

New avenues for legal and labour migration

Selected and commented
bibliography of research since 2015

Abstract

The Commissions Legal Migration Fitness check of March 2019 found the objectives of the EU's legal migration directives still relevant to the EU's needs, but found that it presents a fragmented system which impacts the coherence and effectiveness of the system as a whole.

In view of the upcoming LIBE own-initiative report on "New avenues for legal labour migration", this in-depth analysis of Policy Department C presents short summaries of relevant research on the subject since 2015, covering the role and effects of migration policies, the mobility of third-country nationals in the EU, how to attract international talent to the EU and how to improve integration in the host society.



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LIST OF ABBREVIATIONS

AU	Australia
CA	Canada
ECA	Educational credential assessment
EoI	Expression of Interest
EMN	European Migration Network
EU-LFS	European Labour Force Survey
EURES	European Employment Services ; today : the European Mobility Portal
GDS	Gross Domestic Product
ICT	Intra-Corporate Transfer
ILO	International Labour Organisation
IT	Information Technology
NZ	New Zealand
OECD	Organisation for Economic Co-operation and Development
SME	Small and medium-sized enterprise
TCN	Third-country national

EXECUTIVE SUMMARY

The role and effects of migration policies

Research shows that the role of migration policies alone on migratory movements should not be overestimated - they only have a limited effect on the structural factors that drive migration. Other factors, among which labour market and welfare policies, play a considerable role in labour migration outcomes. **Decision-makers therefore need to reach beyond migration policies in order to more effectively regulate migration processes, and ensure policy coherence and coordination.** A mismatch between migration policies and socioeconomic policies is likely to sustain or even increase the demand for irregular and exploitable migrant labour. In another vein, research shows that **welfare generosity reduces rather than increases the demand for low-skilled work and therefore can limit the number of foreign workers, and that access to work is a much stronger incentive for migration than welfare** for both EU and non-EU migrants. Some research therefore sees the need for a multi-sectoral rather than a 'home affairs-centric policy' approach.

Policy makers also have to be aware of unintended side effects of migration policies, namely reorienting migration flows from one channel to another if the first one is not available (e.g. from labour channels to asylum or family reunification); encouraging permanent settlement by interrupting circular migration; and affecting timing and volume of migration ("now or never" effect).

Similarly, somewhat counterintuitively, policies driven by the assumption that development in low-income origin countries will stem migration flows are fundamentally misguided as middle-income rather than poorest countries tend to generate the highest numbers of emigrants. **Development policy is thus more likely to increase rather than decrease emigration in the short to medium term.**

The mobility of third country nationals in the EU

The mobility of regularly-staying third-country nationals (TCNs) within the EU is restricted by the obstacles and conditions set by the legal framework, and the broad discretion enjoyed by the Member States in this field. **Member States pay hardly any policy attention to long-term residents as an easily accessible group of (skilled) mobile workers.**

Research supports the finding that **free movement of workers should also be extended to a far greater degree to TCNs,** given that:

- In times of labour shortages and economic crises, migrants could play an important role to satisfy the needs of enterprises under the condition that their mobility is not restricted legally and practically;
- **restricted mobility rights for TCNs can seriously impinge on the economic growth of the EU** by obliging TCNs to "stay put" instead of looking for more suitable jobs elsewhere, and eventually tend to favour their long-term dependency on that Member State's social welfare system; and
- the greater number and variety of opportunities that third-country nationals could then take up in other EU countries **would also make the EU and its Member States a more attractive destination for skilled migrants from outside the EU.**

Attracting international talent to the EU

The **EU has attracted fewer higher-educated migrants than other OECD destinations**, and only a fraction of incomers arrive as labour migrants or for employment, and they 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. Also, the **fragmented migration system at the EU level has limited the potential for employers to draw on the wider EU Internal Market as a key factor of attractiveness for international talent**. In this regard, difficulties in international employment matching and in the **recognition of foreign qualifications remain particularly stubborn obstacles**. Any possible future EU talent pool for attracting highly-skilled third-country nationals would be conditional on the recognition of qualifications of third-country nationals in one Member State also being recognised in other Member States, which is not currently the case. As an intermediate step, an EU-wide validity of assessments of equivalency of third-country educational credentials with national credentials (ECAs) should be pursued as a stepping-stone for the necessary advancement in this area. Research shows that for any **policy strategy regarding highly-skilled migration, no significant policy backlashes are expected**.

It has to be borne in mind that coordination **bringing rights at the European level – especially rights related to EU mobility – makes each country more attractive for third-country nationals than similar national schemes would**.

In order to improve attracting skilled migrants into the EU labour market, **research shows that the uptake and attractiveness of the Blue Card should be increased**.

Lowering the income threshold and eliminating competition with national schemes seems the most promising idea here, although the 2016 Commission proposal is regarded by some research as simply not ambitious enough to meet the needs of the EU labour market. Besides, given the current obstacles for attracting high-skilled workers to the very diverse EU labour market, research advocates for a scheme allowing more effective job matching, possibly by providing highly-skilled third-country nationals with **job search visas** at least for sectors and occupations with proven labour shortages; by **improving access of SMEs to foreign workers** e.g. by helping them access recognised sponsor status and simplified procedures under the ICT directive; and by **extending EURES for limited or targeted recruitment of TCNs** on a pilot basis.

Latest (2016) research results could not demonstrate a direct **effect of the three main labour migration directives** (Students, researchers, blue card) because they had not been in operation long enough, while the European Commission impact assessment on the revised Blue Card proposal (part 1) did not explicitly yield any findings here, either, so future research on the impact of specific directives would be useful. Besides, in order **to assess retention of internationally mobile students after graduation** in a medium- or long-run, relevant data sets would have to be **included in the European Labour Force Survey (EU-LFS)**.

Another promising move in the search for third-country 'talents' is **retaining foreign students after graduating from a domestic university**, e.g. by granting graduates access to intra-EU mobility and an automatic, EU-wide, valid jobseekers visa, which would boost the attractiveness of the EU as a whole.

Improving integration of third country nationals in the host society

Helping third-country nationals with better integration in the host society benefits economic growth in the EU via labour market participation. Moreover, research confirms that current as well as lifetime net contributions of people with immigrant background strongly rise with education levels. As the difference in occupational placement between migrants and natives can be explained by differences in the skills held and language spoken by these two groups of workers, it is of primordial importance to **improve skills recognition for TCNs and invest early-on in language training** to help them integrate into the labour force as early as possible - an investment which pays off significantly in the medium- to long-run due to social, economic and fiscal benefits as research shows. Conversely, the long-run cost of non-integration is likely to be considerably higher than the short-run investment costs of the refugee integration. Further, better integration could be achieved by **encouraging early family reunification**.

