

IZA Research Report No. 40

## The Integration of Migrants and its Effects on the Labour Market

Based on a study conducted for the European Parliament  
under contract IP/A/EMPL/FWC/2008-002/C1/SC6  
Copyright remains with the European Parliament

Werner Eichhorst (IZA)  
Corrado Giulietti (IZA)  
Martin Guzi (IZA)  
Michael J. Kendzia (IZA)  
Paola Monti (fRDB)

Tommaso Frattini (Università degli  
Studi di Milano)  
Klaus Nowotny (WIFO)  
Peter Huber (WIFO)  
Barbara Vandeweghe (IDEA Consult)

September 2011

## CONTENT

Executive Summary (in German)	p. I-X
Complete Study (in English)	p. 1-117

This IZA Research Report is based on a study conducted for the European Parliament under contract IP/A/EMPL/FWC/2008-002/C1/SC6.

Copyright remains with the European Parliament.

Link to the original study: <http://www.europarl.europa.eu/document/activities/cont/201108/20110829ATT25420/20110829ATT25420EN.pdf>

Commercial reproduction of this study is not permitted without authorisation of the copyright holder.

**GENERALDIREKTION INTERNE POLITIKBEREICHE**  
**FACHABTEILUNG A: WIRTSCHAFTS- UND**  
**WISSENSCHAFTSPOLITIK**  
**BESCHÄFTIGUNG UND SOZIALE ANGELEGENHEITEN**

## **Die Integration von Migranten und ihre Auswirkungen auf den Arbeitsmarkt**

**? I F N: 5GGI B;**

### **Kurze Inhaltsangabe**

Diese Studie vermittelt einen Überblick über die Situation der Einwanderer in der Europäischen Union und befasst sich dabei schwerpunktmäßig mit dem Prozess ihrer Integration und deren Auswirkungen auf den Arbeitsmarkt. In Abschnitt 1 wird über den Gesamtumfang der Migration informiert und speziell darauf eingegangen, woher und weshalb Einwanderer in die EU-27 kommen und aus welchen Gründen ein Bedarf an Arbeitsmigranten besteht. In Abschnitt 2 wird die Beschäftigungssituation von Einwanderern und ihre Aufteilung auf die verschiedenen Wirtschaftssektoren näher beleuchtet und ein Vergleich zur einheimischen Bevölkerung angestellt. Der rechtliche Status von Saisonarbeitnehmern, entsandten Arbeitnehmern und konzerninternen entsandten Arbeitnehmern aus Drittstaaten ist Gegenstand des Abschnitts 3, in dem die Bestimmungen des Einwanderungsrechts für diese Arbeitnehmerkategorien vorgestellt werden. In Kapitel 4 wird untersucht, welche Hindernisse der Integration von Migranten und ihren Kindern innerhalb des Bildungssystems im Weg stehen und eine Eingliederung in den Arbeitsmarkt erschweren. Welche Rolle spielen hierbei eine restriktive Einwanderungspolitik und praktische Integrationshemmnisse? Überlegungen zur Auswirkung der Zuwanderung auf die Löhne und auf den Sozialstaat finden sich in Abschnitt 5, wo die durch empirische Studien ermittelten Ergebnisse mit denen von Meinungsumfragen verglichen werden. Abschnitt 6 liefert zum Abschluss der Studie einen Überblick über die gegenwärtige Umsetzung der Antidiskriminierungsvorschriften in den EU-Mitgliedstaaten. Es werden bewährte Verfahren vorgestellt, mit denen es auf nationaler und Unternehmensebene gelungen ist, die Integration von Einwanderern zu fördern, Diskriminierung zu verhindern und die soziale Eingliederung zu verbessern. Im Abschnitt 7 schließlich werden einige politische Empfehlungen gegeben.

Diese Studie wurde vom Ausschuss für Beschäftigung und soziale Angelegenheiten des Europäischen Parlaments in Auftrag gegeben.

## **VERFASSER**

Werner Eichhorst (IZA)  
Corrado Giulietti (IZA)  
Martin Guzi (IZA)  
Michael J. Kendzia (IZA)  
Paola Monti (fRDB)  
Tommaso Frattini (Università degli Studi di Milano)  
Klaus Nowotny (WIFO)  
Peter Huber (WIFO)  
Barbara Vandeweghe (IDEA Consult)

## **ZUSTÄNDIGE VERWALTUNGSBEAMTIN**

Laurence SMAJDA  
Europäisches Parlament  
GD Interne Politikbereiche der Union  
Fachabteilung A - Wirtschafts- und Wissenschaftspolitik  
B-1047 Brüssel  
E-Mail: [Poldep-Economy-Science@europarl.europa.eu](mailto:Poldep-Economy-Science@europarl.europa.eu)

## **SPRACHFASSUNGEN**

Original: EN  
Zusammenfassung: DE/FR

## **ÜBER DEN HERAUSGEBER**

Kontakt zur Fachabteilung oder Bestellung des Newsletters:  
[Poldep-Economy-Science@europarl.europa.eu](mailto:Poldep-Economy-Science@europarl.europa.eu)

Redaktionsschluss: Juni 2011  
Brüssel, © Europäisches Parlament, 2011

Dieses Dokument ist im Internet abrufbar unter:  
<http://www.europarl.europa.eu/activities/committees/studies.do?language=EN>

## **HAFTUNGSAUSSCHLUSS**

Die hier vertretenen Auffassungen geben die Meinung der Verfasser wieder und entsprechen nicht unbedingt dem offiziellen Standpunkt des Europäischen Parlaments.

Nachdruck und Übersetzung - außer zu kommerziellen Zwecken - mit Quellenangabe gestattet, sofern der Herausgeber vorab unterrichtet und ihm ein Exemplar übermittelt wird.

## **ZUSAMMENFASSUNG**

### **Ziel dieser Studie**

Mit dieser Studie soll ein Überblick über die Situation der Einwanderer in der Europäischen Union gegeben werden, wobei schwerpunktmäßig auf den Prozess ihrer Integration und deren Auswirkungen auf den Arbeitsmarkt eingegangen wird. Die Studie umfasst sechs Abschnitte, die im Folgenden zusammengefasst werden. Für die Definition der Einwanderer wird das Geburtsland als maßgebliches Kriterium herangezogen, es geht dabei mithin um Personen, die nicht in dem Land geboren wurden, in dem sie derzeit ansässig sind. Soweit möglich, wird eine getrennte Analyse für die Mitgliedstaaten der EU-15 und der EU-12 vorgenommen, da die Einwanderungsmuster in den beiden Regionen sehr stark voneinander abweichen. Bei den EU-15 handelt es sich um die Länder, die vor der EU-Erweiterung von 2004 bereits Mitgliedstaaten waren (Belgien, Dänemark, Deutschland, Finnland, Frankreich, Griechenland, Irland, Italien, Luxemburg, Niederlande, Österreich, Portugal, Schweden, Spanien und das Vereinigte Königreich). Die nach 2004 beigetretenen Mitgliedstaaten bilden die EU-12 (Bulgarien, Estland, Lettland, Litauen, Malta, Polen, Rumänien, Slowakei, Slowenien, Tschechische Republik, Ungarn und Zypern).

### **Derzeitige Einwandererpopulation nach Herkunft und beruflicher Qualifikation**

Bei den Einwandererpopulationen gibt es derzeit erhebliche Unterschiede zwischen den EU-Mitgliedstaaten, sowohl in Bezug auf die Herkunftsländer als auch auf die Aufnahmeländer. 2008 waren mehr als 90 % der Einwanderer in den EU-27 in einem der EU-15-Mitgliedstaaten ansässig. Sowohl relativ als auch absolut gesehen ist die Zahl der Einwanderer in den EU-12 generell niedrig, wenngleich in den letzten Jahren ein gewisser Anstieg zu verzeichnen ist. Die Mehrzahl aller Einwanderer kommt aus Drittstaaten. Was die Migration innerhalb der EU anbetrifft, so stammen die meisten Einwanderer in den EU-15 aus anderen EU-15-Mitgliedstaaten. Eine Ausnahme bildet hierbei Südeuropa, wo mehr Einwanderer aus den EU-12 zu verzeichnen sind als aus den EU-15.

In den EU-15 weist die berufliche Qualifikation der Einwanderer eine andere Struktur auf als die der einheimischen Bevölkerung. So sind Einwanderer aus Drittstaaten in der Gruppe mit niedrigem Bildungsstand überrepräsentiert, verfügen Einwanderer aus den EU-12 überwiegend über ein mittleres Bildungsniveau und dominieren Einwanderer aus den EU-15 die Gruppe mit hohem Bildungsniveau. In den EU-12 dagegen ist die Qualifikationsstruktur der Einwanderer der der einheimischen Bevölkerung ähnlich, lediglich die Einwanderer aus EU-15-Mitgliedstaaten sind bei den Hochqualifizierten über- und bei den Mittelqualifizierten unterrepräsentiert.

### **Einwanderungstrends und Auswirkungen der Wirtschaftskrise**

In der EU nahm die Einwandererpopulation im Zeitraum 1995 bis 2009 kontinuierlich zu, wobei die Zuwachszahlen in Südeuropa und in einigen EU-12-Mitgliedstaaten am höchsten waren. Bislang deutet nichts darauf hin, dass die Wirtschaftskrise die Einwandererzahlen wesentlich beeinflusst hat, wenngleich die langfristigen Auswirkungen noch nicht bekannt sind. Das Ausbleiben kurzfristiger Effekte lässt sich möglicherweise damit erklären, dass Einwanderer mobiler zwischen den Wirtschaftssektoren wechseln als die Einheimischen.

Außerdem dürfte der Verbleib im Gastland möglicherweise die sicherere Variante sein, vor allem wenn es dort eine Arbeitslosenversicherung gibt und die „Rückauswanderung“ mit hohen Kosten verbunden ist.

## **Arbeitskräftemangel und Bedarf an Arbeitsmigranten**

Nach derzeitigen Prognosen werden in Europa bis 2015 mehr als 13 Millionen zusätzliche Arbeitsplätze entstehen. Die Nachfrage nach hochqualifizierten Arbeitnehmern wird sich voraussichtlich um 2,8 % erhöhen, wogegen der Bedarf an Geringqualifizierten um 1,4 % sinken dürfte. Die Zuwanderung wird oftmals als Lösung für den Arbeitskräftemangel gesehen, da sie eine stabilisierende Wirkung auf den Arbeitsmarkt hat. Die Politik könnte dabei ihren Beitrag zur Überwindung des Arbeitskräftemangels leisten, indem sie die Einwanderung für diejenigen erleichtert, die über besonders nachgefragte Qualifikationen verfügen. Das mit der Einwanderung verbundene Potenzial zur Deckung des Arbeitskräftebedarfs wird bestätigt in jüngsten Meinungsumfragen, bei denen sowohl Privatpersonen als auch Sachverständige über ihre Meinung dazu gebeten wurden, inwieweit eingewanderte Arbeitskräfte vonnöten sind. Bei der Eurobarometer-Umfrage wurde in den meisten Antworten die Ansicht geäußert, dass die Einwanderer als Arbeitskräfte in der Wirtschaft gebraucht werden, und das Gros der Sachverständigen, die an der IZA-Expertenumfrage zur Einwanderung von hochqualifizierten Arbeitskräften teilgenommen haben, geht davon aus, dass die Wirtschaft mindestens so viele hochqualifizierte Einwanderer benötigt, wie sie gegenwärtig hat.

## **Illegale Einwanderer und Asylbewerber**

Jüngsten Schätzungen zufolge halten sich in der EU zwischen 1,9 und 3,8 Millionen Einwanderer illegal auf, wobei das Phänomen der illegalen Einwanderung in Südeuropa am weitesten verbreitet ist. Die Mitgliedstaaten in dieser Region haben Programme für eine kollektive Legalisierung aufgelegt und sie mit strengeren Vorschriften zur Bekämpfung der illegalen Einreise verbunden. Andere Staaten wiederum haben sich dafür entschieden, auf der Grundlage einer fallweisen Bearbeitung der Asylanträge eine Legalisierung vorzunehmen. In den letzten zehn Jahren kamen schätzungsweise nahezu 3,5 Millionen Asylbewerber in die EU, wobei in jüngster Zeit auch die Mitgliedstaaten der EU-12 zu den Zielländern gehören.

## **Saisonarbeitnehmer**

Die Nachfrage nach Saisonarbeitnehmern ist in der Regel in bestimmten Sektoren besonders hoch, beispielsweise in der Landwirtschaft, im Baugewerbe, im Fremdenverkehr und im häuslichen Bereich. Im Strategischen Plan zur legalen Zuwanderung wird eine Aufenthalts- und Arbeitsgenehmigung vorgeschlagen, die es Drittstaatsangehörigen ermöglicht, eine bestimmte Anzahl von Monaten zu arbeiten.

## **Die Beschäftigungssituation von Einwanderern**

Im Ausland geborene Arbeitnehmer sind im Allgemeinen im Dienstleistungssektor konzentriert, aber auch im Baugewerbe ist eine Überrepräsentation festzustellen, allerdings mit erheblichen Unterschieden zwischen den Mitgliedstaaten. Im verarbeitenden Gewerbe dagegen ist der Anteil der Einwanderer an der Arbeitnehmerschaft immer mehr zurückgegangen. In gewissem Maße symptomatisch für die Verteilung der Einwanderer auf die verschiedenen Sektoren ist ihre Überrepräsentation (im Vergleich zu den einheimischen Arbeitnehmern) in manuellen und geringqualifizierten Berufen.

Die Arbeitslosenquote ist bei den im Ausland geborenen Männern im Durchschnitt höher als bei den einheimischen Männern, speziell in südosteuropäischen Ländern, und bei den Frauen werden generell niedrigere Beschäftigungsquoten registriert. Beträchtliche Unterschiede gibt es auch im Hinblick auf das Qualifikationsniveau. Geringqualifizierte Einwanderer in den EU-27 (speziell solche aus Drittstaaten) verzeichnen höhere Beschäftigungsquoten als ihre Pendants in der einheimischen Bevölkerung, während es im hochqualifizierten Bereich genau umgekehrt ist. Die Unterbeschäftigung der hochqualifizierten Einwanderer könnte zum Teil damit zusammenhängen, dass deren formale Bildungs- und Befähigungsnachweise nur unvollständig anerkannt werden.

Die Arbeitslosenquoten bei Einwanderern sind höher als bei einheimischen Arbeitnehmern, besonders was die Einwanderer aus Afrika und dem Nahen Osten sowie Mittel- und Südamerika und aus EU-12-Mitgliedstaaten betrifft. Infolge der Wirtschaftskrise erhöhten sich die Arbeitslosenquoten bei Einwanderern viel schneller als bei den einheimischen Arbeitnehmern, vor allem bei Männern und jungen Menschen. Im Ausland geborene Frauen waren von der Krise etwas weniger betroffen, da sie mehr in den Sektoren der sozialen und häuslichen Dienstleistungen anzutreffen sind, wo trotz Konjunkturabschwung ein positives Wachstum verzeichnet wurde.

## **Arten von Arbeitsverträgen und Diskrepanz zwischen Qualifikation und Job**

In den EU-15 sind im Ausland geborene Arbeitnehmer in unverhältnismäßig hohem Maße als Zeitarbeitskräfte und in Kurzzeit-Jobs anzutreffen. Zeitarbeitsverträge und das Horten von Dauerbeschäftigten erklären teilweise den überdurchschnittlichen Anstieg der Arbeitslosenquoten bei Einwanderern. Einwanderer mit mittlerer und hoher Qualifikation wie auch Einwanderer aus Drittstaaten sind in deutlich größerem Umfang als einheimische Arbeitnehmer für die von ihnen ausgeübte Beschäftigung überqualifiziert. Generell sind die Überqualifikationsquoten in den EU-12 niedriger als in den EU-15, ein ausgeprägtes Überqualifikationsrisiko jedoch besteht für die Einwanderer aus den EU-12-Mitgliedstaaten.

## **Vorschriften für die Arbeitsmigration und aktuelle Gesetzgebungsvorschläge der EU**

Zu den Rahmenvorschriften der EU für die Arbeitsmigration gehören eine allgemeine Rahmenrichtlinie und vier Einzelrichtlinien über die Bedingungen für die Einreise und den Aufenthalt von hochqualifizierten Arbeitnehmern, Saisonarbeitnehmern, innerbetrieblich versetzten Arbeitnehmern und bezahlten Auszubildenden.

Der Vorschlag für eine Richtlinie zur saisonalen Beschäftigung vom Juli 2010 ist der erste Versuch zur Einführung von EU-weiten Vorschriften und Verfahren, mit denen einheitliche Kriterien und Verfahren für die saisonale Migration geschaffen werden sollen. Ein zweiter Gesetzgebungsvorschlag betraf die Bedingungen für die Einreise und den Aufenthalt von Drittstaatsangehörigen bei konzerninterner Entsendung. Er soll die zeitlich befristete Migration von hochqualifizierten Arbeitnehmern erleichtern. Beide Vorschläge befinden sich gegenwärtig in der ersten Phase des Gesetzgebungsverfahrens. Für die Anwerbung von Saisonarbeitnehmern und konzernintern entsandten Arbeitnehmern aus Drittstaaten sind daher bislang hauptsächlich die nationalen Rechtsvorschriften der einzelnen Mitgliedstaaten maßgebend.

Mit der Entsenderichtlinie soll garantiert werden, dass die Rechte und Arbeitsbedingungen eines entsandten Arbeitnehmers überall in der Europäischen Union geschützt werden. Weder die Richtlinie noch einschlägige abgeleitete Rechtsvorschriften treffen allerdings Regelungen für entsandte Arbeitnehmer aus Drittstaaten. Deren spezieller Status gründet sich derzeit ausschließlich auf Artikel 49 EG (Niederlassungsfreiheit in der EU).

## **Rechtliche Vorschriften für Arbeitnehmer aus Drittstaaten in der EU**

Gemäß dem in der Europäischen Union geltenden Grundsatz der Freizügigkeit der Arbeitnehmer können die Staatsangehörigen aus Ländern des Europäischen Wirtschaftsraums (EWR) in allen EWR-Ländern zu den gleichen Bedingungen arbeiten wie die Staatsangehörigen des jeweiligen Landes. Für Staatsangehörige aus Nicht-EWR-Ländern gelten jedoch andere Vorschriften, da sie im Allgemeinen eine Arbeitserlaubnis benötigen. Dabei gibt es momentan von Land zu Land sehr unterschiedliche Regelungen für Drittstaatsangehörige im Hinblick auf die Art der Arbeitserlaubnis, deren Verbindung mit der Aufenthaltserlaubnis, die Dauer der Arbeitserlaubnis, Vergabekriterien und Ausnahmen.

Mit der Richtlinie 2009/50/EG des Rates wurde in der EU das System der Blauen Karte EU eingeführt. Dabei handelt es sich um eine anerkannte EU-weite Arbeitserlaubnis, die es hochqualifizierten Bürgern aus Drittländern gestattet, in jedem Land der Europäischen Union (ausgenommen Dänemark, Irland und das Vereinigte Königreich) zu arbeiten und zu leben. Es wird ein Schnellverfahren zur Beantragung einer Arbeitserlaubnis angeboten, und die Durchführung in den teilnehmenden Mitgliedstaaten sollte bis 2011 abgeschlossen sein.

## **Migrationspolitik und Integration in den Arbeitsmarkt**

In den letzten Jahren wurde die Einwanderungspolitik in den meisten EU-Mitgliedstaaten zunehmend restriktiver, wobei es allerdings zwischen den Mitgliedstaaten beträchtliche Unterschiede gibt. Neben selektiven migrationspolitischen Maßnahmen gibt es beispielsweise auch Punktesysteme, um nur einige von ihnen zu nennen. Da möglicherweise die Familienzusammenführung einen Weg für geringqualifizierte Arbeitskräfte bietet, um ins Land zu gelangen, gehen einige Mitgliedstaaten dazu über, für entfernte Familienmitglieder die Zugangsvoraussetzungen zu verschärfen (was Bildung und Arbeitserfahrung betrifft).



## **Zugang zur Bildung und Eingliederung der Migrantenkinder**

Die Bildungssysteme in Europa passen sich langsam an die Bedürfnisse der Einwanderer an. Besonderen Handlungsbedarf gibt es im Hinblick auf die Unterstützung von Bildungsprogrammen für Einwanderer, die Anerkennung ihrer formalen Befähigungsnachweise, Einführungsprogramme für Neuankömmlinge und ihre Familien und die Förderung der sozialen Eingliederung an den Schulen.

In nahezu allen EU-Mitgliedstaaten sind die schulischen Leistungen der Kinder mit Migrationshintergrund deutlich schlechter als die der einheimischen Kinder. Die Herausgabe von schriftlichen Informationen zum Schulsystem und die Bereitstellung von Übersetzungsdiensten sind wirksame Maßnahmen, um die Kommunikation zwischen Schulen und Einwandererfamilien zu verbessern. Sprachkurse für die Kinder dieser Familien sind eine ganz wesentliche Voraussetzung für deren Eingliederung in das Schulsystem. Der Erfolg der Integrationspolitik im Bildungsbereich hängt außerdem von der Nutzung der Ressourcen auf lokaler Ebene und der Koordinierung zwischen den staatlichen Behörden und den Schulen ab.

## **Überwindung der Hindernisse für die Integration in den Arbeitsmarkt**

Bei Einwanderern aus Drittstaaten sind in nahezu der gesamten EU (außer in Südeuropa und einigen EU-12-Mitgliedstaaten) deutlich niedrigere Erwerbsquoten und höhere Arbeitslosenquoten festzustellen. Bei ethnischen Minderheiten ist die Arbeitslosigkeit bis zu fünfmal höher als bei den EU-Bürgern, und das Lohngefälle kann über 30 % betragen. Dieses Gefälle lässt sich größtenteils auf ein geringeres Niveau an Humankapital und das nahezu vollständige Fehlen einer Inter-Generationen-Mobilität zurückführen. Den Sachverständigen zufolge stellt die Diskriminierung zusammen mit sprachlichen, bildungsbezogenen und institutionellen Faktoren „das wichtigste Hindernis [dar], das einer vollständigen Beteiligung der ethnischen Minderheiten am Arbeitsmarkt entgegensteht“.

## **Die Auswirkung der Zuwanderung auf den Arbeitsmarkt und den Sozialstaat**

Bislang haben die meisten Studien ergeben, dass die Zuwanderung keine oder nur geringfügige nachteilige Auswirkungen auf die Beschäftigungsquote oder die Löhne der einheimischen Arbeitnehmer in den EU-Mitgliedstaaten hat. Das gilt auch im Zusammenhang mit der jüngsten Zuwanderungswelle aus den Ländern, die der EU nach 2004 beigetreten sind. Obwohl immer wieder argumentiert wird, dass Länder mit höheren Sozialausgaben mehr Einwanderer mit nur geringer Erwerbsfähigkeit anziehen, wurde dies durch jüngste empirische Studien nicht bestätigt. Es wurde festgestellt, dass Einwanderer – unter Berücksichtigung ihrer verschiedenen Charakteristika – in den meisten Mitgliedstaaten geringere Sozialleistungen erhalten als die Einheimischen; außerdem stellt das Arbeitslosengeld keinen Anreiz für Einwanderer aus EU- und Drittstaaten dar. Einheimische Arbeitnehmer mit geringer Qualifikation stehen der Zuwanderung in der Regel immer noch ablehnend gegenüber, da die zugewanderten Arbeitskräfte als direkte Konkurrenten auf dem Arbeitsmarkt angesehen werden. Viele Europäer sprechen sich dafür aus, Einwanderern den Zugang zu Sozialleistungen zu beschränken, da man ihnen einen Missbrauch des Systems unterstellt.

