



EU economic migration policies: responding to labour market and skills needs

7 November 2022 | 15:00 - 18:15 | EESC and online



Seminar Summary

The event was co-organised by BusinessEurope and the EESC Employers' Group on 7 November 2022. The speakers and participants included Ylva Johansson, Commissioner for home affairs, and representatives of the European Commission, Cedefop, EU and national level employers, national authorities as well as EESC members. The event was one of many employers' initiatives aimed at facilitating further cooperation among employers and other stakeholders in the framework of the theme #Employers4Reforms.

Employers see a growing role for the economic migration of third country nationals to the EU as part of the EU's overall policy mix for providing the skilled workforce that European companies need to be competitive, productive and innovative. The role of economic migration is set against the backdrop of demographic change, a declining working age population; stagnating intra-EU mobility; high inactivity rates as well as skills mismatches and labour shortages across a wide range of sectors. As stated by the Commission, it is key for the EU to be an attractive destination for labour migration, particularly in shortage occupations in the global race for talent.

Employers believe that there is a need for an EU economic migration framework that facilitates the entry of migrants at different skills levels from outside the EU as well as their mobility within EU. Therefore, the EU's migration policy needs to be situated within the wider context of Europe's macro-economic circumstances, focusing on where labour and skills shortages are greatest, as well as taking into account national labour market diversity so as to ensure the development of well-coordinated, demand-driven migration policies. This calls for increased cooperation and coordination between Member States and stakeholders, including employers. A key element of fostering a more demand-driven approach is enhancing labour market intelligence, providing credible data on skills needs and job vacancies. Such information would enable EU migration policy to better contribute towards the matching of third country nationals with job vacancies.

The seminar explored employers' skills needs and how the EU's economic migration policy can help to promote a more demand-led approach to migration. It considered the different tools, policy approaches and initiatives at the EU, national and sectoral level that shape the role that migration plays in helping to address employers' skills needs.

High Level Panel discussion on how to develop the EU's migration policy so that it is more demand-led and responsive to employers' needs

Main points raised:

- Currently, there are a number of inter-linked challenges affecting the functioning of labour markets across Europe. These include labour and skills shortages; demographic change; high rates of inactivity; and relatively low levels of intra-EU mobility.
- EU companies need a workforce with the right skills in order to be competitive, productive and innovative, and to be able to contribute to growth and the wellbeing of European citizens. Already in 2019, 77% of companies struggled to find employees with the required skills. In particular, the availability of skilled staff and experienced managers is the most important problem for a quarter of EU's small and medium-sized enterprises, representing 99% of all EU businesses.
- Economic migration is part of the solution, particularly in the context of growing needs due to the green and digital transition. Third country migrant workers help to alleviate shortages in the most frequently reported shortage occupations (software professions, healthcare professions, and engineering craft workers), as well as across all skills levels.
- Economic migration should be seen as a complementary approach to the up and re-skilling of workers in the EU and efforts to foster labour market participation, especially of the unemployed and inactive, including those third country nationals already legally resident in an EU Member State.
- The Talent Pool and Talent Partnerships should be shaped in a way that simultaneously helps to address employers' needs while facilitating the access of third country nationals to labour markets.

- Employers look forward to the launch of the full version of the EU Talent Pool and to contributing to its development and governance. It should be designed in a way that helps to address their labour and skills needs in an efficient, effective and agile way. The governance and the operational aspects are crucial for its success. A targeted approach to matching on the basis of shortage occupation lists that are updated regularly by Member States would be a good starting point.
- It is also important to think through issues related to the recognition of qualifications in order to have a well-functioning Talent Pool.
- A key priority for employers is to speed up Member States' processes of updating curricula and qualifications to align them with the changing labour market needs. This should be done in the spirit of a coordinated reform approach.
- It is also important to continue to utilise the European Qualifications Framework as a means to facilitate a better understanding of third country qualifications and how they relate to qualifications issued by EU Member States.
- The new Labour Migration Platform could be a useful forum for exchange among migration and employment policy experts, including economic and social partners, to assess how to make progress towards a shared understanding of how a future EU Talent Pool could address the evolving and changing key shortage occupations across Europe.
- There is untapped potential in economic migration and the 2023 Year of Skills should contribute to finding an efficient approach and tools to tackling labour and skills shortages, including the role that migration can play.

Panel: EU economic migration policy: Supporting a more demand-led approach

Main points raised:

- The legal framework for migration is important to support demand-led economic migration. To ensure that Member States have the right legal framework to simplify procedures for economic migration that also ensures migrant workers' rights, the revision of the Single Permit Directive and the Long-Term Residents Directive can play an important role.
- There are certain operational aspects of the EU Talent Pool that need to be discussed, such as the automaticity of the tool, the criteria for admission, the targeting of specific skills or sectors on the basis of shortage occupation lists as well as whether the labour market tests be embedded in the EU Talent Pool or better approached separately. The Talent Pool should cover all skills levels in close connection with evolving labour and skills shortages in the Member States. The EU Talent Pool has to be a matching tool, not just a collection of CVs.
- Attention must also be paid to the need to reconcile the Talent Pool with the Public Employment Services and other existing tools (Europass, the EU Skills Profile Tool for Third Country Nationals, European Qualification Framework) and the recognition of qualifications.
- Most economic migration schemes are demand driven thus requiring a job offer first before admission, with some exceptions (entrepreneurship visa). Therefore, the efficiency and reliability of national immigration policy tools is important. An important question is whether the national eligibility criteria, shortage occupation lists and labour market tests are formulated and used in a manner that helps to respond to labour and skills shortages.
- National examples showed that an intermediary role played by public authorities in labour market test can make the process more complex. Member States should review and, where necessary, adapt their approach to labour market tests to take into account the needs of employers and migrants so that procedures are not too heavy and bureaucratic.
- The usability and accessibility of skills databases and other tools must be ensured while avoiding administrative burden.
- The example of the hospitality sector demonstrated how companies have had to look into their business models owing to staff shortages worsened by the Covid-crisis. It is estimated that there is 10-20% staff shortage across different skills levels and tasks. While the availability of different forms of work (part-time, fixed-term, temporary work) is important, economic migration is also needed to address skills and labour shortages.
- Real time skills intelligence can be very effective to sustain a demand-led approach to economic migration. Cedefop works to gather skills intelligence for instance through the European skills index, EU skills forecast, online job ads analysis as well as VET and skills surveys. The main challenge for skills intelligence is to make the collected data usable for policy making. Employers and social partners must have a leading role informing the design of data collection / skills intelligence tools
- Facilitating admission to the EU of start-up founders and boosting migrant entrepreneurship is important, not only in high-tech sectors.
- Discussions on economic migration have tended to be siloed but they need be linked to discussions on education and training.

The discussions showed that cooperation and coordination between the EU, Member States and stakeholders, especially employers, is needed to ensure that the EU's economic migration policy can help to promote a more demand-led approach to migration. The EU Talent Pool can play an important role in helping to match third country migrants with the available job vacancies. The new EU Migration Platform on improving the governance of labour migration, outlined in the Skills and Talent Package, should improve cooperation and coordination between all relevant stakeholders. Given the importance of having well-functioning national migration policy frameworks, the Commission should identify opportunities for mutual learning and peer review on issues such as ensuring regularly updated shortage occupation lists and well-functioning labour market tests.