Similarly, research **on recognised refugees** suggests that the **long-term cost of non-integration is likely to be considerably higher than the short-term investment costs of their integration**, and that sustainably integrated refugees have the potential to play an important role in addressing Europe's alarming demographic trends, filling vacancies with specific skill requirements, and boosting jobs and growth in the EU.

What future for EU immigration policy?

While some research suggests to **introduce a European immigration code**, streamlining and harmonising the substantive conditions for admission, other research suggests continuing with the sectoral approach followed since the years 2000, while **others indicate that there is no need for EU regulation on access for low- and medium-skilled individuals**.

Research shows that there is **still a number of gaps and barriers in the EU immigration policy, notably concerning the lack of incorporation and implementation of international and EU human rights and labour standards**. Research thus suggests that the EU should become a more active promoter of international and regional standards on labour and fundamental human rights, through developing concerted partnerships with regional and international actors – particularly the ILO – so as to encourage Member State ratifications, and join forces in ensuring effective compliance with their commonly shared standards.

Besides, **differential treatment of third-country nationals undermine the EU's ability to attract workers**, to tackle EU labour market shortages in specific sectors or occupations, to address demographic changes (an ageing population), and to boost innovation and growth.

1. BACKGROUND OF THIS PAPER

In view of the upcoming LIBE own-initiative report on "New avenues for legal labour migration", the LIBE Committee has asked for a commented compilation of selected existing research on legal labour migration to the EU since the publication of the [latest Policy Department study](#) on the subject in September 2015. The compilation covers the most important research informing the Commission's Legal Migration Fitness check for which research has been carried out until 2018, and research carried out since then. For each paper, it gives a short summary of its main results.

The Commission's [Legal Migration fitness check](#), published in March 2019, concluded that the objectives of the legal migration directives are still relevant to the EU's needs, although the shared competences of the Union and the Member States, including different national implementation choices have led to a fragmented system which also impacts the coherence and effectiveness of the system as a whole. The Commission considers the directives 'largely fit for purpose'. It nevertheless stresses the need for a more effective approach in attracting highly skilled workers, enforcing the directives, improving data collection on the implementation of the acquis, providing Member States with clarification and interpretative guidance on applying the legal migration directives in a harmonised way, facilitating information-sharing and cooperation between Member States and putting forward legislative measures to tackle the inconsistencies, gaps and other shortcomings identified, so as to simplify, streamline, complete and generally improve EU legislation.

2. GENERAL RESEARCH ON LEGAL LABOUR MIGRATION

The cost of non-Europe in the area of legal migration, EPRS, March 2019

As agreed by its Member States (see Article 79 TFEU), the EU seeks to build a comprehensive immigration policy in which legally residing non-EU nationals, referred to as third-country nationals (TCNs), should be treated fairly and in a non-discriminatory manner. The EU has adopted secondary legislation covering different categories of TCNs and various stages of the migration process. However, **a number of gaps and barriers can still be identified. These concern notably the lack of incorporation and implementation of international and EU human rights and labour standards.** Furthermore, they stem from the **sectoral approach** taken in the EU legal framework, not covering all TCNs and not in the same way, and in part leaving parallel national schemes in place. Different treatment between TCNs and further barriers result in **inequalities of treatment with as a result differences in their employment rate, over-qualification, lower job quality, lower earnings and poorer long-term integration outcomes.** At societal level, these deficiencies undermine the EU's ability to attract workers, to tackle EU labour market shortages in specific sectors or occupations, to address demographic changes (an ageing population), and to boost innovation and growth. Further EU action in this area could address these gaps by better implementing and enforcing existing standards (in particular with regards to fundamental rights), gradually extending the EU legislation to include other sectors, or revisiting the idea of adopting a binding immigration code covering all TCNs. Depending on the policy option pursued, up to **€21.75 billion in individual and economic benefits could be achieved each year.**

Carrera/Geddes/Guild, Conclusions and recommendations: towards a fair EU agenda facilitating legal channels for labour mobility, CEPS 2017, p. 183

The different chapters of the book provide a detailed and multidisciplinary examination of the main issues and challenges associated with legal migration policies in the EU as well as in the context of EU cooperation with third countries. The last chapter, looking at the dispersed matrix of legal and policy instruments of current EU migration policy, finds **several adverse consequences of the current legal migration policy approach:**

- inconsistency and incoherence of EU policy;
- high degree of obscurity and lack of transparency which makes moving to the EU difficult for migrant workers;
- inequalities and discrimination in treatment of various groups of workers under EU law, based on a model of hierarchy of rights, labour and living conditions, differing to the extent that the workers is deemed “highly skilled” or “useful” to EU Member States;
- maintaining the fiction of the “temporariness” of migrants’ stay like for seasonal workers or ICTs, which often leads to a mismatch between law/policy and the social characteristics of people’s mobility, and often goes hand-in-hand with sub-standard living and working conditions and potential infringements of migrants’ human rights.

This last chapter **advocates for a ‘beyond crisis’ policy agenda with an immediate priority to develop a fair EU agenda facilitating legal channels for migration**, firmly rooted in existing international, regional and EU standards and EU Treaty principles. It proposes moving from a ‘home affairs-centric policing approach’ to migration to a multi-sector approach, taking into account the opportunities and potential of legal pathways for human mobility to the EU. It proposes:

- streamlining and harmonising the substantive conditions for admission, as well as a uniform framework of rights and standards for all third-country workers in the EU, through the **adoption of an EU immigration code;**
- that the **EU should become a more active promoter of international and regional standards on labour and fundamental human rights**, through developing concerted partnerships with regional and international actors – particularly the ILO – so as to encourage Member State ratifications, and join forces in ensuring effective compliance with their commonly shared standards.

Szczepanikova/Criekinge, The Future of Migration in the European Union: future scenarios and tools to stimulate forward-looking discussions, JRC 2018

The report briefly presents four foresight scenarios for the future of migration in the EU, with 2030 as a future timeframe, exploring policy implications of different political, economic and migration developments for specific thematic areas of EU policymaking, among which labour market policies.

In the long-term, the **EU should move beyond the current policy focus on stemming migration flows**. Reflections on a possible future in which the EU will face a shortage of immigrants of all skill levels should begin by paying close attention to other countries (such as China) with an ageing population and shrinking workforce that may strive to become more attractive destinations than the EU. Therefore, **new strategies to attract people will need to be devised with a particular focus on highly skilled migrants from third countries**.