## **Politische Empfehlungen**

### **Sensibilisierung für die Bedeutung von Antidiskriminierung**

Das Europäische Parlament sollte den Menschen generell klarmachen, welche schädlichen Auswirkungen Diskriminierung hat. Es kann dazu beitragen, verstärkt über das Recht auf Schutz vor Diskriminierung und die positiven Effekte der Vielfalt zu informieren. Jeder in Europa sollte seine gesetzlich verbrieften Rechte auf Schutz vor Diskriminierung und auf Beschwerde über diskriminierende Einstellungen und Verhaltensweisen kennen.

Einwanderer können nur dann erfolgreich integriert werden, wenn sie angemessen vor Diskriminierung aus Gründen der Staatsangehörigkeit oder der ethnischen Herkunft geschützt sind. In diesem Zusammenhang leistet die Europäische Union einen aner kennenswerten Beitrag zur Aufklärungsarbeit, jedoch bleibt noch viel zu tun, um den Dialog zwischen Regierungen, Zivilgesellschaft und Sozialpartnern in Bezug auf alle Diskriminierungsgründe zu stärken.

Das Europäische Parlament sollte über den Arbeitsmarkt hinaus in allen Politikbereichen die Antidiskriminierung fördern. Spezifische Kampagnen könnten helfen, die Gesellschaft für das Risiko der Diskriminierung zu sensibilisieren. Einwanderer müssen in der Gesellschaft anders wahrgenommen werden; nur dann lässt sich die soziale Eingliederung realisieren.

### **Wirksame Durchsetzung und Durchführung von Antidiskriminierungsgesetzen**

Alle europäischen Mitgliedstaaten haben mittlerweile Antidiskriminierungsgesetze erlassen. Was die Diskriminierungsgründe, den Umfang des Schutzes oder die Zuständigkeiten spezialisierter Stellen betrifft, gehen sie in vielen Fällen über die Anforderungen des europäischen Rechts hinaus.

Einige Staaten haben jedoch im Wesentlichen den Text der Richtlinien in die nationalen Rechtsvorschriften eingebunden, und nun kommt es vielerorts darauf an, diese Rechtsvorschriften auch wirksam in der Praxis durchzusetzen. Eine umfassende Integrationspolitik wurde bislang nur in einigen wenigen EU-Mitgliedstaaten eingeführt.

Das Europäische Parlament sollte die Mitgliedstaaten daran erinnern, dass die Einführung von Antidiskriminierungsvorschriften allein nicht ausreicht, sondern mit wirksamen Maßnahmen zu deren Durchsetzung einhergehen muss.

## **Förderung von Einführungsprogrammen für Einwanderer**

Einführungsprogramme beinhalten Sprachkurse, berufliche Bildung, staatsbürgerliche Erziehung und grundlegende Informationen zum Aufnahmeland. Beispiele für solche Programme finden sich in den meisten EU-Ländern.

In einigen Fällen werden die Sprachkurse zentral vom Arbeits- oder Bildungsministerium ausgerichtet oder von den Kommunen und Regionalbehörden angeboten. Gelegentlich wurde Kritik laut, dass diese Programme nur wenig Relevanz zum Arbeitsmarkt hätten, weshalb eine schrittweise Anpassung der Inhalte an eine beschäftigungsorientierte Sprachausbildung vorgenommen wurde.

Gute Praxis wäre es, wenn alle Ausländer über 18 Jahre unabhängig von der Kategorie ihrer Aufenthaltsgenehmigung oder der Länge des Aufenthalts beauftragt würden, an einem dreijährigen Sprachkurs teilzunehmen, der wirtschaftsorientiert und zeitlich flexibel ist. Das Europäische Parlament sollte sich daher für erfolgreiche Einführungsprogramme für Einwanderer in allen Teilen der EU engagieren.

## **Bereitstellung von Sprachdiensten für Einwandererkinder**

Der für die Integration der Einwanderer überall wichtigste Aspekt ist die Sprachausbildung. Besonderer Unterstützung bedürfen die Kinder der Einwanderer, da ansonsten deren erfolgreiche Eingliederung nicht möglich ist.

Die Kurse können freiwillig oder obligatorisch sein. Eine längere Sprachausbildung erscheint problematisch, denn die Einwanderer werden dadurch zu einem Zeitpunkt vom Arbeitsmarkt ferngehalten, da die Arbeitgeber frühzeitige Arbeitserfahrungen im Aufnahmeland in der Regel positiver bewerten als zurückliegende Arbeitserfahrungen im Herkunftsland.

Die Bedürfnisse der Einwandererkinder im Zusammenhang mit Beschäftigung und sozialer Integration müssen stärker in den Mittelpunkt gerückt werden. Sprachdienste helfen, die soziale Integration zu sichern, und sind daher als nachhaltige und langfristige Investition anzusehen. Die durchgängige Einbeziehung dieser Dienste in alle Arten von Integrationsprogrammen wird somit nachdrücklich empfohlen.

## **Verbesserung der Erwerbsbeteiligung der Einwanderer**

In nahezu allen europäischen Ländern sind Einwanderer mit (besonders langfristigen) regulären Arbeits- und Aufenthaltserlaubnissen berechtigt, an den Unterstützungs- und Aktivierungsmaßnahmen zum Zwecke des Eintritts in den nationalen Arbeitsmarkt teilzunehmen. Allerdings sind derartige Beschäftigungsprogramme nicht unbedingt auf Einwanderer ausgerichtet, so dass deren spezifische Bedürfnisse unberücksichtigt bleiben.

In einigen Mitgliedstaaten richten sich die arbeitsmarktpolitischen Eingliederungsmaßnahmen in erster Linie auf Arbeitnehmer-Randgruppen, ohne dass zwischen Einwanderern und Einheimischen unterschieden wird. Viele Staaten jedoch führten in diesem Bereich Maßnahmen ein, die gezielt auf die Einwanderer zugeschnitten sind, da sie gerade im Hinblick auf die Probleme des Arbeitsmarktes eine sehr anfällige Gruppe darstellen.

Vor diesem Hintergrund sollte sich das Europäische Parlament für die Verbesserung der Erwerbsbeteiligung der Einwanderer einsetzen, indem es sich für die Überwindung von Hindernissen wie Diskriminierung und fehlende Sprachkenntnisse sowie die Anerkennung ausländischer Befähigungsnachweise engagiert.

### **Verbesserung der Möglichkeiten für die Anerkennung von Befähigungsnachweisen**

Bei EU-Einwanderern mit mittlerer und hoher Qualifikation sind deutlich höhere Überqualifikationsquoten zu verzeichnen als bei einheimischen Arbeitnehmern, d. h. viele Einwanderer haben ein höheres Bildungsniveau als es für die Tätigkeit gefordert wird, die sie gegenwärtig im Aufnahmeland ausüben.

Das ist teilweise der Tatsache geschuldet, dass ausländische Befähigungsnachweise und Arbeitserfahrungen von den Arbeitgebern im Aufnahmeland möglicherweise nicht ohne weiteres anerkannt werden. Daher sollte das Europäische Parlament mit Nachdruck auf die Wichtigkeit einer besseren Anerkennung von Befähigungsnachweisen aufmerksam machen, besonders auch unter Berücksichtigung eines möglichen Fachkräftemangels.



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

**POLICY DEPARTMENT**  
ECONOMIC AND SCIENTIFIC POLICY **A**



Economic and Monetary Affairs

**Employment and Social Affairs**

Environment, Public Health and Food Safety

Industry, Research and Energy

Internal Market and Consumer Protection

# The integration of migrants and its effects on the labour market

EMPL



**DIRECTORATE GENERAL FOR INTERNAL POLICIES**  
**POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY**  
**EMPLOYMENT AND SOCIAL AFFAIRS**

# **The integration of migrants and its effects on the labour market**

## **STUDY**

### **Abstract**

This study provides an overview of the situation of immigrants in the European Union, by focusing on the process of their integration and its impact on the labour market. Section 1 provides information on the scale of the migration phenomenon, focusing on the origin patterns of immigrants to the EU-27 and describing evidence about the need of immigrant workers. Section 2 explores in greater detail the employment situation of immigrants, their distribution across the industrial sectors and how this compares with the native population. The legal status of seasonal workers, posted workers and intra-corporate transferees from outside the EU is outlined in Section 3, where immigration legislation for these types of workers is described. Section 4 explores obstacles to the integration of immigrants and their children within the educational system, as well as their assimilation into the labour market. The role of both restrictive immigration policies and of practical barriers to integration is investigated. The impact of immigration on the wages and on the welfare state is considered in Section 5, where evidence from empirical studies is compared with the results of opinion surveys. Section 6 concludes the study with an overview of the current implementation of anti-discrimination laws in EU Member States. The section describes best practices taken at the national and company level which have been successful in promoting the integration of immigrants, preventing discrimination and improving their social inclusion. The final Section 7 gives some policy recommendations.



This document was requested by the European Parliament's Committee on Employment and Social Affairs.

## **AUTHORS**

Werner Eichhorst (IZA)  
Corrado Giulietti (IZA)  
Martin Guzi (IZA)  
Michael J. Kendzia (IZA)  
Paola Monti (fRDB)  
Tommaso Frattini (Università degli Studi di Milano)  
Klaus Nowotny (WIFO)  
Peter Huber (WIFO)  
Barbara Vandeweghe (IDEA Consult)

## **RESPONSIBLE ADMINISTRATOR**

Ms. Laurence SMAJDA  
European Parliament  
DG Internal Policies of the Union  
Policy Department A - Economic and Scientific Policy  
B-1047 Brussels  
E-mail: [Poldep-Economy-Science@europarl.europa.eu](mailto:Poldep-Economy-Science@europarl.europa.eu)

## **LINGUISTIC VERSIONS**

Original: EN  
Executive summary: DE/FR

## **ABOUT THE EDITOR**

To contact the Policy Department or to subscribe to its newsletter please write to:  
[Poldep-Economy-Science@europarl.europa.eu](mailto:Poldep-Economy-Science@europarl.europa.eu)

Manuscript completed in June 2011.  
Brussels, © European Parliament, 2011.

This document is available on the Internet at:  
<http://www.europarl.europa.eu/activities/committees/studies.do?language=EN>

## **DISCLAIMER**

The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation for non-commercial purposes are authorized, provided the source is acknowledged and the publisher is given prior notice and sent a copy.

## CONTENTS

<b>LIST OF ABBREVIATIONS .....</b>	<b>5</b>
<b>LIST OF TABLES.....</b>	<b>8</b>
<b>LIST OF FIGURES.....</b>	<b>9</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>10</b>
<b>1. CURRENT PATTERNS OF IMMIGRATION IN THE EU .....</b>	<b>17</b>
1.1 About the data.....	18
1.2 Stocks of immigrants by origin.....	19
1.3 Stocks of immigrants by educational qualifications.....	20
1.4 Immigration trends and the impact of the economic crisis.....	22
1.5 Labour shortages and the need for immigrant workers .....	24
1.6 Perceptions regarding the need for immigrants.....	28
1.7 Irregular immigrants .....	30
1.8 Seasonal workers.....	33
<b>2. IMMIGRANTS AND THE LABOUR MARKETS.....</b>	<b>35</b>
2.1 Sectors of employment and occupations.....	35
2.2 Employment population rates.....	40
2.3 Unemployment rates .....	42
2.4 Unemployment rates and economic crisis .....	45
2.5 Types of employment contracts.....	47
2.6 Immigrants and skill-job mismatch.....	48
<b>3. THE LEGAL STATUS OF IMMIGRANTS IN THE EU .....</b>	<b>54</b>
3.1 General EU framework on the rules of labour immigration.....	54
3.2 EU legislative proposals on seasonal work and intra-corporate transfers.....	55
3.3 Legislation on the posting of workers .....	58
3.4 Legal requirements for non-EU workers in the EU .....	59
<b>4. THE INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN.....</b>	<b>68</b>
4.1 Migration policy and labour market integration .....	68
4.2 Labour market integration .....	74

4.3 The integration of immigrants and their children within educational systems .....	76
<b>5. THE IMPACT OF IMMIGRATION ON THE LABOUR MARKET AND THE WELFARE STATE.....</b>	<b>80</b>
5.1 The impact of immigration on labour markets.....	80
5.2 The impact of immigration on welfare .....	81
5.3 Perceptions about the impact of immigration.....	84
<b>6. ANALYSING EU AND NATIONAL POLICIES AND IDENTIFYING BEST PRACTICES .....</b>	<b>88</b>
<b>7. POLICY RECOMMENDATIONS.....</b>	<b>103</b>
<b>REFERENCES.....</b>	<b>107</b>
<b>ANNEXES .....</b>	<b>113</b>

## LIST OF ABBREVIATIONS

**ACIDI** Alto Comissariado para a Imigração e Diálogo Intercultural

**ADS** German Federal Anti-Discrimination Agency

**CCOO** Comisiones Obreras

**CEDEFOP** European Centre for the Development of Vocational Training

**CEPS** Centre for European Policy Studies

**CLAI** Complementary network of local immigrant support centres

**CNAI** National Immigration Support Centres

**CSR** Corporate Social Responsibility

**DISI** Diversity in the Swedish Industry

**EC** Council Regulation

**EEA** European Economic Area

**EMAG** Ethnic Minority Achievement Grant

**EMCC** European Monitoring Centre on Change

**EMN** European Migration Network

**ESS** European Social Survey

**ESHSLI** Expert Survey on High-Skilled Labour Immigration

**EU** European Union

**EU-12** Member States which joined the EU after 2004: Bulgaria (BG), Cyprus (CY), Czech Republic (CZ), Estonia (EE), Hungary (HU), Latvia (LV), Lithuania (LT), Malta (MT), Poland (PL), Romania (RO), Slovakia (SK) and Slovenia (SI).

**EU-15** Members States of the European Union prior to the EU enlargement of 2004: Austria (AT), Belgium (BE), Denmark (DK), Finland (FI), France (FR), Germany (DE), Greece (GR), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Portugal (PT), Spain (ES), Sweden (SE) and the United Kingdom (UK).

**EU-SILC** European Union Statistics on Income and Living Conditions

**EQUINET** European Network of Equality Bodies

**FRDB** Fondazione Rodolfo deBenedetti

**IOM** International Organization for Migration

**ISCED** International Standard Classification of Education

**ISCO** International Standard Classification of Occupations

**IZA** Institute for the Study of Labor

**LFS** Labour force survey

**MAC** Migration Advisory Committee

**MIPEX** Migrant Integration Policy Index

**NGO** Non-governmental organisation

**NUTS** Nomenclature of Statistical Territorial Units

**OECD** Organisation for Economic Co-operation and Development

**PBS** Point-based migration system

**PISA** Programme for International Student Assessment

**PWD** Posting of Workers Directive

**SASEC** System of Sectoral Self-Regulation in Construction

**UGT** General Union of Workers

**UNIVA** Units for Insertion into Professional Life

## LIST OF TABLES

Table 1: Stocks of foreign-born population as percentage of total population ....	19
Table 2: Stocks of foreign-born population (as percentage of total population) over time .....	23
Table 3: Immigration policies aimed at high-skilled labour from outside the EU .	26
Table 4: Estimates of irregular migration in the EU in 2008 .....	31
Table 5: Inflows of asylum seekers into the EU.....	33
Table 6: Percentage of foreign-born employment by sector and country of residence, EU-LFS 2009.....	37
Table 7: Changes in EU foreign-born employment in 2008–2009.....	38
Table 8: Percentages of foreign-born employment by occupation and country of residence, EU-LFS 2009.....	39
Table 9: Unemployment rates by country of residence, gender and age .....	46
Table 10: Proportions of different types of employment of foreign-and native- born, 2009 .....	48
Table 11: Correspondence of occupations (ISCO-88) and required skill levels (ISCED-97).....	49
Table 12: Over-qualified employed in the EU by country of residence and highest completed education (% employed aged 15 or over) .....	50
Table 13: Over-qualified foreign-born in the EU by sending region and highest completed education (% employed foreign-born aged 15 or over) .....	51
Table 14: Legal requirements for non-EU workers in Belgium .....	61
Table 15: Legal requirements for non-EU workers in Denmark.....	62
Table 16: Legal requirements for non-EU workers in Germany.....	63
Table 17: Legal requirements for non-EU workers in Italy .....	64
Table 18: Legal requirements for non-EU workers in Poland .....	65
Table 19: Legal requirements for non-EU workers in the United Kingdom .....	66
Table 20: Strictness of migration policies in major EU immigration destinations	71
Table 21: Predicted probabilities of unemployment benefits receipt, 2005–2008	83
Table 22: Anti-discrimination legislation in EU-15 .....	91
Table 23: Anti-discrimination legislation in EU-12 .....	92

## LIST OF FIGURES

Figure 1: Distribution of educational attainment of natives and foreign-born population .....	21
Figure 2: “We need immigrants to work in some sectors of our economy”, percentage which completely agree or tend to agree.....	29
Figure 3: Employment rate of foreign-born and native men in EU-27, 2009 .....	41
Figure 4: Employment rate of foreign-born and native women in EU-27, 2009 ..	42
Figure 5: Unemployment rate of foreign-born relative to natives, 2009 .....	44
Figure 6: Unemployment rates of foreign-born in EU-15 by origin .....	44
Figure 7: Out-commuting in the EU-27 by NUTs-2-regions .....	53
Figure 8: Cross-border in-commuting (% employed at the workplace) .....	53
Figure 9: Evolution of the index of strictness of migration policies in the largest immigration countries of the EU .....	69
Figure 10: Selected sub-indexes increasing the strictness of migration policy (1990–2010) .....	72
Figure 11: Strictness of migration policies in 11 EU Member States (1990–2010) .....	72
Figure 12: MIPEX index on family reunification, 2010 .....	74
Figure 13: MIPEX index on access to education by immigrants, 2010.....	77
Figure 14: Performance difference between native and immigrant students .....	78
Figure 15: Attitudes towards immigrants .....	85
Figure 16: Attitudes towards immigrants .....	86
Figure 17: Attitudes towards immigrants .....	86
Figure 18: Attitudes towards immigrants .....	87



## EXECUTIVE SUMMARY

### Objective of this study

The objective of the study is to provide an overview of the situation of immigrants in the European Union, with a particular focus on the process of their integration and its impact on the labour market. The study comprises six sections, which are summarised below. In this study, immigrants are identified using a definition based on the country of birth, that is, they are individuals who are born in a country different from the one where they currently reside. Whenever possible, the analysis is conducted separately for the EU-15 and the EU-12 Member States, as immigration patterns differ substantially in the two regions. The EU-15 is composed of countries which were Member States before the 2004 EU enlargement (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom); the EU-12 comprises Member States which joined the EU after 2004 (Bulgaria, Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia).

### Current stocks of immigrants by origin and educational qualifications

Present stocks of immigrants vary substantially across the EU Member States, both in terms of countries of origin and countries of destination. As of 2008, more than 9 out of 10 immigrants in the EU-27 resided in one of the EU-15 Member States. Both relative and absolute numbers of immigrants in EU-12 countries are in general small, albeit increasing in recent years. In general, the majority of immigrants originate from outside the EU. As for migration within the EU, the majority of immigrants in the EU-15 come from other EU-15 Member States, with the exception of Southern Europe, where the proportion of immigrants from the EU-12 is larger than the one from the EU-15.

In the EU-15, the distribution of educational qualifications of immigrants differs from that of natives, with immigrants with non-EU origins being overrepresented in the low education category, immigrants from the EU-12 overrepresented in the medium education category and immigrants from the EU-15 overrepresented in the high education category. On the other hand, the educational distribution of immigrants in the EU-12 resembles that of natives, with the exception of EU-15 immigrants, who are overrepresented in the high education category and under-represented in the medium education category.

### Immigration trends and the impact of the economic crisis

Immigration stocks in the EU steadily increased during the period 1995–2009, with the largest increase found in Southern Europe and in some of the EU-12 Member States. To date, there has been no evidence that the economic crisis has substantially affected the stocks of immigrants, although the long-term effects are yet unknown. A possible explanation of the absence of short-term effects is that immigrants are more mobile across sectors in comparison to native population. An alternative reason is that remaining in the host country could be a safer option than returning home, especially if unemployment insurance is accessible and re-emigration is costly.

## **Labour shortages and the need for immigrant workers**

According to current projections, more than 13 million additional jobs will have been created in Europe by 2015. The demand for high-skilled workers is expected to increase by 2.8%, whereas the need for low-skilled workers is likely to decline by 1.4%. Immigration is often viewed as a solution to labour shortages, as it works as a labour market stabiliser. In this context, policy could contribute to filling labour shortages by facilitating the immigration of individuals who possess the skills that are identified as being scarce. The potential of immigration to fill labour shortages is corroborated by recent opinion surveys, in which perceptions about the needs of immigrants are elicited from individuals and experts. The majority of respondents to the Eurobarometer survey believe that immigrants are needed to work in the economy, while the bulk of experts who took part in the IZA Expert Survey on High-Skilled Labour Immigration believe that the economy needs at least as many high-skilled immigrants as it has now.

## **Irregular immigrants and asylum seekers**

Recent estimates suggest that between 1.9 and 3.8 million immigrants reside irregularly in the EU, with Southern Europe being the region where the phenomenon of illegal immigration is most widespread. Member States in this region have implemented collective regularisation programmes and combined them with tougher regulations against illegal entry. On the contrary, other states have chosen to regularise immigrants by processing case-by-case asylum-seeker applications. In the last decade, it is estimated that almost 3.5 million asylum seekers entered the EU. Recently, Member States in the EU-12 also became destinations for asylum seekers.

## **Seasonal workers**

The demand for seasonal workers is typically high in certain sectors, predominantly in agriculture but also in construction, tourism and domestic work. The Policy Plan on Legal Immigration proposes a residence/work permit allowing third-country nationals to work for a certain number of months.

## **The employment situation of immigrants**

In general, foreign-born workers are concentrated in the service sector, but they are also over-represented in construction, albeit with substantial variation across countries. On the other hand, the share of immigrant employment in manufacturing has been decreasing over time. The distribution of immigrants across sectors is somewhat reflected in their overrepresentation (with respect to natives) in manual and low-skilled occupations.

On average, foreign-born men have higher employment rates than natives, especially in Southern European countries, while women exhibit in general lower employment rates. Marked differences also exist as regards skill level. Low-skilled immigrants in the EU-27 (especially those with non-EU origins) have higher employment rates than natives of the same skill level, while high-skilled immigrants have lower employment rates vis-à-vis high-skilled natives. The under-employment of high-skilled individuals can be partly associated with the imperfect recognition of immigrants' formal education and qualifications.

