POLICY HIGHLIGHTS

SUMMARY OF THE RESEARCH FINDINGS OF THE IOM INDEPENDENT NETWORK OF LABOUR MIGRATION AND INTEGRATION EXPERTS (LINET)

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A. Platonova, A. Schuster, M.V. Desiderio, G. Urso, K. Bürkin
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INTRODUCTION

Forecasted labour and skill shortages in the short to medium term challenge both employment and economic growth prospects of the European Union. Together with activation, education and training policy measures, the implementation of efficient systems for the management of international migration in response to labour market needs and of initiatives to improve the labour market integration of resident migrants are key to ensuring adequate labour supply in the EU and further upskilling of the workforce in response to the expected continuing employment growth in skilled jobs. Although at the national level the relative importance of activation, education and migration policy measures to address labour and skill shortages varies depending on the average levels of educational attainment and participation rates of the domestic population in each EU Member State, as well as according to the specific migration history, on the whole it is unlikely that improvements in productivity and in the mobilization of the domestic labour force will be sufficient, alone, to fully satisfy future labour market needs in the EU.

The adverse overall impacts of the global economic crisis on jobs and growth since 2008 have been the core reasons for justifying restrictions on labour migration in the short term. However, longer-term consequences have to be taken into account. Situations and needs vary in the EU Member States and the competence on migration policy development is shared between the EU and the national levels of governance, while labour market policy firmly remains in the remit of the Member State governments. Nevertheless, the EU institutions play an important role in promoting the exchange of good practice and advocating for strategic policy shifts. Under the legal framework of shared competence on immigration with its Member States, in the past 10 years the EU has adopted a common immigration legislation package regulating various aspects of legal migration and employment of third-country nationals.¹ The Stockholm Programme and Europe 2020 strategy give

renewed emphasis on (labour) migration as a priority area in the European Union.\textsuperscript{2} As stressed by the European Commission (EC) in the 2011 Communication on Migration and in the 2012 Employment Package,\textsuperscript{3} international migration can contribute to meeting labour and skills shortages both through the recruitment of labour migrants from third countries, and through a better labour market integration of immigrants already resident in the EU. Notably, the human capital of existing and potential migrants could play a crucial role on the path towards economic recovery and in raising the competitiveness of the European economy by filling labour shortages and contributing necessary skills.


Council Directive 2009/52/EC of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals; Council Directive 2011/98/EU of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State. Commission proposals for the harmonization of national legislations regulating intra-corporate transferees (ICTs) and seasonal workers were put forward in 2010 to complete the implementation of the EU policy plan on legal migration agreed upon in 2005, and are currently pending approval.

\textsuperscript{2} The Europe 2020 strategy has identified the improvement of the labour market outcomes of immigrants as a key step for meeting the target of a 75 per cent employment rate in the EU by 2020.

\textsuperscript{3} Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions of 4.5.2011 Communication on migration [COM(2011)248 final]. The Employment package (COM(2012)173final) was adopted by the European commission on 18 April 2012 with the aim of supporting a job-rich recovery, addressing both the demand and supply sides of the labour market. This package also underlines the long term role of economic migration for creating a genuine EU labour market.

\textsuperscript{4} LINET unites experts from 27 Member States of the European Union, Croatia, Norway and Turkey. The network has been feeding policy recommendations based on evidence from the EU Member States, Australia, Canada and the United States into EU policymaking. Further information on LINET and its studies is available at http://labourmigration.eu.
This summary provides a concise overview of the content of the above studies with the focus on action-oriented findings relevant for public policy. The first chapter of the publication sets the scene by concisely providing key trends and recent figures concerning labour migration and labour market integration by non-EU nationals in the EU with the focus on skills, structural conditions in the labour market and key labour market integration indicators. The second chapter analyses how the links between immigration and labour market needs can be improved. Here, the main LINET findings and suggestions for action are identified within three core areas. Firstly, the section on **supporting the definition of immigration policy by labour market analysis** discusses the advantages and challenges related to filling labour shortages by means of migration, the use of labour market analysis in supporting immigration and integration policy, the combination of demand- and supply-driven elements of immigrant selection and admission procedures, provision of adequate legal labour migration channels and spatial and occupational mobility to reflect and respond to the labour needs of employers, the role of international students, intra-EU labour mobility of highly skilled migrants, early labour market access for family and humanitarian migrants and circularity of international migration flows through positive incentives. Subsequently, the section on **operationalizing immigration policy and facilitating legal and ethical international recruitment** proposes tools and measures that can be put in place in order to ensure that general immigration policies achieve their immediate aims. It suggests how a country can be made attractive to migrants through an immigration package and a conducive socio-political environment, as well as through various incentives, such as language learning, creating pathways from temporary to permanent residence and citizenship, and facilitating the portability of social security rights. It is further proposed to ensure time-efficient processing of applications, to address a range of information-related obstacles in the labour market that hamper efficient job-skills matching, and to implement procedures for the recognition of foreign qualifications already at the pre-departure stage. Whether labour market needs are met through migration is ultimately determined by integration outcomes of migrants, both newcomers and those already residing in the country of destination. Finally, the section on **fostering labour market integration of migrants residing in the EU** recommends ways to address the marginalization of migrants, improve the relevance of immigrant pre-departure and post-arrival integration support programmes and support measures for successful inclusion in the labour market, create harmonized recognition procedures and tackle discriminatory practices in recruitment and employment.
Immigration trends

• Demographic forecasts for the next decades point out trends of a shrinking workforce in most EU (and OECD) Member States. In the EU, after decades of growth, the working-age population is foreseen to start falling from 2013, according to the Eurostat Population Projections (Eurostat, 2011), which indicate a loss of more than 2.5 million in the working-age population of the EU-27 in the decade 2010–2020, and a four-time higher decline in the following decade. This would result in a 12 per cent contraction of the EU working-age population by 2030.

• It is anticipated that, as a consequence of those trends, labour and skill shortages will rise in the EU countries over the next decade, challenging economic growth prospects. In light of a growing demand for foreign workers of various skill levels and as a way of helping address the demographic and economic challenges, the EU is likely to rely increasingly on immigration.

• In 2011, 33.3 million foreigners were living in the European Union, corresponding to 6.6 per cent of the total population. Most of them, 20.5 million, were third-country nationals (4.4% of the total population). In almost all Member States the majority of foreigners are non-EU citizens, with significant exceptions being Luxembourg, Cyprus, Ireland and Belgium (Eurostat, 2012). More than three quarters of the total non-EU population resided in Germany, Spain, Italy, France and the United Kingdom.

• Given that nearly 80 per cent of third-country nationals in the European Member States are of working age (15–64 years old), this population constitutes a significant pool of labour force. In fact, in the period from 2000 to 2007, third-country nationals accounted for an employment increase of almost 3.7 million5 or around a quarter of the overall rise in employment. In absolute

5 Excluding Bulgaria, Germany, Ireland and Romania.
terms, the increase of employment for migrants has been largest in Spain (1.4 million), the UK (0.8 million) and Italy (0.5 million), while their relative share of employment growth has been most important in the UK and Portugal, where recent migrants accounted for 66 and 60 per cent respectively of the overall net rise in employment over 2000-2007, followed by Denmark (48%) and Cyprus (36%) (EC, 2009).

- Stagnation in the EU labour markets and a short-term approach on migration has led to EU Member States adopting a cautious stance on new admissions. From 2008 to 2011 the total number of new residence permits issued to third-country nationals fell by 14 per cent, or 0.4 million. Compared with the pre-crisis period (2008), the main factor responsible for the registered decrease was the fall in the number of permits issued for employment reasons (-32%).

- The global financial crisis, which hit the world economy in mid-2008, has had an impact on both immigration and emigration flows in Europe. Immigration levels have slowed while emigration has increased in some EU countries. However, employers did not stop recruiting migrant workers altogether and skills shortages continue to exist in both high- and low-skilled sectors.

Skills

- The current national immigration models in the EU seem to be built around the strict distinction between attracting highly skilled workers (for eventual permanent settlement), and treating less-skilled immigration as a purely temporary phenomenon. Indeed, higher-educated migrants are likely to have better integration outcomes, including alleviation of intergenerational transfers of disadvantage. However, not all less-skilled jobs are temporary, as attested by continuous demand throughout the economic recession. In addition, given the increasing relevance of soft skills, even occupations with a low level of required formal qualifications may require a wider range of skills than the ones which can be captured by the current assessment frameworks.

- There is a widespread underutilization of migrant human capital, especially when taking into account that in some countries non-EU migrants actually seem to have higher qualifications compared to the native population (see IOM, 2012a). Relevant factors include the lack of recognition of foreign qualifications as well as a range of discriminatory practices.