Policymakers should not overestimate the role of migration policies alone as **there are many other factors determining migration flows that are outside of the remit of migration policies** (e.g. labour demand and welfare policies): **Labour market policies** are important indirect migration drivers since they affect the degree to which temporary recruitment of labour is possible, workers' rights are protected, workplace abuses are prevented, and unauthorized labour is tolerated in practice. **European welfare regimes** also interact with migration, for example by raising demands for foreign labour. The increasing demand for care workers has been a major factor in explaining the continued migration of regular and irregular (and increasingly female) workers towards some EU countries; in view of the ageing of the European population the need for such skills is likely to increase in the future. Debates about migration, labour markets and welfare are often framed by the assumption that welfare generosity attracts more migration and reduces immigrants' incentives to participate in the labour market. However, existing evidence shows that **welfare generosity reduces rather than increases the demand for low-skilled work and therefore can limit the number of foreign workers** (see also Afonso/Devitt, [Comparative Political Economy and International Migration](#), 2016, who highlight the need for more research on this interrelationship). There is also a lack of substantial evidence supporting the argument about welfare tourism. **Access to work is a much stronger incentive for migration than welfare for both EU and non-EU migrants**.

Therefore, **internal and external policy coherence and coordination are essential to producing desired migration and integration outcomes**.

Splelvogel/ Meghnagi, *Assessing the role of migration in European labour force growth by 2030*, OECD 2018

The paper finds that the size and composition of the 2030 labour force in EU countries will be very different from what it is now. The **main factors driving the future evolution will be ageing and the ongoing increase in the share of tertiary-educated workers.**

Although the **labour force is much less sensitive to ageing than the overall population**, the decline of fertility in a number of European countries leads to much smaller cohorts of new labour market entrants, thus increasing the average age of the labour force. While the increase in the share of young workers with tertiary education is likely to continue, **the speed of the progress will have a strong impact on the future labour force.** In a context of slower natural increase, and even decline for some countries, the role of migration in the **dynamics of the population and the labour force is likely to become more important in coming decades.** However, especially in Eastern European countries, emigration and return migration of native-born workers also play a critical role.

According to the results of UN population projections, assuming that net migration **in 2016-2030 remains similar to what was observed in 2010-2015 (i.e. the baseline scenario)**, the share of immigrants in the working-age population is set to increase in most countries. Countries with a high immigration rate for the baseline scenario will also have a higher share of immigrants in the working-age part of the population from 2016-2030.

Setting net migration to zero after 2015 is not a realistic scenario, but it provides a benchmark to assess the potential role of migration to maintain the level of the labour force. It shows that, while keeping the baseline labour force participation rates, it would lead to a 7.4% decline in the labour force (about 18.5 million people). The net result of this scenario compared to the baseline is therefore to **reduce the labour force by 6% in 2030.**

Under baseline scenarios for participation rates and education, it is expected that the overall labour force participation rate of European countries would decline by 2 percentage points between 2015 and 2030, from 64.5% to 62.6%. Under the gender convergence scenario (which assumes that the gap in labour force participation rates between men and women gradually decreases to reach zero in 2030), instead of declining, the average labour force participation rate of European countries would increase by more than 3 percentage points by 2030. Under the origin convergence scenario (meaning that the participation gap between native-born and immigrants (both from inside the EU and outside) would reach zero by 2030), the decline in participation rate would be limited to 1% or less. **Eliminating both the gender and origin gaps by 2030** would lead to a 7.5% increase in the labour force between 2015 and 2030. These variants highlight the differing potential of activation policies aimed at women or immigrants (or both) on the labour force.

Overall, the role of labour migration as a component of the labour force at the macro level will likely remain modest. In most European countries, even a relatively large increase in net migration flows would not affect much the expected trends. However, **migration could hold a much more important role at the micro level, by allowing a lessening of regional imbalances across EU countries, or reducing short term labour scarcity in specific occupations.**

De Haas, *European Migrations: Dynamics, Drivers, and the Role of Policies*, JRC 2018

There are limits to what migration policies can achieve given other structural factors that influence migration processes. The difficulties in reconciling the demand for migrant labour with the wish to reduce inflows and to encourage migrant returns and circulation are one such example. One of the key

messages of the study is that **migration policies only have a limited effect on the structural factors that drive migration**. Decision-makers therefore need to reach beyond migration policies in order to more effectively regulate migration processes.

The study then examines the extent to which policies are able to address structural factors that shape migration in both origin and destination countries and finds that:

- **middle-income rather than poorest countries tend to generate the highest numbers of emigrants**. This implies that policies driven by the assumption that development in low-income origin countries will stem migration flows are fundamentally misguided. They are more likely to increase rather than decrease emigration in the short to medium term;
- a careful assessment of the migration implications of the effects of trade agreements, agricultural and fisheries policies and development cooperation on employment and livelihood conditions needs to be incorporated into migration policies aimed at countries of origin;
- **labour demand in destination countries is a key migration determinant**; even at times of growing unemployment, the highly segmented nature of European labour markets sustains demand for migrant labour, both in the low-status manual jobs that native workers tend to shun as well as in the medium- and high-skilled sectors where the domestic education systems are not generating enough qualified labour. **To be more effective, migration policies therefore need to be coherent with economic and social policies**. For example, the dominant trend of the last decades towards economic liberalization and the wish to boost economic growth seems incompatible with the political desire for less migration. **If there is a mismatch between migration policies and socioeconomic policies, this is likely to sustain or even increase the demand for irregular and exploitable migrant labour**.

Finally, the study highlights several unintended effects of migration policies and documents them with empirical examples:

- Migration policies that are not in line with socio-economic policies can reorient migration flows towards other regular or irregular channels by prompting migrants towards different legal categories (e.g. from a labour migrant towards a family migrant or an asylum-seeker);
- Migration policies can affect the timing and volume of migration (e.g. 'now or never' migration);
- **Migration restrictions can encourage permanent settlement** by interrupting migrants' circulatory movements and by discouraging their return for fear of not being able to come back.

Such unanticipated effects need to be better accounted for in future policymaking and its evaluation because they can reduce the long-term effectiveness of migration policies and, in certain cases, can make them counterproductive.

Kahanec/ Guzi, How immigrants helped EU labor markets to adjust during the Great Recession, 2017

The paper studies the relative responsiveness to labour shortages by immigrants from various origins, skills and tenure in the country compared to the natives, and how it varied over the business cycle during the Great Recession 2008-2013.