Unemployment rates of immigrants are higher than those of natives, especially in the case of immigrants from Africa and the Middle East, Central and South America and for immigrants with EU-12 origins. As a consequence of the economic crisis, immigrant unemployment rates increased more rapidly than those of natives, especially for men and young cohorts. Foreign-born women were somewhat less affected by the crisis, since they are more concentrated in sectors such as social and household services, which experienced positive growth in spite of the economic downturn.

### **Types of employment contracts and skill-job mismatch**

In the EU-15, foreign-born workers are over-represented among temporary workers and in terms of short-tenure jobs. Temporary employment and labour hoarding of permanent workers partly explains the higher than average rise in unemployment rates among immigrants. Medium- and high-skilled immigrants and those of non-EU origins exhibit considerably larger rates of over-qualification than natives. In general, the rates of over-qualification in the EU-12 are lower than those in the EU-15; however, a pronounced over-qualification risk exists for immigrants from EU-12 Member States.

### **Rules of labour immigration and current EU legislative proposals**

The EU policy framework on the rules of labour migration consists of a general framework directive and four specific directives on the conditions of entry and residence of high-skilled workers, seasonal workers, intra-corporate transferees and remunerated trainees.

The proposal for a directive on seasonal employment from July 2010 is the first attempt to introduce EU-wide rules and procedures in order to create common criteria and procedures for seasonal migration. A second legislative proposal concerned the conditions of entry and residence of third-country nationals within the framework of an intra-corporate transfer. It aims to facilitate the temporary migration of high-skilled professionals. Currently, both proposals are in the first stage of the legislative procedure. As a consequence, to date, the recruitment of seasonal workers and intra-corporate transferees from outside the EU is governed principally by national laws in each Member State.

The Posting of Workers Directive has been set up to guarantee that the rights and working conditions of a posted worker are protected throughout the European Union. Neither the directive nor secondary legislation on this subject includes provisions on posted workers from third countries. At this stage, the third country nationals' special status as posted workers is based solely on Article 49 EC (freedom of establishment in the EU).

### **Legal requirements for non-EU workers in the EU**

According to the European Union principle regarding the freedom of movement of workers, nationals of European Economic Area (EEA) states are allowed to work in another EEA country under the same conditions as the citizens of that country. However, rules are different for non-EEA nationals, as, in general, they require a work permit. At the moment, the type of work permit, the link with the residence permit, the duration of the work permit, the eligibility criteria and the exemptions on the work permit for non-EU nationals vary substantially from country to country.

With Council Directive 2009/50/EC, the Blue Card system was introduced in the EU. This is an approved EU-wide work permit allowing high-skilled, non-EU citizens to work and live in any country within the European Union (excluding Denmark, Ireland and the United Kingdom). The card offers a one-track procedure for non-EU citizens to apply for a work permit and should be implemented in the participating Member States by 2011.

### **Migration policy and labour market integration**

In recent years, immigration policies have become more restrictive in most EU Member States, but regulations vary substantially across Member States, and include selective migration policies and point-based systems, to mention just a few. Since family reunification might provide a route for the entry of low-skilled workers, there is a tendency of some EU Member States to set tougher entry requirements (in terms of education and work experience) for extended family members.

### **Access to education and the integration of immigrants' children**

Education systems in Europe are slowly adapting to the needs of immigrants. Areas that need to be targeted include supporting educational programmes for immigrants, recognition of immigrants' formal qualifications, introductory programmes for newcomers and their families and the promotion of social integration at schools.

The educational performance of children with an immigration background is substantially lower than that of native children in nearly all EU Member States. The publication of written information about the school system and the presence of interpretation services are all effective measures to enhance the communication between schools and immigrant families. Language training courses for immigrant children are essential for promoting their integration within the school system. The success of integration policies in education is also linked to the use of resources at local level and to the coordination between governments and schools.

### **Overcoming barriers to labour market integration**

Non-EU immigrants exhibit substantially lower participation and higher unemployment rates than natives in most of the EU, with the exception of Southern Europe and some of the EU-12. Ethnic minorities have unemployment rates that are up to five times higher than those of EU natives, and wage gaps can reach over 30%. Most of the observed gap can be attributed to lower levels of human capital and scarce intergenerational mobility. According to expert opinions, discrimination is the "most significant barrier preventing ethnic minorities from fully participating in the labour market", together with linguistic, educational and institutional factors.

## **The impact of immigration on the labour market and the welfare state**

To date, most studies have found that immigration has no, or a negligibly adverse impact on the employment rate or wages of natives in EU Member States. This is also true for the more recent waves of immigrants from the countries that joined the EU after the 2004 enlargement. While it has been argued that countries with higher social spending attract more immigrants with low earning capacity, this could not be confirmed in recent empirical studies. It has been established that, after considering their different characteristics, immigrants exhibit lower rates of welfare receipt relative to natives in most of the Member States; furthermore, unemployment benefits do not constitute a magnet for immigrants from EU and non-EU origins. Still, low-skilled natives tend to have negative attitudes towards immigration, since immigrants are perceived as direct competitors in the labour market. Many European citizens are in favour of restricting welfare access to immigrants, as they are perceived as “abusers” of the system.

## **Policy recommendations**

### **Raising awareness of the importance of anti-discrimination**

The European Parliament should make people aware of the damaging effects of discrimination in general. Hence, the Parliament can help disseminate information of people’s right to protection against discrimination and the positive effects of diversity. Everyone in Europe should know his or her rights under the law to protect them from discrimination and to query discriminatory attitudes and behaviour.

The integration of immigrants can succeed only if they are adequately protected from discrimination on grounds of nationality or ethnic origin. In this context, the European Union efforts are appreciated for their role in raising awareness, but more remains to be done to increase dialogue among governments, civil society and social partners across all grounds.

The European Parliament should advance anti-discrimination across the full range of policy areas beyond labour market issues. Specific campaigns could help raise awareness in society concerning the risk of discrimination. To change the perception of immigrants within society is a crucial issue regarding social inclusion.

### **Effective enforcement and implementation of anti-discrimination legislation**

All European Member States have recently implemented anti-discrimination laws. Moreover, the legislation in many Member States goes beyond the requirements of European law with regard to the grounds of discrimination, the scope of protection or the competencies of specialised bodies.

However, some states have essentially incorporated the text of the directives into national legislation and the challenge identified in many Member States is the effective enforcement of laws in practice. A comprehensive integration policy has been implemented in only a few EU Member States.

The European Parliament should remind Member States that implementation of anti-discrimination legislation alone is not enough. The implementation must go hand in hand with effective enforcement of the anti-discrimination legislation.

### **Promoting introduction programmes for immigrants**

Introduction programmes combine language courses, vocational training, civic education and basic information on the host country. Examples of such programmes can be found in most EU countries.

In some cases language courses are organised centrally by the ministry of labour or education or provided by municipalities and regional governments. Some of these programmes have been criticised for having little labour market relevance, which, in some cases, led to a gradual adjustment of their contents towards work-oriented language training.

A good practice would be if all foreigners above 18 years of age, regardless of their permit category or length of stay, were required to participate in a three-year language course which is business-oriented and flexible in terms of time. Thus, the European Parliament should help spread successful introduction programmes for immigrants across the EU.

### **Providing language services for immigrant children**

The most common feature with regard to the integration of immigrants is language training. The support of immigrant children seems to be of utmost importance in view of a successful integration of immigrant children.

Courses may be voluntary or compulsory. Prolonged language training seems to be problematic, since it keeps immigrants away from the labour market in a situation in which employers tend to positively evaluate early work experience in the host country rather than previous work experience in the country of origin.

Employment and social inclusion needs of immigrant children deserve closer attention. Language services help ensure social inclusion and therefore constitute a sustainable and long-term investment. Mainstreaming of language services for immigrant children into all kind of integration programmes is a strongly recommended measure.

### **Enhancing the labour market participation of immigrants**

In almost all European countries, immigrants with (especially long-term) regular work and residence permits are eligible to participate in the national labour market support and activation measures. However, those employment programmes are not necessarily targeted at immigrants, and they do not take account of immigrants' specific needs.

In some Member States integration policies focus on marginalised groups of workers, with no distinction between immigrants and natives in their labour market policy measures. As a consequence, many states introduced labour market integration measures specifically targeted at immigrants, since they typically represent a vulnerable group in terms of labour market outcomes.

Against this background, the European Parliament should enhance the labour market participation of immigrants by overcoming barriers such as discrimination and a lack of language skills as well as the recognition of foreign qualifications.

### **Increasing the possibility for the recognition of qualifications**

Medium- and high-skilled EU immigrants face considerably higher rates of over-qualification than natives. In other words, many immigrants have educational attainment above the formal skill level needed to perform the tasks required by their present occupation in the host country.

This is partly due to the fact that foreign qualifications and work experience may not easily be recognised by employers in the host country. Therefore, the European Parliament should stress the importance of a better recognition of qualifications especially taking into account a possible shortage of skilled workers.



## 1. CURRENT PATTERNS OF IMMIGRATION IN THE EU

Immigration in the European Union has increased substantially in recent years. This is the result of rising mobility across Member States, as well as of the growing inflows of immigrants from outside the EU. Are immigrants integrated within the labour market? And how does the EU integration process affect labour market outcomes? In order to answer these important questions, it is necessary to provide an up-to-date, concise picture of migration patterns in the EU which also considers issues such as the undercounting of immigrants and incorporates the potential evolution of immigration patterns over time.

In Section 1.1, a brief description of the data used in the present section is given. Statistics related to the stocks of working-age immigrant population, separately for the EU-15 (Member States before 2004) and the EU-12 (countries which became EU-Member States in or after 2004) is presented in Section 1.2. The differences in educational qualifications are analysed in Section 1.3, where educational qualifications are compared between natives and immigrants from the EU-15, EU-12 and non-EU states. Section 1.4 focuses on immigration trends over the last decade and gives an account of the potential impact of the economic crisis.

While current figures provide a satisfactory account of the contemporary migration situation, it is crucial to relate these estimates to the future need for immigrant workers. To this end, the results from a recent project that estimates the future skill requirements for the EU Member States are discussed in Section 1.5. Moreover, this section integrates the discussion about labour shortages and how immigration can be viewed as an instrument to fill them. These figures are complemented in Section 1.6 with statistics derived from surveys in which perceptions about the need for immigrant workers are elicited.

Immigration statistics are generally affected by under-reporting issues, the majority of which are attributable to illegal immigration. The mobility of seasonal workers who move temporarily to EU Member States is difficult to assess, since it creates problems regarding the definition of immigrant as well as the documentation of their movement. To shed light on these two aspects, Section 1.7 reviews studies which have attempted to measure illegal immigration in the EU, along with a discussion about the regularisation of immigrants. Finally, Section 1.8 summarises some reports which provide statistics about seasonal workers.



## 1.1 About the data

### DEFINITIONS

- Immigrants are identified using a definition based on country of birth, i.e., they are individuals who are born in a country different from the one in which they currently reside.
- The EU-15 comprises EU Member States prior to the 2004 enlargement: Austria (AT), Belgium (BE), Denmark (DK), Finland (FI), France (FR), Germany (DE), Greece (GR), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Portugal (PT), Spain (ES), Sweden (SE) and the United Kingdom (UK).
- The EU-12 comprises Member States which joined the EU after 2004. These are Bulgaria (BG), Cyprus (CY), Czech Republic (CZ), Estonia (EE), Hungary (HU), Latvia (LV), Lithuania (LT), Malta (MT), Poland (PL), Romania (RO), Slovakia (SK) and Slovenia (SI).
- As of 2008, more than 93% of all immigrants in the EU-27 were resident in EU-15 Member States.

The evidence presented in this section is principally based on the European Labour Force Survey (EU-LFS). The survey is administrated by Eurostat on a quarterly basis and covers a large sample of households in the EU-27. Currently, data is not collected for Malta. Unfortunately, the use of EU-LFS for Finland was not approved by Eurostat, on the grounds that immigration counts for this country are too small and potentially misleading. Therefore statistics for Finland are not reported whenever the evidence is based on the EU-LFS.

Thanks to its harmonised definitions, the EU-LFS survey allows for an accurate comparison of immigration patterns across all EU Member States. It is, however, important to interpret the statistics derived from the survey with caution, especially in the context of immigration. The EU-LFS tends to under-report individuals who recently moved to a different country, owing to difficulties in including the newly arrived foreign-born in the sampling frame and due to a higher non-response rate among immigrants. Furthermore, it is important to point out that, as of 2008, more than 93% of all immigrants in the EU-27 were resident in an EU-15 Member State. The small sample size of most of the EU-12 countries suggests that statistics should be carefully interpreted.

Furthermore, it is important to emphasise some aspects related to the definition of immigration. Immigrants are identified in this study on the basis of their country of birth, that is, they are individuals born in a country different to the one in which they currently reside. This definition is chosen in order to emphasise the mobility patterns of individuals across countries. An alternative definition of immigrants could be one based on nationality. This would also include, among the “foreign nationals”, the children of first-generation immigrants who are born in the host country. It would also conceal the movement of foreign-born individuals who become citizens of the host country through naturalisation. For these reasons, and for the purposes of this study, a definition of country of birth is preferred. Henceforth, the terms foreign-born and immigrants will be used interchangeably. The only exception is that of Germany, for which immigrants are defined on the basis of their citizenship, since information on country of birth is not available in the LFS.

Despite the caveats related to the under-counting and the definition, the EU-LFS provides an updated and detailed portrait of migration patterns in the EU. The statistics contained in this section are derived from the most recent release of EU-LFS, which refers to the year 2009.

## 1.2 Stocks of immigrants by origin

### KEY FINDINGS

- Stocks of immigrants vary substantially across the 27 Member States and the majority of immigrants have origins outside the EU.
- The share of foreign-born population in the EU-15 varies from as little as 8.6% in Portugal to nearly 45% in Luxembourg. The majority of immigrants come from countries outside the EU, with the notable exceptions of Ireland and Luxembourg.
- In Southern Europe, the proportion of immigrants from the EU-12 is larger than the one from the EU-15.
- Among the EU-12, Cyprus, Estonia, Latvia and Slovenia have the largest immigration rates. However, both relative and absolute numbers of immigrants in the EU-12 countries are, in general, small.
- In the case of the Czech Republic and Slovakia, the majority of foreign-born originates from bilateral flows, while in the case of Hungary, it is from the relatively large proportion of Romanians.

Table 1 reports the stocks of immigrants in the EU, expressed as the percentage of population (immigration rates). Using relative stocks has the advantage of providing a concise measure of immigration penetration in a country and of being comparable across countries and over time. The table reveals the existence of mixed migration patterns. The proportion of foreign-born population in the EU-15 varies from as little as 8.6% in Portugal to nearly 45% in Luxembourg. The majority of immigrants come from countries outside the EU, with the notable exceptions of Ireland and Luxembourg.

**Table 1: Stocks of foreign-born population as percentage of total population**

EU-15	Place of birth					EU-12	Place of birth			
	All	EU-15	EU-12	non-EU			All	EU-15	EU-12	non-EU
AT	17.15	3.00	2.91	11.24		BG*	0.28	n.a.	0.06	0.23
BE	14.79	5.53	0.97	8.29		CY	21.54	5.24	4.24	12.05
DE <sup>†</sup>	10.54	2.66	1.07	6.80		CZ	2.78	0.13	1.79	0.87
DK	9.76	1.99	0.60	7.17		EE	12.72	0.24	0.36	12.12
ES	17.38	1.97	2.78	12.63		HU	1.93	0.11	1.33	0.48
FR	12.09	3.03	0.33	8.72		LT	3.79	0.04	0.24	3.51
GR	10.54	0.68	1.47	8.39		LV	13.05	0.18	1.26	11.62
IE	18.17	7.24	6.01	4.92		PL*	0.30	n.a.	0.13	0.18
IT	10.02	1.03	2.18	6.81		RO	0.11	0.01	0.01	0.09
LU	44.48	35.44	1.69	7.35		SI*	8.70	n.a.	0.63	8.07
NL	13.00	2.18	0.49	10.33		SK	0.78	0.03	0.60	0.16
PT	8.61	1.67	0.21	6.74						
SE	16.34	3.56	1.31	11.47						
UK	13.72	2.26	1.90	9.56						

**Source:** Eurostat, LFS 2009. <sup>†</sup>Definition of immigrant based on citizenship. \*Statistics for EU-15 not available due to the small number of immigrants. Figures for Finland and Malta are missing.

As regards immigration within the EU-27, the stock of foreign-born from the EU-15 is, in general, larger than the stock from the EU-12, with the exceptions of Greece, Italy and Spain. This reflects the relatively high concentration of Romanians in Italy and Spain and of Bulgarians in Greece. Also in the case of the EU-12, the majority of foreign-born come from outside the EU, with the exceptions of the Czech Republic, Hungary and Slovakia. In the case of the Czech Republic and Slovakia, the majority of foreign-born originates from bilateral flows, and, in the case of Hungary, from the relatively large proportion of Romanians. Among the EU-12, Cyprus, Estonia, Latvia and Slovenia have the highest immigration rates. It is important to point out that both relative and absolute numbers of immigrants from EU-15 Member States are, in general, small. Hence, sample statistics which refer to movements from the EU-15 to the EU-12 are on the threshold of statistical reliability.

### 1.3 Stocks of immigrants by educational qualifications

#### KEY FINDINGS

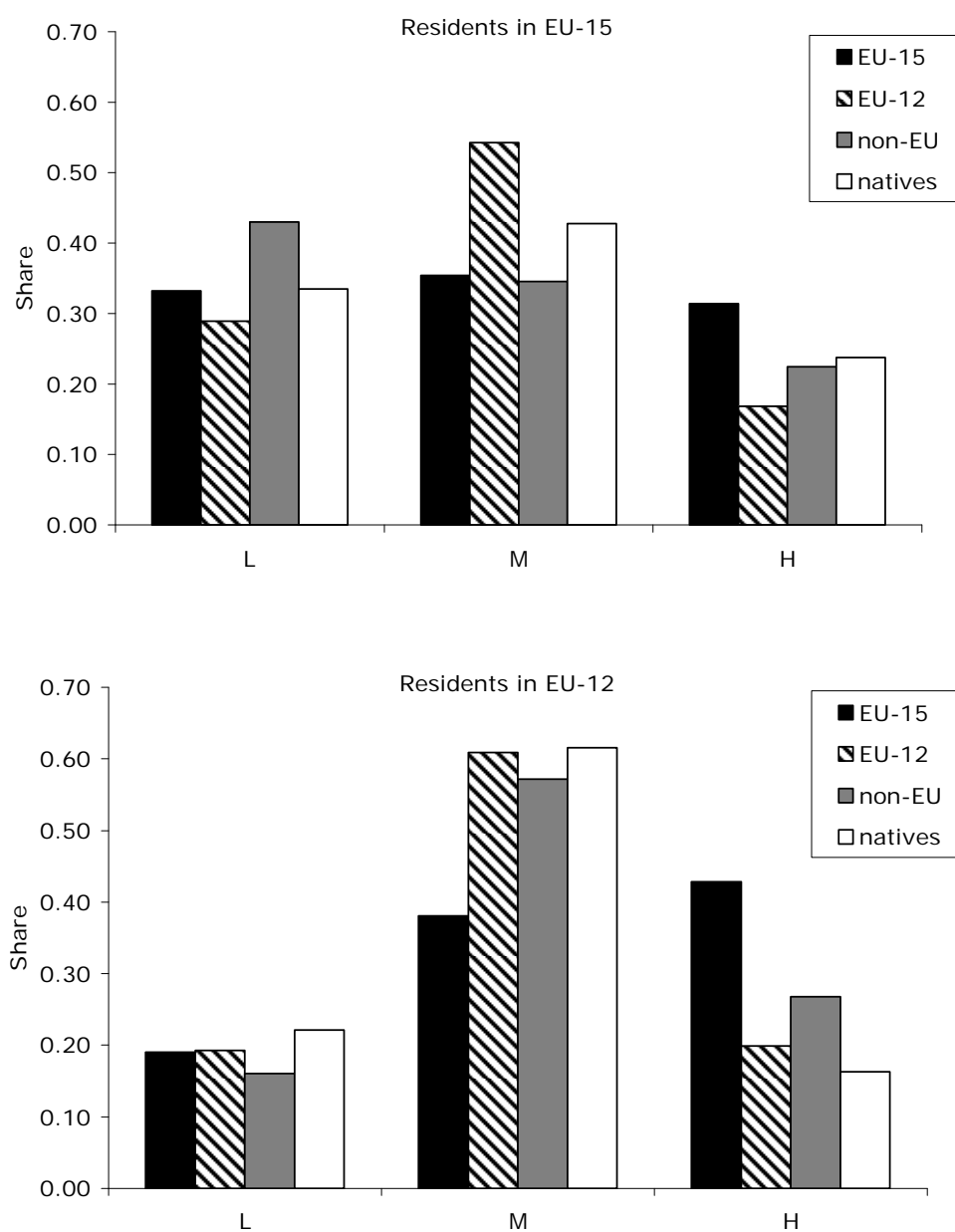
- In the EU-15 Member States, the distribution of immigrant education qualifications differs from that of natives, while differences are minor in the EU-12.
- In the EU-12, there are more residents in the medium education category and fewer in the low category when compared to the EU-15.
- Immigrants from EU-15 origins are the group with more individuals in the high education category.

Using information from the EU-LFS, it is possible to construct statistics related to educational qualifications. The International Standard Classification of Education (ISCED) levels are aggregated to form the following three education categories: low (ISCED 1 and 2), medium (ISCED 3 and 4) and high (ISCED 5 and 6). The principal advantage of ISCED classification is that it allows comparison not only with natives but also with immigrants from different countries. Figure 1 depicts the distribution of educational attainment for four groups: immigrants from the EU-15, EU-12 and non-EU origins, and for natives. Within each group, the distribution of education qualification is represented; e.g., the black bars depict the share of immigrants from EU-15 at the low, medium and high levels (the sum of three bars of the same colour adds up to 1).

The first panel depicts the situation for residents in the EU-15. The group of natives will be used as a comparison group in order to assess the relative distribution of educational qualification of immigrants, which indicates the potential competition in the labour market. Immigrants who moved within the EU-15 are equally distributed across the three education categories — although the share in the low education group is identical to natives, the percentage in the high education category is higher. Immigrants from the EU-12, on the other hand, are represented more highly in the medium category. Immigrants from non-EU origins have the highest share of low education, not only with respect to natives but also with respect to all immigrants. On the other hand, their share of high-skilled individuals is very similar to that of natives.

The distribution of education for the residents in the EU-12, represented in the second panel, is somewhat different. Compared to EU-15, there are more individuals in the medium category and fewer in the low category. The distribution of education among the three immigrant groups is rather similar to that of natives, with the exception of immigrants from the EU-15, which are more likely to be in the high education category and are relatively under-represented in the medium category.

