



The future of EU migration policy

KEY MESSAGES

- 1** The EU's future legal migration policy should evolve into a model of stronger coordination of national immigration policies. This approach would allow Member States to address their varying needs for skilled migrant workers while doing so in a way that is broadly coordinated at EU level.
- 2** Due to different national labour market specificities and skill requirements, a single, horizontal approach for the admission of all legal third country nationals is not appropriate and should not be part of the follow-up to the legal migration fitness check. Consequently, no new legislative action is required in the context of the current legal migration framework.
- 3** The EU should continue its ongoing background work into exploring the feasibility of adapting a form of an expression of interest system approach to migration management to the European context. This work should take into account Member States' individual needs and must keep in mind that the participation of Member States in such an approach would need to be on a voluntary and case by case basis.

WHAT DOES BUSINESSEUROPE AIM FOR?

- A European migration policy that facilitates the recruitment and retention of skilled third country nationals in a way that takes into account the differing needs in each national labour market through a more demand driven approach.
- A conclusion to the revision of the EU Blue Card directive in a way that retains the possibility for Member States to use their own national schemes for the admission of highly skilled third country nationals in parallel to the Blue Card scheme.



THE FUTURE OF EU MIGRATION POLICY

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Introduction

1. The economic migration of third country nationals to the EU is a much debated topic at the European and national level. Employers continue to see a role for economic migration as part of the EU's overall policy mix for providing the skills and labour that European companies need to be competitive, productive and innovative.
2. This position paper sets out BusinessEurope's priorities for the future of the EU's migration policy. In doing so, the economic migration of skilled workers is the main focus while it is recalled that the labour market integration of refugees remains a prominent issue in some Member States. At the same time, it needs to be noted that the migration of skilled workers and the integration of refugees are separate issues and need to be viewed separately.

State of play of EU migration policy

3. In 2001 the Commission published a proposal for a *directive on "the conditions of entry and residence of third-country nationals for the purpose of paid employment and self-employed economic activities"*. The underlying approach to this proposal was that "in an increasingly global labour market and faced with a shortage of skilled labour in certain sectors of the labour market the Community should reinforce its competitiveness to recruit and attract third country workers, when needed". Simplified administration processes and access to relevant information were considered essential to achieving this. This proposal included provisions for permits for the admission of seasonal workers, ICTs, transfrontier workers and trainees.
4. Ultimately, this approach was not followed and a range of directives were introduced according to different categories of third country nationals, such as the Blue Card and Intra-Corporate Transferees (ICT) directives (for highly skilled workers); seasonal workers; students and researchers; and family migrants.
5. In 2017 the European Commission launched a fitness check of the legal migration directives, which evaluated their effectiveness and aimed to identify any inconsistencies or gaps in their scope. The European Commission concluded that the current framework for legal migration is largely fit for purpose. At the same time, it was observed that this framework has had a limited impact when viewed in the context of the overall migration challenges that Europe is facing. The results of the fitness check will be considered by the new Commission as of autumn 2019 and will feed into the definition of the EU's future migration policy.
6. In parallel, the failure to conclude the proposed revision of the Blue Card directive for highly skilled workers demonstrates the political sensitivities in this policy area. However, the experience from this process can be used to help structure the EU's future approach to economic migration.