- Highly skilled migrants demonstrate good scores in the employment rate for their educational level, but also for their readiness in taking up jobs below their educational attainment. Indeed, in 2011 nearly 45 per cent of

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6 The definition of less-skilled migrants comprises both the low-skilled according to ISCED levels 0-2 and the medium-skilled according to ISCED levels 3-4.
highly skilled third-country nationals had a job below their acquired level of education, while around 12 per cent were strongly overqualified for the job performed.  

- Less-skilled migrants constitute an overwhelming majority of working-age third-country nationals in the EU (79.2 per cent in 2008) (IOM, 2012a) and together with many highly skilled foreign workers they are pushed into the lowest layers of the national labour markets, including elementary occupations. In practice, it is often concluded that migrants perform jobs shunned by natives, referring to the poor wages and working conditions in sectors such as agriculture. In fact, as confirmed by LINET findings, most of the competition in the labour market seems to occur between newcomers and already residing migrants, as well as between migrants of various skill levels in the same type of occupation.

**Employment/unemployment**

- The average EU-wide employment rate, close to 66 per cent of the workforce, was approaching the Lisbon target of 70 per cent before the start of the economic crisis in 2008. This has been attributed to significant increases in the employment of women and older workers, as well as labour market flexibility reforms. The structural unemployment rate in 2007 in the EU was 7.1 per cent. (EC, 2009).

- According to Eurostat, in 2010, the employment rate of third-country nationals aged 20–64 was 10 percentage points lower than that of the total population in the same age group at the EU level.

- As indicated in several IOM LINET reports (IOM, 2010b; 2010c; 2012a; 2013a) self-employment is a relatively common characteristic of immigrants. In some countries it also seems to have provided an option to escape from the economic crisis and a chance to remain in a country’s territory (Czech Republic, Norway, Portugal, Germany). Yet, the relative importance of immigrants in self-employment may also be linked to discrimination or other obstacles to gaining regular employment.

- In general, the employment situation of migrant workers, especially of nationals of non-EU countries, deteriorated more rapidly than that of natives during the economic crisis. Foreign workers from non-EU countries

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7 The overqualification rate is constructed counting the percentage of highly skilled (ISCED 5-6) who are employed in medium- and low-skilled jobs (ISCO 4-9). We talk about ‘strong overqualification’ in relation to the percentage of highly skilled employed in low-skilled jobs (ISCO 9).

8 For a matter of comparison, the percentage for nationals stood at 19 per cent and for the strong overqualification at only 1 per cent. This analysis confirms the recent EC study on the labour market situation of migrants (EC, 2011).

9 On the contrary, in some countries such as Italy, Spain and Luxembourg, self-employment does not seem to represent a real option for migrants.
were particularly affected by worsening employment conditions. While unemployment rates for nationals of other EU countries increased by 2.8 percentage points between 2008 and 2009, those for non-EU nationals rose by 5 per cent during the same period. The difference may be partly explained by the high concentration of non-EU foreign workers in sectors with high cyclical demand such as construction, retail, and hospitality. Another factor could be the higher propensity for EU migrants to return home when they become jobless.

- Shrinking employment opportunities during the crisis are considered to have pushed many migrants into irregular employment. There is, however, no precise data on the extent to which this is happening.

- Prior to the economic crisis, migrants were less likely than nationals to be welfare recipients in many of the new migrant-receiving countries such as Spain, Italy, and Ireland. There is some evidence that this pattern may be changing, with more migrants registering for unemployment benefits and welfare assistance than before.

**Labour market segmentation**

- A clear trend of labour market segmentation has been observed in a number of IOM LINET country reports. Across the EU, migrants tend to be concentrated in sectors such as agriculture, construction, manufacturing, health care, domestic work or hotels and restaurants. Labour market segmentation is a key factor in pushing migrants of all skill categories towards the bottom end of the occupational hierarchy.

- Gender still counts as a relevant factor for labour market inclusion. At the EU level, the employment gender gap among third-country nationals stood at 19.3 percentage points in 2011. One of the most significant indicators is the high inactivity rate of third-country women (43%). This might be the consequence of various factors such as the reasons for migration being linked to family motives more than economic ones (e.g. France); lower educational levels among migrant women (e.g. Turkey); difficulties faced by young women with a migrant background in completing vocational education and training (e.g. Germany); or the effect of some welfare measures that discourage access to the labour market for migrant women (for example the ‘cash for care’ in Norway or the parental leaves in Sweden) (see IOM, 2013a). In addition, in the already segmented EU labour market, cases of ethnic stratification increase the labour gender segmentation, pushing migrant women to the bottom of the social hierarchy.

- The relative concentration of migrants in economic sectors that are highly sensitive to the business cycle partly accounts for the large increase in migrant unemployment in some of the EU Member States during the economic
downturn. In sectors such as construction, unemployment was particularly paramount amongst male migrant workers. The somewhat different position of women migrants during the crisis is linked to better employment opportunities as a consequence of the demand for nursing and domestic workers, which is expected to continue in light of an increasing ageing of the EU population (Greece and Italy are exceptions in this trend, as the unprecedented economic crisis started to have an impact even on domestic care demand).
Labour markets across the European Union are characterized by varied regulatory frameworks, but every Member State faces, to some extent, shortages of workers with particular qualifications or interested in taking up certain occupations. Europe’s response needs to aim at wider goals of promoting the region’s global competitiveness, fostering economic recovery and supporting inclusive and sustainable growth.

Improving the links between immigration and labour market needs is crucial in order to achieve this goal. The European Migration Network Report (EMN, 2011) on *Satisfying Labour Demand Through Migration* established that indeed “most EU Member States have incorporated migration into their overall vision and strategic thinking on how to combat current and future shortages in labour”. However, the extent to which such vision has been specified and implemented in the policymaking cycle varies significantly across the EU.

LINET focused on various elements of public policy that bear impact on the patterns of labour market inclusion of immigrants in the European Union. The main findings and suggestions for action are identified within three core areas:

1. supporting the definition of immigration policy by labour market analysis;
2. operationalizing immigration policy and facilitating legal and ethical international recruitment; and
3. improving labour market integration of all immigrants residing in the European Union.

**1. Supporting the definition of immigration policy by labour market analysis**

Shortages in the labour market emerge as a result of the lack of workers available or interested in accepting a job under the current conditions (labour shortages) and the lack of workers with relevant skills (skill shortages). A scarcity of particular skills
is the driving force behind increasing global competition for high- but also semi-skilled workers. In the context of changing and evolving labour markets, less-skilled occupations also often require capacities and knowledge that could be in short supply for various reasons (IOM, 2012b). Many new jobs created in Europe generate a need for a continuously widening skills base as a result of skill-intensive economic and technological change (CEDEFOP, 2010).

Matching labour supply and demand, whether domestically or internationally, is a complex and time-consuming task that also depends on the quality of labour market information systems. Admission of migrants is a part of a wider policy mix to address both the existence and the root causes of labour and skills shortages. Possible other interventions on the part of employers and/or policymakers would include increasing wages, improving working conditions, labour market activation of the current residents of native and foreign background – in particular women, investing in or reforming education and training facilities, changing production processes or increasing imports. However, some sectors cannot be replaced by imports, such as construction, health and social care and hospitality (Ruhs, 2011).

Employers could also be precluded from a possibility to raise wages by consumer sensitivity to prices or competition from other producers at home or abroad. Particularly problematic are those occupations that are considered socially valuable (teachers, nurses, but also agricultural workers due to concerns over food security), but must be financed by taxpayers and price-sensitive consumers who are not willing or able to pay the price necessary to attract more workers (or more qualified workers) into the occupation (Sumption, Country report USA in IOM, 2012b). Finally, persisting demographic challenges cannot be addressed without including immigration in the set of solutions.

Many of the above-mentioned interventions require considerable time to be implemented, while migrants can be brought in relatively quickly in comparison to changes in the labour market or education system. Migration can therefore ensure a timely response to labour market needs and offer employers and policymakers a chance to introduce other adjustments in the meantime. Highly skilled immigration, in particular, can have additional positive spillover effects on innovation, productivity and business creation. However, migration may also contribute to entrenching labour-intensive and low-cost production methods, and discourage investments in worker training by eliminating the motivation for other types of adjustments. Additional concerns include absorption capacity of services pertaining to health care, education and housing and are hence linked to longer-term integration considerations.

