

Council of the European Union General Secretariat

Brussels, 13 May 2024

WK 6102/2024 INIT

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# WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on External Aspects of Asylum and Migration (EMWP)
Subject:	Partnerships for skills mobility

Delegations will find attached the background document prepared by the Egmont Institute, the European Policy Centre (EPC), the International Centre for Migration Policy Development (ICMPD) and the Belgian Development Agency (ENABEL), with a view to the EMPW meeting on 17 May 2024 (see 2267/1/24 REV1, item 2).



# Mobility and Labour Dynamics after the EU Year of Skills: Are we fit for the future?

# Recommendations presented to the Working Party on External Aspects of Asylum and Migration (EMWP) and the Working Party for Development Cooperation and International Partnerships (CODEV)

# Introduction

The European Year of Skills provided renewed impetus to the EU's efforts to tackle labour shortages in Europe. A recent survey underscored the timeliness of the initiative, revealing that in 2023, 75% of European employers struggled to find employees with the requisite skill sets.<sup>1</sup> Structural shifts in the EU's demographic landscape will bring additional challenges in the future, with the EU's working-age population already expected to decrease by at least 35 million over the next two decades.<sup>2</sup>

Simultaneously, numerous African, Asian and Latin American countries are witnessing a rise in their working-age populations. In Africa for instance, three-quarters (74%) of the population was under 35 years of age in 2020, according to estimates from the UN Department of Economic and Social Affairs. This increase in the workforce should be met with training, economic and professional opportunities, both in Africa and beyond, so that young people can play an active role in their countries' development. In this context, skills mobility pathways can help address a mismatch in opportunities, while supporting third countries in preventing brain drain by establishing skills and mobility partnerships that respond to their priorities and needs, and that are beneficial for all parties involved. This calls for a reflection on how to structure skills and labour mobility-related partnerships between the EU and Africa as well as other regions, so that they benefit both mobile talent and the societies they migrate to and from.

It is in this context, the EU has sought to establish partnerships allowing to train and attract skills and talent from abroad as part of its Skills Agenda, complementing internal up- and reskilling initiatives. This has included legislative as well as operational initiatives, such as those set out in the 2022 Communication on Attracting Skills and Talent to the EU, and the 2023 Skills and Talents Mobility package. Following the adoption of the New Pact on Migration and Asylum, and the impending start of the next political cycle, an opportune moment now presents itself to revive discussions on labour mobility and further strengthen the EU's legal migration framework, while paying due respect to national competencies.

<sup>&</sup>lt;sup>1</sup> EU jobs crisis as employers say applicants don't have the right skills | Euronews

<sup>&</sup>lt;sup>2</sup> Commission Communication, "Labour and Skills Shortages in the EU: An Action Plan," 20 March 2024, COM(2024) 131 final.

Against this background, the European Policy Centre (EPC), International Centre for Migration Policy Development (ICMPD), Egmont Institute and the Belgian Development Agency, Enabel launched the project, 'Fit for the future? The European Skills Agenda between migration and labour dynamics'. Following a series of expert workshops, a final <u>conference</u> was held in March 2024. This brought together policymakers, the private sector and relevant European, international and third countries' stakeholders to reflect on the theme of the project. Drawing insights from the conference's three panel discussions - dedicated to the private sector's needs and EU's attractiveness, the effectiveness of existing labour mobility initiatives, and skills mobility partnerships and the development agenda - this document puts forward recommendations to foster and enhance cooperation on skills mobility, while also reflecting on internal factors that can enhance talent attraction and retention. It adopts a global perspective to what is a global issue and opportunity, based on partnership and SDG's approaches and principles.

The first set of recommendations in this document is aimed at enhancing a shared understanding of skills and labour market needs, laying the foundations for evidence-based policies that utilise skills intelligence to address challenges in the EU and partner countries. The second set of recommendations focuses on the EU and it aims to promote adequate responses to attract and retain foreign talent. The third and fourth sets include recommendations to enhance mutually beneficial partnerships, with the first focusing on partner countries and the latter on intra-EU cooperation, specifically dealing with management and funding.