**Figure 1: Distribution of educational attainment of natives and foreign-born population**



**Source:** Eurostat, LFS 2009. L= ISCED levels 1 and 2; M = ISCED levels 3 and 4; H = ISCED levels 5 and 6.

## 1.4 Immigration trends and the impact of the economic crisis

### KEY FINDINGS

- Immigration stocks in the EU steadily increased, and nearly doubled, during the period 1995–2009.
- The largest increase in immigration stocks were found in Southern Europe, and even some EU-12 Member States received significant numbers of immigrants.
- To date, there has been no evidence that the economic crisis has substantially affected the stock of immigrants, although the long-term effects are unknown at present. A possible explanation is that immigrants are more mobile across sectors. An alternative reason is that remaining in the host country could be a safer option than returning home, especially if re-emigration is costly and unemployment insurance is accessible.

A limitation of the statistics presented above is that they refer to a single period —2009 — and hence offer no information about the migration patterns over time. Furthermore, figures related to this particular period could be biased due to the economic crisis, which began around 2008. In this section, information on immigration trends related to the past decade is discussed and the potential impact of the economic crisis is investigated in light of evidence drawn from recent studies.

Table 2 reports figures about immigration trends for the period 1995–2009, derived from the EU-LFS. It is evident from this that the largest increases in migration stocks are found in Southern Europe, especially in Greece and Spain (note that data for Italy is missing). Finland and Ireland experienced relatively large increases too. Among the EU-12 Member States, the most substantial variations are found in Cyprus, where the stock of immigrants doubled over the past 10 years, and Estonia, which experienced a sizeable decline in immigration figures. When analysing patterns over the medium run, however, it is important to keep in mind that increases in migration figures may incorporate diverse population dynamics. Rising stocks of immigrants as a percentage of the population may — besides increases in immigrant inflows or decreases in outflows — also be attributed to changes in the native population through rising mortality, declining fertility or cohort effects.

A crucial aspect is to understand whether figures for 2009 have been affected by the economic crisis. Understanding the impact of the recent economic turmoil on immigration is a complex matter, especially because at the moment of writing this report, it is possible to assess only the short-term impact of the crisis. However, the economic downturn could also affect immigration in the long run; the estimation of such an impact will only be possible in a few years.

While one would expect figures based on stocks to be less sensitive to economic shocks than flow statistics, the magnitude of the crisis may well have affected the immigration penetration in some countries. To explore this possibility, statistics from Table 1 are compared with the immigration trends before the crisis, which can be found in Table 2. Although some figures are either missing or not statistically reliable, Table 2 provides useful information on the evolution of immigration patterns for the decade before the current economic turmoil.

A simple assessment of the impact of the crisis on immigration can be obtained by comparing the actual statistics for 2009 with hypothetical immigration stocks in the absence of economic downturn. This counterfactual situation is obtained by extrapolating the figures for 2009 on the basis of immigration trends for the years 1995–2006. Table 2 reveals that observed and predicted immigration stocks are very similar overall. In fact, actual statistics are slightly higher than those in the counterfactual situation for both the EU-15 and the EU-12. There are, however, some differences across countries. In Estonia and Ireland for example, the observed figures are more than 3% higher than predicted. In the Netherlands, Spain and Sweden, the forecast stocks without a crisis are over 1% above the actual ones.

There are several possible explanations behind this result. Some of these are discussed in the study by Papademetriou, D.G., Sumption, M. and Somerville, W., who investigate how inflows and outflows of immigrants are affected by the crisis. For example, the economic cycle is more likely to impact the decisions of those immigrants who move for economic purposes than those who move under, say, family reunion visas. If the number of the latter is relatively substantial, inflows of immigrants are not likely to be affected by the crisis. For many working immigrants — especially low-skilled ones — remaining in the host country could be a safer option than returning home, especially if re-emigration is costly.

**Table 2: Stocks of foreign-born population (as percentage of total population) over time**

Country	1995	2000	2004	2005	2008	observed	2009 predicted	differ.
AT	11.40	12.10	13.50	14.50	15.51	17.15	16.34	0.81
BE	10.00	11.50	12.70	13.70	14.74	14.79	15.62	-0.82
DE	9.20	9.70	10.10	10.50	9.65	10.54	9.61	0.92
DK	3.80	5.80	7.50	7.10	8.09	9.76	8.64	1.12
EL	4.00	5.30	7.80	8.00	9.07	10.54	9.97	0.57
ES	2.20	4.20	9.90	11.80	15.46	17.38	18.69	-1.30
FR	11.90	12.10	11.60	11.60	11.44	12.09	11.23	0.86
IE		7.50	9.00	11.30	13.11	18.17	14.62	3.54
LU	34.20	38.50	40.80	40.30	42.79	44.48	44.14	0.34
NL		13.20	13.00	13.10	13.75	13.00	14.28	-1.28
PT		5.30	6.90	7.20	8.35	8.61	9.35	-0.74
SE		12.50	13.20	13.40	16.66	16.34	17.94	-1.60
UK	7.80	9.10	10.50	11.00	12.43	13.72	13.22	0.50
<b>EU-15 avail.</b>	<b>7.10</b>	<b>9.19</b>	<b>10.50</b>	<b>11.05</b>	<b>11.83</b>	<b>12.82</b>	<b>12.56</b>	<b>0.26</b>
BG			0.20	0.20	0.18	0.28	0.16	0.12
CY		11.20	15.70	16.80	19.85	21.54	22.62	-1.08
CZ			2.30	1.90	1.99	2.78	1.95	0.83
EE		19.70	15.10	13.80	11.18	12.72	8.93	3.79
HU			1.90	1.80	1.87	1.93	2.00	-0.08
LT		6.00	3.90	3.40	2.89	3.79	2.06	1.73
LV			12.30	11.50	11.21	13.05	11.09	1.96
PL			0.70	0.70	0.60	0.30	0.59	-0.29
RO			0.10	0.10	0.10	0.11	0.10	0.01
SI			7.70	8.10	7.74	8.70	7.85	0.84
SK			1.10	0.90	0.85	0.78	0.81	-0.02
<b>EU-12 avail.</b>		<b>0.16</b>	<b>0.57</b>	<b>0.54</b>	<b>0.52</b>	<b>0.56</b>	<b>0.51</b>	<b>0.05</b>
<b>EU-27 avail.</b>	<b>5.31</b>	<b>6.91</b>	<b>8.00</b>	<b>8.40</b>	<b>8.98</b>	<b>9.73</b>	<b>9.52</b>	<b>0.21</b>

**Source:** Statistics for 1995–2008 adapted from Table A3 in Bonin, H. et al.; own computations from Eurostat, LFS 2009. Figures for Finland, Italy and Malta are missing.

Furthermore, immigrants might be more prone to adjust their search behaviour during unemployment spells and accept job vacancies that were not favoured before the crisis. In the majority of EU countries, laid-off immigrants also qualify for unemployment benefits, and this might deter their outflow. Other things being equal, however, mobility within the EU is more likely to react to the economic crisis due to the free movement of individuals across Member States and the sizeable circular migration within it. It goes without saying that a prudent interpretation of the issues discussed above is necessary. Given the current availability of data, it is not possible to formulate hypotheses about a delayed effect of the economic downturn. For example, if visa applications to an EU destination take a long time, the impact of the crisis might only be seen in a few years.

In general, it is important to point out that the reliability of the extrapolated figures in Table 2 is higher in countries where immigration stocks are measured with greater precision. Although this exercise gives only an indirect assessment, it suggests that the economic crisis did not have an immediate, substantial effect on immigration stocks. Corroboration of the findings in Table 2 also comes from a few country studies which have examined the consequences of the crisis on immigration. For example, Düvell, F. conjectures that the credit crunch might not affect immigration stocks because both inflows and outflows will be reduced as a result of the crisis. De Filippo, E. and Morlicchio, E., discussing the case of Italy, point out that immigrants might redistribute within the country (in particular from north to south, where it is easier to find irregular work), rather than migrating back to their countries of origin. Rulikova, M. explores the impact of the voluntary return programmes for immigrants implemented in the Czech Republic in 2009. Her finding indicates that the take-up rate of these programmes was rather low, perhaps because immigrants prefer to remain in the country and take any job rather than returning to their home country (also affected by the global crisis).

## 1.5 Labour shortages and the need for immigrant workers

### KEY FINDINGS

- Immigration is often viewed as a solution to labour shortages because it works as a labour market stabiliser.
- Policy could contribute to accommodating labour shortages by facilitating the immigration of individuals who possess the skills identified as being in short supply.
- According to projections, more than 13 million additional jobs will have been created in the European Union by 2015.
- The demand for high-skilled workers is expected to increase by 2.8%, whereas the need for low-skilled workers is likely to decline by 1.4%.
- About 96% of experts surveyed believe that the economy needs at least as many high-skilled immigrants, and 81% thinks that more are needed.



EU enlargement resulted in the increasing diversity of employment patterns. According to projections (see Box 1), more than 13 million additional jobs will have been created in the European Union by 2015. Following the previous economic trends, the demand for high-skilled workers will increase, whereas the need for low-skilled workers will decline. Immigration can be seen as a channel to compensate such labour shortages.

In order to provide an indication regarding the needs of immigrant workers, this section analyses the concept of labour shortages and provides summaries of studies on labour shortages.

The potential of immigration as a channel which can help fill shortages in the labour market is often acknowledged in the policy debate, and many states have tried to shape their migration policies in order to facilitate the gap-filling role of labour migration. However, a migration policy which deals explicitly with labour shortages to allocate working visas requires the policy maker to be able to understand what labour shortages are, how to measure them and, last but not least, to comprehend how immigration can help accommodate labour shortages.

While labour shortages are widely recognised as a factor hindering economic growth in many countries, no universally agreed-upon definition of labour shortages exist (see e.g., Greig, M., Glancey, K. and Wilson, P.; Richardson, S.; Veneri, C.M.). Policy makers, employers, and stakeholders often hold different views regarding the nature of a shortage situation (see e.g., Green, F., Machin, S. and Wilkinson, D.), which is an additional problem when trying to assess the extent of skill shortages. A commonly used definition is one that defines shortages as occurring when demand for labour of a particular skill type is higher than its supply at a given wage and at particular working conditions and point in time (for similar definitions, see e.g., Barnow, B.S., Trutko, J. and Lerman, R.; Boswell, C. Stiller, S. and Straubhaar, T.; Shah, C. and Burke, G.).

Measuring labour shortages is a complex task. It is common practice to employ shortage indicators, which can essentially be categorised into two types: employer-based indicators (computed by surveying employers about difficulties in hiring) and indicators based on labour market signals (such as number of vacancies, or wage and employment growth). In general, it is advisable to use several indicators simultaneously rather than relying on one indicator only. Annex A.1 describes in detail the definitions of the two types of indicators.

A challenging question for the EU is whether immigration can help accommodate labour shortages, and if so, how migration policies can contribute to this process. Labour shortages could be filled through market mechanisms. This, however, requires wages to rapidly adjust to the new demand, which might not be the case due, for example, to the presence of institutional constraints (such as minimum wages). Other instruments used by policy makers to accommodate labour shortages are interventions in education, such as re-training individuals in order to produce supply for the skills required. However, this process may take too long. Immigration, conversely, allows the inflow of an appropriately trained labour force which may help to fill the shortages rapidly.

Immigration is often viewed as a solution to labour shortages in economic literature. Theory suggests that immigrants' responsiveness to changes in local labour market conditions is higher than that of natives'. This is justified on the grounds that immigrants will optimally choose the destination countries where their skills are more highly demanded, as this guarantees them higher wages or employment probability. Thus, immigration inflows in this context would automatically work as a labour market stabiliser, as Borjas, G.J. (2001) argues in the context of the United States.



Of course, extensions of this mechanism to the EU context are not straightforward, as Europe does not have a common migration policy and the mobility of non-EU immigrants across EU countries is limited. However, this suggests that European-level initiatives aimed at facilitating the intra-EU mobility of immigrant workers may already go a long way in the direction of helping to alleviate labour shortages.

Another possibility for migration policy to intervene in reducing labour shortages is to facilitate the immigration of individuals who possess the skills that are identified as being “in short supply”. This is, for instance, the case of the Point-Based Immigration System (PBS), which was implemented in the United Kingdom in 2008 (see Box 10 in Section 6). The possibility of introducing such policies at EU level would require: a) a clear definition of the geographic level and of skills and occupations that should be considered; b) efforts to develop a common framework for migration policies of Member States; c) availability of precise and timely labour market data for all Member States.

Non-EU immigrants generally need a residence or settlement permit as well as a work permit to gain access to the host labour market. For most non-EU immigrants, obtaining these permits involves a lengthy, costly and difficult procedure, with a highly uncertain outcome. Moreover, most of the issued permits are temporary, and hence do not provide strong incentives for high-skilled workers. Nonetheless, several states have simplified the administrative procedure and have successfully implemented policies to encourage high-skilled immigration from outside the EU. Kahanec, M. and Zimmermann, K.F. summarise the recent attempts to actively attract high-skilled immigrants with non-EU origins. Examples of these are the introduction of educational or skill thresholds to qualify as high-skilled, tax exemptions, and provisions for researchers, academics and students who stay in the country after graduating. Table 3, adapted from Kahanec, M. and Zimmermann, K.F., outlines which immigration policies or special provisions have been implemented in the EU Member States.

**Table 3: Immigration policies aimed at high-skilled labour from outside the EU**

Immigration policy or special provision	Countries with policy in place
Educational or skill threshold to qualify as high skilled	AT <sup>2</sup> , BE, BG, DE <sup>3</sup> , DK, EE, ES, FI, FR, GR, HU <sup>2</sup> , IE, NL, SE <sup>1</sup> , UK
Salary or investment threshold to qualify as high skilled	AT, BE, DE, DK, EE, IE, FR, NL, UK
Market assessment exemption	AT, BE, DE, DK, IE, HU, SE, UK
Positive list of occupation or sectors	DK, ES <sup>4</sup> , GR <sup>4</sup> , HU <sup>4</sup> , UK <sup>7</sup>
Points system	DK, UK
Provisions for researchers and academics	AT, BE, BG, DE, DK, EE, ES, IE, FI, GR, HU, NL, SE, UK
Provisions for staying students (transition to work)	DE, ES <sup>5</sup> , FI, NL, SE, UK
Tax exemptions	AT, BE, DK, ES <sup>6</sup> , FI, FR, NL, SE, UK

**Source:** Adapted from Kahanec, M. and Zimmermann, K.F. <sup>1</sup>Sweden applies a demand-driven policy. <sup>2</sup>With quotas. <sup>3</sup>For those who are self-employed (in the past, also for the high-skilled). <sup>4</sup>A list of desired occupations with regional quotas applied (in Hungary also national and sectoral). <sup>5</sup>Having studied in Spain makes it easier to obtain a work permit. <sup>6</sup>Only applies to exceptionally-skilled individuals, such as star football players or very high-level executives. <sup>7</sup>Within tier two.

Since the EU is likely to maintain its central role as a preferred destination for many international immigrants, policies aimed at attracting certain types of skills will be crucial for all Member States. This is particularly true for states with a relatively recent history of immigration and which are currently reluctant to implement policies to attract high-skilled immigrants.

**Box 1: Projections of labour shortages**

The prediction of future employment needs entails the estimation of the expected number of jobs available in an economy and its sectors, and, in particular, the skill requirements. Forecasts along these lines are produced by the European Centre for the Development of Vocational Training (CEDEFOP), which provides a comprehensive and consistent set of projections for Europe.

In 2007, CEDEFOP developed a system for producing projections of future skill requirements for the EU-25 Member States (CEDEFOP, 2008). The estimates indicate that 13 million additional jobs will be created between 2006 and 2015. Using the same classification for education attainment outlined in Section 1.3, the study shows that the increase will involve predominantly workers with high educational qualifications (12.5 million jobs, or a growth of 2.4%) and medium educational qualifications (9.5 million jobs, or a growth of 1.0%). Conversely, the demand for low-skilled workers is estimated to decrease by about 8.5 million jobs (a decline of 1.9%).

These projections are based on past trends. Total employment in EU-25 grew by 18 million jobs from 1996–2005, with demand for high-skilled jobs increasing by 2.8% and demand for low-skilled workers declining by 1.4%. Although the flow of immigrant workforce is not explicitly estimated in the model, the study proposes that labour market shortages could potentially be compensated by international labour mobility. The EU agenda should therefore focus on immigration policies to favour high-skilled immigration and on the coordination of these policies with Member States. Along these lines is the recent introduction of the EU Blue Card initiative, which began in May 2009 and is designed to attract high-skilled immigrants. The Blue Card is based on common criteria: a work contract, professional qualifications and a minimum salary level equal to at least 150% of the annual average salary in the country, or 120% for individuals in professions which are in great demand. Applications can be made from within or outside the EU. However, Member States reserve the right to regulate the national details according to their own guidelines. The Blue Card allows high-skilled, non-EU citizens to enter the EU for work or residence purposes, ensuring equal treatment of foreigners and nationals in terms of, among other things, working conditions, recognition of qualifications and access to welfare.

## 1.6 Perceptions regarding the need for immigrants

### KEY FINDINGS

- Eurobarometer reveals that, as of 2009, over 70% of citizens in the EU Member States think that immigrants are needed to work in the economy, with rates being higher in the EU-12 than in the EU-15.
- More than 96% of the experts who took part in the IZA Expert Survey on High-Skilled Labour Immigration believe that the economy needs at least as many high-skilled immigrants, while 81% believe more are needed.

In this section, findings from two surveys aimed at eliciting the perceptions of respondents about immigrants needs are presented. The first is the Eurobarometer, which surveys individuals aged 15 and above across EU Member States. The second is the IZA Expert Survey on High-Skilled Labour Immigration (ESHSLI), which extracts experts' opinions about the need for immigrants and size of future immigrant inflows.

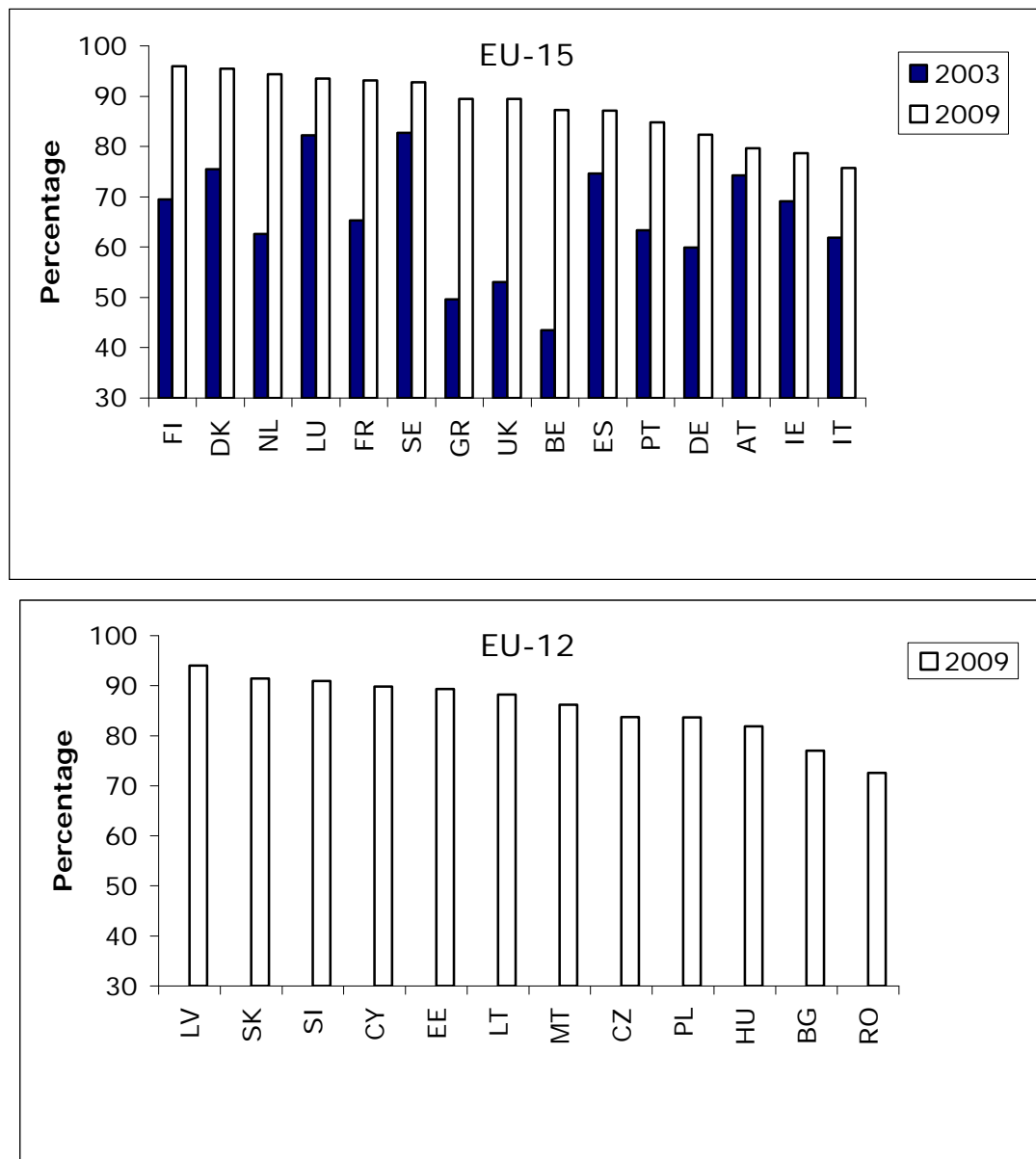
The 2003 and 2009 waves of the Eurobarometer contain a special focus on European citizens' perception on the necessity for an immigrant workforce. The poll included responses from 1,000 individuals in each country. Respondents are asked to indicate their agreement level with the statement: "We need immigrants to work in some sectors of our economy". The possible responses are: 1-completely agree, 2-tend to agree, 3-tend to disagree, 4-completely disagree. For the sake of representation, answers 1 and 2 are reclassified as "agree" and 3 and 4 as "disagree", which allows the proportion of individuals in agreement with the statement to be constructed. The results are presented in Figure 2, where the top panel refers to the EU-15 and the bottom panel to the EU-12, for which only data for 2009 is available.

In 2003, the highest percentages of agreement were found in Luxembourg and Sweden, while in Belgium and Greece fewer than half of the respondents agreed with the statement. In 2009, over 70% of all EU-27 sampled individuals expressed agreement. Furthermore, rates in the EU-12 are, in general, higher than those for the EU-15.

In 2009, IZA conducted the ESHSLI for the EU. The objective of the ESHSLI is to measure experts' perceptions about the need for immigrants in the economy and about the size of future immigrant inflows, with a special focus on high-skilled immigration. The responses came from 282 experts and minority representatives in the EU-27. Results of the survey are summarised in Kahanec, M. and Zimmermann, K.F.

Around 87% of respondents indicated that the EU needs at least as many immigrants as it had at the time of the survey, while 57% thought that the EU needed more. The majority of respondents (96%) believed that the EU needed at least as many high-skilled immigrants as it had at the time of the survey, and 81% of them believed that the EU needed more. Corresponding figures for low-skilled immigrants are 58% and 26%. It is important to emphasise the fact that opinion surveys are based on individuals' or experts' judgements, and so can only convey a qualitative representation. Nevertheless, the figures from the two surveys corroborate to some extent the findings from the CEDEFOP study (see Box 1), and, in particular, that more immigrants, especially high-skilled, will be needed in the labour market.