In selecting and prioritizing alternative solutions to shortages, including admission of migrants, policymakers inevitably attempt to balance the priorities of various stakeholders, including employers, consumers and workers with the interests of the economy and the society as a whole.
1.1. Support immigration and integration policy development by labour market analysis

Many existing approaches to labour market analysis may be subjective and limited in their capacity to capture needs within the necessary timeframe and level of detail. For example, occupational analysis only covers general types of jobs in the labour market, while ignoring the specific skills that could be crucial for a particular vacancy. In addition, forecasts of the future labour market trends are rarely able to gauge the variety of influencing factors, such as economic cycle, technological developments, cross-border outsourcing, shifts in education and training patterns, as well as changes in production organization, wages and working conditions (Riddell et al., Country Report Canada in IOM, 2012b). Notably, data collection and analysis can also prove a costly exercise, especially if carried out frequently enough to provide a credible basis for actual recruitment. For these reasons, some countries, such as the United States, do not perform systematic analysis of occupational skill needs for migration policy purposes (Sumption, Country Report USA in IOM, 2012b).

Even in conditions of excellent labour market data and the use of a combination of approaches for establishing shortage areas, there are serious challenges in order to achieve successful practical incorporation of the findings of this analysis into immigrant admission policies. Indeed, some governments prioritize admitting skilled workforce with the potential to adjust to changing labour market conditions instead of micromanaging admission in accordance with a detailed analysis of labour market needs. Riddell et al. (Country Report Canada, in IOM, 2012b) summarize the difficulties in using immigration in response to perceived labour shortages in specific occupations, including:

- accurately identifying the shortage;
- accurately predicting business cycle effects or adjustments in wages, firms’ input mix, technology, process innovation, or labour sources that will influence the shortage;
- developing an immigrant selection mechanism that will succeed in selecting the immigrants desired;
- altering immigration flows quickly in order to respond to the shortage in a timely manner;
- getting the immigrants to the region experiencing the shortage;
- ensuring that the credentials of the immigrants are accepted in the labour market of the country of destination.

However, the experience of immigration countries in the EU, but also traditional settlement countries such as Australia and Canada, points towards the benefits of combining the analysis of macro-level labour market data with the micro-level data collection and interpretation through stakeholder consultations. Such an approach not only improves the quality of data, but also contributes to transparency in decision-
making and a wider acceptance of policies developed on the basis of this kind of labour market analysis.

1.2. Select an effective combination of demand- and supply-driven elements of immigrant selection and admission procedures

Labour immigrant admission policies differ with regard to who makes the decision to hire a foreign worker. In purely demand-driven systems, this decision is delegated to employers. In reality, however, employer decisions are often further assessed and restricted against the backdrop of the labour market analysis and the national labour standards. On the other hand, a pure human capital immigration model prioritizes government-led selection of foreign skilled workforce with the potential to adjust to changing labour market conditions. Ultimately, the design of an effective labour immigration policy entails the search for a balance between the immediate employers’ needs and longer-term economic goals, but also reflects the position of the particular country of destination in the global labour market and the resources it has at its disposal.

Various policy options exist both within human capital or demand-driven immigration systems to improve the matching between migration and the labour market. Adjustments to the systems were often initiated and supported by way of a continuous monitoring and evaluation of the outcomes of immigrant labour market integration. Countries that employ human capital admission channels, including Australia, Canada, New Zealand and the United Kingdom, have shifted in recent years towards the expansion of additional demand-driven channels and combining and introducing human capital criteria into the employer-led international recruitment, partly as a reaction to the unsatisfactory labour market outcomes of labour migrants who arrived without a job offer.

The adoption of points-based systems (PBS) for the selection of labour migrants provides a flexible instrument for migration management in which admission criteria, such as job offer and labour market test or occupation shortage, on the one hand, and migrants’ skills, on the other, are combined. Following the example of traditional settlement countries such as Australia, Canada and New Zealand, some EU Member States have recently adopted points-based systems for selecting labour migrants. The PBS currently implemented in the United Kingdom and Denmark provide interesting examples of systems combining both demand- and supply-side admission requirements. In Denmark, points are awarded for a broad set of criteria including job offer, work experience, academic qualifications, language mastery and age. Employer nomination is the most important criteria under Tier 2 of UK’s PBS, but English language ability is also rewarded. Australia’s new SkillSelect programme

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10 Points-based systems for the selection of labour migrants are currently implemented in Austria, Denmark, the Netherlands and the United Kingdom.
came into force in 2012, and constitutes an on-demand selection system of skilled migrants that meet specific criteria. A job offer from an Australian employer through a job-matching database then allows for the immigration of such applicants.

As a response to difficulties in accurately predicting future needs and trends, countries with a human capital immigration model now place higher emphasis on the adaptability criteria, including previous study or work experience in the country of destination, arranged employment upon arrival, existence of networks, such as relatives residing in the receiving country, as well as the level of education of the spouse. The capacity to adapt and re-skill if necessary is crucial in ensuring positive long-term labour market effects. Such an approach recognizes the potential evolution of workers’ skills and knowledge, which can be upgraded through education, training and professional experience while staying in the country of destination, and supports occupational mobility.

Micromanaging immigration policy in accordance with perceived labour market requirements, even if based on comprehensive analysis, imminently faces challenges and risks creating further mismatches in the labour market. For example, points systems focusing specifically on occupation have experienced difficulties with the eventual discrepancies between immigrants’ intended and actual jobs. Occupation is not an innate characteristic, and as such is often unreliable if used as a single determining factor in decisions on migrant admission.

Difficulties in providing swift access to the global pools of labour were behind policy changes in a range of countries, which included the introduction of temporary admission channels for various skill levels. Attention has also been paid to creating pathways from temporary to permanent employment and residence based on clear rules and conditions, including for lesser-skilled migrants. These measures reflect the difficulty in forecasting the duration of demand for particular types of labour, and the capacity and motivation of individual workers to succeed in their economic and societal integration. They also recognize the important role that clear and transparent prospects for permanent residence and potential citizenship play in attracting skilled migrants in particular.

Timeliness of response is crucial in ensuring the relevance of policy measures to the actual labour market needs. Even the best labour-market analysis systems take time to deliver an updated picture of labour shortages. Many countries, such as Sweden and the United States, therefore exert a clear preference for a predominantly employer-led system due to its quick reaction to the changing labour market conditions and demand, and avoiding the costly and flawed process of analysing occupational shortages and applying them to immigration policy.

In demand-driven immigration models, the recruitment decision is delegated to employers who are deemed to be in the best position to anticipate labour and skills needs. The main advantage of this approach is that migration candidates are selected on-the-job, which in principle reduces the risks of overqualification and, by definition, ensures early economic integration in the host country, since having a
job offer is, in most cases, a pre-condition for admission. The benefits of employer-led systems, including the higher probability of capturing demand for a variety of skills and qualifications, may outweigh the fact that needs declared by employers do not represent a fully accurate assessment of the labour market context. The governments then focus on verifying that the employer need is genuine, ensuring that the potential foreign employee possesses the necessary skills and qualifications, and that immigrant recruitment does not compromise the national salary level and labour protection standards.

Nevertheless, predominantly employer-led immigration systems also increasingly incorporate elements of labour market analysis, or considerations of the significant potential of highly skilled migrants to contribute to growth. Shortage lists can serve as a basis for facilitating specific procedures, such as priority handling or allowing application for a work permit without leaving the country of destination following an interview. Certain categories of migrants, such as highly skilled workers, could be exempt from labour market tests in recognition of their disproportionately high contribution to growth and competitiveness.

Regional and local levels of government play an essential role in identifying labour and skills shortages in many destination countries, including Spain and Sweden. Migrant-receiving states struggle with the challenge of population concentration in certain urban centres and growing regional shortages. However, the category of entry is a primary determinant of the extent to which a migrant can decide on a location within the country of destination, and in many cases immigration authorities can hardly influence this decision (OECD, 2010). The country experience of Australia and Canada reflected in LINET research findings indicates that regions admitting migrants through such specialized admission programmes have difficulties in retaining foreign workers in the long term.

1.3. Provide labour migration channels adapted to the actual labour demand – including for less-skilled workers – and streamline labour migration procedures

Inadequacy of the legal labour migration channels to reflect and respond to the labour needs of employers may contribute to distortion and irregularity in the recruitment of migrants. In particular, the demand for migrant workers to fill unmet labour shortages in low-skilled occupations should be taken into account.

Uncertainties about the labour migration process, both in terms of the annual planning of flows and of the length of time required to obtain a work permit for a migrant worker, represent a major constraint – particularly for SMEs – and one which was found to limit the recourse to migrant recruitment in response to labour shortages and to have an impact on patterns of access to labour market information for employers and migrants. Consistently across the countries studied, it was observed that cumbersome and lengthy immigration procedures are among the main factors which discourage employers from lawfully recruiting from abroad in response
to their labour needs, particularly if such needs are temporary. This calls for the introduction of clear and time-bound labour migration procedures.