### I.<u>Enabling a skills-first approach - strengthening skills intelligence to effectively align skills</u> policy and labour market needs of EU and partner countries

- Develop skills mobility partnerships based on an understanding of labour market dynamics, training and skills development needs in partner countries and the EU. Bilateral agreements and other forms of mobility schemes should be designed with skills at the centre and in line with existing and future needs on all sides, enlarging the concept of Talent Partnerships to further third countries.
- Strengthen capacities for primary data collection and sharing. Data collection according to clear
  indicators should be strengthened for labour mobility schemes to be designed, monitored and
  evaluated in an evidence-based way. To this end, national authorities and Public Employment
  Services in partner countries must be supported to gather and report data in a timely manner,
  through financial, operational and capacity-building support. EU agencies with a role in data
  collection and dissemination, such as the European Labour Authority and Eurostat, should be
  supported to further facilitate this collaborative approach.
- Ensure consideration of demographic trends. To comprehensively capture labour market dynamics in the EU, demographic expectations should strongly feed into skills forecasts. Immigration and emigration should be recognised as significant factors contributing to labour market dynamics.
- Enhance the use of digital systems and tools. Data management information systems and foresight analysis tools should be set up and/or further developed in partner countries and the EU. EU agencies should be involved, alongside recruitment firms who can share insights on innovative skills assessment methods and tools. At the same time, strengthening collaboration between the statistical offices and labour market observatories of the EU and partner countries should be integrated into the Talent Partnerships to enhance data sharing and analysis.
- **Review shortage occupations regularly to enhance labour market responsiveness.** This includes a regular revision of the list of shortage occupations that will determine which vacancies can be included in the EU Talent Pool. Considering rapidly evolving skills needs, particularly in the green and digital industries, the list could for example be updated every three months.

Increase cooperation with the private sector. To ensure that future policies are responsive to market dynamics, stronger collaboration with the private sector, both in the EU and in partner countries, is essential. The DG HOME-led <u>Labour Migration Platform</u> can play an important role in this regard as it convenes employment and migration representatives from Member States and European social partners, other than the Commission. The DG HOME-funded <u>Labour Mobility</u> <u>Practitioners Network</u> offers another valuable avenue to convene a broad spectrum of operational actors from EU Member States, private sector associations, think tanks and academia. In addition, the Commission could consider reviving the European Sector Skills Councils to strengthen dialogue with key stakeholders in sectors grappling with labour shortages and delve into sector-specific challenges. In partner countries, EU Delegations and Chambers of Commerce could be involved to create and strengthen links with key private sector actors.

#### II.Skills-first responses for promoting talent attraction and retention

#### Strengthening the regulatory framework

- Ensure transposition and effective implementation of the Blue Card Directive. Where Member States have faced delays in transposing the Directive, they are encouraged to complete the process as soon as possible. Other than ensuring transposition, it is also of the essence to ensure effective implementation of the Directive through monitoring and evaluation.
- Ensure transposition and effective implementation of the recast Single Permit Directive. As transposition begins, Member States are encouraged to use the flexibility provided by the recast to promote international recruitment of talent and address persistent labour shortages in a variety of sectors at all skill levels. Effective implementation of the recast is also encouraged, including through monitoring and evaluation of transposition and then implementation.
- Strengthen and expand mid-to-low-skilled mobility opportunities. Considering that skills gaps and labour shortages are evident across all skill levels in partner countries and the EU, existing pathways for mid-to-low skilled mobility should be further strengthened, within the bounds of national competencies. At the same time, opportunities for additional, dedicated mid-to-low-skilled mobility schemes should be further explored.
- Encourage participation in the EU Talent Pool once adopted and operational. The proposed EU Talent Pool could offer an opportunity for established employers in participating Member States to access an additional EU-level tool to facilitate international recruitment. To make recruitment easier, faster and more effective, it will be essential to develop tools to ensure clear 'quality control' procedures. These could include practical initiatives such as virtual interviews or skill testing centres. In addition, foreign workers already in the EU should be fully supported by Public Employment Services and other relevant authorities in the Member States to ensure their effective integration into the labour market.
- Enhance validation and recognition of skills and qualifications. Procedures should be strengthened to enhance the validation of formal and informal skills of migrants and qualifications. The feasibility of common qualification and mutual recognition frameworks should therefore be explored further. In the short-term, a sectoral approach and focus on shortage occupations could be adopted toward this end. Collaboration with experienced agencies such as CEDEFOP and the European Training Foundation (ETF), should be encouraged to promote greater harmonisation of procedures across Member States.
- Carry forward discussions on the Long-Term Residents Directive (LTRD). Both the EU's attractiveness as well as retention prospects for third-country nationals can be enhanced through a framework that further strengthens intra-EU mobility. In this context, negotiations on the LTRD should be carried forward in the new legislative cycle.