**Figure 2: “We need immigrants to work in some sectors of our economy”, percentage which completely agree or tend to agree**



**Source:** Eurobarometer surveys 59.2 and 71.3. Own computations.

## 1.7 Irregular immigrants

### KEY FINDINGS

- Most recent estimates suggest that between 1.9 and 3.8 million immigrants reside irregularly in the EU.
- Southern Europe is the region where the phenomenon of illegal immigration is most widespread. Member States in this region have implemented collective regularisation programmes and combined them with new, tougher regulations against illegal entry.
- Other states have chosen to regularise immigrants by processing asylum-seekers applications case-by-case.
- In the last decade, it is estimated that in total, almost 3.5 million asylum seekers entered the EU.
- Recently, EU-12 Member States have also become destinations for asylum seekers.

Several definitions are commonly used in media to describe this category of immigrants: undocumented immigrants, clandestine immigrants, “sans papiers” and illegal immigrants (Zafrini, L. and Kluth, W.).

The empirical evidence about the magnitude of irregular immigration is scant, and precise statistics are difficult to obtain. However, some studies have attempted to assess the scale of this phenomenon. Stalker, P. conjectured that around 3 million illegal immigrants lived in Western Europe in 1991. According to Hatton, T.J. and Williamson, J.G., illegal immigration may account for 10–15% of OECD foreign population. They estimate that between 400,000–500,000 individuals enter Western Europe irregularly each year. A comprehensive estimate of irregular immigrants is provided in Kovacheva, V. and Vogel, D.. Table 4 depicts a minimum and maximum estimate based on the best available data for each EU Member State. The estimated total number of irregular immigrants in the EU-27 in 2008 varies between 1.9 and 3.8 million. Illegal immigrants tend to be concentrated in countries along the Mediterranean — Greece, Italy and Spain — and usually come from North Africa. Large estimates are also found in France, Germany, Poland and the United Kingdom. Conversely, relatively low levels of irregular immigrants are found in Northern European countries.

**Table 4: Estimates of irregular migration in the EU in 2008**

EU-15	Minimum	Maximum	EU-12	Minimum	Maximum
AT	18,439	54,064	BG	2,550	3,825
BE	88,000	132,000	CY	10,000	15,000
DE	195,845	457,015	CZ	17,000	100,000
DK	1,000	5,000	EE	5,000	10,000
ES	280,000	353,927	HU	10,000	50,000
FI	8,000	12,000	LT	3,351	16,756
FR	178,000	400,000	LV	2,261	11,304
GR	172,000	209,000	MT	5,167	7,751
IE	30,123	62,340	PL	50,000	300,000
IT	279,200	460,680	RO	7,185	10,778
LU	1,838	3,863	SI	2,017	10,084
NL	62,320	130,999	SK	15,000	20,000
PT	80,000	100,000			
SE	8,000	12,000			
UK	417,000	863,000			
EU-15	1,819,765	3,255,888	EU-12	129,531	555,498

**Source:** Minimum and maximum estimates taken from Kovacheva, V. and Vogel, D.

Irregular immigration is a status which is associated with very vulnerable conditions for foreign-born individuals, besides having detrimental effects on the host society. While all states recognise that the phenomenon undermines social cohesion, the way in which national governments cope with this problem is quite heterogeneous. Southern European states have implemented collective regularisation programmes and combined them with new, tougher regulations against illegal entry. While offering the greatest protection to immigrants, however, regularisations often fail to deter further irregular flows. Some Member States, such as Germany, have decided to tackle the problem by penalising the shadow economy through checks and controls at the workplace.

Carrera, S. and Merlino, M. point out that EU policy should, in the first instance, treat immigrants as holders of human rights, irrespective of the nature of their entry. In their study, they formulate policy recommendations according to which Member States should regularise immigrants within a few months because otherwise irregular immigrants have tenuous access to work and live in deprived social conditions. In turn, this worsens their future working prospects.

Member States should also promote a prompt renewal of work permits, penalising employers who do not comply with working permit regulations. Further, Member States should introduce a mechanism for issuing labour permits which should focus particularly on those sectors in which irregular work is more widespread (such as elderly care). Finally, access to primary health care should be free across the EU, irrespective of the immigration status of individuals.

**Box 2: The regularisation of immigrants in the EU**

There is no general consensus about the need for regularisation policies in the EU. Detractors believe that such programmes will constitute a magnet for future illegal immigration. On the other hand, some studies offer a different picture. For example, Cangiano, A. concludes that regularisation is an appropriate policy instrument to manage illegal residents. It helps improve their access to basic social rights and promote their integration within society.

More than 3.5 million non-EU foreigners were legalised through regularisation procedures in the EU. Regularisation is defined as any procedure implemented by a Member States whereby third-country nationals who are residing illegally, or who are otherwise in breach of national immigration rules, are granted legal status. The programmes differ in their exposure, although most regularisation programmes usually cover both residence and work status.

The regularisation programmes provide an indirect, but realistic picture of irregular immigration. Cangiano, A. discusses that data on programme applications may not capture the full extent of the illegal presence.

First of all, not all undocumented foreigners participate in the regularisation because they are not eligible or unaware of it — or simply because they are reluctant to apply.

Second, individuals might apply for obtaining legal status in a country regardless of their intentions to reside or work there.

Third, immigrants with a residence permit may apply to obtain a different kind of residence permit. Despite all these caveats, data obtained from the periodical regularisations carried out in Southern Europe can be used to provide an overview of trends in the stock of irregular immigrants.

The first regularisation programme was launched in Spain in July 1985 and involved some 44,000 immigrants. At the end of 1986, Italy launched its first programme to legalise the residence and work status of 199,000 non-EU foreigners (the EU had only 12 Member States at the time). Since then, four other programmes have been adopted in both countries. Greece and Portugal launched their first programmes in 1992 and 1997 respectively. Although these initiatives were announced as one-off procedures, they may have encouraged more prospective immigrants to migrate from neighbouring countries.

Applications for regularisation programmes also provide a useful channel to investigate the characteristics of immigrants residing illegally before the regularisation. According to figures published in Baldwin-Edwards, M. and Kraler, A. over the period 1996–2008, some 4.6 million applications were received through the 42 regularisation programmes implemented in 17 EU Member States. The majority of applications (3.2 million, or 70%) were approved. In particular, Greece, Italy and Spain have engaged in large-scale regularisation programmes (84% of all applications).

Data shows that regularisation rates are as high as 80% in Southern EU countries, while they are lower in Belgium, France and Germany. Zafrini, L. and Kluth, W. point out that regularisation programmes might not solve the problem of illegal immigration. Adoption of regularisation practices is perceived as a failure of immigration policy to manage flows of foreign-born effectively. Therefore, a regularisation policy should be accompanied by other policies, including bilateral agreements between sending and receiving countries.

Rather than implementing amnesties, some states have chosen a different strategy to deal with irregular immigration. This is true, for example, in the case-by-case regularisations of asylum-seekers. Table 5 reports the total inflow of asylum-seekers to the EU-27 over the period 2000–2009. France, Germany and the United Kingdom experienced the highest inflows. In total, almost 3.5 million asylum seekers entered the EU in last decade, although the trend has been declining in recent years. Over time, EU-12 Member States have become a destination for asylum seekers as well. Central European countries such as the Czech Republic, Hungary, Poland and Slovakia receive sizeable inflows.

**Table 5: Inflows of asylum seekers into the EU**

EU-15	2000	2005	2008	2009*	since 1999	EU-12	2000	2005	2008	2009*	since 1999
AT	18,285	22,461	12,841	15,830	241,262	BG	1,755	822	750	850	15,114
BE	42,691	15,957	12,252	17,190	222,220	CZ	8,788	4,160	1,711	1,260	71,466
DE	78,564	28,914	22,085	27,650	538,109	EE	3	11	10	40	155
DK	13,005	2,260	2,360	3,750	56,402	HU	7,801	1,609	3,118	4,670	54,205
ES	7,926	5,254	4,517	3,000	69,312	LI	199	118	220	210	2,044
FI	3,170	3,574	4,016	5,910	35,781	LT	4	20	50	50	241
FR	39,775	49,733	35,404	41,980	474,625	PL	4,589	6,860	7,203	10,590	68,492
GR	3,083	9,050	19,884	15,930	110,665	RO	1,366	594	1,170	830	12,070
IE	10,938	4,325	3,866	2,690	72,462	SK	1,556	3,549	910	820	53,269
IT	15,564	9,548	30,324	17,600	179,617						
LU	628	802	463	510	11,121						
NL	43,895	12,347	13,399	14,910	223,281						
PT	223	114	161	140	1,975						
SE	16,303	17,530	24,353	24,190	265,342						
UK	80,300	30,815	31,315	29,840	574,370						
EU-15	374,350	212,684	217,240	221,120	3,076,544	EU-12	26,061	17,743	15,142	19,320	250,888

**Source:** OECD SOPEMI, \*preliminary data. For remaining countries data is missing.

## 1.8 Seasonal workers

### KEY FINDINGS

- The demand for seasonal workers is typically high in certain sectors, predominantly in agriculture, but also in construction, tourism and domestic work.
- The Policy Plan on Legal Immigration proposes a residence/work permit which allows third-country nationals to work for a certain number of months.
- Germany, Italy and Poland have the highest number of seasonal workers.
- Specific work programmes for seasonal workers do not exist in all European Member States.

This section discusses the determinants of seasonal workers' demand, as well as the findings from a study which attempts to estimate the volume of seasonal workers in the EU. The discussion of the legal status of seasonal workers can be found in Section 3.2. The demand for seasonal workers is typically high in certain sectors, predominantly in agriculture, but also in construction, tourism and domestic work. The Policy Plan on Legal Immigration, implemented by the European Commission, contains a directive concerning the conditions of entry and residence of seasonal workers.



The scheme proposes a residence/work permit allowing third-country nationals to work for a certain number of months in each year, for a period of 4–5 years. The plan aims to provide the necessary workforce in the Member States and to grant a secure legal status and regular work conditions to immigrants. Even in presence of high unemployment, such as the one experienced during the current crisis, seasonal workers rarely conflict with EU citizen workers, as few of them are rarely willing to engage in seasonal activities.

Foreign nationals may reside in countries of the Schengen area free of visa obligations for three months within a six-month period. Since these individuals are not obliged to indicate the purpose of their stay, seasonal workers are difficult to capture. The current numbers of seasonal workers from third countries in 21 Member States are summarised in a study published by the European Migration Network in 2010. For the years 2008–2009, the study provides statistics on third-country nationals employed as seasonal workers disaggregated by their origin and the employment sector. According to national statistics, Germany, Italy and Poland are countries with the highest number of seasonal workers. In Germany for example, around 276,000 seasonal workers were employed in the agricultural sector in 2009. The vast majority (95%) of seasonal workers came from Poland and Romania. For the same year, Italy established a quota of 80,000 seasonal workers divided across regions and provinces. According to provisional figures, the quota was not fulfilled. In Poland, under a temporary work scheme, citizens of neighbouring countries are entitled to work without work permits for a period not exceeding six months. In 2009, there were 181,000 registered workers predominantly employed in agriculture in Poland, of which Ukrainians constituted 95% of the total. Other countries with large numbers of seasonal workers employed in 2008 and 2009 were Belgium (30,500), Finland (12,000), France (3,900) and Sweden (7,300). In some countries, the statistics are either not available (Austria, Ireland, Netherlands, Portugal, Slovakia and Spain) or specific work programmes for seasonal workers do not exist (such as in Latvia, Lithuania, Luxembourg, Malta and the United Kingdom).

## 2. IMMIGRANTS AND THE LABOUR MARKETS

In this section, the labour market situation of immigrant workers in the EU-27 is described by examining their sectoral and occupational distribution as well as their employment and unemployment situation in comparison with natives. Furthermore, trends in immigrant unemployment rates are analysed in light of the recent economic crisis. The incidence of different types of contractual arrangements (such as temporary contracts and part-time work) among foreign-born workers is also considered. Finally, the focus is placed on the match between skills and jobs, since especially high-skilled immigrants may have problems finding a skill-appropriate job in the EU.

### 2.1 Sectors of employment and occupations

#### KEY FINDINGS

- In all EU-27 countries, foreign-born workers are concentrated in the service sector. They are also over-represented in construction, but with higher variation across countries.
- As a consequence of the economic crisis, most losses were recorded in the construction sector.
- Despite the crisis, female foreign-born employment increased in social services.
- The share of immigrant employment in manufacturing has been decreasing over time, while it has been increasing in service activities.
- Immigrants are generally over-represented in manual low-skilled occupations.

Table 6 shows the sectoral breakdown of the percentage of foreign-born employment in EU-27 from the 2009 wave of the EU-LFS. The share of immigrants in agriculture is lower than their share in total employment (with the notable exception of Spain), while it is considerably larger in some service sector industries. Immigrants tend to be over-represented almost everywhere in the hotel and food services, in administrative and support service activities and in jobs where the employer is the household. For example, the share of immigrants in the hotel and food services in EU-27 is 22% on average — more than twice their share in total employment.

The “household sector” also shows an extraordinarily high concentration of foreign-born employment, especially in countries such as Cyprus (98%), Greece (80%), Ireland (52%), Italy (75%), Luxembourg (81%) and Spain (61%). According to estimates from the EU-LFS, immigrants in this specific sector are mainly domestic helpers, cleaners and launderers (83%) and personal care workers (12%). Immigrant workers are also generally over-represented in the construction sector, although with considerable variation across countries. For example, in the EU-15, the percentage of immigrant workers in construction is as high as 74% in Luxembourg, 35% in Greece and 24% in Spain, but only 3.7% in Denmark.

In the EU-12, figures are more heterogeneous — probably due the small number of immigrants in the sample (which tends to decrease estimate precision when looking at the proportion of specific population subgroups, such as foreign-born employment).

In the manufacturing sector, immigrants are under-represented with respect to natives in the majority of EU-27 countries, with some important exceptions, such as Germany and Italy, where they are slightly over-represented<sup>1</sup>. According to OECD data, the immigrant share of employment in manufacturing declined in relative terms between 2000 and 2005–2006 in all OECD countries (OECD, 2008b), while more and more immigrants are employed in the service sectors.

The recent economic crisis hit some industries particularly hard, such as manufacturing, construction and the financial sector. Wholesale and retail trade also suffered many job losses as a result of the general economic downturn. Table 7 allows for a comparison between 2008–2009, showing industries with the largest change in foreign-born employment during the recession. The first column of the table shows foreign-born employment gains/losses (in thousands of individuals) by industry, while the second column reports the same gains/losses expressed as a percentage change with respect to total foreign employment in each specific industry.

---

<sup>1</sup> In Italy, for instance, a large proportion of immigrants is traditionally employed in the manufacturing sector of Northern regions of the country (Centro Studi Unioncamere, 2009).

Table 6: Percentage of foreign-born employment by sector and country of residence, EU-LFS 2009

Country	Agriculture and fishing	Mining, manufacturing and energy	Construction	Wholesale and retail trade	Hotels and food services	Education, health, public admin. and ETO	Households	Admin. and support services	Other services	Foreign-born in employment
AT	3.9	15.1	<b>19.8</b>	15.5	<b>32.4</b>	10.8	<b>24.0</b>	<b>34.9</b>	13.5	15.5
BE	8.5	11.6	<b>15.7</b>	11.2	<b>30.8</b>	10.7	<b>29.7</b>	<b>20.1</b>	11.3	12.5
DE	3.9	<b>9.1</b>	<b>9.0</b>	8.6	<b>27.7</b>	5.0	<b>19.9</b>	<b>15.3</b>	7.5	8.6
DK	8.0	<b>9.0</b>	3.7	6.5	<b>21.0</b>	8.8	<b>17.6</b>	<b>15.8</b>	<b>9.1</b>	8.8
ES	<b>22.6</b>	11.9	<b>23.8</b>	15.0	<b>34.2</b>	6.6	<b>61.3</b>	<b>21.8</b>	11.4	16.9
FR	4.3	8.3	<b>17.5</b>	9.3	<b>21.3</b>	8.7	<b>25.7</b>	<b>21.3</b>	10.3	10.9
GR	6.9	<b>13.5</b>	<b>35.2</b>	7.5	<b>18.6</b>	2.6	<b>80.2</b>	<b>17.0</b>	4.5	11.3
IE	6.0	<b>20.6</b>	15.5	<b>19.2</b>	<b>38.1</b>	13.8	<b>52.5</b>	<b>26.9</b>	17.0	18.2
IT	10.8	<b>11.2</b>	<b>18.6</b>	7.6	<b>18.1</b>	4.4	<b>74.8</b>	<b>17.6</b>	7.2	11.0
LU	13.6	45.4	<b>74.0</b>	<b>50.8</b>	<b>77.0</b>	31.7	<b>80.9</b>	<b>65.0</b>	<b>53.3</b>	47.3
NL	5.1	<b>13.7</b>	7.2	9.9	<b>17.3</b>	10.0	4.5	<b>21.5</b>	10.5	11.1
PT	2.4	6.0	<b>11.0</b>	<b>9.6</b>	<b>13.7</b>	8.3	<b>19.5</b>	<b>16.8</b>	10.0	9.1
SE	5.4	13.2	7.8	13.1	<b>31.8</b>	<b>14.2</b>	0.0	<b>23.9</b>	12.8	14.0
UK	5.4	11.3	9.1	12.0	<b>24.4</b>	12.1	<b>35.7</b>	<b>16.3</b>	<b>13.9</b>	13.0
EU-15	8.5	10.3	<b>14.8</b>	10.3	<b>25.1</b>	8.1	<b>48.1</b>	<b>18.4</b>	10.2	11.6
CY	11.9	16.3	<b>26.9</b>	19.7	<b>40.5</b>	8.1	<b>98.3</b>	<b>27.9</b>	15.3	22.1
CZ	1.0	<b>2.9</b>	<b>3.4</b>	<b>3.2</b>	<b>5.0</b>	2.0	1.5	<b>4.2</b>	2.6	2.8
EE	7.8	<b>18.1</b>	10.8	12.5	<b>15.6</b>	13.1	0.0	<b>14.0</b>	12.3	13.6
HU	2.6	2.1	<b>2.4</b>	<b>2.7</b>	<b>3.7</b>	2.2	1.9	1.6	1.9	2.3
LT	1.7	<b>5.6</b>	<b>4.8</b>	3.0	<b>4.9</b>	3.8	<b>8.4</b>	<b>4.3</b>	<b>4.3</b>	4.0
LV	8.1	<b>16.7</b>	<b>18.0</b>	<b>14.5</b>	11.5	9.1	1.7	<b>14.0</b>	<b>13.6</b>	13.2
SI	2.7	<b>9.0</b>	<b>21.2</b>	6.5	<b>11.1</b>	5.7	<b>71.0</b>	<b>23.4</b>	7.7	8.5
SK	0.2	0.4	0.8	<b>1.4</b>	0.6	<b>0.9</b>	0.0	0.8	<b>1.0</b>	0.8
EU-12	0.4	1.6	<b>2.2</b>	<b>1.9</b>	<b>3.3</b>	1.4	<b>19.0</b>	<b>2.5</b>	<b>1.9</b>	1.7
EU-27	4.3	8.0	<b>12.0</b>	8.6	<b>22.2</b>	7.1	47.0	<b>16.4</b>	8.9	9.6

**Notes:** For Germany, the definition of immigrant is based on citizenship. BG, PL and RO are excluded due to the small number of immigrants in the sample. Percentages in bold indicate sectors where foreign-born are over-represented with respect to natives (i.e., the proportion of immigrants is larger in a given sector with respect to the proportion of immigrants in total employment depicted in the last column). ETO indicates extra-territorial organisations.

As expected, the most severe job losses were recorded in the construction sector, where immigrants are generally over-represented (they accounted for about a quarter of workers in Europe before the crisis). However, not all industries have reduced their activity in the past few years. Indeed, employment increased in several sectors, especially in social services. Foreign-born workers represent a large share of the workforce in this specific sector and, as discussed in the next section, immigrant women were able to benefit from these positive dynamics.

**Table 7: Changes in EU foreign-born employment in 2008–2009**

Foreign-born			
	Change (1000s)	%	
↑	109.8	23.8%	Residential care activities
	71.9	6.9%	Education
	59.5	7.1%	Services to buildings and landscape activities
	48.5	47.4%	Activities of head offices
	42.5	2.6%	Food and beverage service activities
	41.2	43.9%	Other professional, scientific and technical activities
	40.5	9.5%	Accommodation
	29.7	5.7%	Land transport and transport via pipelines
	26.2	2.4%	Activities of households as employers of domestic personnel
	25.4	7.1%	Crop and animal production, hunting and related service activities
↓	-22.4	-12.9%	Postal and courier activities
	-25.2	-8.2%	Financial service activities, except insurance and pension funding
	-30.3	-7.6%	Manufacture of motor vehicles, trailers and semi-trailers
	-32.7	-16.1%	Employment activities
	-36.8	-20.8%	Office administrative, office support and other business support activities
	-40.3	-17.3%	Legal and accounting activities
	-58.0	-14.8%	Warehousing and support activities for transportation
	-78.2	-15.4%	Manufacture of fabricated metal products, except machinery/equipment
	-107.0	-10.6%	Construction of buildings
-185.3	-14.4%	Specialised construction activities	

**Source:** OECD (2010). Only European OECD Member States are included, except Switzerland. Nace Rev. 2, EU-LFS, changes between Q1–Q3 of 2008 and 2009.

Table 8 shows the breakdown of the percentage of immigrant employment in 2009 by major occupational category. For the upper segment of occupations, the picture varies between countries. Foreign-born workers are over-represented among managers and professionals in Belgium, Denmark, France, Luxembourg and the United Kingdom, probably reflecting the presence of many multinational companies.

