



In the framework of a joint project on labour migration governance in Europe called LAB-MIG-GOV<sup>\*</sup>, the EPC, in cooperation with FIERI, is committed to setting up a task force with EPC members and relevant stakeholders in order to exchange views on the way the EU should design - or not - a labour migration policy.

# BACKGROUND NOTE WORKSHOP 1

# **"DEFINING THE NEEDS"**

# DOES THE EU NEED LABOUR MIGRATION?

# Objective

This first workshop aims at looking at the question of whether an EU Labour Migration policy is relevant or not. In other words, do EU labour markets need extra workers coming from outside the EU? And, is it necessary to adopt EU rules in this traditionally Member State domain?

#### **Morning Session**

The morning session will address the issue whether EU Member States need workers coming from outside the EU. The economic crisis and its ongoing implications, particularly rising unemployment levels, has made this question very politically sensitive. As such, it is necessary to discuss the arguments "for" more labour migration to Europe as well as those "against" further inflows of labour migrants.

# Arguments "against" more labour migrants to Europe

In times of crisis and high unemployment, it is commonly assumed that Member States do not need labour migration. This approach is based on a calculation that unemployed persons can fill job vacancies as and when they arise, be they nationals or foreigners already residing in the country. In

<sup>&</sup>lt;sup>\*</sup> The full title of the project, which has been launched at the beginning of 2011, is "Which labour migration governance for a more dynamic and inclusive Europe?" LAB-MIG-GOV is coordinated by the Turin-based research institute FIERI (<u>www.fieri.it</u>) and it benefits from the support of the "Europe and Global Challenges" Programme promoted by Compagnia di San Paolo, Riksbankens Jubileumsfond and VolkswagenStiftung.

this view, extra manpower coming from outside the EU is not considered as part of a solution to fill skills and labour shortages. Is this approach a viable option? Instead of more labour migrants, should policy be focussed on increasing the labour market participation of inactive groups such as women, older people and resident migrants?

Another commonly advanced idea is based on a belief that the arrival of more migrants coming from outside the Union will have implications for job creation. Put in a different way, it is assumed that the arrival of newcomers implies the capacity for them to take up jobs in the EU Member States. In this view, and having the crisis as a background, it calls for the States and private actors to prove the capacity to create new jobs for this additional workforce.

Furthermore, the arrival of more migrants to Europe gives rise to concerns about their integration into host societies. Current debates relating to the failure of integration schemes at national level demonstrate that the integration of third country nationals is a sensitive issue. Increasing questions on how to integrate migrant workers are debated at EU and national level. Different answers are put forward and the idea to condition the right to stay of migrant workers and their family members with their ability to successfully meet integration obligations is gaining support in several countries. In this regard, concerns regarding the ability of migrant's workers to successfully integrate into EU society may also have an impact on the labour migration policy.

# Arguments "for" more labour migrants to Europe

On the other hand, several arguments are put forward in order to justify the need for extra migration.

First, demographic challenges: the number of economically active people in Europe's labour force will begin to shrink from 2015. Today there are 36 senior citizens (65+) for every 100 Europeans in the labour force. If labour force participation rates remain constant, this ratio will increase to 72 senior citizens per 100 workers by 2050. As a consequence, policy-makers need to think about solutions to sustain pensions, welfare benefits and other public services. In this context, immigration should be considered as an opportunity rather than a burden. In other words, more labour migrants should be part of the solution to Europe's demographic challenges.

Second, Europe's ageing societies: The "grey" proportion of our societies is getting bigger and thus creating new needs and demands. The health care sector, in particular, will require more skilled workers such as doctors, nurses, and care workers. Migrants already fill a significant proportion of these positions and it is probable that this need for foreign labour will only become more acute. Moreover, it is not sure that native-born workers would be willing to take up certain demanding and difficult jobs even if they were within their skill level e.g. care workers. As a consequence, external manpower would be needed.

