



**Brussels, 5 February 2020
(OR. en)**

5672/20

LIMITE

**JAI 73
ASIM 7
RELEX 72**

NOTE

From: Presidency

To: Strategic Committee on Immigration, Frontiers and Asylum / High-Level Working Group on Asylum and Migration

Subject: Labour migration as a basis for partnerships with third countries
– Presidency discussion paper

I. Migration is a human and global phenomenon that will continue to be one of the central topics on the political agenda in the EU since the geopolitical circumstances in its closer and wider neighbourhood are becoming ever more complex.

The large-scale arrivals at the EU's external borders since 2015 have had an impact on the overall narrative on migration in Europe, reducing the scope for developing proactive policies aimed at harnessing the benefits that well-managed legal migration can bring to an ageing continent with skills and labour shortages in various sectors of the economy. Since 2015, policy responses to the increased migratory pressure at EU level have prioritised measures and actions aimed at addressing immediate needs, such as strengthening border management and fighting against human smuggling to prevent irregular flows, as well as measures supporting and reforming asylum systems. At the same time, the discussions about the medium- and long-term goals of an effective migration management policy, and in particular about the role of labour migration as a basis for cooperation with third countries and as a tool to address skills and labour shortages at EU level, have not translated into the development of adequate and concrete policy measures.

Increasing migration flows over the last few years have also shown that there are a variety of reasons why inadequate or dangerous channels are used to reach the EU and that migration movements tend to consist largely of people with little chance of obtaining international protection¹. The majority of people undertake journeys for other, usually socio-economic reasons, such as seeking employment opportunities in Europe. On their way they encounter considerable risks of resorting to irregular routes and the services of unscrupulous smugglers who seek to benefit from the desperation of the migrants and their desire to reach the EU at any cost. Migrant workers who manage to come to their destination countries illegally usually remain unregistered, thus becoming invisible to society and vulnerable to exploitation and abusive working conditions. If these occurrences happen on a larger scale, they can also cause distortions of local labour markets.

With this in mind, EU actions should focus on the potential of labour migration to help meet Member States' labour market needs and to play a more strategic role in the EU's cooperation relations with partner third countries, as well as to help reduce incentives for irregular migration.

II. Unemployment in the EU is at its lowest in a decade. While this is still not felt evenly across Europe, there are rising numbers of unfilled vacancies in several Member States and evidence of structural skill shortages in some economic sectors, such as ICT and health, as well as in certain specific occupations². The proportion of employers reporting difficulties in filling vacancies is on the rise, on average more than 40 %, and is even higher (over 50 %) in Germany, Poland, Slovakia and Hungary³. The occupations facing shortages include skilled trades, engineers, technicians and IT professionals, but the impact is also being felt in occupations requiring less formal skills.

¹ Preliminary FRONTEX data for 2019 shows that the number of illegal border crossings along the EU's external borders was just over 139 000. In relation to this data, EASO data shows that more than half a million asylum applications (586 700) were lodged in the EU+ during the first 10 months of 2019, an 11 % increase compared to the same period in the previous year. The proportion of applications receiving a positive decision in the first 10 months of 2019 was 34 %.

² In the first quarter of 2019, there were around four million unfilled vacancies in the EU as a whole, while the job vacancy rate (the proportion of vacant posts to total posts) has been steadily increasing since 2012, reaching 2.3 % in Q2-2019, being close to or higher than 3 % in Member States such as the Czech Republic (6.2 %), Belgium (3.4 %), Germany (3.2 %), the Netherlands (3.2 %) and Austria (3.0 %). Source: Eurostat, Job vacancy statistics.

³ Manpower Talent Shortage Survey (2018 Q3).

When it comes to labour force projections, the demand for specific skills in the EU is likely to increase and change in line with societal and technological developments. For instance, it is expected that the demand for high-level qualifications will outpace the labour supply, as 43 % of jobs forecast to be created over the period up to 2030 will require a high level of education. Job openings up to 2030 are expected to be high for occupations such as business and administration professionals, but also for occupations that are traditionally considered as medium-skilled, such as sales workers, cleaners and helpers⁴.