**Table 8: Percentages of foreign-born employment by occupation and country of residence, EU-LFS 2009**

Country	Legislators, senior officials, managers and professionals	Technicians and associate professionals, clerks	Service workers and shop workers	Skilled agricultural and fishery workers	Craft and related trades workers, plant and machine operators	Elementary occupations	Foreign-born in employment
AT	14.4	8.8	17.4	3.7	18.7	35.9	15.5
BE	12.1	8.9	14.3	9.3	14.4	20.0	12.5
DE	7.2	4.8	12.4	4.2	10.6	18.5	8.6
DK	8.6	7.0	9.3	7.8	8.5	15.4	8.8
ES	8.5	8.4	21.4	12.1	17.3	37.1	16.9
FR	11.6	7.3	11.2	5.2	12.5	20.0	10.9
GR	2.9	3.2	12.2	3.0	19.7	49.3	11.3
IE	15.5	13.5	22.9	20.0	19.3	29.5	18.2
IT	4.7	4.1	11.6	9.6	15.6	33.8	11.0
LU	54.5	32.9	47.9	17.1	53.4	70.5	47.3
NL	9.0	9.7	11.8	8.0	13.1	19.7	11.1
PT	9.7	8.6	10.1	2.8	7.9	13.9	9.1
SE	12.2	10.8	17.5	6.5	14.6	27.1	14.0
UK	13.1	11.1	13.4	4.8	12.3	18.1	13.0
EU-15	9.6	7.1	13.7	5.9	13.3	24.8	11.6
CY	13.1	12.3	24.9	3.3	21.3	51.1	22.1
CZ	2.9	2.3	3.2	0.8	2.7	5.3	2.8
EE	10.9	9.4	13.5	9.5	16.8	23.3	13.6
HU	3.4	2.1	2.0	2.2	1.6	2.6	2.3
LT	3.6	3.5	4.4	1.0	4.6	6.2	4.0
LV	11.0	13.3	11.0	6.8	17.1	15.2	13.2
SI	5.5	6.6	7.2	2.3	12.4	19.4	8.5
SK	1.3	0.9	0.8	0.5	0.4	0.8	0.8
EU-12	1.9	1.6	1.9	0.3	1.6	2.9	1.7
EU-27	8.3	6.3	11.6	3.1	10.3	20.8	9.6

**Source:** LFS (2009). For Germany, the definition of immigrant is based on citizenship. BG, PL and RO are excluded due to the small number of immigrants in the sample. Percentages in bold indicate occupations where foreign-born are over-represented with respect to natives (i.e., the proportion of immigrants is larger in a given sector with respect to the proportion of immigrants in total employment depicted in the last column).

More generally, immigrants are under-represented among office workers and clerks, perhaps because, for those occupations, proficiency in the host country language is a key element of the job and they compete with a large pool of native speakers. At the same time, most EU-27 countries show a high proportion of immigrants in manual, low-skilled occupations. The table clearly shows that foreign-born workers are largely over-represented among elementary occupations (21%, more than twice their quota in employment), but also among low-skilled workers in services and manual jobs.

Corroboration of these findings comes from a study by D'Amuri, F. and Peri, G., who discuss the effect of immigration on natives' job specialisation in Western Europe. They find that immigrants and natives tend to specialise in different production tasks. In particular, while the average native worker increasingly specialises in more complex production tasks, the average immigrant worker experiences the opposite trend by moving towards more routine, manual jobs. The over-representation of immigrants among low-skilled occupations may be seen as the result of difficulties in transferring skills across borders. The issue of over-qualification of immigrants is investigated further in Section 2.6.

## 2.2 Employment population rates

### KEY FINDINGS

- On average, foreign-born men in the EU-27 have higher employment rates than natives, especially in Southern European countries.
- Low-skilled immigrants in the EU-27 (especially from non-EU origins) have higher employment rates than natives of the same skill level, while high-skilled immigrants have lower employment rates vis-à-vis high-skilled natives.
- Difficulties with transferring human capital and formal education across borders can contribute to a lower employment rate among high-skilled immigrants.

In EU-27 Member States, foreign-born men have, on average, employment population rates (rate of employment to total working-age population) which are higher than those of the native-born population (see Figure 3). This is true for immigration countries of Southern Europe, where migration is mainly employment-driven and immigrant employment rates are considerably higher than those of natives. On the contrary, employment rates for immigrant women (Figure 4) are systematically lower than for immigrant men and usually lower than those of native-born women — in both the EU-15 and the EU-12. In Southern European countries, however, foreign-born women enjoy higher employment rates than native women, suggesting a similar pattern to the one observed for men.

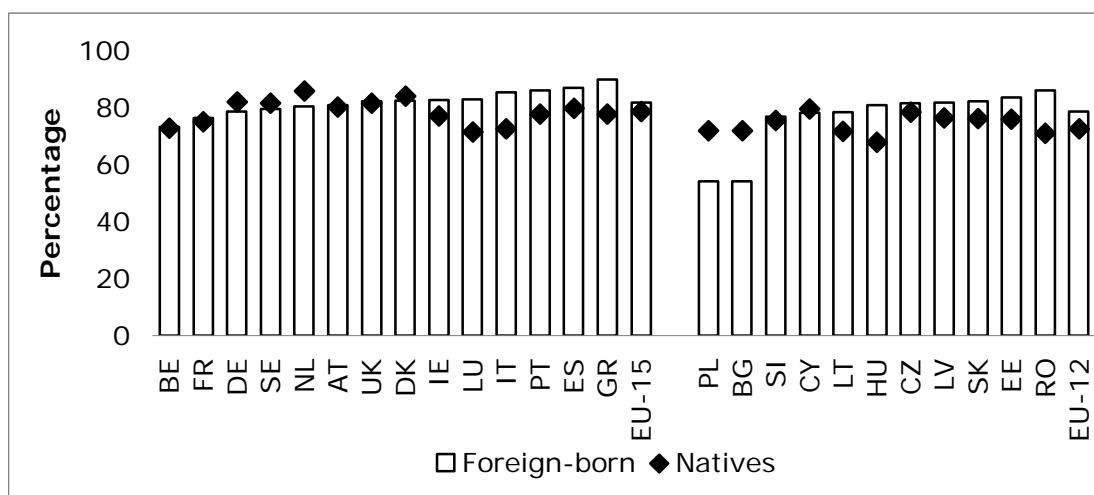
Variations in employment rates between immigrants and natives may also be due to differences in skill levels. In a study based on 2006 and 2007 data from the EU-LFS, Hierländer, R. and Huber, P. show that — despite considerable variation across countries — the employment rates of the medium-skilled hardly differ between natives and immigrants (see Annex A.2). Low-skilled immigrants in the EU-27 (especially those born in countries outside the EU-27), however, tend to have higher employment rates than natives of the same skill level, while high-skilled immigrants tend to have lower employment rates vis-à-vis high-skilled natives.

These differences between skill levels can be explained by various factors. Low-skilled immigrants are probably more dependent on being employed than high-skilled immigrants because of financial constraints and lower income levels. Furthermore, the probability of receiving a job offer below one's skill level is lower for less skilled immigrants. Low-skilled immigrants can thus be expected to be less selective when deciding whether to accept a job or not. High-skilled immigrants, on the other hand, will rather wait for a job offer which fits their skills, therefore decreasing their employment rate (at least during the first phase of living abroad).

Legislation concerning immigration and labour market access may also contribute to differences in outcomes between high- and low-skilled immigrants. In some countries, less skilled immigrants can only enter the host country if they already have a job or immigrate under temporary work contracts (see Section 2.5), raising employment rates of low-skilled immigrants. Individuals with higher skill levels, on the other hand, more frequently enter a country for reasons other than employment — for example, as students — and therefore may have lower employment rates. In addition, difficulties with transferring human capital and formal education across borders can also contribute to lower employment rates among high-skilled immigrants.

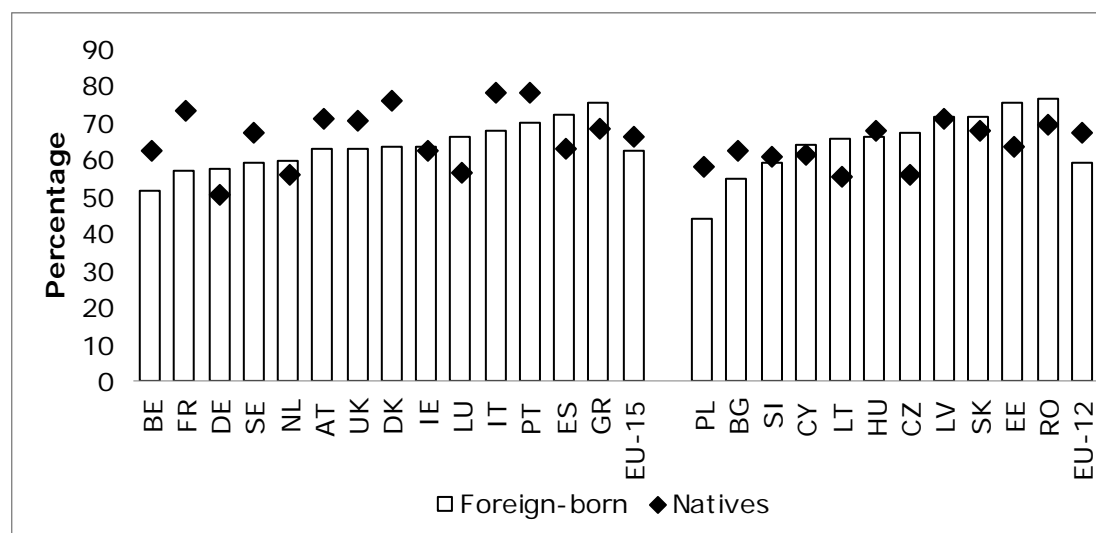
In general, overall employment has improved in Europe over the last decade and immigrant employment has grown even faster than that of the total population. According to OECD estimates for the period 2001–2008, total employment in the EU-15 increased by 14.5 million, 58% of which relates to increases in foreign-born employment (8.4 million). However, employment rates changed considerably during the recent economic crisis, with significant decreases observed for immigrants and natives in almost all EU countries (OECD, 2010).

**Figure 3: Employment rate of foreign-born and native men in EU-27, 2009**



**Source:** Own elaboration based on Eurostat, LFS 2009. Figures for Finland and Malta are missing.



**Figure 4: Employment rate of foreign-born and native women in EU-27, 2009**

Source: Own elaboration based on Eurostat, LFS 2009. Figures for Finland and Malta are missing.

## 2.3 Unemployment rates

### KEY FINDINGS

- Foreign-born workers are more affected by unemployment than natives.
- Foreign-born unemployment rates tend to be more pronounced for immigrants from Africa and the Middle East, Central and South America and EU-12 Member States.
- Unemployment rate differentials between immigrants and natives are increasing in skill level. Thus, high-skilled immigrants (from both within and outside the EU) show considerably higher unemployment rates than the native-born population.

Foreign-born workers are among the groups most affected by unemployment and important differences persist with respect to the native-born labour force. Although estimates partly reflect the effects of the economic crisis, Figure 5 clearly shows that immigrants are over-represented among the unemployed in almost all EU-27 Member States. In particular, immigrants' unemployment rates in 2009 in the EU-15 Member States are, on average, almost twice those of natives.

Confirmation of these findings comes from a study by Uhlenborff, A. and Zimmermann, K.F., who examine the differences in unemployment dynamics between natives and immigrants in Germany. They find that immigrants tend to remain unemployed longer than natives (especially Turkish unemployed<sup>2</sup>). Compared to immigrants with similar characteristics, unemployed immigrants do not find less stable jobs, but they need more time to find work.

<sup>2</sup> The authors find that the probability of leaving unemployment strongly varies between different ethnic groups and first and second generation Turks are identified as the major problem group.

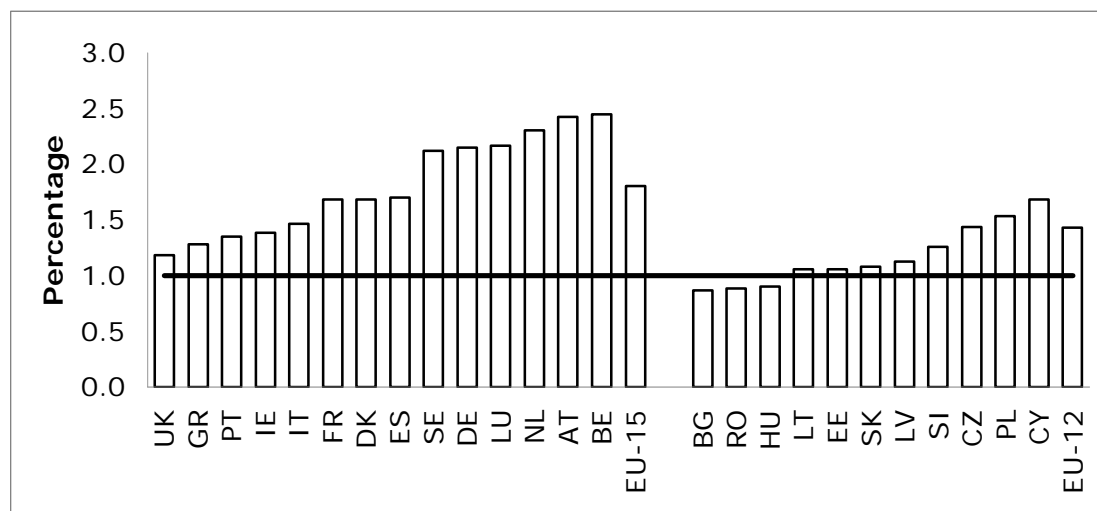
Similarly, Frijters, P., Shields, M.A. and Wheatley Price, S. find that male immigrants in the United Kingdom have more trouble finding jobs than white, UK-born men<sup>3</sup> and that most of this difference cannot be explained by observable individual characteristics or differences in search methods across these groups. There is, however, a substantial heterogeneity between different sending regions. As can be seen in Figure 6, unemployment rates tend to be more pronounced for immigrants from some outside-EU regions such as Africa, the Middle East, and Central and South America. However, intra-EU immigrants also show strong differentials, with immigrants from the EU-12 having higher unemployment rates than EU-15 immigrants.

Moreover, differences in unemployment rates between immigrants and natives may be also correlated to the skill level of immigrants — similar to what was observed in the previous section for the employment rates. On average, low-skilled immigrants born in another EU country have lower unemployment rates than natives, while those born outside the EU have considerably higher unemployment rates. The same holds true for the medium-skilled. Among the high-skilled, on the other hand, immigrants from both within and outside the EU show considerably higher unemployment rates than the native-born population (see Annex A.3).

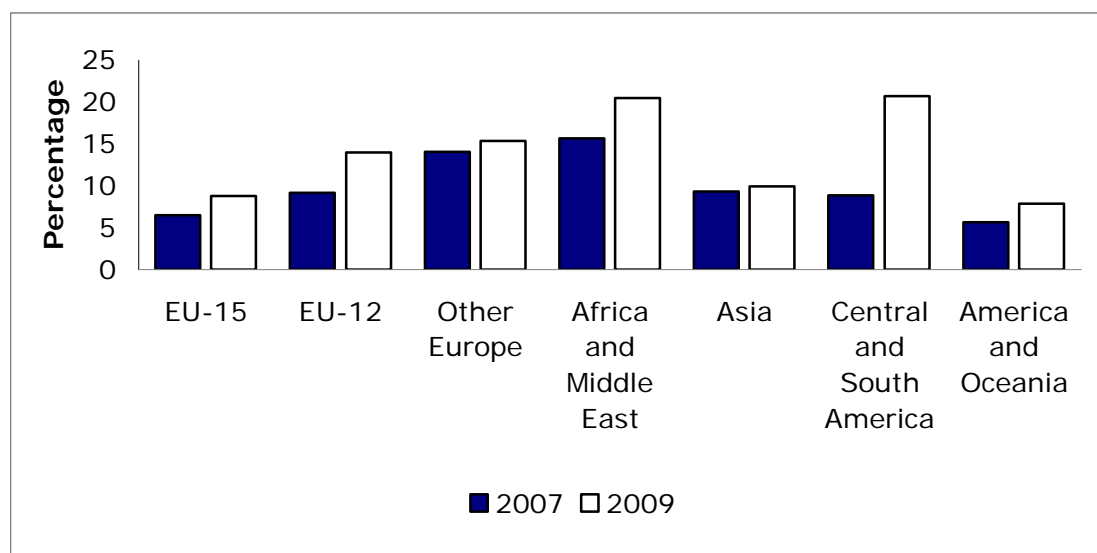
Hierländer, R. and Huber, P. show that even after controlling for observable characteristics of individuals (such as age and gender) and unobservable factors of the receiving country, high-skilled foreign-born in the EU have a lower probability of being employed (-9%) and a higher probability of being unemployed (+3%) than comparable natives. Low-skilled immigrants, by contrast, have a higher probability of being employed than comparable natives (+3%) and face a higher unemployment risk (+1.2%). These results not only provide strong support for the conclusion that unemployment rate differentials between immigrants and natives are increasing in terms of skill level, but also point to a substantial under-utilisation of high-skilled foreign labour in the EU-27. Moreover, the authors confirm that there is considerable heterogeneity in the labour market outcomes of immigrants from different sending regions. For example, they estimate that the unemployment probability of high-skilled immigrants from North Africa and other African countries, as well as for those born in the Middle East, is 6–7 percentage points higher than that of comparable high-skilled natives, while the unemployment risk for high-skilled immigrants from the EU-12 and the EU-15 is, respectively, 4 and 1 percentage points higher than for comparable high-skilled natives.

---

<sup>3</sup> Accordingly with the authors' estimates, ethnic minority UK born men are much less successful in finding jobs than white UK born men, pointing at discriminatory behaviour on the part of employers (for this specific group other unobserved characteristics, such as language ability, are less likely to play a key role in job-finding probabilities).

**Figure 5: Unemployment rate of foreign-born relative to natives, 2009**

**Source:** Own elaboration based on Eurostat, LFS 2009. Figures for Finland and Malta are missing.

**Figure 6: Unemployment rates of foreign-born in EU-15 by origin**

**Source:** Own elaboration based on Eurostat, LFS 2007, 2009. The group "Other Europe" includes all European countries outside the EU27.

## 2.4 Unemployment rates and economic crisis

### KEY FINDINGS

- As a consequence of the economic crisis, immigrant unemployment rates have increased markedly and more rapidly than those of native-born — especially for men and young cohorts.
- Foreign-born women have been less affected by the crisis, since they are more concentrated in sectors that are still experiencing positive growth (social and household services).
- Immigrants from the EU-12, Africa, the Middle East, and Central and South America show higher than average increases in unemployment.

As a consequence of the economic crisis, unemployment rates in Europe rose quite dramatically, peaking in the Baltic States (Estonia, Latvia and Lithuania) and Spain. In this context, the labour market performance of immigrants has deteriorated relative to that of natives: the immigrant unemployment rates increased markedly and more rapidly than those of native-born in all EU-27 countries (except for the Czech Republic). Table 9 clearly shows that the gap in unemployment rates between the native and the foreign population increased between 2007–2009. However, overall estimates of unemployment rates of foreign-born may hide important differences with immigrant groups.

For example, it appears that women have been less affected by the crisis than men. In fact, since men are over-represented in the highly affected sectors (construction, manufacturing and finance), employment losses were larger for men than for women. Table 9 shows that although the unemployment rate of foreign-born women is generally higher than that of native women, its increase during the crisis was fairly small, or even negative, in some European countries, such as Austria (-1.6%), France (-0.5%) and Germany (-2.1%)<sup>4</sup>. Also in Spain, where the unemployment rate of foreign-born women has risen the most (+11.6% in 2009 with respect to 2007), the increase was only half the one recorded for immigrant men (+21.4%).

Factors explaining this result may be found in the distribution of foreign-born women across different industries. According to OECD estimates, despite the effect of the economic crisis, sectors related to social and household services are still experiencing positive employment growth in many European countries. These are clearly sectors where immigrant women are traditionally over-represented with respect to men. In addition, it appears that the participation rate of foreign-born women has increased in several countries in recent years, probably to compensate income losses of male members of their families (OECD, 2010).

<sup>4</sup> In all those countries, immigrants are strongly over-represented in the sector of household services (as shown in Table 6), i.e. in occupations where the employer is a private household and women are typically over-represented.

Table 9: Unemployment rates by country of residence, gender and age

Country	Men				Women				Youth (15-25 years)			
	Unemployment rate in 2009		Change in unemployment rate 2007-2009		Unemployment rate in 2009		Change in unemployment rate 2007-2009		Unemployment rate in 2009		Change in unemployment rate 2007-2009	
	Natives	Foreign-born	Natives	Foreign-born	Natives	Foreign-born	Natives	Foreign-born	Natives	Foreign-born	Natives	Foreign-born
AT	3.9	10.7	0.9	2.3	3.9	8.2	-0.2	-1.6	9.2	15.1	1.6	-0.4
BE	6.4	16.3	0.8	0.6	7.0	16.1	-0.5	-1.1	20.8	32.7	2.5	7.6
DE	7.3	15.9	-0.7	0.0	6.6	13.7	-1.8	-2.1	10.4	18.6	-0.5	-4.5
DK	6.4	9.9	3.3	1.3	5.0	9.5	1.1	1.6	10.8	17.3	3.4	4.9
ES	15.1	29.8	9.1	21.4	17.1	24.1	6.6	11.6	36.8	41.4	18.9	22.1
FR	8.2	14.2	1.0	2.3	8.8	14.3	1.0	-0.5	22.2	29.9	4.2	5.3
GR	6.5	10.3	1.2	5.4	13.2	14.5	0.4	0.3	27.1	19.8	3.3	2.5
IE	14.4	18.2	na	na	7.2	11.7	na	na	25.0	20.5	na	na
IT	6.6	9.4	1.6	4.1	8.8	13.0	1.3	1.6	25.9	22.3	5.2	6.4
LU	3.0	5.9	0.1	1.7	3.6	8.8	-0.8	3.7	13.5	25.1	-0.6	7.5
NL	2.9	7.2	na	na	3.0	6.4	na	na	6.3	12.1	na	na
PT	9.0	13.3	2.0	5.9	10.5	13.0	0.5	0.9	19.7	24.8	3.0	9.5
SE	7.6	16.1	2.5	4.5	6.9	14.5	1.4	1.9	23.9	35.4	5.7	7.6
UK	8.7	8.9	3.3	2.0	6.2	8.9	1.7	0.4	19.1	19.3	5.3	2.1
<b>EU-15</b>	<b>8.3</b>	<b>15.5</b>	<b>2.0</b>	<b>5.7</b>	<b>8.3</b>	<b>14.4</b>	<b>0.8</b>	<b>1.9</b>	<b>18.7</b>	<b>25.7</b>	<b>3.8</b>	<b>6.1</b>
CY	4.0	11.0	0.9	5.1	5.6	5.5	1.3	0.0	13.3	15.1	4.5	-0.3
CZ	5.9	8.5	1.7	0.8	7.7	11.0	1.0	0.2	16.7	15.8	5.9	5.9
EE	17.3	17.7	12.0	10.6	10.5	12.3	6.6	7.7	27.8	18.0	17.8	4.5
HU	10.4	8.6	3.1	6.0	9.8	9.6	2.1	3.5	26.5	23.5	8.4	9.0
LT	17.3	18.1	12.9	13.4	10.5	11.8	6.3	3.4	29.3	26.4	21.2	6.9
LV	20.5	22.4	13.9	16.2	13.9	16.6	8.5	8.9	33.7	29.6	22.9	20.2
SI	5.9	7.5	1.8	3.5	5.8	7.2	0.0	-0.3	12.8	34.9	2.6	28.3
SK	11.4	12.1	1.5	4.5	12.9	14.2	0.1	8.3	27.3	0.0	7.0	-10.6
<b>EU-12</b>	<b>10.1</b>	<b>13.3</b>	<b>4.0</b>	<b>7.6</b>	<b>9.7</b>	<b>11.2</b>	<b>2.3</b>	<b>4.0</b>	<b>23.8</b>	<b>19.9</b>	<b>10.0</b>	<b>7.7</b>
<b>EU-27</b>	<b>8.4</b>	<b>15.4</b>	<b>2.2</b>	<b>5.8</b>	<b>8.4</b>	<b>14.3</b>	<b>0.9</b>	<b>1.9</b>	<b>19.1</b>	<b>25.6</b>	<b>4.3</b>	<b>6.1</b>

**Source:** Own elaboration based on Eurostat, LFS 2007, 2009. BG, PL and RO are excluded due to the small number of immigrants in the sample. Figures for Finland and Malta are missing.