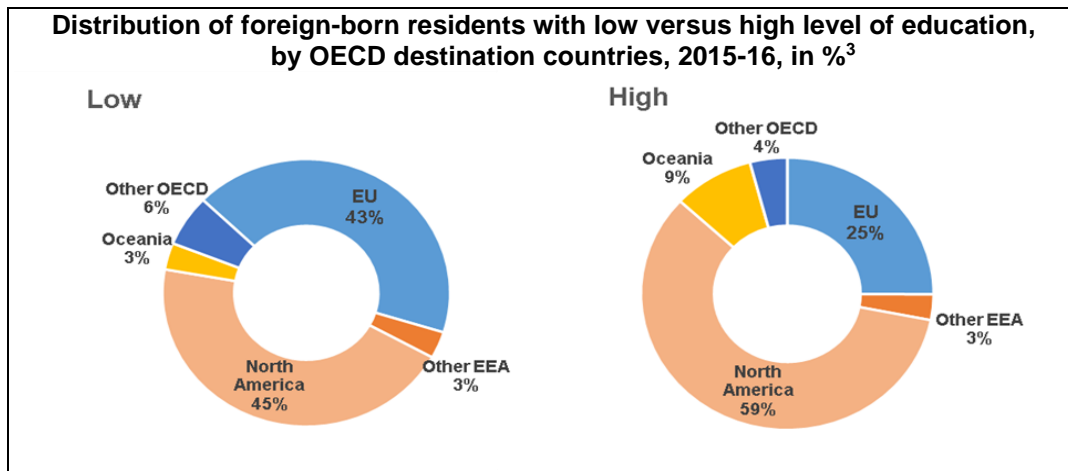


General comments

7. Currently, there are some Member States that are experiencing labour shortages, while there are also growing issues around skill mismatches between job seekers' skills and available jobs, which can result in notable levels of unemployment. Eurostat data also shows that there has been a trend over recent years for the EU job vacancy rate to increase from 1.5% in 2014 to 2.3% at the end of 2018. The highest level of unfilled vacancies are in Czech Republic (6%), Belgium and Germany (both 3.4%).
8. It can also be noted that while the number of mobile EU citizens living and working in another Member State has increased over recent years, the figures show that such movements are very differentiated across Member States continue to be relatively limited in average. Currently roughly 4.1% (12.4 million people) of the working age population were mobile in 2017¹. This compares with 3.7% (11.3 million people) in 2016². The challenge for the future is to achieve a more balanced mobility within Europe. This requires improving economic and social convergence between Member States. EU cohesion and investment policies, as well as a better implementation of structural reforms at the national level are the key drivers to achieve this. EU mobility policy should aim to achieve at the same time a better matching of workers with unfilled jobs so as to satisfy employers' needs in all countries.
9. Furthermore, there are projected changes to Europe's demographic composition, notably the decline of the working age population. Between the present day and 2060, the number of people aged over 65 is expected to increase from 30.5 to 51.6 per 100 people of working age (15-64) (Employment and Social Developments in Europe report, 2019).
10. Furthermore, Eurostat forecasts show that without migration there will be a significant decline in the EU population of around 60 million people by 2060. The European Centre for the Development of Vocational Training (CEDEFOP) has also forecast that around 14 out of every 15 job openings between 2016 and 2025 will be to replace workers leaving their jobs, many of whom will retire.
11. Although it must be noted that the extent to which there is a demand for migrant labour to occupy low and medium skilled positions will vary from Member State to Member State, this does suggest that, when viewed in the EU context, there is a need for people of varying skill levels.

¹ 2018 Annual Report on Labour Mobility, European Commission

² 2017 Annual Report on Labour Mobility, European Commission



12. The area where the EU needs to progress the most is in **attracting highly skilled third country nationals relative to its global competitors**. Europe is one of the best places in the world to live, work and do business and this needs to be promoted and further developed, including through enhancing companies' competitiveness.
13. Additionally, **the existing directives that focus on worker migration (notably ICT and Blue Card) need to be better promoted and explained to third country nationals as well as to companies in and outside the EU**. This could involve pooling relevant information and making it easily available and understandable online.
14. As part of a more concerted effort to promote the EU as a destination for skilled third country nationals there could also be added value in exploring ways to explain to individuals and authorities in third countries how the EU, as a political, economic and cultural entity, has developed and functions. For example, this could involve closer cooperation with public employment services and universities in third countries.
15. Going forward, rather than adopting specific EU legislative initiatives for different categories of migrants, the EU's future legal migration policy should evolve into a model of **stronger coordination of national immigration policies**. A key building block of this is that Member States should retain full control over the number of economic migrants that are admitted, based on their demographic and labour market circumstances.
16. BusinessEurope considers that the EU's migration policy needs to be situated within the wider context of Europe's macro-economic circumstances as well as national labour market diversity so as **to ensure a more coherent, consistent and effective approach towards the development of a demand-driven migration framework**.

³ Database on Immigrants in OECD countries, 2015-16. EU refers to EU-28 without Croatia due to missing data. For Iceland, Japan, New Zealand and Turkey, data are from DIOC 2010-11



