



# EMN – DG JRC – DG HOME ROUNDTABLE

## EU labour migration policy: time to move from a skill-based to a sector-based framework?

5 November 2020

13.30-17.30

### Concept note & short agenda

#### CONCEPT NOTE

##### **Policy context**

On 23 September 2020, the European Commission published the [New Pact on Migration and Asylum](#). This recognises that well-managed “migration can contribute to growth, innovation and social dynamism” and in particular to filling existing and future labour and skills shortages. At the same time, it acknowledges that “the EU is currently losing the global race for talent” and calls for an improved framework to attract the talents needed. In doing so, the New Pact resonates with the July 2020 updated [Skills Agenda for Europe](#) that called for a “more strategic approach to legal migration, oriented towards better attracting and keeping the talent”.

The New Pact opens a new chapter for EU labour migration, first with a debate with relevant stakeholders on the next steps on legal migration (notably with a [public consultation](#)), and subsequently with new proposals (i.e. Skills and Talent Package), to complement those already on the table (i.e. the EU Blue Card Directive). Moreover, the New Pact stresses the involvement of key partners and their participation in legal migration and announced the launch of Talent Partnerships, first with the EU Neighbourhood, the Western Balkans and Africa.

The updated Skills Agenda provides new tools to support migrants to “showcase their skills and qualifications and facilitate their recognition through better information” (i.e. the New Europass), and to improve labour market intelligence, mapping skill needs for sectors and occupation (the Blueprint for Sectoral Cooperation on Skills).

In this context, this roundtable aims at contributing to the debate on the next steps on labour migration, by bringing together relevant stakeholders to discuss how labour migration policy can better serve labour market and sectoral needs.

##### **Background**

Since the mid-2000s, the EU labour immigration policy has been developed through a number of measures covering the conditions of entry and residence of specific categories of third country nationals, such

as highly qualified workers, seasonal workers, researchers and intra-corporate transferees. The only measure covering all migrant workers (the Single Permit Directive) provides a set of rights and a single application procedure, while not dealing with admission conditions.

**EU labour migration admission policy has mainly been focused on skills, with a strong preference for high skills.** Why so? Firstly, migration can contribute to addressing *shortages* in the labour market. These arise due to specific skill gaps or mismatches in some sectors of the labour market, as well as to a shrinking labour force as a consequence of the demographic trend in many EU countries. Existing labour shortages affect low and high skilled occupations. Automation and digitalisation can partially respond to these shortages, alleviating the pressure specifically for occupations characterised by a routine tasks, which are less likely to occur in high skilled occupations ([JRC, 2018](#)).

Secondly, migration can contribute to bringing in the talents needed to boost the competitiveness of the EU economy. A truly knowledge-based economy needs highly skilled workers. These mobile individuals move across a global labour market and are sought after by many countries, competing with each other for a limited pool of workers (the so-called '*competition for talent*'). To be attractive, the EU needs to offer targeted packages for highly skilled workers.

But how are these 'high skilled' individuals defined? **There is no standard definition of high skills in the scientific literature** ([Weinar and Klekowski von Koppenfels 2020](#); [Anderson, Poeschel and Ruhs 2020](#); [Boucher 2020](#)). The EU Blue Card Directive - the main EU instrument for attracting this category of people - defines high skills on the basis of education (higher education qualification) and salary (salary above a certain threshold). Member States may choose to use the experience criterion (at least five years of professional experience) as an alternative to education, although in practice this is poorly used.

As opposed to the focus on high skills, **the discussion on medium- and low-skilled immigration has been less frequent.** This has been mostly framed in terms of certified necessity, often linked to specific short-term labour shortages, and seen as preferably temporary or circular (seasonal). Low and medium skilled workers are covered by EU labour admission instruments in a limited number of cases, specifically as seasonal workers.

**The COVID-19 pandemic has put third country migrant workers as key/critical workers in the spotlight, contributing to the functioning of the so-called essential/critical/key services or sectors** ([JRC report 2020 Immigrant Key Workers: Their Contribution to Europe's COVID-19 Response](#)). The profiles of these key workers cut across different skill levels, including, for instance: teachers, health care workers, ICT professionals, as well as personal care workers, cleaners and helpers, and workers in the food processing industry, logistics, and agriculture.