Youth are another group strongly affected by the economic crisis. In 2009, the unemployment rate of native young people (aged 15–25), rose to an average of 19% in the EU-27. The same pattern can be observed for young foreign-born workers, although this particular group may be sensitive to return migration and therefore, care needs to be taken in comparing young immigrants with their native counterparts. However, Table 9 shows a quite dramatic increase in young, foreign-born unemployment, which reached an average of 26% in the EU-27 — with peak values of 41% in Spain, 35% in Slovenia and Sweden, and 32% in Belgium. One possible reason is that young immigrants are less qualified than their native counterparts. In fact, during the recession, employment losses were largely concentrated in sectors such as construction and manufacturing, where predominantly low- and medium-skilled workers suffered higher job losses than high-skilled workers (OECD, 2010). Another possible explanation is that foreign-born workers are more likely to be hired under a temporary contract than native-born workers (as shown in the next section), a type of contract that is typically widespread among young workers.

Finally, not all immigrant groups experienced the same rise in their unemployment rates. Figure 6 illustrates the evolution of unemployment rates between 2007–2009 in the EU-15 by the country of origin. It clearly appears that the most affected groups are immigrants from the EU-12, Africa, the Middle East, and Central and South America.

## 2.5 Types of employment contracts

### KEY FINDINGS

- In the EU-15, foreign-born workers are over-represented among temporary workers and recent jobs (shorter tenure).
- Temporary employment and labour hoarding of permanent workers may partly explain the higher than average rise in unemployment rates among immigrants.

Table 10 clearly shows that immigrant workers in EU-15 are over-represented among temporary workers (19% compared to 13% on average of native workers) and in jobs with shorter tenure. In the EU-12, on the contrary, foreign-born workers are more likely to have permanent contracts than natives, although differences between the two groups are less marked (12% of temporary contracts among immigrants compared to 10% of native workers).

One possible explanation of the higher unemployment rates among immigrants in the EU-15 is linked to foreign-born workers being more likely to be hired under temporary contracts than native-born workers. The risk of job loss is much higher among temporary contracts, especially due to employers adjusting their labour force by not renewing temporary contracts during downturns. Moreover, during the crisis, changes in working time were another way to adjust to the falling labour demand, and there is evidence that labour hoarding is occurring in many firms and sectors (Dietz, M., Stops, M. and Walwei, U.). However, this type of adjustment essentially applies to permanent workers. Since immigrants are less likely to have permanent contracts than natives, they are less likely to benefit from this positive dynamic (OECD, 2010). Finally, Table 10 shows that foreign-born workers are over-represented in part-time jobs, and they are less likely to be self-employed.

**Table 10: Proportions of different types of employment of foreign-and native-born, 2009**

	Temporary employment		Tenure < 2 years	
	Natives	Foreign-born	Natives	Foreign-born
EU15	13.0	19.1	11.8	16.8
EU12	12.7	10.9	10.2	12.4
EU27	12.9	18.8	11.4	16.7
	Part-time		Self-employment	
	Natives	Foreign-born	Natives	Foreign-born
EU15	20.8	22.8	9.3	7.5
EU12	6.8	7.3	9.7	9.3
EU27	17.7	22.3	9.4	7.6

Source: Own elaboration based on Eurostat, LFS 2009.

## 2.6 Immigrants and skill-job mismatch

### KEY FINDINGS

- Medium- and high-skilled immigrants to the EU face considerably larger rates of over-qualification than natives.
- The highest over-qualification rates among foreign-born can be found in Cyprus (50.7%), Greece (59.5%) and Spain (57.6%). Generally, the rates of over-qualification in the EU-12 are lower than those in the EU-15.
- Immigrants from countries outside the EU have higher over-qualification rates than immigrants from within the EU.
- A pronounced over-qualification risk exists for immigrants from EU-12 Member States.

When examining the labour market integration of immigrants in the EU, it is important to analyse the match between skills and jobs. High-skilled immigrants may have particular problems finding a skill-appropriate job abroad — for example, if their formal qualifications are not recognised in the destination country, if they lack host country-specific human capital, if there are differences in the quality of education between host and home countries or if there are language barriers or discrimination.

Section 2.1 demonstrated that immigrants are over-represented in low-skilled occupations, despite the fact that the majority of them have medium- or high-levels of education (see Section 1.3). For example, according to Brücker, H. and Damelang, A., immigrants from the EU-12 are employed well below their education levels. Studying immigrants from the EU-12 who arrived in the EU-15 after 2004, they find that a remarkable 36% of these immigrants who left full-time education after the age of 21 are employed in elementary occupations — compared to 1% of natives with a similar education level.

Drinkwater, S., Eade, J. and Garapich, M. discuss the case of the United Kingdom, one of the countries with the largest immigration inflows after enlargement.<sup>55</sup> They find that the majority of post-enlargement immigrants from the EU-12 found employment in low-paid jobs, despite some (especially Poles) having relatively high levels of education.

A summary of the results of a study by Hierländer, R. and Huber, P., who use a taxonomy developed by the OECD (2007b) to analyse skill-job matches for immigrants and natives in the EU-27, is presented in this section. This taxonomy considers only formal skills and provides a match between educational attainment (measured at the ISCED 1-digit level) and jobs (measured at the ISCO-88 1-digit level) and gives the formal qualification required to perform the tasks required by a specific occupation (see Table 11). Following the authors' definitions, if an individual's educational attainment is above the formal skill level needed to perform the tasks required by his or her occupation, the individual is over-qualified. For example, an individual with completed tertiary education (ISCED 5) working as a clerk (ISCO-88 4) would be considered over-qualified according to this method. On the other hand, an individual with primary education (ISCED 1) working as a machine operator (ISCO-88 8) can be considered under-qualified: the formal skills do not match the occupation. Under-qualification can arise if there is non-formal (on-the-job) training or learning-by-doing. All other individuals are considered appropriately qualified. By definition, low-skilled individuals cannot be over-qualified, and high-skilled individuals cannot be under-qualified. Although these categories are only broadly defined, they are still useful when comparing the rates of over- and under-qualification between natives and immigrants.

**Table 11: Correspondence of occupations (ISCO-88) and required skill levels (ISCED-97)**

ISCO-88 major groups	Demanded skill level	
1: Legislators, senior officials and managers	High-skilled	ISCED 5,6
2: Professionals		ISCED 5,6
3: Technicians and associate professionals		ISCED 5,6
4: Clerks	Medium-skilled	ISCED 3,4
5: Service workers and shop and market sales workers		ISCED 3,4
6: Skilled agricultural and fishery workers		ISCED 3,4
7: Craft and related trades workers		ISCED 3,4
8: Plant and machine operators and assemblers		ISCED 3,4
9: Elementary occupations	Low-skilled	ISCED 0,1,2
(0: Armed forces)	No assignment	

Source: OECD (2007b).

<sup>55</sup> According to Brücker, H. and Damelang, A. (2009), UK and Ireland have been the main destinations for immigrants from the EU-12 (absorbing almost 70 per cent of the immigrants from those countries). In the UK, in particular, the stock of foreign-born residents from the EU-12 increased from 95,000 in 2000 to about 609,000 in 2007 (reaching about 1 per cent of the population).



Using this method, 19.4% of the high-skilled natives and 33.0% of the high-skilled foreign-born employed in the EU in 2006–2007 were over-qualified (Table 12). Similarly, 7.7% of medium-skilled natives were over-qualified, when compared to 19.4% of the medium-skilled immigrants. Medium- and high-skilled immigrants in the EU thus face considerably higher rates of over-qualification than natives.

The results are highly stable across countries: there is no EU country where over-qualification rates for the high- or medium-skilled foreign-born do not exceed those of similarly skilled natives. There is, however, a high degree of variation across receiving countries. The highest over-qualification rates among the foreign-born can be found in Greece (59.5%), Spain (57.6%) and Cyprus (50.7%). Generally, the rates of over-qualification in the EU-12 are lower than those in the EU-15 (except for medium-skilled natives).

**Table 12: Over-qualified employed in the EU by country of residence and highest completed education (% employed aged 15 or above)**

	Native		Foreign-born	
	Skill level			
Receiving country	medium	high	medium	high
AT	7.3	22	20	29.3
BE	9.3	21.4	14.3	27.4
DK	8.1	13.6	14.2	25.6
ES	7.9	32.6	31.9	57.6
FI	9.8	17.8	13.6	30.4
FR	8.3	20.1	14.6	26.2
GR	3.0	16.8	28.6	59.5
IT	4.3	11.6	21.2	42.1
LU	2.0	(1.9)	7.3	(4.5)
NL	5.6	13	13.7	19.8
PT	5.2	11.6	15.2	23.7
SE	5.5	11.6	9.5	27.1
UK	10.2	22.4	16.9	24.2
EU-15	7.4	20.9	19.8	33.3
BG	12.1	20.9	-	-
CY	9.9	28.6	37.4	50.7
CZ	4.9	5.8	8.6	14.3
EE	9.5	23.6	21	41.7
HU	5.4	10.4	(8.9)	(13.4)
LT	12.8	22	(13.2)	(31.2)
LV	12.2	15	15.8	29.4
MT	-	(7.3)	-	-
PL	8.4	15.1	-	-
RO	9.7	9.1	-	-
SI	4.8	7.3	9.7	(9.1)
SK	8.8	9.3	-	-
EU-12	8.3	13.8	14.3	27.3
EU-27	7.7	19.4	19.4	33

**Source:** Adapted from Hierländer, R. and Huber, P., based on Eurostat, LFS 2006 and 2007. Germany and Ireland are excluded, observations with unknown highest completed education and unknown country of birth excluded. Medium-skilled = ISCED 3 & 4, high-skilled = ISCED 5 & 6. Numbers in brackets refer to low reliability due to a small number of observations.

Over-qualification rates of immigrants to the EU also vary considerably across sending regions (Table 13). Immigrants from countries outside the EU have higher over-qualification rates than immigrants from within the EU, although over-qualification rates of medium- and high-skilled intra-EU immigrants are only slightly below those of the foreign-born in general — mainly due to markedly higher over-qualification rates for immigrants from the EU-12 to the EU-15. Thus, figures suggest that immigrants from countries outside the EU have more problems transferring skills across borders, but they also imply that skill transfer within the EU is far from unproblematic. In fact, as shown in Table 13, only high-skilled immigrants from North America, Australia and Oceania have lower over-qualification rates than natives.

In their study, Hierländer, R. and Huber, P. run a regression to estimate the probability of being over-qualified after controlling for personal characteristics, receiving country fixed-effects and sectors of employment. Their results show that, while immigrants from the EU-15, North America and Oceania have no problems in transferring skills across borders to the EU, a pronounced over-qualification risk exists for immigrants from EU-12 Member States: the probability of over-qualified employment is 19.2 percentage points higher for medium-skilled immigrants from the EU-12 (compared to medium-skilled natives), and the probability of over-qualified employment even reaches 29.6% for high-skilled immigrants from the EU-12 (vis-à-vis similarly skilled natives). Comparable marginal effects can only be observed for immigrants from other (non-EU) European countries and immigrants from Central and South America. Immigrants from the EU-12 therefore appear to have substantial difficulties when it comes to transferring human capital to other EU countries.

**Table 13: Over-qualified foreign-born in the EU by sending region and highest completed education (% employed foreign-born aged 15 or above)**

Sending region	Skill level	
	medium	high
Native	7.7	19.4
Foreign-born	19.4	33.0
EU-27	18.4	26.9
From EU-12 to EU-15	31.3	57.5
Outside EU-27	20.0	36.0
Other European countries	19.6	47.5
Turkey	16.0	(34.8)
North Africa	17.3	33.5
Other Africa	18.5	29.0
Central and South America, Caribbean	27.7	48.1
East Asia	(8.6)	34.3
Near and Middle East	13.1	32.5
South and Southeast Asia	19.7	31.2
North America and Oceania	(6.0)	11.8

**Source:** Adapted from Hierländer, R. and Huber, P., based on Eurostat, LFS 2006 and 2007. Germany and Ireland are excluded, observations with unknown highest completed education and unknown country of birth are excluded. Numbers in brackets refer to low reliability due to a small number of observations.

**Box 3: Cross-border commuters and skill-job mismatch**

Based on a special evaluation of the 2006 EU-LFS, which contains information not only on the region of residence, but also on the region of work at the NUTS-2 level (Nomenclature of Statistical Territorial Units), Huber, P. (2011b) examines whether the differences in over- and under-qualification rates between natives and the foreign-born also apply to cross-border commuters. In general, commuting can be seen as a means to increase the skill-job match, so that within-country commuters can be expected to have lower over-qualification rates (Büchel, F. and Battu, H.). This does not, however, necessarily extend to cross-border commuters, which may have higher over-qualification rates because of problems with transferring skills across the border.

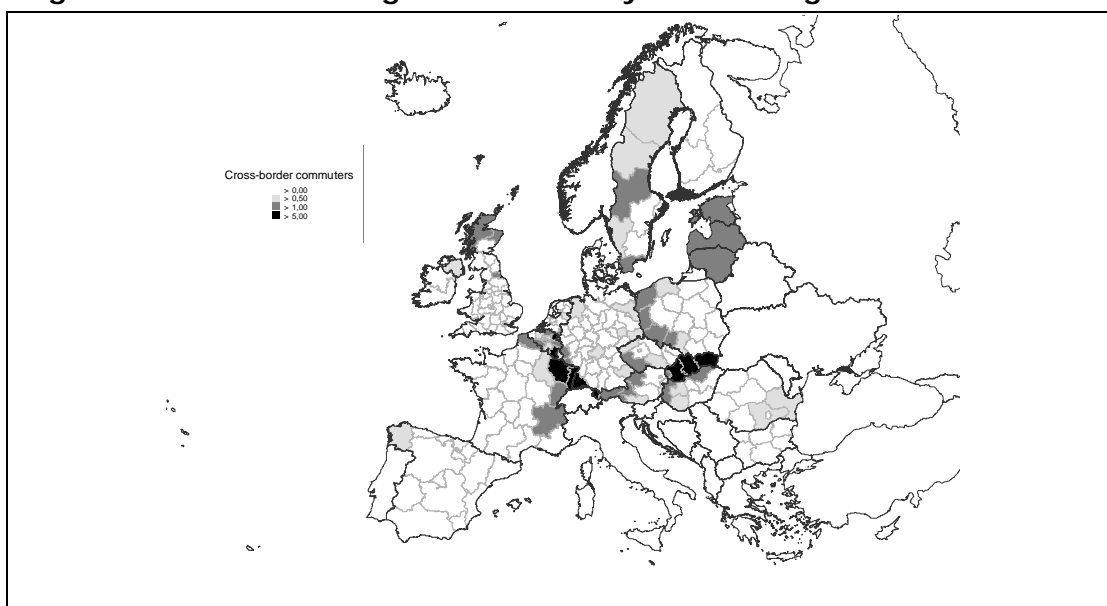
Cross-border commuting is of importance only in a small number of EU regions. According to 2006 EU-LFS data, only around 0.7% (about 1.17 million) of those employed in the EU commuted across borders. This is low in comparison with the 7.4% commuting between NUTS-2 regions within their home country. As can be expected, high rates of cross-border out-commuting can mostly be found in border regions or regions close to the border. The major areas of cross-border commuting in the EU are the border regions of countries which share a common language (e.g., Belgium and France, or Austria, Germany and Switzerland), have strong historic ties (such as Czech Republic and Slovakia), where special institutional arrangements promote cross-border commuting (as in the Austro-Hungarian case, where commuting from Hungary to Austria was substantially liberalised in 1998), as well as in small countries (such as Austria, Baltic States and Belgium) where most regions are located close to the border (Figure 7). In all other border regions (except those located at the German-French border), the share of cross-border out-commuters is lower than 0.5% of the resident workforce. Cross-border commuting from EU-15 Member States is mostly to other EU-15 Member States or to non-EU countries (such as Norway and Switzerland), while cross-border commuting from the EU-12 countries, is, on the other hand, more focused on the EU-15 (except for Slovakia).

The share of cross-border in-commuters from other EU Member States is also low from a receiving country perspective (Figure 8). Apart from Luxembourg (where over a third of the employed are in-commuters from other EU Member States), the share of cross-border in-commuters exceeds 1% of the employed at the workplace only in Austria, Belgium, the Czech Republic (due to commuters from Slovakia) and the Netherlands. High rates of internal out-commuting, by contrast, are found primarily near large urban areas (Berlin, London, Stockholm and Vienna) and in smaller NUTS-2 regions.

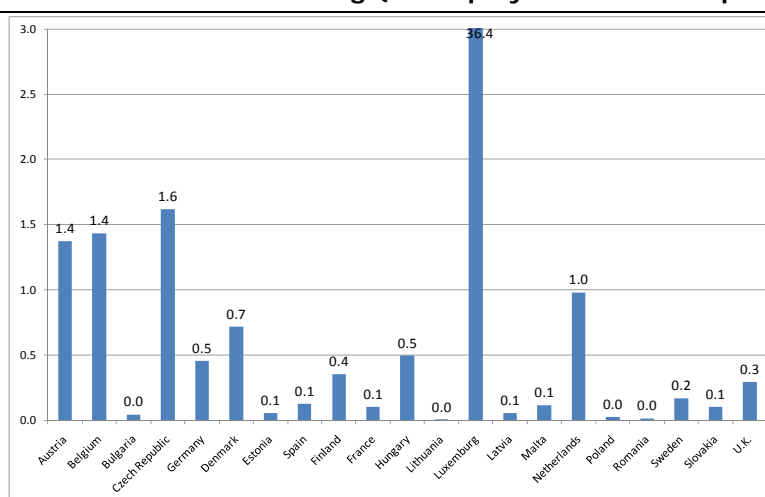
To test whether cross-border commuters face the same problems with transferring skills across borders as immigrants, Huber, P. (2011b) uses a sample of 15 EU Member States and distinguishes between non-commuters (those who work and live in the same NUTS-2 region), internal commuters (those who work and live in different NUTS-2 regions of the same country) and cross-border commuters (those who live and work in different countries). The results show that, as expected, internal commuters have lower rates of over-qualification (9.0% of all employed internal commuters) than non-commuters (10.3%). Commuting within a country thus supports the improvement of job-skill matches. On the contrary, cross-border commuters have a considerably higher rate of over-qualification (13.5%), both compared to internal commuters as well as to non-commuters. In addition, their under-qualification rate is only 22.3%, compared to 30.9% among internal commuters and 31.2% among non-commuters. However, these results may be due to differences in the composition of three groups (non-commuters, internal commuters and cross-border commuters).

In fact, when controlling for individual characteristics and employment sector and region of residence fixed-effects, the regression results show that cross-border commuters from the EU-12 experience the most difficulties when it comes to transferring skills across the border: they have a higher risk of over-qualification and a lower risk of under-qualification than similarly skilled non-commuters. No such effect can be observed for cross-border commuters from the EU-15, whose likelihood of over-qualification is actually lower and whose likelihood of under-qualification is actually higher than for comparable non-commuters. Internal commuters also have a lower risk of over-qualification and a higher risk of under-qualification than non-commuters, which supports the hypothesis that commuting within a country increases the job-skill match.

**Figure 7: Out-commuting in the EU-27 by NUTs-2-regions**



**Figure 8: Cross-border in-commuting (% employed at the workplace)**



**Source:** Adapted from Huber, P. (2011a), based on Eurostat, LFS 2006, covering all countries for which data was available. Figure 7 shows cross-border commuters in % of employed at place of residence. Figure 8 shows internal commuters in % of employed at place of residence.

### 3. THE LEGAL STATUS OF IMMIGRANTS IN THE EU

In this section, the legal status of immigrants from third countries in the EU is discussed. First, Section 3.1 focuses on the EU policy framework concerning the rules of labour migration and the most important directives or proposals for directives within this framework. In Section 3.2, a brief description of the current situation and the legislative proposals in the EU on seasonal work and intra-corporate transfers from third countries is given. The legislation on the posting of workers is presented in Section 3.3. Finally, Section 3.4 discusses the legal requirements for employed foreign workers (non-EU or non-EEA) in a representative sample of EU Member States.

#### 3.1 General EU framework on the rules of labour immigration

##### KEY FINDINGS

- The EU policy framework on the rules of labour migration consists of a general framework directive and four specific directives on the conditions of entry and residence of high-skilled workers, seasonal workers, intra-corporate transferees and remunerated trainees.
- The proposals on seasonal work and intra-corporate transferees are in the first stage of the legislative procedure. The Directive on the Posting of Workers applies to EU Member States but does not yet include any provisions on posted workers from third countries.

In the "Policy Plan on Legal Migration" (European Commission, 2005), the need to develop EU common rules on labour immigration was highlighted and a package of legislative proposals was suggested. This would consist of a general framework directive and four specific directives on the conditions of entry and residence of high-skilled workers, seasonal workers, intra-corporate transferees and remunerated trainees.

- On the 24<sup>th</sup> of March 2011, the European Parliament voted for the adoption of the directive on a single application procedure for a single permit for third-country nationals<sup>6</sup>. The so-called "Single Permit" Directive aims to simplify the procedures and improve the working conditions of immigrants who want to work in one of the EU Member States. The directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment proposals (the "Blue Card") was adopted in May 2009 (see Section 3.4).

<sup>6</sup> European Parliament legislative resolution of 24 March 2011 on the proposal for a directive of the European Parliament and of the Council on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State (COM(2007)0638 – C6-0470/2007 – 2007/0229(COD)).

- The proposed directive on the admission of remunerated trainees is intended to allow trainees to acquire qualifications and knowledge through a period of training in Europe. The aim is to provide safeguards so that abuses can be avoided.
- Two other proposals mentioned in the “Policy Plan on Legal Migration”, on seasonal workers and intra-corporate transferees, were adopted by the Commission in July 2010. The proposal on intra-corporate transfers aims at facilitating the temporary migration of high-skilled professionals, while the proposal on seasonal workers aims to create common criteria and procedures for lower skilled migration (see Section 3.2).

### 3.2 EU legislative proposals on seasonal work and intra-corporate transfers

#### KEY FINDINGS

- The proposal for a directive on seasonal employment (July 2010) is the first attempt to introduce EU-wide rules in order to create common criteria and procedures for lower skilled migration.
- A second legislative proposal (July 2010) concerned the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer. It aims at facilitating the temporary migration of high-skilled professionals.
- Both proposals – on seasonal work and on intra-corporate transferees – are in the first stage of the legislative procedure.
- At present, the recruitment of seasonal workers and intra-corporate transferees from outside the EU is governed mainly by national law in the EU Member States.

#### Seasonal workers

A precise definition of “seasonal worker” was added to Council Regulation (EC) No. 1408/71 of 14 June 1971 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community in Article 1, which states that

*seasonal worker* means any employed person who goes to the territory of a Member State other than the one in which he is resident to do work there of a seasonal nature for an undertaking or an employer of that State for a period which may on no account exceed eight months, and who stays in the territory of the said State for the duration of this work; work of a seasonal nature shall be taken to mean work which, being dependent on the succession of the seasons, automatically recurs each year.