The impact of these trends will increase in the future as the EU is facing a gradual shrinking of its working-age population (15-64). As a result of demographic ageing, also taking into account recent migration trends, the working-age population is projected to decline by around 22 million (a reduction of 7 %) in the next two decades. Ensuring a higher participation of women and providing better choices and incentives for older workers in the labour market can compensate for this trend in part. However, projections⁵ of the overall labour force in the near future (over the period 2015-2035) indicate that the labour force in the EU will decrease by 18.3 million (a reduction of 7.4 %)⁶.

Migration alone might not be a panacea for these problems, and other measures for activating, training and upskilling the domestic labour force will be needed. Still, migration can contribute to the EU's economic growth as well as the sustainability of our welfare systems.

⁴ According to the 2018 CEDEFOP projections up to 2030. CEDEFOP also provides estimations by broad economic sector: while employment will continue shrinking in the primary sector and stagnating in the manufacturing sector, it will increase quickly in 'business and other services' and moderately in the 'distribution and transport' sector and to some extent in 'non-marketed services'.

⁵ According to the CEPAM Medium (SSP2) scenario in terms of demographic behaviour and migration, European Commission (2018) Joint Research Centre, *Demographic and Human Capital Scenarios for the 21st Century: 2018 assessment for 201 countries*, Wolfgang Lutz, Anne Goujon, Samir KC, Marcin Stonawski, Nikolaos Stilianakis.

⁶ While increasing participation rates among women and older workers may delay this effect, the overall labour force will inevitably decline in the long run in the EU and all its Member States. ESDE 2017, Chapter 2, *Intergenerational fairness and solidarity today and challenges ahead* - <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8030&furtherPubs=yes>

III. In 2017 the European Commission launched the idea of legal migration pilot projects, supporting Member States' efforts to develop new and innovative ways of addressing labour and skills shortages in a spirit of partnership with countries of origin and in correspondence with their needs. While projects can involve longer as well as shorter stays in EU Member States, or focus on circular migration, they are always developed in close cooperation with third countries, including taking into account their skills and labour market needs. In practice, projects can for example offer training not only to prospective migrants, but also to third-country nationals who will then stay in their countries of origin. Even though migration pilot projects offer a lot of potential, currently only six projects are ongoing, focusing mainly on Northern African countries.

On the other hand, many Member States have longstanding cooperation with third countries that usually complements their pre-existing economic or political relations. Cooperation on migration with third countries has resulted in labour migration instruments and approaches that are already available at national level, ranging from specific labour migration agreements to targeted bilateral projects at national level. Member States' good practices and experiences with labour migration management should be further explored and used to improve and upscale our efforts at EU level.

Although they might indicate a way forward, existing small-scale initiatives at EU level, namely pilot projects, will not inevitably produce large-scale results and therefore will not bring an expected added value when it comes to trust-building cooperation relations with third countries.

The Croatian Presidency therefore believes there is a potential in labour migration which could be better used for achieving EU priorities aimed at a comprehensive approach to migration management, including strengthening our cooperation with third countries. Measuring the terms on which migration to the EU should occur and reviewing the existing legal pathways to see whether they are sufficient or should be enhanced, improved or complemented with other actions could contribute to the reflection on how to make the overall migration approach vis-à-vis third countries more effective.

In today's global society, migration is and will continue to be a constant factor. The fact that migrants are motivated by economic opportunities that the EU can offer should not be overlooked. Providing legal avenues tailored to the needs of the EU can act as a positive leverage for improving cooperation with third countries of origin, and can help to reduce incentives for irregular migration. It can also help in addressing skills and labour shortages in EU Member States.

Against this background, Member States are asked to share their views on the following questions:

- Bearing in mind the demands of the labour market and the economic opportunities that pull migrants towards the EU, how can the EU use this potential to address these labour needs and contribute to a comprehensive approach to migration? What elements of Member States' good experiences in labour migration could be further considered for that purpose?*
- How do you see concrete forms of partnership and cooperation with third countries when it comes to labour demands? In which specific ways should the EU provide support ?*