The labour immigration debate in Europe in recent years has mainly focused on the need to attract more highly skilled migrants from outside the European Union to boost competitiveness by enlarging the talent pool. Dedicated channels for the immigration of this category of workers remained widely available in a number of the EU Member States throughout the recession. Following the lead of settlement countries, in the past 10 years most EU Member States have largely opened up their migration systems to highly skilled third-country nationals, by lowering entry conditions and streamlining admission procedures for this category of immigrants, who are selected by education, occupation, and/or salary threshold criteria. This tendency has also been stimulated by the implementation of the EU directives on the admission of researchers and the EU Blue Card.

While entry possibilities for highly skilled third-country nationals are largely open in most EU Member States, improvements in the admission procedures would still be required for satisfying certain temporary highly skilled needs of the enterprises. This is the case, notably, of intra-corporate transfers, that is, short-term transfers of qualified employees in multinational companies. Generally those transfers need to be carried out at short notice and would, thus, benefit from a flexible migration regime promoting the faster allocation of labour across borders. For this purpose, in 2010 the European Commission put forward a proposal for a directive on intra-corporate transfers of third-country managers, specialists and graduate trainees working for non-EEA multinational companies with offices in the EU. The measures envisaged by the proposed directive include a single procedure leading to one permit, valid as both residence and work authorization, the guarantee of receiving a reply within 30 days of the application, and more favourable conditions governing family reunification than under ordinary law. In addition, to promote the mobility of workers in companies with offices in several EU Member States, the permit issued by one member country would be valid in another for a maximum period of one year. At the time of writing, negotiations on this directive were still ongoing.

In the face of demographic and occupational trends implying growing shortages of highly skilled workers in the medium to long term, the international competition for attracting highly skilled migrants is likely to continue increasing. In this context, lowering barriers to the admission may not be enough, since in most EU Member States it is the case that highly skilled professionals already face few obstacles to immigration. Subsequent sections of this publication will discuss the issues of the attractiveness of countries/regions for highly skilled migrants.

At the same time, less-skilled migrants – those with low and medium levels of educational attainment – have seen the few existing entry doors often being shut, and those already in the EU are portrayed as a societal burden in popular discourse. The labour migration regimes of most EU Member States – with the relevant exceptions of Southern EU Members and Sweden – do not allow permanent-type immigration (that is, admission on either a permanent or renewable permit) of less-skilled labour
migrants from outside the European Union. In this case, legal admission channels for less-skilled third-country nationals into employment are limited to small temporary programmes, mostly seasonal.

The reluctance on the part of many EU Member States and other developed countries to open up their migration systems to less-skilled workers is generally ascribed to concerns for the potential negative impact of less-skilled labour migration from third countries on the employment levels and working conditions of the domestic labour force, as well as to integration problems. Public opinion – especially in periods of high domestic unemployment – is also generally opposed to the admission of less-skilled migrants.

Albeit in the context of continuing upskilling of occupations and demographic shortages, high skills are and will increasingly be the most in demand in EU knowledge economies. There is evidence of persisting unmet labour demand in less-skilled occupations, namely in agriculture, construction, cleaning, care and so on. In the EU Member States, unemployed or inactive nationals with low levels of educational attainment have shown to be unwilling to fill vacancies in lesser-skilled jobs, which are viewed as unattractive, while new entrant youth cohorts are, on average, too educated to take up those jobs.

In the absence of large-scale legal labour migration programmes for less-skilled third-country nationals, vacancies in low- and medium-skilled occupations have been largely filled by intra-EU movers from accession countries, as well as family and humanitarian migrants and irregular migrants. Those workers have at times proven to be overqualified for their jobs, which often represent a first entry route into the host country’s labour market, with the hope of moving into better jobs as soon as the opportunity presents itself.

In the face of unmet labour demand in certain lesser-skilled sectors and occupations, EU Member States should consider legal channels for migration into low- and medium-skilled jobs, allocating permits which are commensurate – by number and type – to the real labour market needs, in order to avoid the misuse of other migration channels (typically overstaying on tourist visas), and irregular migration and employment. A good practice with respect to opening up legal labour migration channels to less-skilled third-country nationals can be observed in Sweden, where the new employer-driven labour migration system introduced at the end of 2008 is uncapped and does not differentiate by skill level.

An alternative solution to direct recruitment from abroad would be granting some form of job-search visa to potential candidates, who satisfy certain basic conditions, for employment in low-skilled occupations. A work and residence permit would then be issued to those migrants who found a job, which could be subject to additional conditions including, for example, the requirement that the job offered is in a shortage occupation. So far, this type of measure has not been introduced in any country, mainly due to fears of attracting massive inflows of low-skilled job-seeking migrants. However, in practice, the procedures existing in some countries to allow
for the ongoing regularization of irregular migrants who were able to find a job, act virtually as job-seeking channels for the lesser-skilled labour migrants. Examples in this respect are the employment-based case-by-case regularizations allowed in France and Spain conditional, among other requirements, on employment in a shortage occupation.

1.4. Grant migrants staying on temporary residence permits the possibility to change employer and occupation recognizing the needs and incentives of the first employer

By increasing geographical and occupational mobility of migrants in the host country’s labour market, such a measure would ensure that the distribution of migrants in the labour market adapts according to the evolution of labour market needs, while at the same time contributing to the protection of migrant workers’ rights. There is a need to balance these goals with the interests of employers, for whom bringing a worker from abroad often entails costs, and thus some initial temporary tie-in to the employer could be justified.

Examples of good practices in this respect come from Portugal and Spain. In Portugal, there are no specific legal provisions tying the third-country national holding a temporary residence permit to any specific employer, job or position. It is also possible to change status from an employment to a self-employment permit without leaving the country. In Spain, as of July 2009 it is possible to modify permits without geographical and sectorial restrictions, as well as to change status from a self-employment to an employee permit and vice-versa.

1.5. Secure migration status in case of job loss through temporary job-seeking visas granted to migrants subject to layoffs

In the context of the economic crisis hitting immigrants particularly hard, a number of EU Member States have introduced in their labour migration systems provisions for extending residence visas or granting short-term job-seeking visas to migrants affected by layoffs. These measures are aimed at helping migrants who have been made redundant during the crisis to reintegrate lawfully in the host country’s labour market, thus counteracting the recourse to overstaying and irregular employment.

In Italy, for example, the interruption of a work contract with a first employer does not entail the revocation of the residence permit, which remains valid until its original date of expiry. During the residual validity period of the permit the worker is allowed to register in unemployment lists. At the end of the period, if still unemployed, the migrant is issued a special non-renewable job-seeking permit for six months. Similar provisions apply in Spain and in Ireland, where, in addition, more favourable conditions of residence after job loss may apply depending on the previous length of legal residence of the migrant in the country.
1.6. Attract and retain international students

International students represent a particularly appealing pool of highly skilled labour, who, by the fact of having been trained in the host country, do not need to have their qualifications recognized, and who have country-specific knowledge, including with respect to language (especially if the course were taught in the host country’s language), cultural environment and work practices. For those reasons, and in consideration of the gains related to trade in higher-education services, in the past 10 years a growing trend towards the attraction of international students has been observed in most OECD countries. Among other incentives to increase the immigration of foreign students and its benefits for the economic growth, most countries have facilitated the transfer of migration status from study to employment upon completion of the degree, through an extension of the original permit in the form of a job-search visa, generally granted for a period comprised between six months and one year. More recently, in the face of the adverse effects of the current economic crisis on the employment prospects of the young population, some EU Member States have introduced stricter requirements for the admission of students from third countries graduating in their universities. However, such measures should be carefully considered, bearing in mind the longer-term economic interest of securing an adequate skill-base for the recovery.

1.7. Facilitate intra-EU labour mobility of highly skilled migrants from outside of the EU

As a measure to boost the attractiveness of the EU for highly skilled migrants, the EU directive on the conditions of entry and residence of third-country nationals for the purpose of highly qualified employment allows for a (limited) form of intra-EU labour mobility of highly qualified workers from third countries, by stipulating that, after 18 months of legal residence, Blue Card holders may move from the Member State which first issued the permit, to another Member State to take up highly qualified employment, subject to the limits set by the member country on the number of third-country nationals accepted. While the recognition of intra-EU mobility for workers who are third-country nationals operated by the EU Blue Card directive is to be welcomed as a very important step in the harmonization of admission policies among Member States, the restrictions that still apply seem to hamper the potential of this particular measure to act as an incentive for prospective highly qualified migrants to choose the EU as their destination. Thus, in the longer term, after an initial evaluation of the labour market impact of the implementation of the EU Blue Card,11 EU Member States could consider easing persisting restrictions to intra-EU labour mobility of highly skilled workers from third countries, in order to better serve the objective of fostering the contribution of highly-skilled migration to knowledge creation and diffusion in the EU.