**Research has highlighted the quantitative contribution of migrants for the functioning of critical sectors.** Foreign-born workers (EU and non-EU) represent on average 13% of all key workers in the EU. Moreover, in key occupations, the share of third country nationals tend to be higher than the share of nationals. Similarly, for workers from third countries, workers in key occupations tend to be overrepresented compared to workers in non-key occupations ([JRC report 2020 'Immigrant Key Workers: Their Contribution to Europe's COVID-19 Response'](#)). Other studies show the importance of migrants in specific sectors (OECD IMO, *forthcoming*), like agriculture ([JRC report 2019 'Migration in Rural Areas'](#) and [JRC report 2020 'Meeting labour demand in agriculture in times of COVID 19 pandemic'](#)) and the health and long-term care sector ([JRC report 2020 'Health care and long-term care workforce', forthcoming](#)).

While the non-essential sectors of the economy were slowing down (e.g. closed or working at reduced capacity or from home), including migration services in the administration, several EU countries were taking measures to make sure that migrants working in these key sectors could continue to do so ([EMN-OECD 'Inform on maintaining key migration flows', forthcoming](#)).

At the same time, it has also become clear that **jobs considered low skilled cannot be immediately taken up by the existing labour force, due to a specific formal or informal expertise required and/or to the unwillingness of natives to take them up.** The sudden stop of migration and mobility

due to border restriction (and perhaps people's unwillingness to move) has created shortages in some sectors which were difficult to fill with workers already in the labour market, thus hampering the functioning of the sector. This is the case for instance in agriculture and personal and long-term care sectors. This is why, while calling for local unemployed to fill newly generated vacancies, some Member States have taken measures to ensure migration flows of key workers ([EMN-OECD Inform on maintaining key migration flows, forthcoming](#)).

The COVID-19 pandemic has thus highlighted the important contribution of migrant workers to the functioning of vital sectors of our economy; however, it has also generated an **economic shock that will inevitably impact labour migration**. According to the European Economic Forecast, the EU GDP is expected to contract by 8.3% in 2020 ([European Economic Forecast, Summer 2020 Interim](#)) and the unemployment rate to rise from 6.7% in 2019 to 9% in 2020 ([European Economic Forecast, Spring 2020](#)). Labour market demands are changing, and the demand for migrant workers may decrease in some sectors particularly affected by the economic crisis. At the same time, the general public may grow more hostile to migration in light of rising local unemployment.

Against this backdrop, **it seems timely to address the question on what lessons can be drawn for labour migration policy, from past experience and from COVID-19 and in the light of the [New Pact of Migration and Asylum](#), and on the [updated Skills Agenda](#)**. In particular, is the **concept of skills** as a cornerstone of the EU labour migration management architecture fully fit-for-purpose? Is the distinction between high and low skills relevant and justified? Are sectoral needs cutting across different skill levels sufficiently met? Could the EU labour immigration policy benefit from a more **sector-centred rather than skill-centred approach**?

On the one hand, a **more sectoral approach could have its own merits. A sectoral approach could allow tackling migration in a more holistic manner**, placing it in a broader context of economic and societal needs. Migration could thus complement broader sectoral considerations on workforce planning, recruitment strategies, working conditions, and labour law enforcement for specific sectors. Potentially, this could make labour migration a less contentious issue, reducing concerns about potential competition in the labour market.

An **approach sensitive to sectoral considerations could inform the on-going pilot projects on labour migration**, which have been supported by the European Commission for a few years. Here, sectoral labour market and skill analyses in countries of origin and destination can support the development of training opportunities and legal pathways. Moreover, it could build on other existing initiatives, like the **feasibility assessment of an EU Talent Pool** carried out by the OECD. In their attempt to take inspiration from existing "expression of interest systems" and test the feasibility of a potential EU Talent Pool ([OECD, 2019](#)), the OECD had drawn some potential scenarios based on sectors both regulated (health) and unregulated (ICT) sectors.

On the other hand, **a more sectoral approach could face some implementation difficulties**. Forecasting labour market needs is a challenging exercise. It implies accounting for a series of interrelated drivers determining both the demand for labour in a certain sector and the potential supply of workers that could satisfy it (see Figure 1 for an example in the health care sector). The first major challenge, therefore, would be to have a comprehensive strategy covering various policy domains (e.g. education systems, industrial policy) aimed at addressing labour market needs. The second major challenge would be to efficiently incorporate and coordinate the migration management aspect. Moreover, sectoral needs may change and attracting migrant workers based on sectoral considerations only may be detrimental for their long-term employability.