The authors show that **immigrants have responded to changing labour shortages across EU member states, occupations and sectors at least as much and in many cases more flexibly than natives**. This effect is especially significant for low-skilled immigrants from the new member states, as well as with high-skilled immigrants with relatively few (one to five) or many (11+) years since migration. The relative responsiveness of some immigrant groups declined during the crisis years (those from Europe outside the EU or with 11 or more years since migration), whereas other groups of immigrants became particularly fluid during the Great Recession, such as those from new member states.

The results suggest that **immigrants may play an important role in labour adjustment during times of asymmetric economic shocks, and support the case for well-designed immigration policy and free movement of workers within the EU**.

Czaika / Persons, The Gravity of High-Skilled Migration Policies, 2017

Assessing data on labour flows of highly skilled immigrants for 10 OECD destinations between 2000 and 2012, the authors find that **points-based systems are much more effective in attracting and selecting high-skilled migrants than requiring a job offer, labour market tests, and shortage lists**: Supply-led systems—that is, points-based systems— increase both the absolute numbers of high-skilled migrants and the skill composition of international labour flows. Conversely, demand-driven systems, which are usually based on the principle of job contingency and are often supplemented by case-by-case (labour market test) or occupation-by-occupation (shortage lists) assessments of labour market needs, are shown to have little effect—and potentially even a negative one.

Offers of permanent residency, while attracting the highly skilled, overall reduce the human capital content of labour flows because they **prove more attractive to non-high-skilled workers**.

Bilateral recognition of diploma and social security agreements foster greater flows of high-skilled workers and improve the skill selectivity of immigrant flows. Conversely, **double taxation agreements deter high-skilled migrants**, although they do not alter overall skill selectivity.

Recruiting Immigrant Workers: Europe 2016, OECD and EU, 2016

This study, used for the Commission's legal migration fitness check, finds that the **EU welcomes more migrants than any other single OECD destination** – half of all recorded flows in the OECD are to its EU members, in numbers comparable to flows to the US. However, **only a fraction of incomers arrive as labour migrants or for employment**, and they 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** (conversely to other OECD countries like CA, AU and NZ where most permanent economic migration occurs through channels which apply restrictive criteria).

At the same time, the **EU 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. In turn, **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, although more recent arrivals are better educated than earlier arrivals. Although EU Member States share challenges and – at least some – objectives, there are important differences in the criteria they apply for admission, and, in contrast to OECD settlement countries with fixed admission targets or caps, **there are sharp fluctuations from one year to the next in flows**.

While EU Member States have agreed that more can be achieved through cooperation at the EU level, the **policy making process is lengthy and rigid, and there is no scope for 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** (see uptake of BlueCard and Long-term Residence Permit). In addition, many EU Member States have kept more favourable national measures in place, **spawning a patchwork of national schemes competing with the EU measures**.

Favourable measures should be extended to and incorporated into EU schemes, and expression of interest systems as used by other OECD countries 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 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**. Besides **improving the Blue Card Directive** (adjust the salary threshold for young workers and new graduates; allow for upgrade to the BlueCard for other migrants once they meet requirements; streamline the procedure for recognition of foreign qualifications; eliminate labour market tests; change the one-year contract requirement; reduce the time limit to obtain permanent residence; introduce a common application procedure), the **EU could address missing elements in its labour migration policy, namely by including further groups in its sectoral approach** (investors, entrepreneurs, certain regulated professions, very highly qualified inventors and scientists, domestic workers, international students after graduation who find work) and **offer an EU Working Holiday programme** (a 1-2 year programme designed to give young people a chance to live and work in another country on cultural exchanges and to strengthen ties between countries, based on bilateral agreements), which would attract more participants, expand the pool of qualified candidates and bolster the European Union's clout in negotiations with third countries.

In addition, the **EU could more actively promote its comparative advantage** relative to other OECD countries (i.a. no cap on admissions of qualified third-country nationals in most EU countries; a guarantee of family reunification and equal treatment; shorter processing times than elsewhere; admission of also lower qualified workers in several Member States). Besides, the **EU could more effectively use its measures in cooperation with third countries**, e.g. through the creation of a job-matching portal for third-country nationals or their inclusion in a mainstream platform, and through training measures and co-operation with education institutions, which could improve the talent mobility component of Partnerships.

Concrete policy recommendations on [p. 22-23](#)

3. IMPROVING LABOUR MATCHING WITHIN AND OUTSIDE THE EU

Building an EU Talent Pool - A New Approach to Migration Management for Europe, OECD, 2019

A fragmented migration system at the EU level has limited the potential for employers to draw on the wider EU Internal Market as a key factor of attractiveness for international talent. It isn't only the migration framework which is preventing skilled migration from helping to swiftly address unmet labour needs across the EU. **Difficulties in international employment matching and in the recognition of foreign qualifications remain particularly stubborn obstacles.** Since the 2015 European Agenda on Migration, the Commission is exploring the potential for adapting elements of the expression of interest (Eoi) system, used by NZ, AU and CA to manage skilled migration, to the European context. The paper **assesses the extent to which an EU-wide version of the Eoi system could be implemented in order to serve the collective needs of the EU Internal Market, while taking into account national prerogatives and needs in the area of legal migration.**

The report acknowledges that the demand-driven labour migration systems of EU Member States – whereby admission of skilled workers from abroad is conditional on a job offer – put **the cross-border matching between employer demand and the skills of migration candidates at the core of the migration system.** Yet there are considerable obstacles for this matching, namely:

- persistent information barriers and costs;
- recognition of foreign qualifications;
- insufficient language knowledge and cultural differences;
- limited opportunities for face-to-face interviews;
- unfamiliarity with migration and migration-related administrative procedures; and
- burdensome regulations.

The latter largely account for employers' widespread reluctance to hire from abroad, and explain why the European labour migration system underperforms.

The report finds that the **Eoi model**, as adopted in NZ, AU and CA, **cannot be directly replicated EU-wide**, due to both constitutional (Member States retain exclusive competence on permit issuance) and contextual (divergent national labour migration policies reflect uneven labour market situations and prospects between Member States) differences. The report however suggests different ways in which Eoi elements can support the EU legal migration framework for labour migration.