#### Streamlining procedures and improving information accessibility

- Enhance the efficiency of procedures, including through digitalisation. Member States are encouraged to make immigration procedures and provision of residence permits for work purposes swifter and easier to navigate, including through the adequate allocation of human and financial resources, as well as digitalisation of procedures. Finland and the Netherlands stand out as good examples for significantly shortening processing times and easing the bureaucratic burden for employers in the recruitment of highly skilled migrants.
- Ensure and strengthen access to information. Reliable information about job opportunities, available legal pathways, and socio-economic support is critical for promoting transparency and therefore the uptake of labour mobility schemes by foreign workers and their employers. Relevant information should be gathered and made publicly available on a centralised online EU platform. The EU Talent Pool could provide such a platform, once adopted and operational. At the same time, to further increase visibility in partner countries, the role of EU Delegations in promoting access to information could be further explored. To this end, the creation of the position of an EU Labour Information Officer could be considered. Furthermore, the organization of EU Labour Market Fairs could be considered in strategic countries, to facilitate information exchange, networking and matching opportunities.
- Strengthen support for small and medium-sized enterprises (SMEs). Adequate financial, operational and capacity-building support must be provided for SMEs to navigate the international recruitment landscape, and to comply with relevant procedures. This includes facilitating their access to prospective employees' skills profiles, including through platforms like the proposed EU Talent Pool.

#### Measures to enhance talent attraction and integration

- Enhance attraction by promoting favourable working and living conditions. Work-life balance is a key consideration for global talents when choosing a country of destination and can weigh heavier than salary levels in decision-making about a job. With its strong tradition of mostly decent working conditions, relatively short working hours and generous holiday policies, the EU has a competitive advantage over the US, Canada, and Australia.
- Engage private and public sector stakeholders for lasting retention. Enhanced collaboration between private, public and civil society actors is beneficial for promoting integration and retention, as successful pilot projects demonstrate, including in <u>Finland</u>. To this end, targeted guidance on best practices, ranging from diversity management to legal advice, should be made available to enterprises. Job-related support must also be integrated into a comprehensive onboarding and integration approach that addresses social and cultural inclusion.
- Ensure adequate pre-departure and post-arrival support. Successful retention of talents requires operational and financial investment in pre-departure and post-arrival support programmes. A good example is the liaison offices established in some third countries by a specialised agency under Finland's Ministry of the Economy, which shares a common mandate with the Finnish Employment Services to improve talent attraction and retention from partner countries. Programmes supporting Public Employment agencies in partner countries to provide the necessary pre-departure support to local talents should be further developed and financed.
- Provide specialised services in support of the integration of medium-skilled technical workers. Institutions that help newcomers settle, such as international welcome centres, mainly cater to those with a higher income and education. Blue-collar workers who are increasingly recruited from non-European countries require a different outreach strategy. The Migration Information Points as piloted in the Dutch region of North Brabant, or the International Houses in Flanders (BE), could be considered for replication.
- Strengthen integration support for spouses and family. Availability and easy access to multilingual
  information on practical questions about family support (for example, regarding health or
  administrative matters), as well as soft landing measures, including those provided by international
  welcome centres, can facilitate effective support and integration. Especially for working-age

spouses, an enabling environment for finding employment in line with their skills and qualifications carries significant weight in the decision to move to the EU or to stay in their home country.

