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Migration and Mobility for Growth

Introduction:

The central theme of the Irish Presidency is that of Promoting Stability, Growth and Jobs in Europe. In keeping with that priority and reflecting its horizontal character, it is proposed to take the particular opportunity afforded by an Informal Council to reflect upon the contribution that migration and mobility might make to the promotion of economic growth within the Union.

In the longer term it is clear from demographic trends¹ that the EU will need to address its dependency ratios through migration, through greater female participation in the labour market or through our own citizens retiring much later

¹ In 2060, the working age population is projected to be smaller by almost 50 million persons compared to 2008. Over the same period the population aged 65 years or over is projected to increase by almost 67 million persons. As a result, the old age dependence ratio in 2060 for the EU27 is projected to more than double from its current level. From 2015, it is projected that there will be fewer births than deaths and, hence, population growth due to natural increase will end. For this reason, positive net migration will be the only population growth factor. However, in the long run, increasing migration will not be sufficient to compensate for this negative natural (population) change.

than they do at present. More immediately, and in spite of the economic crisis, some employment sectors are already facing shortages².

However, in the midst of a broad economic recession, with high levels of unemployment and the emigration from the EU of many highly educated and skilled people, an argument in favour of increased migration is not an easy one. It must therefore be very clearly based on the net benefit to the EU and be seen to contribute to the revival of economic activity and to job creation. Not all economic migration, even where legal, is capable of passing this test, for instance if it involves displacement of EU citizens or gives rise to significant liabilities to the Member State in delivery of state services and transfers.

The Commission has highlighted in its recent and interesting paper the potential benefits that can be derived from leveraging the Schengen Visa code to help promote tourism and to facilitate legitimate business visitors. The advantages for the European economy are self-evident. A key issue in the visa debate is that of striking the right balance in order to realise the potential benefits of increased tourism while managing the associated risks. Essentially the difficulty is not in determining the sort of people we want to come to the EU but in distinguishing them at operational level from those we do not want.

Existing and Potential measures

Early priorities of the Irish Presidency will be to complete the negotiations with the European Parliament on the current legal migration instruments on Intra Corporate Transferees and Seasonal Workers. These are important pieces of the EU regulatory jigsaw in the field of legal migration. We also look forward to the presentation by the Commission of the new recast proposal on Students and Researchers, not least because it targets the sort of intellectual capital that is essential to innovation,

² The Agenda for new skills and jobs points to an estimated lack of between 380 000 and 700 000 IT workers in the EU already by 2015. The health-sector could see a shortfall of up to two million professionals by 2020.

economic growth and ultimately job creation. The adoption of these three measures will complete the establishment of a comprehensive legal migration framework.

However, legal instruments at EU level are only part of the matrix. Much of our migration is channelled through national measures, reflecting Member State competence including that of determining volumes. In considering how we can make better use of migration and mobility to promote economic growth therefore it is suggested that we need to look at all of the tools at our disposal, including EU legislative instruments, the Visa code, national measures along with policy coherence and the potential for practical co-operation and defining best practice. Ultimately the result is more important than the means by which it was achieved.

Nevertheless the different policy instruments are complementary. On one hand, EU legislative instruments provide consistency and transparency on harmonised rules applicable in the different Member States and aiming at facilitating intra EU mobility. On the other hand, national immigration measures can be more flexible in dealing with changing situations and responsive to national priorities.

Migration, other than that arising from short term visitors, is mostly viewed in the context of residence, often leading to family reunification and long term status. In that context the admission decision is of greater consequence than merely deciding whether a person should be allowed to work in the EU or a Member State. However the world of work is changing rapidly. Short term contracts or project based work are part of the employment environment. Employers do not necessarily see people as permanent or long term employees even where the worker aspires to long term residence in the EU. Indeed more and more people are themselves willing to perform labour activities without the intention of permanent settlement. This raises the question of whether there is a need to have greater flexibility in immigration status, including explicitly temporary, probationary or circular migration. It also offers the possibility of greater partnerships with reputable employers with a track record of job creation. For example greater flexibility in recruiting migrant workers and more streamlined processes could be offered in return for greater levels of

responsibility in ensuring that a person who ceases to be in employment does not become a burden on the Member State and leaves when they are required to do so.

Non-resident businesspersons are of considerable importance to economic activity. On the same lines as using the visa code to facilitate reputable business visitors, identifiable as such, could migration systems be used to provide a longer term solution based on non-resident long term visas? This could provide ease of access and movement within the EU but also protect Member States from liabilities for services.

Many Member States now offer entrepreneur status with a variety of terms and conditions. This is an area of some risk, as many start-up businesses will fail and the situation of the entrepreneur in such circumstances is uncertain. Nevertheless it must be in Europe's interest to be competitive in this area and to get a reasonable share of the third country entrepreneurial talent that undoubtedly exists. To some extent the Member State is investing in the project and the person via the migration system.

In similar manner, there is significant worldwide competition in the area of high net worth investors. While some of this will raise the difficult question of citizenship for sale and the motivation of some applicants may be to avoid nationality based taxation, it nevertheless represents a valuable source of potential investment.

In student migration there is much to be gained from bringing young people with good academic potential into the EU. The challenge must be to ensure that our systems are capable of identifying and facilitating the entry of genuine students from those who are essentially economic migrants abusing the student channel. At the same time a key factor for many students is the possibility of remaining on after their studies and pursuing careers in their chosen field of study. Some form of probationary status for individuals of high personal potential so that they can establish themselves may be an appropriate measure as a means of ensuring that their potential is retained within the EU.

Questions for discussion

Ministers are invited to contribute to the discussion on the basis of the following two questions taken together:

- **What measures could Member States and the EU, respecting respective competences, undertake to leverage migration and mobility more effectively to deliver increased economic growth while managing any attendant risks?**

- **What is the scope for greater co-operation between Member States and the Commission to enhance the effectiveness of immigration policies aimed at increasing economic activity and job creation?**