However, **adaptation of elements of the Eoi system to the European context would be highly relevant**, (see [p. 16-19](#)); the report proposes three different scenarios:

- **basic pool option:** An EU-wide pool of pre-screened highly skilled candidates, which could serve existing national or EU schemes. This could improve efficiency in international recruitment across the EU by expanding the talent pool and reducing labour market information barriers.
- **sector-specific pool option:** one or more EU-wide pools with ranking and prioritization of candidates according to standard criteria, to create EU-wide pools of migrants with specific in-demand skills (e.g. IT, health care). Possibly a skills development component could be added by training generally qualified migrants.
- **supply-driven option:** migration stream for very highly qualified candidates to be offered a residence permit or job search visa.

All the scenarios would be conditional on the establishment of a complex infrastructure with a governing body (i.a. to pre-screen migration candidates and pool their profiles), and presupposing employer engagement. **Even the basic pool option will require political consensus of all Member**

States, and any EU-wide implementation of an Eol **model would be conditional on progress in the portability of qualifications across the EU** (currently, recognition of qualifications of third-country nationals in one Member State are not recognised in other Member States). If the latter cannot be achieved for the time being, an EU-wide validity of assessments of equivalency of third-country educational credentials with national credentials (ECAs) should be pursued as a stepping-stone for the necessary advancement in this area.

Further brief insights on the advantages of the Eol model and how it could be adapted to the EU in this [OECD paper of 2019](#) (11 pages).

4. OPTIMIZING THE LABOUR FORCE ALREADY PRESENT IN THE EU

Family ties: How family reunification can impact migrant integration, OECD 2019

The paper investigates how delays in family reunification affect integration outcomes of principal migrants and later-arriving spouses or children. The results suggest that **delays in family reunification may have adverse consequences for migrant integration in the long-term** (principal migrants whose spouse joined them after some delay earn significantly lower wages than otherwise comparable principal migrants; spouses who arrive with delay are themselves less likely to be proficient in the host-country language after five or more years of residence, and mainly for married women coming with delay each additional year of delay is associated with a decrease in their employment probability of two percentage points; and migrant children who arrived at pre-school age later appear better integrated than migrants who arrived in school age, especially in terms of language proficiency).

Implications for migration policy:

- Conditions imposed on family reunification (principal migrant's income, adequate housing, pre-arrival language tests) can contribute to delays. If the objective of the conditions and procedures is to ensure that spouses integrate well, then evidence here does not support this result.
- Policy makers in OECD countries should **carefully consider the role of family reunification for their countries' ability to attract and retain high-skilled migrants**. The conditions and procedures for family reunification as well as the conditions for labour market access of family members matter for a country's attractiveness to high-skilled migrants with families: high-skilled migrants appear to stay substantially longer if their spouse also finds employment in the host country.
- Avoiding long delays is especially important for the integration prospects of migrants' children; thus the **importance to encourage migrants to quickly bring their children to the host country**, e.g. by informing them of the possibilities for family reunification, ensuring that the associated conditions and procedures are transparent, and accelerating the procedures.

Kanacs/Lecca Long –term Social Economic and Fiscal Effects of Immigration into the EU: The role of the Integration Policy JRC 2017

The study attempts to shed light on the long-term social, economic and budgetary effects of the rapidly increasing arrival of persons in need of international protection into the EU who are accepted as refugees, by performing an analysis of alternative refugee integration scenarios. The simulation results suggest that, although the refugee integration (e.g. by providing language and professional training) is costly for the public budget, **in the medium- to long-term, the social, economic and fiscal benefits may significantly outweigh the short-term refugee integration costs:**

- In the medium- to long-term, the higher investments into refugee integration at the time of their arrival are, the higher the net benefits of investment into refugee integration are.
- Depending on the integration policy scenario and policy financing method, the annual long-term GDP effect would be 0.2% to 1.4% above the baseline growth, and the full repayment of the integration policy investment (positive net present value) would be achieved after 9 to 19 years.

The study thus confirms **that sustainably integrated refugees have the potential to play an important role in addressing Europe's alarming demographic trends, filling vacancies with specific skill requirements**, improving the ratio of economically active to those who are inactive, a ratio that is falling in many Member States, **and boosting jobs and growth in the EU**.

Based on the simulation results - which depended on a number of assumptions and in which refugees' skills level could, due to missing data, not be taken into account -, the authors find that **the long-term cost of non-integration is likely to be considerably higher than the short-term investment costs of the refugee integration**, as shown in the full integration scenario.

Bonin, The potential economic benefits of education of migrants in the EU, IZA 2017

The paper provides an overview about the potential economic returns to education of migrants at the aggregate level. It finds that:

- as regards **economic output and growth**, advances in human capital raise individual productivity, and thus also generate higher economic output, with lasting positive growth effects. They may be arising from skilled people with immigrant background fostering innovation through enhanced diversity, entrepreneurship, or international investment and trade. Most important for first-generation immigrants is **special educational support for bridging language gaps** (e.g. special tutoring in kindergartens for children with immigrant background, and school systems designed for social inclusion of disadvantaged pupils), and **helping them integrate into the culture** of the host society. This also means **addressing the professional qualification needs of adult immigrants** upon arrival, through reliable recognition of the formal certificates and more importantly of the skills that people carry from abroad
- as regards **labour markets**, education of migrants significantly improves their employment and income opportunities;
- as regards **government budgets**, the available evidence supports the view that current as well as lifetime net contributions of people with immigrant background strongly rise with education levels.

The study therefore concludes that the returns to public resources may not be immediately visible but tend to grow over time and may become substantial only over the longer term. This **makes education of migrants a social investment case**: the expected future returns could well justify public resources devoted to it today.

Skills on the Move: Migrants in the Survey of Adult Skills, OECD 2018

The paper presents an in depth analysis of the skills of migrants based on the OECD Survey of Adult Skills (PIAAC), providing a rare insight into how migrants' skills are developed, used and valued in host-country labour markets and societies.

It finds that **financial and non-financial factors (mostly family responsibilities) hinder migrants' participation in training**, although many of them have a high need and interest for training, which could reduce language related and skills-related barriers to participation in the labour market and society. Analyses reveal that once migrants are able to gain access to training, they tend to spend more time than natives in such activities.