17. At the same time, this should complement the EU's other employment policy priorities, notably as concerns fostering the labour market participation of the unemployed domestic workforce, which includes the inactive as well as legally residing third country nationals. In this regard it can be noted that in some Member States around 50% of the working age population is inactive.
18. A key element of fostering a more demand-driven approach is enhancing labour market intelligence, notably as concerns credible data on skills needs and job vacancies. If such information would be more readily available this may enable EU migration policy to better contribute towards the matching of third country nationals with job vacancies. This could involve interested Member States engaging in the development of a facilitated procedure for migration management, such as, for example, through learning from, and adapting to the European context, the talent pool approach that has been initiated in some third countries.
19. A key challenge is to gather and interpret comparable and credible data on the need for third country migration within the EU and Member States' existing efforts to improve labour market intelligence in some Member States.
20. It can also be noted that a qualification from a third country is only recognised by a single country at a time and not by all EU Member States. Additionally, the scope of the EU directive on the recognition of professional qualifications only covers nationals of a Member State wishing to pursue a regulated profession in a Member State, not nationals from third countries. However, there is the provision to take into account a qualification issued by a third country that has subsequently been recognised by an EU Member State so long as the holder (an EU national) has three years' professional experience in the profession concerned on the territory of the Member State which recognised the qualification. If professional traineeship is a precondition to access to a regulated profession, professional traineeships completed in third countries can also be taken into account by Member States when considering a request to access a regulated profession.

Specific comments

Strengthening the EU's migration policy

21. There is evidence globally that where migration regulatory frameworks are well-designed, economic migration can play a positive role to address the challenges posed by labour shortages and skill mismatches.
22. At the same time, the role that migration plays will differ from country to country. Therefore, it is important that the EU's future legal migration framework continues to respect national competences when it comes to the terms and volume of admission of third country nationals.
23. Progressively, and in parallel to the current architecture, the EU's migration policy should involve undertaking preparatory work to develop an enhanced common framework for the EU's migration policy, which is underpinned by further cooperation between and within Member States to deliver the policies and initiatives that are agreed at EU level and which will help Member States to address their needs, taking into account individual labour market specificities. A number of building blocks can be identified in this regard, as follows:



- An important element for such an approach is to try to be more concrete about the skills needs that companies have and then to look at how migration may address these needs. Therefore, data gaps in sectors and occupations need to be addressed through better labour market intelligence at the national level. However, data gathering is currently under-developed in some countries and is a challenging task to do. The way forward could be to build on existing well-functioning approaches at local and regional level, as this is where skills needs can best be identified and where labour market intelligence is most credible. As part of a new coordinated migration policy, Member States could exchange information on the sectors and occupations where there is an identified need for third country nationals.
 - A European mutual learning process could also be organised for Member States and social partners to exchange information on their respective data collection practices. The information gathered could be brought together in a structured way to inform EU debates on migration policy. Mutual learning could also take place on the topic of the issuing of residence permits - the processes and timelines in each Member State.
 - If better data would be available on the demand side, BusinessEurope considers that there could subsequently be greater feasibility to establish a credible match with profiles of third country nationals. One way in which this has been done in some third countries is through a talent pool approach.
 - Conceptually, a talent pool is something that could help to inform the development of the EU's migration policy as part of **an expression of interest system approach to migration management** and that could help to achieve a better matching between the demand for, and supply of, skilled third country nationals. At the same time, deeper consideration would need to be given to how to address issues around real-time data collection on job vacancies; how to validate and recognise third country qualifications; and what form of governance may be required for such an approach.
 - It must also be noted that any form of talent pool-type initiative could only be a support tool to Member States that are interested in developing this approach and complementary to their national programmes. Not all Member States are likely to see the added value or need in making use of such a tool, but particularly for those countries that are experiencing labour shortages, and which are struggling to attract sufficient numbers of skilled people, it could be a useful support mechanism, on a voluntary basis and utilised if and when needed.
24. Having in mind this important context, BusinessEurope has provisionally identified the following aspects that could help to inspire the adaptation of an eventual talent pool approach to the EU circumstances:
- A pool could be established and regularly updated through a European programme of calls for expression of interest of third country nationals interested in moving to Europe for work reasons, supporting a better match with employers' unmet skills needs.