#### III. Partnerships for skills mobility and the development agenda

- Support and entrust employment actors in partner countries and Member States as key partners for skills mobility schemes. As skills mobility schemes should be designed around the capacities, interests and needs of the training and market systems of both EU Member States and partner countries, employment actors should be enabled to play a key role. Programmes that empower employment actors in partner countries through cooperation with their homologues in EU Member States must be supported and financed. Approaches such as the Global Skills Partnership focusing on needs and capacities both at origin and destination should be further developed and supported. In addition, employment actors must be entrusted as gateways for information on the single permit procedures both for talents interested in international employment opportunities and for enterprises. Mutually beneficial mobility schemes (e.g. WAFIRA and THAMM) that foster the Human Rights Based Approach (HRBA), that respect anti-exploitation measures and that enhance the Decent Work Agenda, need support as well. In the same vein, Member States must only work with trustworthy intermediaries, including recruitment agencies, recognised by employment actors in partner countries. A list of bona fide private employment actors could be established to that end.
- Strengthen the (professional) training and employment (eco)systems in third countries, following a sectoral approach. Skills mobility should not only benefit the country of destination and its labour market, but also the countries of origin by strengthening their training, employability and employment systems. The PALIM project between Belgium and Morocco is an outstanding example of this approach. To further prevent and mitigate brain drain, skills mobility partnerships could incorporate a mechanism to exempt skills that are in short supply in partner countries from mobility opportunities, or to offer such opportunities at a later stage of the partnership after skills development has taken place. To achieve all the above, programmes aimed at structuring, supporting and enhancing the (professional) training and employment ecosystems in partner countries need further support and financing. This can take shape by supporting vocational training providers in aligning their curricula with labour market needs, to develop pools of skills that reflect national and international employment priorities and strategies. Providing learning mobility opportunities is also part of the picture, with the MOBILISE project standing out as a good example in this regard. To ensure that partnerships address needs on both sides, employers and workers' associations from countries of origin and destination (including private sector federations, associations and enterprises) must also be consulted at an early stage and, where relevant, included in mobility schemes. Furthermore, support must be offered for the implementation of mechanisms allowing Public Employment Services and training stakeholders to maintain a continuous dialogue with employers on their current and future needs, to adjust – when feasible - training curricula, and to identify talents that meet employers' requirements. Partnerships for skills mobility should therefore foster inclusive collaboration between different public and private stakeholders involved in training and employment activities in countries of origin and destination. Finally, short-term training opportunities must be made available for upskilling, by incentivising employers to finance these modules, or through their implementation by public training institutions.
- Expand EU vocational training programmes to additional third countries. To better address labour market needs in the EU and partner countries, the implementation of vocational training programmes in new partner countries could be pursued, for example, by broadening the gamut of Talent Partnerships. At the same time, extending the geographical scope and the budget of the ETF beyond neighbourhood countries could enable further support for the development of such schemes. By adopting a Global Skills Partnership approach and leveraging skills intelligence, new

EU vocational training programmes should take into account the employment and training needs of partner countries and EU Member States. Skills Verification and Validation Offices could be tested as pilot projects in countries with a high potential to meet EU labour market demands.

• Focus on regional and local levels. To increase proximity with and adhere to the needs of partner countries at different levels, the role of regional (subnational) and local level actors in the development of mobility schemes must be acknowledged and strengthened.

# IV.<u>Strengthening the skills agenda and labour mobility schemes through dialogue,</u> <u>management and financing</u>

- Engage in further dialogue on management and funding of labour mobility schemes. Given the multidimensional nature of the skills agenda, strengthening policy coherence through cross-silo collaboration is key to enhancing the development and implementation of labour mobility schemes. This includes the pro-active involvement of relevant EU institutions and Member States, as well as partner countries, in line with competencies and expertise. To this end, coordination with and between labour, interior, foreign affairs, and migration ministries remains indispensable and should be strengthened. This also requires increased involvement of domestic actors, at regional and local levels, including employment actors and workers' associations. Active participation of all key stakeholders in existing EU-wide coordination mechanisms such as the Labour Migration Platform or the Labour Mobility Practitioners Network is encouraged.
- Ensure a coherent financing framework to develop, test, implement and scale up labour mobility schemes through coherent approaches encompassing EMPL, HOME, INTPA and NEAR, as well as Member States. The European Commission and relevant national authorities need to collaborate to comprehensively assess the financial requirements to implement labour mobility schemes. Development funding must continue to target partner needs, including strengthening their qualification and labour mobility systems, complemented by funds that support fair and equitable international recruitment processes in EU Member States. EU social, integration, and development funding must be pooled to address these different objectives. To this end, Member States should prioritise financial planning for mobility schemes, including clear plans regarding funding sources and allocation strategies.