Across the OECD, labour market outcomes of migrants tend to lag behind those of the native-born. Migrants are more often unemployed or inactive, and **migrants who are in employment tend to have**

lower returns to education – in terms of earnings – than their native-born peers. These wage disparities are driven by a plethora of factors. A large part of the difference in the returns to education reflects different patterns in occupational placement, with migrants concentrated in jobs that are associated with a lower socio-economic status. Yet, **migrants are often paid less than the native-born even when operating in similar roles.** Part of the observed difference in occupational placement between migrants and natives can be explained by **differences in the skills held and language spoken by these two groups of workers.**

Making Integration Work: Assessment and Recognition of Foreign Qualifications. OECD 2017

The paper takes stock of OECD countries' **experiences in the assessment and recognition of foreign qualifications** and summarises ten **main policy lessons** with supporting examples of good practices, among which:

- Establish a right to the assessment of foreign qualifications;
- Make sure that recognition procedures are quick and provide opportunities to assess foreign qualifications prior to arrival;
- Facilitate information and application through one-stop-shops for the assessment and recognition of foreign qualifications;
- Strengthen systems for the recognition of prior learning and ensure effective access for immigrants;
- Ensure that regulatory bodies treat immigrants fairly;
- Engage employers and other relevant non-governmental stakeholders in recognition procedures;
- Expand bilateral and multilateral agreements on the assessment and recognition of foreign qualifications;
- Make sure that costs do not represent a barrier.

Dumont/Liebig/Peschner/Tanay/Xenogiani, How are refugees faring on the labour market in Europe? OECD 2016

The paper makes a first evaluation of the labour market outcomes of refugees based on the 2014 EU LFS ad hoc module on migrants. It finds that on average, it takes around 20 years for refugees to have a similar employment rate as the native-born. As regards **better integrating refugees in the labour market**, it finds that the most promising approach is to **decrease the time it takes to integrate into the labour market**, not only for refugees but also for family migrants who are not refugees but have similar results as refugees, by:

- **investing early into the language skills of refugees** as one of the most cost-effective way to integrate them into the labour market and society, to improve their level of knowledge of the host county languages to at least an intermediate level;

- given that almost 60% of tertiary-educated refugees are overqualified for the jobs they occupy, to **improve recognition of foreign qualifications** (which employers have difficulty in evaluating) and overcoming the lack of documentation of refugees' degrees.

Della Torre/ de Lange, The 'importance of staying put': third country nationals' limited intra-EU mobility rights, Journal of Ethnic and Migration Studies 2018, p. 1409

The paper finds that the cautious approach of European legislators towards the integration of non-EU third country nationals (TCNs), mirrored in the provisions of the Long-Term Residence Directive 2003/109/EC, has confined migrants in both place and time before being able to access the (as of yet very limited) mobility rights conferred upon them by the Directive, although **restricted mobility rights for TCNs can seriously impinge on the economic growth of the EU.**

The paper reveals several shortcomings of the current system, which lead to TCN's irregular economic secondary movements throughout Europe:

- **Formal integration in one Member State is not a given** - empirical data predict that 'new arrivals' will not necessarily integrate into their country of first reception just by 'staying put': if they do not find a job, they will either work in the host country's shadow economy, work elsewhere, or remain dependent on social benefits. Reduced mobility rights for TCNs can seriously diminish the economic opportunities for, and integration of, a large group of migrants stuck within a Member State, and this might only serve to encourage their long-term dependency on that Member State's social welfare system.
- Paradoxically, formal integration in one Member State opens the door to another Member State; however, even as long-term residents, they are not (yet) qualified as members of the priority workforce in the EU, and have a very limited window of opportunity for moving to another Member State as entrepreneurs.
- **Often, a second Member State fights off these near-EU citizens, by restricting their access to its labour market** (through preference rules for EU nationals or other TCNs or the application of quotas on TCN's access to the labour market which were in place when the directive came into force etc.). Due to the limitations and conditions and the broad discretion enjoyed by the Member States in this field, the mobility of TCNs within the EU is limited, and **Member States pay hardly any policy attention to long-term residents as an easily accessible group of (skilled) mobile workers.**
- TCNs already take up employment before being entitled to do so under the provisions of the Directive. By doing so, they may endanger their legal position and expose them to the risk of exploitation and abuse, while employers may face penalties. This **"waiting mechanism" prevents them from** improving their chances of integration and success by **looking for more suitable jobs elsewhere in Europe.**
- The 2016 Commission Proposal for a Qualification Regulation, which suggests penalising holders of refugee or subsidiary protection status by further increasing their 'queuing time', only adds another element of vulnerability to their already difficult situation.
- The 2016 proposal for a revised EU Blue Card Directive further widens the gap between skilled and less-skilled (migrant) workers in EU society by allowing skilled migrant workers, refugees and persons receiving subsidiary protection to fast track their queueing time.

The paper therefore finds that one of the most important **policy recommendation** is **to enhance the intra-EU mobility of TCNs**.

Poeschel, Raising the mobility of third-country nationals in the EU - Effects from naturalisation and long-term resident status, OECD 2016

Using micro data from the EU Labour Force Survey, the paper measures the mobility of third-country nationals in the EU and investigates whether it is raised by naturalisation or long-term resident status.

It finds that **the effect of long-term residence is sizeable** – the results suggest that third-country nationals with long-term residence are 5% more likely to be mobile than they would have been without this status. If the legal and practical constraints are reduced, the mobility of third-country nationals will in all likelihood increase. As a result, **mobile third-country nationals could contribute more to rapid labour market adjustment in the EU**. The greater number and variety of opportunities that third-country nationals could then take up in other EU countries **would also make EU countries a more attractive destination for skilled migrants** from outside the EU.

5. FITTING LEGAL MIGRATION CHANNELS TO THE NEEDS OF THE EUROPEAN LABOUR MARKETS

Barslund/ Busse, *Labour Migration to Europe: What role for EU regulation?* CEPS 2017, p. 74

The paper looks at the value of EU regulation in migration policy from an economic and policy perspective, by assessing the students and researchers directive and the Blue Card directive. It finds that given the fragmented nature of national labour markets in terms of unemployment, occupations with skill shortages and different demographic challenges, **there is no need for EU regulation on access for low- and medium-skilled individuals:**

- There is **little value in coordination at the EU level as needs differ considerably among Member States**. The Blue Card can be regarded as an exception, since all EU Member States are seeking highly qualified and talented workers who already have a job offer.
- It has to be borne in mind that **coordination bringing rights at the European level** – especially rights related to EU mobility – **makes each country more attractive for third-country nationals than similar national schemes would**. This effect is particularly large for small countries, which may otherwise struggle to attract talented individuals to what are from a global perspective small local labour markets. However, for low- and medium-qualified third-country nationals, the attractiveness of EU countries lies primarily, but not exclusively, in the potential for a higher standard of living. Stated in economic terms, there is not much global competition for these segments of the labour force. Hence, there is much less scope for EU coordination to enhance attractiveness to them.
- In addition, from an economic perspective, **a strong set of rights (in particular mobility rights) for highly skilled people is preferable to a set of more limited rights granted to a broader set of educational levels**. Reducing mobility rights for the highly qualified severely limits the attractiveness of a European Blue Card, and thus the number of people applying; not granting similar European rights to low-skilled workers hardly affects Member States' ability to attract individuals from this segment of the labour market.
- **Broadening the scope of the suggested revision of the Blue Card Directive would have been counter-productive**, as the rights conferred to holders of the Blue Card would likely have been substantially watered down in negotiations with the European Parliament and Council.