- Third country nationals eligible for this talent pool could see in which EU country their profession is listed as a shortage occupation. Employers could then search for candidates via this talent pool. However, such a talent pool should not lead to quotas and could only function alongside national systems with companies using the means that best suit their needs.
 - Once inside the pool there should also be opportunities for third country nationals to further develop their skills set in view of the skills that are required in certain sectors in which there are unfilled vacancies. As part of this approach there could be cooperation with the consortiums that are running Sector Skills Alliances, which aim to identify and provide people with the skills that are needed in a certain sector.
25. In conjunction with such a talent pool, consideration could also be given to seeing if the EURES tool could be used to help foster the recruitment and matching of third country nationals with vacancies in the EU.
26. In addition, there could be enhanced cooperation with public employment services and universities and colleges in third countries, for example through the network of EU delegations in third countries. These delegations could also play a role in fostering information exchanges and migration opportunities between third countries and EU Member States.
27. As part of a model of stronger coordination of migration policies, Member States would retain full control on the decision on the number of economic migrants, based on their demographic and labour market circumstances.
28. As part of this coordination approach the network of EU delegations in third countries, as well as Member States' Diplomatic missions could be mobilised to support Member States and employers in their endeavours to find third country nationals that match their changing needs. This could include working together with the Commission to try to develop a means through which a better understanding of the qualifications held by third country nationals could be achieved, including in terms of how they relate to the European qualifications Framework. While this would not be a direct form of recognition, it could help to foster more transparency and understanding of the qualifications held by third country nationals and how they relate to those obtained in the EU.

Follow-up to the legal migration fitness check

29. The outcomes of the legal migration fitness check suggest that the legal migration framework has helped to successfully establish a body of rights and practices as concerns the equal treatment of third country and EU nationals. Therefore, BusinessEurope considers that greater focus should be put on the economic and labour market dimension of the EU's migration policy, while maintaining Member States' ability to develop solutions appropriate for their individual labour market needs.
30. In particular, BusinessEurope believes that the EU's future legal migration policy needs to have a broad focus that attracts and retains primarily highly skilled third country nationals, but also people of other skill levels according to individual labour market



needs. This requires a differentiated and targeted approach towards different groups of workers. Therefore, one single, horizontal approach for the admission of all legal third country nationals is not the answer. In this vein, BusinessEurope considers that **no new legislative action is required in the context of the current legal migration framework.**

31. What could be helpful are some targeted adaptations to the scope of the **ICT directive** so as to enhance its usefulness for companies, while maintaining existing national approaches to migration. This could be done in several ways, as follows:
 - Including medium-skilled personnel in the scope of the directive, which could help to respond to the EU's demographic challenge and employers' skills needs. In this respect medium skilled personnel would be considered to be those holding a secondary level diploma, certificate or other formal qualification issued by a competent authority;
32. Separate to the ICT directive, it could also be explored whether there is scope to facilitate the movement of skilled personnel between an EU Member State and a third country and vice-versa in instances when companies have built up a stable business relationship over a set number of years. This could include cases of long-term contractual relationships - joint ventures - consolidated business or commercial exchanges.
33. It would also be important to conclude the revision of the **Blue Card directive**. The pro-longed and inconclusive negotiations have primarily been blocked by the proposal for replacing the current approach, whereby the Blue Card and national schemes run in parallel, with a single EU scheme for the admission of highly skilled third country nationals. The negotiations have demonstrated that there are practical and principled objections to this approach.
34. BusinessEurope's view is that Member States should be able **to retain their national schemes in parallel to the Blue Card** and that if the Blue Card is made sufficiently attractive to Member States, employers and job seekers it could, de-facto, become the main system for the admission of highly skilled third country nationals.
35. Considering that family reunification is an important issue in the context of economic migration, fostering better results in terms of the labour market integration of incoming family members will also play an important role in achieving a successful EU migration policy overall.
36. Greater consideration also needs to be given to the possible labour market contribution that potential new arrivals could make and how this could be facilitated once they arrive in the EU, taking into account their prior qualifications, skills and work experience. In parallel, it is important to promote the active labour market participation of those family members already resident in the EU so as to tap into the existing potential that is already here.



Legal migration pilot projects

37. It is noted that the European Commission and interested Member States have launched a new initiative for pilot projects in the area of legal migration. These projects aim to facilitate, or continue, cooperation with the third countries concerned on a comprehensive management of migratory flows; reduce irregular migration flows by offering additional safe and lawful alternatives to persons wishing to migrate for work or study; and contribute to addressing labour shortages in certain sectors in the EU.
38. Projects are currently underway between Belgium and Morocco and Lithuania and Nigeria, both targeting the recruitment of IT specialists, and between Spain and Morocco focusing on post-graduate training in academia in a number of sectors of particular relevance for Morocco. A last initiative that is being planned is between France and Tunisia (and possibly also involving Morocco and Egypt at a later stage) to provide young graduates (mainly in engineering) with opportunities to gain work experience in the private sector.
39. It is currently too early to take an informed view of these projects, but BusinessEurope will monitor the outcomes of the various pilots in conjunction with its members in the countries concerned.