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11 Starting from 2012, data will be collected on the number of EU Blue Cards issued. From 2014, reports concerning issues on the application of the directive and proposals for amendments will be provided to the European Parliament and the Council every three years.
1.8. Grant early labour market access to family and humanitarian migrants

In a significant number of countries labour migrants constitute only a relatively small share of immigrant stocks, with considerable numbers of foreign nationals entering for family reunification, to study or for humanitarian reasons. Many of these migrants are of working age, and as such constitute potential workforce. Their labour market integration remains a crucial challenge and one of the potential responses to the labour shortages at all skill levels.

Family migrants often face restrictions in their access to employment, in many cases having to reside in the host country for a certain period of time before being allowed to work. Such provisions hamper their future chances of successful integration, facilitate brain waste, and increase their dependency on the sponsor migrant.

In the past 10 years, most EU Member States have amended their admission policies for family migrants, in order to grant immediate right to work to this group of migrants upon their entry into the country, thus eliminating the previously foreseen waiting period. In this respect, the possibility of enjoying immediate working rights in the host country seems particularly helpful for the integration of migrant women admitted on grounds of family reunification, and can contribute to protect this group of migrants from abuses, by reducing their dependency on the sponsor migrant.

In some countries – namely Austria, Denmark, France, Germany, the Netherlands, and the United Kingdom – the removal of the waiting period for family migrants to benefit from working rights has been accompanied by the introduction of some pre-arrival integration requirements (in most cases a proof of language knowledge) as conditions for admission. The use of this kind of pre-entry integration testing is controversial, since it involves a restriction on the human right to family reunion. However, pre-migration training, screening of language knowledge and validation of other competences may indeed contribute to increasing the employability of family migrants in their host countries.

Together with family migrants, humanitarian migrants are those who face greater difficulties in the socioeconomic integration in their host countries, also due to legal requirements that delay access to the labour market. In order to release the full potential of humanitarian migrants to meet labour and skills needs, the EU Member States should consider removing the legal obstacles to the early entry of asylum-seekers and recognized humanitarian migrants in their labour markets. A good practice in this respect can be observed in Denmark, where the government has recently announced that the conditions for asylum-seekers to work outside the asylum centres will be alleviated. In Australia, the right to work already applies to

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12 In Austria, as a general rule family members can access the labour market upon admission only if their skills are in demand (they are granted work permits on the basis of labour market testing); if they are low-skilled, they have a waiting period of five years of legal residence before they have free access to the labour market. The RWR card, which was introduced in July 2011, established an accompanying family procedure for the family members of RWR card holders.
all asylum-seekers actively engaged in resolving their visa status. Regulations on the admission, residence and employment of migrants are to be considered as part of a wider policy mix to address both the existence and the root causes of labour and skills shortages.

1.9. **Promote circularity of international migration flows through positive incentives**

Improved understanding of the factors influencing the circularity of migration and the importance of human mobility for international trade, entrepreneurship, research and development has led to efforts to promote circularity through lowering re-entry barriers into the country of destination and facilitating legal mobility between countries. These provisions can range from the possibility to leave the country of destination for certain periods of time without jeopardizing the pathway to permanent residency, to the dual citizenship policy. Incidentally, such measures also contribute to improved correlation between migration flows and economic cycle and changes in labour demand, as migrants could be less likely to remain in the country of destination after a job loss, and instead seek new opportunities elsewhere.

2. **Operationalizing immigration policy and facilitating legal and ethical international recruitment**

Specific tools and measures can be put in place at the national level in order to ensure that general immigration policies achieve their aims. These aim to make a country attractive for those with the required skills and to ensure a smooth employment matching between employers and migrants.

2.1. **Offer an attractive ‘immigration package’ for workers with the necessary skills**

As supported by research\(^\text{13}\) concerning the highly skilled, the decision of individuals to migrate is less driven by wage differentials than by the human and physical infrastructure of the destination and by the total immigration ‘package’ offered by the government. A key question in this regard is to what extent each country manages to create a supportive attraction framework, which is marked by strong coordination at different governance levels and between different policy fields. Where outcomes are more predictable, the migrants’ ‘investment’ decision to move is facilitated. A good ‘immigration package’ is made up by clear, fair and transparently applied admission policies and rules on stay and employment. This extends further to transition between immigration statuses, such as paths to permanent residency and citizenship and may include generous provisions for family reunification.

Other factors which are of importance to migrants in making their decision are linked to the opportunity to realize personal and professional goals. This includes access to professional networks, universities and industrial clusters and a dynamic work environment overall. Fair, fast and transparent processes of recognition of migrants’ qualifications and competences can prevent the underutilization of skills and contribute to making a destination more attractive to migrants (on this point see also section 3). Those migrants who are intending long-term and permanent migration, possibly with their families, are likely to place more emphasis on factors such as the social model of a society, the portability of benefits (see also below) and the quality of life at the destination than younger, single foreign workers who focus merely on advancing their career and building wealth.

2.2. Ensure that the sociopolitical environment in the country of destination does not discourage prospective migrants from coming

Most people, and migrants are no exception, appreciate living in a safe and tolerant society, which embraces diversity in language, ethnicity, cultural and religious practices. However, political discourse about migration is often poorly informed, and tends to depict a generalized negative image of immigrants. In a context of globalized access to the media, the national political debate on migration as broadcast by the media is among the factors that influence the choice of destination for prospective migrants. If migration is to be part of the solution to address growing labour and skills shortages in the European Union, policymakers and other relevant stakeholders in the Member States should make more efforts towards ensuring responsible, balanced and evidence-based political discourse on migration, which conveys a message of openness and commitment to diversity, mutual respect and protection of rights (IOM, 2011).

2.3. In EU Member States that do not have a broad language basin abroad, provide attractive language learning offers as a part of the recruitment strategy

English-speaking countries, as well as other developed countries with broad language basins abroad, enjoy a competitive advantage for the attraction of foreign workers as well as international students. Although language barriers are in many instances less of an obstacle for the labour market insertion of highly skilled migrants compared with the lesser-skilled, due to widespread English-language working-practices in highly skilled occupations (especially those in science and technology), the knowledge of the host-country language may still be a factor influencing the migration decision of the highly skilled with respect to their country of destination, particularly in a context where other barriers to the international mobility are increasingly removed. To compensate for their relative disadvantage in this respect, EU Member States whose official languages are
scarcely spoken abroad could consider proposing targeted language offers to highly skilled migrants and, in particular, provide for language training possibilities in conjunction with employment.

2.4. Create a clear pathway from temporary to permanent residence and to citizenship

The opportunity for smooth transition from temporary to permanent residence based on clear criteria and efficient procedures – along with the upgrading of enjoyable rights allowed under the latter status – may represent an incentive for migrants in their choosing of the country of destination. The same holds true with respect to eligibility for citizenship of the host country. Offering fast-track pathways for temporary migrants to secure their residence status, and to obtain permanent residence or even citizenship, would enhance the capacity of EU Member States to compete in the global competition for talent with settlement countries, which traditionally grant to some immigrant categories the right of permanent residence upon entry and a relatively rapid road to citizenship for highly skilled migrants.

2.5. Facilitate the portability of social security rights both intra-EU and with third countries

The portability of social security rights is the ability to preserve, maintain, and transfer vested social security rights or rights in the process of being vested, independent of nationality and country of residence (Holzmann et al., 2005). Portability is particularly important for long-term benefits (such as pensions or health care), which have a pre-saving element. If portability is not granted, migrants are at risk of financial loss when leaving their host or home country. Thus, a lack of or limited access to portability of social security rights may be an element influencing migration decisions (both emigration and return migration).

The regulation of the portability of social security rights within the EU recognizes for third-country nationals who are legally resident in the territory of the Member States a set of uniform rights that closely match those enjoyed by citizens of the European Union, and may, in this sense, represent a factor of attractiveness for highly skilled third-country nationals in the choosing of their migration destination. However, in practice, having social security benefits acquired in one Member State recognized in another Member State may involve a large administrative burden even for EU nationals, a situation which has been reported to hamper the potential of free EU mobility to contribute to economic growth in Europe and which calls for further efforts in terms of the enforceability of the already existing legislation with respect to the portability of social security rights.14

14 Desiderio, M.V. (2012), Main findings of the joint EC/OECD conference on growing free labour mobility areas and trends in international migration, Free Movement of Workers and Labour Market Adjustment: Recent Experiences from OECD Countries and the European Union, pp. 19-31.
The actual portability of social security rights outside the EU is more limited. In the absence of a multilateral framework regulating the issue at a global level, the transfer of vested social security benefits between, respectively, EU Member States and third countries is generally regulated at the bilateral level, through bilateral social security agreements. The United Kingdom provides a good example in this respect, as a Member State having built an extensive network of bilateral agreements on the portability of social security rights with a large number of countries of origin. This includes both reciprocal social security agreements concluded with several non-EEA countries, which grant migrants similar privileges as migrants within the EEA, and restricted social security agreements, which are mostly totalization agreements (with Canada, Japan, New Zealand and South Korea).