Retaining foreign students after graduating from a domestic university is a useful move to fare better in the talent game. For this to succeed, two ingredients are necessary:

- attractive universities, and
- opportunities (visa)/support for students to find a job upon graduation.

Improving the reputation of European universities will be key in the future to attract talent early but this is a Member State competence and the role for the EU is limited. One added value stems from **granting graduates access to intra-EU mobility** and an **automatic, EU-wide, valid jobseekers visa**, which would boost the attractiveness of the EU as a whole.

Lowering the threshold and eliminating competition with national schemes should substantially increase the uptake and attractiveness of the **Blue Card**. Moreover, by **enhancing the labour mobility of third-country nationals** the EU is addressing the key added value of a European approach.

Determining labour shortages and the need for labour migration from third countries in the EU, EMN 2015

The study finds that **highly-skilled occupations are not the only in which labour shortages are experienced** – medium-skilled and low-skilled occupations, including home-based personal care workers, cooks, waiters and cleaners are also in demand.

While most Member States view migration as a potentially important source of labour, they differ in the extent to which they have modulated their labour migration policies in order to try to match labour migrants with specific shortage occupations. In most cases, the resulting policy adjustments focus on a very specific, narrowly defined list of (shortage) occupations; **most Member States continue to admit labour migrants without attempting to link their entry to particular shortage occupations**. Current public and policy debates on labour migration indicate that public opinion may be an important barrier for Member States to develop more extensive links between their economic migration policies and identified labour shortages. Public concerns cover a range of issues, including the substitution effect, where third-country nationals are perceived to be recruited at the expense of the local workforce, social dumping and use of welfare benefits.

There are **two broad approaches to linking economic migration to labour shortages**: ‘the human capital’ or ‘labour supply’ models which seeks to attract migrants with transferable skills or other qualities (e.g. investment potential) deemed desirable for the economy but with no particular link to pre-defined shortage occupations; this is typically used as an instrument to encourage innovation on the way to a ‘knowledge economy’. On the other hand, a ‘demand driven’ model which involves granting accelerated or simplified admission to migrants seeking employment in previously identified shortage occupations (e.g. through exemptions from labour market tests or quotas, reduced minimum income thresholds and similar). Most Member States tend to combine elements of both approaches.

Kalantaryan, Revisions in the Blue Card Directive: Reforms, Constraints and Gaps, EUI 2017

The paper assesses the Commission 2016 proposal for revising the Blue Card Directive and finds **two main gaps**:

- The current heterogeneity of the EU and national schemes could be reduced by reducing discretion in the implementation of the Directive or by expanding the rights attached (e.g. a single permit allowing for free movement and the right of establishment within the EU labour market), which would excel any single national scheme without the need to abolish them;
- **The proposal is simply not ambitious enough to meet the needs of the EU labour market**, as the number of highly-skilled workers attracted in the best case scenario can hardly cover the needs of one sector.

The paper further finds **numerous remaining obstacles for attracting highly-skilled workers to the EU**:

- Linguistic heterogeneity;
- Absence of a common framework on formal qualifications recognition, as it is, beside the right to request recognition, and the conditions for this process, a purely national process, and qualifications, once recognised, are not valid throughout the EU;
- a relatively low wage premium; and
- the absence of an EU-wide framework regulating social security access for third-country nationals, which will continue to jeopardise the competitive potential of the European Union in the market for internationally mobile talents.

Therefore, the paper advocates for a scheme allowing more effective job matching, possibly by **providing highly-skilled third-country nationals with job search visas** at least for sectors and occupations with proven labour shortages.

Ramasamy, The Role of Employers and Employer Engagement in Labour Migration from Third Countries to the EU, OECD 2016

The paper examines the ways in which employers are protagonists in international labour migration, and what can be done to ensure that they are partners in increasing European attractiveness for internationally mobile talent.

Facilitating movement of Intra-Corporate Transfer (ICT) workers in multinational companies, improving the ability of SMEs to access foreign workers, as well as attracting entrepreneurs and investors in the EU single market, are the three principal channels examined in the report. The paper provides recommendations for policy development in these three areas, encompassing the following:

- under the **ICT directive 2014/66/EU**, consider whether equal treatment should be extended to other core aspects of employment, besides wages, such as hours of work, holidays, minimum wages, health and safety and pregnancy;
- for **better access of SMEs to foreign workers**, improve **information dissemination on immigration requirements** as this is a major barrier in itself, e.g. through outreach to stakeholders and intermediaries like accountants and sector councils;
- Improve job matching because especially SMEs would benefit from both skill hubs and electronic job banks, e.g. through **extending EURES for limited or targeted recruitment of third-country nationals** on a pilot basis;
- **enable SMEs to access recognised sponsor status and simplified procedures** under the ICT directive, e.g. through third-party or cooperative type arrangements to overcome disadvantages of size and scale;
- use investor policy to signal intent that the country is open for business and has a range economic migration channels.

Colussi, The Impact of the Implementation of Council Directives on Labour Migration Flows from Third Countries to EU Countries, OECD 2016

The paper assesses the impact of three European Directives – Student Directive, Researcher Directive (which have been recast and combined in 2015/2016) and the Blue Card Directive – on migration flows from third countries to the EU. Using a difference-in-difference empirical strategy (comparing the average change over time in immigrant inflows for the migrants targeted by the Directive to the average change over time for the control group, consisting of non-targeted migrants), and data from the EU-LFS and Eurostat database on work permits to non-EU workers, covering the period 2008-2013, the paper assesses the impact of three European Directives – Student Directive, Researcher 2013, the paper estimates the effect of each Directive on the inflow of targeted third country nationals.

Overall, the econometric analysis does not provide evidence of a direct impact of the implementation of either of the Directives on the inflow of targeted groups. Most Member States did experience an increase in the inflow of non-EU high skilled workers after the adoption of the Blue Card Directive; however, this increase can be almost entirely explained by positive pre-existing trends in the inflow of this type of immigrants. Similarly, despite the increase in the number of permits issued to students and researchers from third countries in Europe, the estimates produced do not provide evidence of a direct effect of the implementation of the Student and Researcher Directive on changes in this type of inflows. The absence of a measurable impact of the - then - three Directives analysed may be due to delayed effects of policy changes, which take time to filter into perception and thus affect immigrant inflows to Europe.