Figure 1 Example of the role of migration in workforce planning



Source: KCMD elaboration of the relevant literature.

Moreover, EU labour markets are very diverse and approaches to sectoral needs at national level substantially differ. Many shortage sectors are also regulated sectors and migrants willing to work there must meet specific requirements, e.g. recognition of qualifications and/or membership of a professional body. This may be a challenge for effective sectoral labour migration pathways at EU level.

### **Potential questions to be discussed**

This roundtable aims at: i) discussing the extent to which the current EU labour migration policy responds to the labour market in terms of current and future skill and sectoral needs, and ii) investigating how labour migration policy can be made more responsive to sectoral considerations.

It will draw on past experiences with a specific focus on the needs which emerged during the COVID-19 pandemic, and practices at the Member States' level. Three sectors will receive particular attention: agriculture, health and long-term care, and ICT.

*Potential questions include:*

- To what extent MS' labour migration policy is geared towards sectoral considerations? To what extent shortage lists are used (which sectors and skill levels)? How do they work? Do MS identify shortages? And do these inform migration policies?
- What would be the differences and commonalities between a labour migration management system based on sectors, and one based on professions and skills?
- Which sectoral actors are currently involved in the formulation of labour migration policy and which actors should be involved? What are the opportunities and difficulties?
- What can the EU do to improve the way labour migration can provide, among others, labour supply in key sectors and respond to labour market needs? Which instruments are available to do that?

*Additional questions:*

- What has been the impact of COVID-19 on the labour market in EU Member States and on labour shortages? What are the expectations regarding these shortages in the future (considering expected

unemployment levels)? How this can be taken into account in the formulation of labour migration policy?

- How do education systems adapt in response to sectoral labour shortages and how can education/training and life-long learning and migration policies coordinate the response together?
- What is the perspective of origin countries? How can they contribute to and benefit from a more sectoral approach to labour migration?
- What are the potential benefits of a sectoral approach for migrants themselves?

Besides a general discussion, the roundtable focuses on specific sectors, notably: health and long-term care, agriculture, communication and information technology. These are the sectors where labour shortages have been identified and represent a mix of regulated and non-regulated sectors, with high and low skills professions.

### **Target audience**

Participants will represent:

- European Commission DGs
- EU agencies: Cedefop, ETF
- International organisations, e.g. OECD, ILO, ICMPD, IMO
- Research institutes and think tanks, e.g. ODI, MPI, CEPS
- Representatives of sectors at national and EU level and other sectoral stakeholders
- European Migration Network (EMN) National Contact Points
- National authorities (sharing some national experience)
- Academia

The event will be technical. The final beneficiaries will be EU policy makers, although all participants are expected to benefit from the discussion

### **Meeting format**

- The roundtable will be held online
- Participants will be invited to attend and will be allowed to share the invitation in a “trusted circle”
- The event will alternate panel discussions and Q&A, with breakout sessions
- The meeting will be held under Chatham House rule to stimulate an open and frank discussion
- National and sectoral specific examples will be presented

### **Date and location**

Thursday 5 November 13.30 – 17.30; online.

## SHORT AGENDA

<b>13.30 – 13.35</b>	<b>Welcome remarks</b>
<b>13.35 – 13.55</b>	<b>A new policy context at the EU level</b>
<b>13.55 – 15.10</b>	<b>Labour migration policy and labour market needs: a happy marriage?</b> <ul style="list-style-type: none"><li>• Panel</li><li>• Roundtable discussion</li></ul>
<b>15.10 – 16.00</b>	<b>Parallel sessions</b> 3 Panels + Q&A sessions <ul style="list-style-type: none"><li>○ <b><i>Labour migration policies and the agriculture sector</i></b></li><li>○ <b><i>Labour migration policies and the health and long-term care sector</i></b></li><li>○ <b><i>Labour migration policies and the ICT sector</i></b></li></ul>
<b>16.00 – 16.10</b>	<i>Break</i>
<b>16.10 – 16.30</b>	<b>Feedback from the parallel sessions</b>
<b>16.30 – 17.25</b>	<b><i>How can labour migration policy better serve labour market and sectoral needs?</i></b> <ul style="list-style-type: none"><li>• Panel</li><li>• Roundtable discussion</li></ul>
<b>17.25 – 17.30</b>	<b>Closing remarks</b>