Bilateral social security agreements currently represent the best practice for the coordination of access to and portability of social security benefits for migrants outside the EU. However, the proliferation of different agreements, each setting specific regulations depending on the negotiation, involves great complexity for prospective migrants and an administrative challenge for both origin and destination countries. For these reasons, the establishment of multilateral frameworks for the portability of social security rights should be encouraged. The social security agreements concluded by the EU with Morocco, Tunisia and Algeria in the context of the Euro-Mediterranean Partnership should serve as a model in this respect, also since they are based on a blueprint generating common standards.

2.6. Ensure time-efficient processing of applications

Streamlined application processing is key if labour migration from third countries is to respond timely to labour market needs. Lengthy immigration procedures may, indeed, render legal channels for labour migration too costly for employers – especially SMEs – and useless for meeting job vacancies, particularly if they are temporary. Long processing times and backlogs in application processing may also lead, in the face of unmet labour shortages, to illegal recruitment of foreign workers.

Among the means for reducing administrative delays is the establishment of lists of interested workers in origin countries satisfying certain pre-specified conditions (age, occupation, education, the absence of a criminal record, and so forth). Whether employers are willing to hire on the basis of those lists would depend on their trust in

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15 The International Labour Organization (ILO) and the UN have adopted a series of conventions concerning social protection for international migrants. However, so far, those conventions have had limited success. The International Convention on the Protection of the Rights of Migrant Workers and Members of their families was adopted by the UN General Assembly in 1990, and came into force only after 13 years, with just 22 ratifying states. ILO Convention 157, aimed at establishing a global regime of portability of benefits adopted in 1982 had only been ratified by four countries (as of 2010).

16 Including Barbados, Bermuda, Bosnia-Herzegovina, Croatia, FYROM, Israel, Jamaica, Mauritius, Serbia, the Philippines, Turkey and the USA.
the screening system, as well as the nature of the job vacancy. Different procedures involving the pre-approval of potential immigrants are already in place in some settlement countries with supply-driven labour migration streams, such as Australia and New Zealand, where migration candidates are invited to self-assess themselves against selection criteria and lodge an ‘expression of interest’ in migrating. They then enter a pool, from which, according to the number of visas available, a sub-set of persons are drawn and invited to apply.

Backlogs may also occur on the employer side, when the migration system requires the employers to be licensed for sponsoring labour migrants under immigration programmes. The pre-authorization of agreed enterprises to recruit from abroad, as it is done in Australia under the Enterprise Migration Agreements, could represent a useful tool for speeding up procedures and facilitating foreign recruitment in response to temporary labour needs.

2.7. Address information-related obstacles which hamper efficient job-skills matching and provide targeted support to small and medium-sized enterprises for foreign recruitment

Information deficits are significant obstacles to foreign recruitment, particularly as most EU Member States have predominantly demand-driven labour migration systems, which place the matching between employers and prospective migrants abroad at the heart of the migration process. Even in countries in which migration policy is not a major barrier to foreign recruitment, only a very limited proportion of firms hire migrants from abroad, and those are prominently multinationals with broad networks and facilities abroad, and big firms. In Sweden, where the decision of foreign recruitment largely depends on the will of the owner of the firm, only 7 per cent of the firms recruit from abroad (including from other EU Member States), according to 2012 data from the Confederation of Swedish Enterprises, and those are mostly multinationals or SMEs owned by foreign born.

The scarce recourse to foreign recruitment by SMEs is largely accountable to the resource restrictions typically affecting this kind of businesses which generally translate into limited access to new technologies and professional recruitment services and in inadequate endowments in human resources personnel, both in terms of effectives and training. As a consequence of these resource constraints, SMEs willing to recruit migrants from abroad face a clear informational disadvantage compared with bigger firms, which have both more internal resources they can mobilize with a view to hiring from abroad, and higher capacity to benefit from support measures implemented to facilitate the flow of labour market information for employment matching through migration. This is also related to the economies of scale that big firms can realize when investing in foreign recruitment strategies due to the number of recruits sought, which are instead precluded to smaller businesses. In addition, in most of the countries studied, regulations on intra-corporate transfers provide a powerful tool for big firms with temporary labour shortages. The heavy
reliance of smaller firms on informal networks and personal contacts in their foreign recruitment strategies, notably in the case of seasonal vacancies, exposes those firms to the risk of imperfect jobs-skills matching with negative consequences in terms of productivity outcomes.

Against this background, policymakers in the EU Member States should consider supporting the establishment and territorial diffusion – both inside the country and in the main countries of origin of migrant flows – of initiatives run in partnership with key labour market actors, aimed at connecting employers faced with difficult-to-fill job vacancies with labour migration candidates. Good practices in this respect can be drawn from Canada, where a plethora of immigrant-serving organizations – often funded at least in part by the federal or local authorities – support the facilitation of employment matching between employers and migrants. Efforts would also be needed for raising awareness of such initiatives among SMEs.

Furthermore, over the past 5 to 10 years, the sources of information on legal migration procedures and on available job opportunities and migration candidates to fill them, respectively, have become increasingly widespread and user-friendly, largely as a consequence of the application of new information technologies. A proliferation of Internet tools both for the awareness of the migration procedures and for job matching – in the form of job-bank portals – has been recorded. The capacity of SMEs to fully navigate through those websites to obtain the specific information needed amidst a vast array of published material may be somewhat limited by the typical resource constraints that affect small businesses, including a lack of dedicated administrative staff. To reduce asymmetries between big firms and SMEs in the use of digital labour market information tools, tailored Internet resources targeting SMEs should be introduced. Good practices can again be drawn from Canada, where the different government departments dealing with labour migration issues have developed a vast array of specific Internet tools to support SMEs that are willing to hire migrants.

On the supply side, the ability to access and use digital labour market information tools largely depends on the skill levels of the prospective migrants. In addition, language issues may limit the target audience of migration information and international job-matching websites. With regard to this latter point, the provision of multilingual information would contribute to reducing the barriers to the utilization of Internet-based labour market information tools. A good practice in this respect comes from Sweden, where the ‘workinginsweden’ portal provides migration information in 34 languages.

2.8. Support non-profit employment-matching assistance for prospective low- and medium-skilled migrants

Low- and medium-skilled migration candidates have fewer information tools at their disposal compared with their more skilled counterparts. Thus, they may lack digital literacy or other skills to use the digital media to connect with prospective
employers abroad. On the other hand, they are generally less sought-after by big firms, compared with the highly skilled, and their networks are not as broad as those of more qualified migrants.

As a general rule, low- and medium-skilled migrants mostly rely on personal and social co-ethnic networks to find employment abroad. If, on the one hand, the use of informal, ethnic networks has the advantage of offsetting the comparative information and language deficiencies of the low-skilled – generally without involving fees – on the other hand this practice entails high risks of creating and reproducing ethnic segmentation in the labour market, clustering workers from each migrant group in specific occupations in their country of destination, regardless of their actual skills and competences, and hampering the possibilities of professional mobility for those migrants also as a result of the slower acquisition of country-specific skills. When personal and ethnic networks and migration chains are not sufficient for prospective less-skilled migrants to find employment abroad, they generally have recourse to the services of private intermediation agencies, as is notably the case for seasonal employment. However, issues of abuses of low-skilled prospective migrants by private staffing companies were evoked in most of the LINET country studies (see, for instance, IOM, 2013c).

Against this background, the action of NGOs and other immigrant-serving organizations in support of international labour matching for the less skilled – both pre-departure and post-arrival – should be promoted also through the identification and dissemination of best practices and quality standards.

Further efforts are to include the development of incentive-based measures to promote ethical recruitment that upholds human and labour rights of migrants irrespective of the geographical location of recruitment. The IOM International Recruitment Integrity System (IRIS), which is planned to be launched in 2013, would constitute a voluntary accreditation and monitoring process of employers and recruitment agents that would verify their compliance with the international best practice in international recruitment. IRIS will thus establish a community of like-minded, socially responsible stakeholders involved in international recruitment and result in reduced vulnerability of migrant workers to exploitation and labour trafficking, and higher financial gains for migrants and their employers.

2.9. Implement simple, transparent and time-efficient procedures for the recognition of foreign qualifications, notably at the pre-departure stage and through targeted support in specialized and technical occupations

Qualifications and competences acquired abroad by prospective or resident migrants involve an information risk for the employers, who may not be familiar with foreign qualifications and working practices and may doubt the effective aptitude of migrants holding such qualifications and experience to perform the duties required by the job offered. SMEs with less experience of foreign recruitment tend to face
higher information costs related to the issue of foreign qualifications compared with multinationals and big firms that regularly recruit foreign workers.

