room for Member States to develop tailor-made solutions that take into account their specific situation (different national and regional labour markets);



- Need to facilitate the mobility of third country nationals legally residing and working within the EU. This would make better use of the labour supply already within the EU and contribute to the integration of migrant workers;
- EU rules should also minimise the administrative burden on companies wishing to recruit workers from outside the EU. The burden of proof of the need to recruit a third country national shouldn't lie with the employer. Companies shouldn't be obliged to explain their recruitment choices;
- On the need for highly skilled migrants, the proposed directive on intra-corporate transferees (ICT) can play an important role in bringing knowledge and expertise to the EU;
- Progress with this directive has stalled in recent months with trilogues now set to start in early November. This directive is important because it can help to bring workers to the EU and address the demand that is evidenced by changes in our demography and skills shortages;
- The ability for third country nationals to move within the EU is important and the same applied for those that are here as ICTs.

Conclusion

- Businesses have and will continue to have a need for highly skilled, as well as lower skilled, labour in the years to come, particularly if projected demographic changes become a reality;
- Economic migration of third country nationals is one way to meet this demand;
- At the same time, better tailoring the skills people develop in education with labour market needs is another important element in raising the productivity and competitiveness of Europe's economy in the years ahead;
- In conclusion, economic migration can be very valuable for the future prosperity of the EU, but we should not look upon it as the only option and recognise at the same time the role that education and labour market reforms can play in meeting Europe's skills needs.