Czaika/ Parsons, High-skilled migration in times of global economic crisis, 2016

The paper combines two databases in order to analyse the implications of the Global Economic Crisis on international migration. The first details inflows of migrant workers of 185 nationalities to 10 OECD destinations, disaggregated by skill level (highly skilled and otherwise), between 2000 and 2012. The second comprises immigration policies implemented by 19 OECD countries between 2000 and 2012, distinguishing between six skill-selective admission policies, six post-entry policy instruments and three bilateral agreements.

The paper finds that the **drop in immigration flows into major industrialised countries hit by the financial and economic crisis was rather short-lived** and predominantly in the major destinations only. By 2011, numbers on skilled and high-skilled immigrants are largely back to the mid- and long-term trend of increasing high-skilled immigration to major OECD destinations.

Major high-skilled migration policy trends in this area are:

- **Talent-recruiting countries are increasingly targeting foreign students.** Early career recruitment is increasingly seen as a strategy with the highest pay-off in terms of socio-economic integration outcomes of labour migrants. In this respect, liberalisation of study visa issuance, including a more generous provision of post-study visas and student job seeker visas, remains an ongoing trend largely unaffected by the economic crisis.
- Despite the mostly dramatic effects of the global financial and economic crisis on the state of domestic labour markets, **there were no significant attempts to restrict skilled immigration:** high-skilled migration policies have not seen a major backlash by becoming more restrictive. Demand for highly-qualified workers has rather intensified in certain occupations and countries continue to become active players in the recruitment of highly skilled migrants.

- Besides the **increasing role of financial incentives** such as tax breaks and allowances, **countries are increasingly engaged in implementing agreements regulating the mutual recognition of degrees and credentials**, hoping that this may facilitate the recruitment of foreign-trained workers.
- **Most governments have rather intensified their efforts to make their countries a more attractive place for internationally mobile human capital including investors and businessmen**, who are increasingly regarded as a further group of valuable subjects to be attracted.

Thus, the 2000s have shown an intensification of skill-specific selection and attraction policies with the aim of recruiting talent for multiple purposes ranging from filling domestic labour market shortages and niches, importing human capital stimuli for national innovation systems, cushioning the demographic transition and ensuring sustainability of welfare systems. **These rationales for implementing more skill-selective and skill-attractive policies are likely to continue over the course of the next decade with significant policy backlashes rather being the exemption when it comes to high-skilled migration policies.**

Admitting third country nationals for business purposes, EMN 2015

The study takes stock of the trend of offering specific programmes to attract and admit non-EU investors and/or business persons and to compare the ways, and extent to which, EU Member States' existing legal and policy measures are used to facilitate and attract the entry and stay of third-country nationals for business purposes whilst safeguarding against misuse. The Study also includes a review of the admission of other third-country nationals who travel to the EU for business reasons under the EU Free Trade Agreements.

National legal frameworks show considerable variety with regard to the definitions and categories of third-country nationals admitted for business purposes, and the facilitations that are made available. A categorisation of existing programmes can be made on the basis of the following four elements:

- **Incentives** i.e. policy measures tailored to attract immigrant investors such as marketing actions, dedicated information portals, favourable tax regimes;
- **Procedural facilitation** i.e. measures to fast-track or ease restrictions to admission such as shorter examination procedures or exemptions from "integration contracts";
- **Qualifying criteria** i.e. entry requirements such as minimum size of investment, evidence of capital, impact on the national economy or evidence of certain entrepreneurial / language skills; and
- **Enhanced rights** i.e. accelerated family reunification, direct granting of long-term residence permits or accelerated access to citizenship.

6. EXTENDING THE POOL OF POTENTIAL LABOUR MIGRANTS FOR EMPLOYERS

Weisser, *Internationally mobile students and their postgraduation migratory behaviour*, OECD 2016

After exploring the distribution of internationally mobile students in the EU (summary on [p. 60](#)), the study investigates **potential determinants of their staying behaviour**:

- **Similarity between host and source countries' language are associated with higher stay rates.** A larger distance between these countries, reflecting higher monetary costs of migration and lower degrees of cultural proximity, is indicative of lower stay rates.
- If an EU host country scores better regarding **institutional quality, governance effectiveness, more pronounced levels of political stability and absence of violence**, higher stay rates can be observed. But if (political) participation opportunities are more developed in the home country, return becomes more likely.
- In a similar manner, higher scores regarding technological readiness and innovation serve as predictors for higher stay rates.

These possible determinants deliver a plausible explanation why stay rates amongst students from other OECD countries are typically very low and stay rates from students from less developed or politically less stable countries are much higher.

The study finds that **international stayers can be expected to become net contributors to EU economies by no later than graduation**. But already during their studies, their consumption of commodity and services adds to the host country's demand. It concludes that

- Fiscal implications of providing funding for the education of internationally mobile students and related inefficiencies due to externalities could be taken into account, for instance by conditioning subsidies on subsequent staying behaviour.
- The **harmonisation of existing data series should be promoted**: Relevant dynamic aspects, regarding the retention of internationally mobile students after graduation in a medium- or long-term, can only be addressed if either the European Labour Force Survey (EU-LFS) is slightly extended (introducing "region of graduation" and the "region of work/residence in the year after graduation" into the EU-LFS); or a representative sample of international graduates participates in an online based survey.
- To ensure a smooth labour market integration of international graduates, **further incentives should be set to remove language barriers already during studies** or providing support regarding country-specific labour market peculiarities.
- **Actively supporting post-graduate studies** seems to be another promising way to increase retention of international talents in a medium-run.
- At the same time, the **EU and all its members** are well advised not only to maintain, but to **cultivate their strong points**: political stability and participation possibilities, reliable institutions and governance structure, as well as an innovative and competitive environment.

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The Commission's Legal Migration Fitness check of March 2019 found the objectives of the EU's legal migration directives still relevant to the EU's needs, but found that it presents a fragmented system which impacts the coherence and effectiveness of the system as a whole.

In view of the upcoming LIBE own initiative report on "New avenues for legal migration" this in-depth analysis of Policy Department C presents short summaries of relevant research on the subject since 2015 covering the role and effects of migration policies, the mobility of third country nationals in the EU, how to attract international talent to the EU and how to improve integration in the host society.