Third, skill shortages at EU level call for enhance migration into the EU. While most Member States are experiencing high unemployment, many are also seeing skills shortages in their labour markets. In spite of recent economic crises, job vacancies are unfilled in many sectors such as science, health, agriculture, engineering and tourism. According to the European Commission, for example, the EU economy will need between 384,000 and 700,000 IT workers by 2015 and between one and two million health-care workers by 2020. At national level, some States have been unable to attract skilled persons, such as IT engineers in Germany. What is the reality of skills and labour shortages across Europe and can the workers be sourced from within the European Union?

#### Debate

According to these contradictory arguments, and taking into account the crisis which has in a way marginalise the question regarding legal migration, the morning session should debate the issue whether the EU needs migration. If yes, which kind of migrants and how many? Which share of such future needs can be expected to be met through further intra-EU mobility? And at which conditions (e.g. progresses in enlargement?).

### Proposed speakers

Jonathan Chaloff, OECD Goran Hultin, Manpower Jean-Louis De Brouwer, DG EMPLOY

## Afternoon session

If it is found that Europe will need more labour migrants in the future migration, the next question is: do rules governing labour migration need to be adopted at EU level or should competence in this area remain at national level?

## Arguments against the adoption of EU rules

Two arguments run counter the idea of adopting further rules at EU level.

The first one relates to the principle of subsidiarity. Here, one might consider that the management of labour migration is linked with the situation of national labour markets and labour demands and should therefore remain a national issue. Indeed, Member States are the best placed actors to determine the needs of their own national labour market and should remain the main actors. As a consequence, there is no need for EU action in this field. Furthermore, Member States' positions regarding migration - history and ways to regulate it - are sometimes so different that common approaches might be difficult to find out.

The second argument takes into account rules already adopted at EU level. When looking at EU action in the field of immigration and asylum, it is questionable whether further rules are necessary. Indeed, several directives organise labour access to numerous migrants. This is the case for, and under different circumstances, asylum seekers, refugees and beneficiaries of subsidiary protection, students, researchers, highly skilled workers, family members and long term resident. These EU rules open up access to labour market to a wide number of migrants. This raises therefore the question whether further action is necessary.

# Arguments in favour of the adoption of EU rules

Several arguments favour EU-level action regarding labour migration.

The first argument concerns the question of competence. Since the Amsterdam treaty and more particularly the Lisbon treaty, the EU has competence to develop a common immigration policy. According to article 79 of the Lisbon treaty, this comprises the adoption of rules regarding "conditions of entry and residence, and standards on the issue by Member States of long term visas

and residence permits including those for the propose of family reunification." This question is fuelled by the idea to adopt a European Code on Immigration was launched by the Commission in 2010 (COM(2010) 171).

The second argument concerns the objectives that the EU pursues. The establishment of the internal market cannot avoid the need to at least discuss the relevance of adopting common rules regarding entry and residence of third country nationals in the internal market. This objective is reinforced by the objectives set by Europe 2020 project which seeks *inter alia* to facilitate and promote intra-EU mobility and to promote a forward looking and comprehensive labour migration policy which would respond in a flexible way to the priorities and needs of labour markets. Therefore EU rules are the only ways to attain such global objectives.

Finally, and more broadly, it can also be argued that if the sovereign debt and euro crisis will eventually force Member States to agree on a more substantial form of European economic governance, it is hardly conceivable that labour market governance is entirely left out. Should such evolution take place, the case for more harmonised European labour migration policies would definitely become stronger.

In the end, and in order to meet the objectives defined by the treaty and at EU level, the option to adopt EU rules regarding admission and residence as well as intra mobility of third country nationals in the EU should be seriously envisaged and discussed. The question related to rights and statuses awarded to migrants admitted into the EU should also be scrutinised.

## Debate

In light of the aforementioned elements, the discussion whether the adoption of general/specific EU rules encompassing admission and residence migrants constitutes an important point to debate.

#### Proposed speakers

Diane Schmitt Filip Jasinski François Chauvin European Commission (DG Home) (tbc) Polish Permanent Representation French Permanent Representation (tbc)