The issue of the recognition and accreditation of foreign qualification is a major barrier especially for the recruitment of foreign professionals in regulated occupations. With regard to foreign recruitment, such a barrier largely hampers the direct sourcing of workers from abroad to fill shortages in regulated professions. As a matter of fact, demand-driven labour migration systems – such as the majority of those implemented in EU Member States – require prospective migrants to be job-ready before departure. This hinders the possibility of direct international matching between the prospective employer and the prospective migrants in the highly regulated segments of the labour markets.

Uncertainty about the value of foreign qualifications, and on the administrative requirements and the length of time needed for a migrant holding a foreign diploma to have them recognized in the country of destination, may hamper the efficient employment matching between employers and migrants both in the case of foreign recruitment and in that of recruitment of resident migrants. Information asymmetries related to foreign qualifications involve a clear disadvantage for both prospective and resident migrants with foreign diplomas compared with natives (and with immigrants having studied in their host country) in the recruitment process. Moreover, complex and time-consuming procedures for the recognition of foreign qualifications may discourage migrants from applying for recognition.

In order to facilitate job-skills matching through migration, the EU Member States would benefit from implementing streamlined, transparent and time-efficient systems for the recognition and accreditation of foreign qualifications and competences. In an effort to reduce informational asymmetries between migrants holding foreign qualifications and other groups of workers and job-seekers as much as possible, those systems should allow for initiating the recognition procedure at the pre-departure stage. A good practice in this respect can be drawn from Germany, where the new Federal Law on Recognition of Foreign Qualifications came into force in April 2012 and provides for the possibility for prospective labour migrants to have their foreign qualifications assessed before their arrival in the country.

When looking for job opportunities abroad in highly specialized occupations requiring formal recognition of foreign qualifications and accreditation before starting work, skilled migration candidates tend to largely rely on the services of private intermediation agencies. This pattern is observed, for example, in the health sector, both for doctors and nurses. However, recruiting abroad through private intermediation agencies that take care of the qualification recognition and accreditation procedures may involve high costs, which in shortage professions are generally borne by the employer. These costs partly account for the limited recourse of foreign recruitment in regulated professions. Publicly-funded pre-departure immigrant support programmes that incorporate an accreditation component represent a useful tool for facilitating international employment matching in specialized and technical occupations.
3. Fostering labour market integration of all migrants residing in the EU

Whether labour market needs are met through migration is ultimately determined by integration outcomes of migrants, both newcomers and those already residing in the country of destination. Insisting on certain migrant characteristics in return for admission, or indeed facilitating admission rules will not be sufficient to ensure successful integration upon entry. The receiving country needs to support successful inclusion by creating conducive labour market and societal conditions, including upholding human and labour rights of migrant workers, combating discrimination, promoting tolerance and valuing diversity, as well as providing access to integration support, in particular language courses, and education and training measures to migrants of all skill levels.

3.1. Prevent marginalization to promote the labour market integration of the less skilled

The current national immigration models seem to be built around the strict distinction between attracting highly skilled workers for eventual permanent settlement, and treating less-skilled immigration as a purely temporary phenomenon. Indeed, higher-educated migrants are likely to have better integration outcomes, including alleviation of intergenerational transfers of disadvantage. However, not all less-skilled jobs are temporary, as attested by continuous demand throughout the recession, and less-skilled labour immigrants are shown at times to have better labour market integration outcomes than family or humanitarian migrants. The main question facing the EU countries is how to meet demand in less-skilled occupations by various means including immigration, and at the same time ensure socioeconomic integration and wider societal cohesion.

LINET country reports reveal a wealth of approaches in the EU countries with regard to fostering labour market integration of migrants, including those with low- and semi-skilled qualifications. In Germany, the Chambers of Commerce and the Chambers of Trade advise both potential apprentices with immigrant background and employers on vocational training, and certify providers of vocational training and apprenticeships. Vocational training is more important and valuable to the second generation than it is to the natives because descendants of migrants often complete the low or intermediate educational trajectory.

Sweden has adopted a general employer-led approach to labour immigration, which allows admission of migrant workers to any occupation provided that the national labour market requirements are upheld. In March 2010, Sweden launched a new reform to increase incentives to work and to promote various measures to raise migrant employability. Every newly arrived person obtains a labour market integration plan, which includes Swedish language courses, a societal orientation programme and measures for labour market insertion. If a migrant has vocational experience from abroad but no documentary proof, different validation models
developed within each sector are used to recognize the person’s knowledge and experience.

Trade unions in countries such as Romania and Spain have been found to mobilize for the protection of less-skilled migrants in vulnerable situations. In Romania, trade unions developed actions, such as the System of Sectoral Self-Regulation in Construction (SASEC), which has a bargaining committee for migrant workers and concluded partnerships and bilateral agreements with countries of origin (with Chinese trade unions in 2009). In Spain, trade unions have played an important role in promoting labour market integration, mainly through information and labour rights protection. Through a national network of contact points, the principal Spanish trade unions (CCOO and UGT) have established different programmes and mechanisms to facilitate the participation of migrant workers in the labour market, to inform them about their labour rights and to defend them if any of these rights are violated.

3.2. Increase the availability of pre-departure and post-arrival integration support to immigrants and improve its relevance to labour market inclusion

Publicly-funded pre-departure training and accreditation programmes implemented in migrants’ countries of origin can not only facilitate international employment matching, but also early labour market entry for non-economic categories of migrants and support the overall societal integration of newcomers. Some of the countries studied by LINET – notably Canada and Italy – have already implemented pre-departure information, training and matching initiatives in the main countries of origin of labour migrants. These programmes are generally run in partnership with NGOs operating in migrants’ countries of origin, and their preliminary evaluations are encouraging.

Many countries also run various post-arrival introduction programmes for various categories of immigrants that combine elements of language and vocational training and civic education, and assistance in the recognition of qualifications, validation of competences and general labour market orientation. Some are criticized for having limited relevance to the labour market integration needs of migrants and the requirements of their prospective employers, which in many cases has led to the gradual change in their content or modalities of service provision. In Portugal, technical Portuguese language modules by sector were introduced for areas of commerce, hospitality and catering, beauty care, construction and civil engineering.

To fully reveal their potential for international job-skills matching and labour market integration, pre-departure and post-arrival support programmes should be designed and implemented with the involvement of the employers in the migrants’ countries of destination. Another key aspect is the coordination in the content and delivery of the pre-departure and post-arrival integration support measures.
3.2. Advance the harmonization and coordination of the various methods for the recognition of foreign qualifications and increase their contribution to the effective labour market integration of immigrants

The implementation of efficient measures for the recognition of foreign credentials facilitate labour market insertion in the destination counties at an occupational level commensurate to migrants’ skills. Different methods for the recognition of foreign qualifications and competences may apply in a single country, according to the type of qualifications and competences that need to be assessed (for example academic or vocational, formal or non-formal/informal), or according to the purpose of recognition (that is, further education or employment). Some approaches are based on the length of education/training, others on learning outcomes. While it would not be possible nor suitable to establish a single recognition path to apply to all types of credentials and competences, or serving the different purposes of recognition, a harmonization of the various methods should be promoted, in order to fully capture and recognize the skill set of the immigrant.

The recognition system of the United Kingdom demonstrates good practice in this regard as it provides for the assessment of a wide range of achievements through a blurred distinction between formal, informal and non-formal learning. The system allows individuals to accumulate credit and transfer towards or between different types of qualifications, no matter what the approach of learning has been in the acquiring of credits.

A fragmentation of the responsibility for assessing and recognizing qualifications and competences is observed, to a greater or lesser extent, in most EU and settlement countries. This might be related to the administrative structure of the state and/or to the existence of multiple paths for recognition. The fragmentation of the system for the recognition of qualifications and competences generally translates into a high degree of complexity of the recognition process, which might discourage immigrants from seeking to have their qualifications recognized in their receiving countries.

Actions that could be taken to reduce the complexity of the recognition process include the creation of a one-stop shop for recognition, and coordination among all the different authorities involved in the recognition process. Here the Danish system provides an example of good practice, with a single agency (the Danish Agency for University and Internationalization, DAUI) responsible for the assessment of foreign credentials both for purposes of continued education and employment.

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17 Existing national processes for assessing, validating and recognizing formal, non-formal and informal learning of migrants were examined in detail in the LINET study Recognition of Qualifications and Competences of Migrants (IOM, 2013b). National practices were reviewed against the complex requirements of modern labour markets and differing needs of various skill groups of migrants with the aim of exploring possible policy approaches to counteract brain waste of different groups of migrants resident in the EU Member States.
In order to reduce the relative disadvantages that migrants with foreign qualifications face in entering the labour markets of their receiving countries, as well as the mismatches between their competences and the skills requirements for the jobs in which they eventually end up working, foreign credentials should be assessed as early as possible. The positive outcomes in terms of labour market integration of pre-migration credential screening in Australia support this recommendation. Early recognition of foreign qualifications should be encouraged, such as those embedding the assessment of foreign credentials and competences in introduction programmes (France, Netherlands, Sweden).

Furthermore, in most of the countries studied, employers are scarcely involved or not involved at all in the design of foreign credentials assessment methods and in their implementation. This is particularly the case for non-regulated professions. Involvement of the employers in the recognition process should be increased to ensure that assessment procedures are tailored to the real labour market needs. A good practice in this respect comes from the Netherlands, where the Training and Development Funds set up by the social partners (industrial branches, trade unions, and employers’ organizations) participate in the design of assessment methods.

Some of the LINET country studies on recognition have also pointed out shortcomings in migrants’ access to information on existing recognition pathways, due to a lack of transparency on the functioning of the system. In addition, difficulties may arise from language barriers resulting from the limited availability of multilingual information. On the other hand, various studies have also highlighted a lack of awareness amongst employers of the functioning and outcomes of the recognition procedures. Both aspects need to be tackled in order to improve the relevance of recognition procedures for the labour market integration of immigrants.

Examples of good practices include information campaigns, the creation of multilingual websites providing detailed information on recognition procedures for prospective immigrants, and of databases, compiling the results of recognition procedures which employers should be encouraged to use. The new measures recently introduced in Germany may serve as a model in this regard.

However, the recognition of qualifications and competences alone might not be sufficient to improve immigrants’ labour market outcomes. Underemployment and overqualification might, in effect, result from a mix of different characteristics and factors, whose relative importance varies according to the individual situation. Thus, discrimination might persist even after a full recognition of foreign qualifications and competences. For certain categories of migrants – namely the medium-skilled or those in medical professions – the lack of adequate knowledge of the host-country language, to the level required to perform the specific professional activity, may be an obstacle to adequate labour market insertion in their destination countries, hampering the effects of recognition. In order to fully capture the potential of third-country nationals to contribute to their host countries’ economic growth, a holistic approach to the utilization of immigrants’ skills would thus be needed, embedding measures for recognition in the context of broader integration measures, while
weighting the importance of each measure according to the category of migrant targeted.

3.3. Combat discrimination and tackle diversity-related challenges in recruitment and in the workplace

Discrimination and lack of intercultural knowledge by employers translate into a relative disadvantage for migrants compared with natives in the recruitment process. Even when explicit discrimination against migrants is not an issue, implicit stereotypes and intercultural barriers may bias the recruitment process and contribute to less positive hiring outcomes for migrants as compared to natives with the same levels of qualifications and competences and, thus, to underutilization of migrants’ skills. This risk is, again, higher when the employer is a small or medium-sized enterprise. Due to their resource restrictions and to limited experience of recruitment from abroad, SMEs in particular seem to lack the capacity – both in terms of dedicated counselling and training – to deal with cultural diversity issues in the recruitment process.

Evidence of discrimination in employment is supported by numerous LINET country reports (IOM, 2012a; IOM, 2013a). Despite some developments in terms of legal assistance and protection of migrants’ rights, discrimination remains a fundamental barrier to labour market access and to a successful economic integration. In some countries cases of discrimination in the labour market have been reported to be more widespread during the economic downturn (for example in France, Ireland, Luxembourg, Sweden) (IOM, 2013a).

One of the typical examples of discrimination in the labour market concerns foreign-named applications that were treated unfavourably during the selection process (Finland, Germany). A general finding across the European countries studied is that applicants with non-European-sounding names (and particularly with Arab/Muslim names) have lower callback rates for job interviews than all the other groups, at corresponding levels of qualifications and experience. To promote equal opportunities for minority groups of applicants at this initial stage of the recruitment process, anonymous job applications can be implemented without excessive costs.

At a more advanced stage of the recruitment process – notably during the job-interview – a certain behaviour or way of dressing may be perceived as non-professional, or as not entirely conforming to the standard practices in the country. In addition, cultural attitudes or preferences of the migration candidate may be perceived as a potential risk for the good interrelation with potential future colleagues and the cohesion of the working team. Although all those aspects can be deemed irrelevant in terms of the job performance, in practice they seem to play a role in the selection process involving candidates with migrant background.

In this context, counselling and support measures would be needed – especially for SMEs – to provide managers and human resources personnel with the capacity to correctly deal with cultural diversity-related issues in the hiring process, thus avoiding
biased recruitment outcomes and contributing to improving firms’ productivity as well as the labour market integration of immigrants. Since discrimination and cultural diversity-related issues may also have a negative impact on the earning outcomes and job mobility of employees with a migrant background, anti-discrimination counselling and support should be provided not only for the recruitment process but through all the human resources management cycle.

3.4. Ensure that labour market activation and support measures adequately tackle the needs of migrants

Equal access of (some categories of) migrants to the national labour market support mechanisms and activation measures is a positive feature of a number of national labour market frameworks in the EU. However, as migrants across the EU represent a vulnerable group in terms of labour market outcomes irrespective of skill level, labour market support measures aimed at specific migrant groups could still be relevant, including those for recent arrivals, female and young migrants.

Some countries, such as Austria and Belgium, have combined the general and targeted approaches by identifying vulnerable groups in the labour market based on a set of criteria, which in turn have priority in access to the labour market activation and support measures. Migrants tend to be included in these priority lists.

In terms of types of support measures, initiatives that offer an opportunity to get actual work experience seem to help subsequent employment, such as wage subsidies and/or apprenticeship positions and on-the-job trainings. While subsidized employment programmes might be useful to reduce employers’ reluctance to hire migrant workers in labour markets with comparatively high levels of employment protection, the cost-effectiveness of such programmes in terms of optimal employment matching is less clear-cut.

Higher risks perceived by the employers in recruiting migrants as compared to natives are also partly attributable to the fact that the former generally have less access to personal networks to connect with the employer compared with natives. Although not always granting the more efficient employment matching in terms of productivity outcomes, hiring through personal referrals is often perceived as reassuring by employers. To reduce the relative disadvantage represented for resident migrants by a lack of or limited access to networks in the labour market of their country of destination, mentoring programmes have been implemented, with success, in many EU Member States and non-EU settlement countries.
Labour migration by non-EU nationals to the European Union is currently taking place within a climate of economic recession which is characterized by high unemployment in parallel with a continued structural need for workers and specific skills in various sectors and occupations, ranging from the less skilled to the highly skilled. Against this background, strong arguments can be made in favour of better linking migration policies with labour market needs. The design of admission policies should involve flexible tools for the selection of migration candidates in response to rapidly changing economic needs, as well as measures to facilitate the labour market integration of migrants admitted under all immigration categories. Those countries that offer admission policies and rules on stay and employment that are clear, fair and transparently applied, support the migrants’ investment decision to move and become more attractive to migrants who have the skills that are sought after. This process can be further advanced through simple and time-efficient procedures for the recognition of foreign qualifications – including at the pre-departure stage – and elaborating policy responses to information-related obstacles that hamper job-skills matching for migrants. The extent to which the benefits of the migration process can be reaped, however, is strongly determined by the process of labour market and wider societal integration – this applies to all non-EU nationals, whether newcomers or already resident in the country of destination for a long period. Where certain immigration provisions, policy discourse and overall systemic conditions in the national economies and labour markets exacerbate situations of marginalization and discrimination in recruitment and employment, the contribution of migration towards economic recovery and growth is jeopardized at the cost of migrants, governments, employers and societies as a whole.
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LINET PUBLICATIONS OVERVIEW

2009-2010
Migration and Economic Crisis: Implications for Policies in the European Union
Migration, Employment and Outcomes of Labour Market Integration Policies since 2000:
  • Volume 1: Analysis of data
  • Volume 2: Labour market integration policies

2010-2011
Identification of Labour Shortages in the Context of Migration and Employment Policies
Labour Market Inclusion of Less-Skilled Migrants

2012-2013
Migration, Employment and Labour Market Integration Policies in the European Union (2011)
Recognition of Qualifications and Competences of Migrants
Improving Access to Labour Market Information for Migrants and Employers
Summary Brief on LINET key findings for 2009-2013

www.labourmigration.eu
In order to inform migration policymaking, both at European and national levels, the IOM Independent Network of Labour Migration and Integration Experts (LINET) has carried out nine studies in the EU Member States and beyond.


This summary provides a concise overview of the content of all studies that have been carried out by IOM LINET, with a focus on action-oriented findings which are relevant for public policy.

The full text of this and other LINET publications are available for free download online at: http://labourmigration.eu

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