Hence, seasonal work is a form of temporary employment linked to specific periods of the year and sectors: for example, in agriculture (fruit pickers) or the tourist industry (cleaners at holiday resorts). Although the situation differs from country to country, seasonal workers are often treated less favourably than permanent workers in terms of legal entitlements (e.g., dismissal protection), benefits offered by employers (e.g., pension entitlements) and other employment conditions (e.g., health and safety, training) (Eurofound, 2007).

In Section 1.8, national statistics are given on the number of seasonal workers in the EU. As previously mentioned, Germany, Italy and Poland are the countries with the highest number of seasonal workers. In Germany, most seasonal workers come from the EU-12 (in 2009, 95% of the seasonal workers in Germany came from Poland and Romania). In Poland, most of them come from Ukraine (95% in 2009). Overall, however, there is very few comprehensive and comparable data on seasonal workers coming from third countries in the EU. In some countries, the statistics are either unavailable (Austria, Ireland, Netherlands, Portugal, Slovakia and Spain) or specific work programmes for seasonal workers do not exist (such as in Latvia, Lithuania, Luxembourg and Malta).

In recent decades, a new generation of temporary foreign-worker policies has emerged in the EU. A number of EU Member States currently have seasonal migration programmes. This is the case in, among others, France, Germany, Greece, Italy, Portugal, Spain and the United Kingdom. Several of them (France, Italy, Portugal and Spain) have also introduced multi-entry permits or facilitated re-entry procedures to promote circular migration — mainly in the area of seasonal work. While some countries (Greece, Italy, Portugal and the United Kingdom) have adopted seasonal programmes specifically designed to facilitate the mobility of nationals from neighbouring countries to work in the agricultural sector, others have developed similar seasonal employment policies covering other sectors such as tourism and services (CEPS, 2010). The actual nature and scope of seasonal migration regimes remain heterogeneous and diverse across Europe. Nonetheless, immigration opportunities for seasonal employment are often provided in the general work permit systems as well as through bilateral (or multilateral) agreements and memoranda between EU Member States and non-EU states, as used by France, Greece, Italy and Spain.

#### **Box 4: The quota system for seasonal work in Italy**

In Italy, quota limits on the maximum number of non-EU citizens for seasonal work (e.g., tourism and agricultural sectors) are set. In 2010, this maximum quota was 80,000 units. However, a significant number of quotas are reserved for states which have enacted bilateral agreements with Italy on immigration issues. States which have signed bilateral agreements with Italy on seasonal work are Albania, Egypt, Moldova, Morocco and Tunisia.

The validity of the permit of stay for seasonal work depends on the type of seasonal work in question. However, it is not less than 20 days, nor does it exceed nine months. A permit of stay for seasonal work can be converted to a permit of stay for employment – again within the available quotas – once an immigrant has entered Italy for a second time for seasonal work. In addition, an employer may also apply for long-term permits of stay for seasonal work (valid for a maximum of three years), within the limits of immigration quotas. Such long-term permits can be requested only by employees who have performed seasonal work for two consecutive years. This measure, however, does not exempt the foreigner from applying annually for entry visas (European Migration Network, 2011).

At present, the recruitment of seasonal workers from outside the EU is governed mainly by national laws in the EU Member States, although there are European measures setting the maximum length of stay (6 months per year) and a standard format for residence permits. The current proposal on seasonal employment is the first attempt to introduce EU-wide rules and procedures. Member States will still have the right to decide how many non-EU seasonal workers they wish to admit and, indeed, whether or not they need any at all.



According to Triandafyllidou, A., the proposal for a directive on seasonal employment is a step forward as regards the simplification of the procedures governing seasonal migration and the creation of a common framework for the EU-27. While the proposal tries not to interfere with national laws, it emphasises speedy processing of applications (a fast-track procedure of 30 days is provided) and strongly encourages that seasonal immigrant workers are invited for more than one season. In addition, it seeks to regulate the employer-employee relationship regarding payment, housing, insurance and other rights.

#### Box 5: Seasonal work in Germany

At the moment, Germany has bilateral agreements on seasonal workers with Bulgaria, Croatia and Romania. The agreements have made it easier for seasonal workers coming from those three countries to enter Germany.

Within the German system, employers can ask for seasonal workers anonymously or by name (the latter makes it possible to request the same people over a number of years). There is a limit to the quota of people who can be recruited. Central and Eastern European workers are approved for employment in a company at a level of 80% of the approvals issued in 2005. Beyond this level, foreign labour is only approved if German workers are not available to fill the jobs in question. These additional approvals must not take the total number of Central and Eastern European seasonal workers in any company to more than 90% of the figure approved in 2005.

Several regulations are in place to ensure that seasonal workers are not misused and that their rights are protected. For example, a clearing house (*Zentrale Auslands- und Fachvermittlung*) has been established in order to settle disputes over work contracts between an employer and a seasonal worker (Baker & McKenzie, 2010).

According to the European Migration Network (2011), the new element in the EU proposal for a directive on seasonal workers with regard to German residence law will be the extension of seasonal employment to all third-country nationals as well as the introduction of a corresponding residence title.

#### Intra-corporate transferees

A second legislative proposal put forward by the European Commission in July 2010 concerned the conditions of entry and residence of third-country nationals in the context of an intra-corporate transfer. An intra-corporate transferee is defined as follows (European Commission, 2010a, p.9):

the temporary secondment of a third-country national from the company located in the third country, to which the third-country national is bound by a work contract, to an EU entity belonging to the same group of undertakings. This transfer does not necessarily take place within the services sector or in the context of provision of a service and may originate in a third country which is not party to a trade agreement: the scope of this proposal is therefore broader than that implied by trade commitments.

The directive intends to make it easier for multinational corporations to transfer non-EU employees temporarily to another branch or subsidiary located in the EU. Specifically, it is intended to address a number of obstacles which currently exist for companies wishing to transfer non-EU nationals to the EU temporarily: the lack of clear specific schemes, the complexity and diversity of visa or work permit requirements (see Section 3.4), costs and delays in transferring foreign intra-corporate transferees from one European corporate headquarters to another and the difficulty of securing family reunification. Additional difficulties exist as regards the mobility of intra-corporate transferees across EU Member States.



Both proposals, on seasonal work and on intra-corporate transferees, are in the first stage of the legislative procedure. The proposals still have to be agreed by the European Parliament and the Council.

### 3.3 Legislation on the posting of workers

#### KEY FINDINGS

- The Posting of Workers Directive was set up to guarantee that the rights and working conditions of a posted worker are protected throughout the European Union.
- Neither the directive nor secondary legislation on this subject includes provisions on posted workers from third countries.
- Currently, the third-country nationals' special status as posted workers is based solely on Article 49 EC of the Treaty on the Functioning of the European Union.

The posting of workers is an essential component of the cross-border provision of services in the EU. A worker is "a posted worker" when employed in one EU Member State but sent by the employer on a temporary basis to carry out work in another Member State. Without the possibility to post workers to perform specific technical functions under given economic and logistic conditions, most undertakings would be unable to offer services across borders.

However, the posting of workers raises complex legal, social and economic issues to the extent that their work is performed, on a temporary basis, in a Member State other than the one where the employment relationship was originally established (IDEA Consult and ECORYS, 2011).

For EU Member States, there is the Posting of Workers Directive<sup>7</sup>. This directive aims to reconcile the exercise of companies' fundamental freedom to provide cross-border services under Article 49 EC of the Treaty on the Functioning of the European Union, which concerns the freedom of establishment in the EU, with appropriate protection for the rights of workers temporarily posted abroad. The directive is designed in order to remove obstacles and uncertainties likely to hamper the freedom to provide services, by improving legal security and making it possible to identify the working conditions applicable to "posted workers".

However, the Posting of Workers Directive does not include any provision on posted workers from third countries. Recital 20 of the Directive's Preamble, however, contains an important declaration: "this Directive is also without prejudice to national laws relating to the entry, residence and access to employment of third-country workers". Thus, the PWD explicitly recognises Member States' reluctance to affect the national competence over the admittance of third-country nationals in the capacity of posted workers (Jacobsson, J.).

In 1999, the Commission proposed two directives relating to third-country nationals in the cross-border provision of services. The draft directives introduced an "EC service provision card", which would have been issued by the Member State where the service provider is established. The aim was to provide common administrative requirements to be fulfilled by all service providers and ensure their compliance (Jacobsson, J.).

<sup>7</sup> Directive [96/71/EC](#) of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services.

By issuing an EC service provision card, the Member State of origin would have declared that the situation of the posted worker is lawful and that the worker is affiliated to the social security scheme of that state.

All Member States were to permit the entry and residence of a posted third-country worker if in possession of the EC service card. No entry visas, residence or work permits were required (if the provision of services lasted less than six months). Neither of the service proposals, however, were successful, and they were withdrawn in 2004.

### 3.4 Legal requirements for non-EU workers in the EU

#### KEY FINDINGS

- An overview of the legal requirements for non-EU or non-EEA citizens (wishing to work in an EU Member State) is provided in a representative sample of EU-27 countries (BE, DE, DK, IT, PL and UK). In general, non-EEA citizens wishing to work in the EU need a residence permit and a work permit.
- Currently, the types of work permit, the link with the residence permit, the duration of the work permit, the eligibility criteria and the exemptions of work permits for non-EU or non-EEA nationals vary significantly from country to country.
- The Blue Card, aka Blue European Labour Card, is an approved EU-wide work permit allowing high-skilled, non-EU citizens to work and live in any country within the European Union, excluding Denmark, Ireland and the United Kingdom. The card offers a one-track procedure for non-EU citizens to apply for a work permit. It should be implemented in the participating Member States by 2011.

Freedom of movement of workers, one of the founding principles of the European Community in 1957, is laid down in Article 39 of the EC Treaty, and is thus a fundamental right of workers. It permits nationals of one European Economic Area (EEA) country to work in another EEA country under the same conditions as that Member State's own citizens. Based on the directive on residence for EU citizens (2004/38/EC), the only requirement for EU citizens is that they possess a valid identity document or passport for stays of less than three months. However, rules differ for non-EEA nationals.

This section takes a closer look at the work permit requirements for employed foreign workers (workers from a country not in the EEA) in a representative sample of EU countries. The tables outline the work permit schemes in Belgium, Denmark, Germany, Italy, Poland and the United Kingdom. The general immigration policies and regulations are described for each country, together with the link between the work and residence permit, the type of work permits that exist and the basic eligibility requirements for obtaining one.

In general, the residence permit can be considered as the superior right compared to the work permit. A work permit is a requirement generally imposed for employment assignments. However, some states issue visas that are exempt from the work permit requirement. Conversely, however, if someone has no residence permit, he or she will, in most cases, be obliged to return the work permit and leave the country. The types of work permit, the exemptions, duration and eligibility criteria vary from country to country.

In most EU countries, employees transferred within multinational companies and high-qualified/high-level employees are exempt from the work permit requirement (e.g., researchers in Belgium) or they fall under special schemes and (simplified) procedures (e.g., Denmark, Germany and Italy).

Some states, such as Denmark and the United Kingdom, only have one type of work permit, which is often tied to a specific employer (except for the Green Card system in Denmark). Belgium and Poland have different types of work permits. If a third-country national wishes to change job, a new permit has to be applied for. In the United Kingdom, the duration of a work permit corresponds to the duration of the work, whereas Belgian work permits type B and C have a maximum duration criteria.

Point-based immigration systems, which assess people based on their skills and other factors, are implemented in Denmark (Danish Green Card) and the United Kingdom (UK Point-Based System). The Danish Green Card allows skilled individuals to obtain a residence permit visa based solely on their qualifications for the purpose of finding work in Denmark. The point-based system scores applicants on factors such as age, educational level, language skills and work experience. If the applicant obtained a qualification from an eligible university, bonus points can be awarded. In addition, extra points can be gained by having training or qualifications in an occupation on a list of jobs that Denmark considers in shortage (the positive list).

The quota system exists in Italy, where the number of non-European Community nationals who are allowed to enter and stay in Italy — either as a worker or self-employed — is limited by quotas. However, there are no limitations for certain categories of employees.

The following tables provide a more detailed overview of the current policies in each country.

**Table 14: Legal requirements for non-EU workers in Belgium**

General	<p>In general, non-EEA nationals must obtain a work permit and a residence permit in order to work and reside in Belgium. Belgium introduced work permit exemptions for the following categories of non-EEA nationals:</p> <ul style="list-style-type: none"> <li>• researchers</li> <li>• executives working at European headquarters in Belgium</li> <li>• short-term employee training assignments</li> </ul> <p>Further, the “limosa project” in Belgium aims to create one electronic platform for easy application for various permits.</p>
Link work permit — residence permit/visa	<p>The work permit is valid only in combination with a residence permit. Working in Belgium without a valid residence permit is illegal (even with a work permit).</p>
Types of work permit	<p>There are three different types of work permit for foreign workers who wish to work in Belgium as employees:</p> <ul style="list-style-type: none"> <li>• Work permit type A, valid for all salaried professions and all employers, for an unlimited period.</li> <li>• Work permit type B, only valid for one employer for a period of one year.</li> <li>• Work permit type C, valid for all salaried professions and all employers, for a limited period (must be renewed each year).</li> </ul>
Basic requirements	<ul style="list-style-type: none"> <li>• Work permit A is granted to persons who can prove a certain number of completed working years covered by a permit B, during a residence period of a maximum of 10 years: <ul style="list-style-type: none"> <li>• for nationals of countries that are bound to Belgium through international agreements: three completed working years</li> <li>• for all others: four completed working years</li> </ul> </li> <li>• Work permit B is granted only for special categories of work, mostly in the context of training and posting of workers e.g., high-skilled and managerial employees, professional athletes, internships and specialized technicians.</li> <li>• Work permit C is granted to persons whose stay is temporary.</li> </ul>
Seasonal workers, intra-corporate transferees and posted workers from non-EEA countries	<ul style="list-style-type: none"> <li>• Seasonal workers tend to fall under the work permit C requirement.</li> <li>• The majority of the highly qualified intra-corporate transferees fall under the work permit B requirement.</li> </ul>

**Source:** European Migration Network (2011). [www.belgium.be](http://www.belgium.be), [www.workpermit.com](http://www.workpermit.com), Baker & McKenzie (2010).

**Table 15: Legal requirements for non-EU workers in Denmark**

General	<p>Danish immigration policy is mainly focused on individuals who meet current demand in the Danish labour market, with the exception of individuals accepted for the purposes of family reunification, study and training. The following schemes are used:</p> <ul style="list-style-type: none"> <li>• Danish Green Card Scheme: a point-based system to obtain a three year residence permit which allows holders to live in Denmark and find work. A previous job offer is not required.</li> <li>• The Job Card Scheme: a positive list is used for occupations in Denmark for which there is a lack of qualified workers. A work and residence permit for up to three years is foreseen for occupations falling under the following fields of work: <ul style="list-style-type: none"> <li>• Academic work (incl. lawyers, doctors)</li> <li>• Construction</li> <li>• Hotel, restaurant, kitchen, canteen</li> <li>• IT and telecommunication</li> <li>• Management</li> <li>• Educational, social and religious occupations</li> <li>• Sales, purchases and marketing</li> <li>• Health, healthcare and personal care</li> <li>• Freight forwarding, postal services, storage and engine operation</li> <li>• Education and tuition</li> </ul> </li> <li>• Pay Limit Scheme: a work and residence permit is granted if individuals have highly-paid job offers in Denmark.</li> <li>• Corporate Scheme: a corporate residence permit for intra-corporate transferees. The employee can alternate between working in Denmark and abroad.</li> </ul>
Link work permit — residence permit/visa	In most cases, foreign nationals need a residence and work permit before they can begin working (excluding some cases not exceeding three months, e.g., teaching and attending courses).
Type of work permit	Work permit
Basic requirements	<p>The Danish Immigration Service pays particular attention to whether available professionals residing in Denmark or the EU/EEA are qualified to carry out the job in question and whether the nature of the job in question is sufficiently specialised. The specific systems are subject to the following requirements:</p> <ul style="list-style-type: none"> <li>• Danish Green Card: it is necessary to score enough points (100) based upon criteria such as age, education, language skills, and work experience. A valid health insurance policy and proof of financial support is required.</li> <li>• Pay Limit Scheme: a job offer from a Danish employer with certain salary requirements is a prerequisite.</li> <li>• Corporate Scheme: the person must be employed full-time in the foreign company; the work performed must be related to a specific project or be innovative or educational in nature; employment conditions must correspond to Danish standards.</li> </ul>
Seasonal workers, intra-corporate transferees and posted workers from non-EEA countries	<ul style="list-style-type: none"> <li>• Seasonal work does not exist as an immigration category in Danish immigration law.</li> <li>• Intra-corporate transferees tend to fall under the corporate scheme.</li> </ul>

**Source:** European Migration Network (2011), European Commission (2008). [www.nyidanmark.dk](http://www.nyidanmark.dk).

**Table 16: Legal requirements for non-EU workers in Germany**

General	<p>The German Immigration Act<sup>8</sup> provides permanent residence and permission to work for highly qualified persons. This Act has replaced the former German Green Card Initiative, which made it easier for foreign IT specialists to work in Germany. This new provision of the Immigration Act is not limited to IT specialists.</p> <p>Because of the great difficulty of obtaining work permission for low-skilled workers, we only cover the procedure for skilled workers.</p>
Link work permit — residence permit/visa	<p>As of 1 January 2005, foreigners need only to obtain a German residence permit, giving them the right to work, rather than separate residence and work permits.</p> <p>For most work and employment that are carried out in Germany, the residence and work permit are granted together as a residence permit for employment purposes.</p>
Type of work permit	<p>The residence permit for employment purposes allows a specifically designated foreign employee to carry out a specific job for a particular employer based in Germany. It is usually limited to one year but can be extended.</p>
Basic requirements (for skilled workers)	<ul style="list-style-type: none"> <li>• The potential employee has to be employed on equal terms as a German employee.</li> <li>• German or other European nationals are not available to fill the position.</li> <li>• Usually the employee must have a university degree or comparable qualification. For some positions, there are special requirements.</li> <li>• The German company must be registered at the Labour Authorities in Germany and apply for a Corporate Registration Number.</li> </ul>
Seasonal workers, intra-corporate transferees and posted workers	<ul style="list-style-type: none"> <li>• Specialists and skilled intra-corporate transferees may apply for their residence/work permit under simplified conditions (under certain provisions).</li> </ul>

**Source:** European Migration Network (2011). [www.workpermit.com](http://www.workpermit.com), Baker & McKenzie (2010).

<sup>8</sup> Act to control and restrict immigration and to regulate the residence and integration of EU citizens and foreigners of 30 July 2004 (came into force on 1 January 2005).

**Table 17: Legal requirements for non-EU workers in Italy**

General	<p>In general, non-EU citizens are subject to a fixed quota of permits available each year. For example, quota limits on the maximum number of non-EU citizens for seasonal work (e.g., tourism and agricultural sectors) are set. For 2010, this quota is set at 80,000. A significant number of quotas are reserved for citizens' countries which have enacted bilateral agreements with Italy on immigration issues.</p> <p>A number of immigration permits are granted for specific reasons and to specific categories outside the numerical quota restrictions:</p> <ul style="list-style-type: none"> <li>• University lecturers, professors and researchers</li> <li>• Professional nurses</li> <li>• Journalists</li> <li>• Professional athletes</li> <li>• Artists</li> <li>• Employees of foreign individuals or companies executing a contract in Italy</li> <li>• Maritime employees</li> <li>• Employees of foreign companies working in Italy for the purpose of performing specific assignments</li> <li>• Individuals entitled to stay in Italy for training purposes</li> <li>• Home-keepers</li> <li>• Translators and interpreters</li> </ul>
Link work permit — residence permit/visa	If a non-EU national wants to work in Italy, both a work and a residence permit are required.
Type(s) of work permit	<p>Work permits with different characteristics, e.g.:</p> <ul style="list-style-type: none"> <li>• Permits granted to non-EU citizens within quotas.</li> <li>• Permits granted to non-EU citizens, for managers or high-skilled employees employed by a company abroad, coming to Italy in order to perform activities within an Italian company through secondment. These types are valid for up to five years.</li> <li>• Permits granted to non-EU citizens, employed by foreign employers who come temporarily to Italy through secondment in order to perform their activities under a contract executed between the employer and an Italian client. This permit is valid for maximum of two years and is non-renewable.</li> </ul>
Basic requirements	<ul style="list-style-type: none"> <li>• The application must fulfil the quota requirement in case the work permit is granted within the quota system.</li> <li>• The applicant must have gainful occupation with an Italian employer or financial means of support while in Italy.</li> <li>• Employers must promise to give the foreign employees wages, working conditions and benefits equal to those normally offered to similarly employed workers in Italy.</li> </ul>
Seasonal workers, intra-corporate transferees and posted workers	<ul style="list-style-type: none"> <li>• Non-EU seasonal workers fall under the quota limits.</li> <li>• Intra-corporate transferees can fall under the second type of work permit, postings under the third type (see above).</li> </ul>

**Source:** European Migration Network (2010-2011). Baker & McKenzie (2010).

**Table 18: Legal requirements for non-EU workers in Poland**

General	<p>In order to perform work in Poland, a non-EU citizen should generally have a work permit obtained by a Polish local authority. The work permit is issued for a specific employer and a specified period of time (not longer than three years but it may be prolonged).</p> <p>Several categories of foreigners (such as journalists, artists, sportsmen) are exempt from the work permit requirement.</p>
Link work permit — residence permit/visa	A foreigner who has a work permit is entitled to work, provided that he/she has a visa or residence permit to stay in Poland legally.
Types of work permit	<ul style="list-style-type: none"> <li>• Type A: for people performing work under a contract with an employer located in Poland.</li> <li>• Type B: for people staying in Poland for longer than six months in order to perform a function in the management board.</li> <li>• Type C: for people performing work for a foreign employer and being delegated for a period exceeding 30 days to a foreign entity's branch or facility in Poland.</li> <li>• Type D: for people being delegated to Poland for the purpose of executing services of a temporary and casual nature.</li> <li>• Type E: for people performing work for a foreign employer and being delegated to Poland for a period exceeding three months within the next six months for purposes other than those indicated in type B and D.</li> </ul>
Basic requirements	<ul style="list-style-type: none"> <li>• Type A is issued if there are no Polish nationals willing to occupy the work position in question and recruitment to such position among Polish nationals brought negative results. Remuneration must also be appropriate.</li> <li>• Type B is issued if the entity obtains enough revenue and provided that it employs at least two full-time employees who are not subject to the obligation to have a work permit.</li> <li>• Types C, D and E are issued if an immigrant's job is going to be performed in accordance with conditions consistent with the Labour Code.</li> </ul>
Seasonal workers, intra-corporate transferees and posted workers from non-EEA countries	<ul style="list-style-type: none"> <li>• Depending on the specific purpose, intra-corporate transferees tend to fall under type C or E.</li> <li>• Depending on the specific purpose, posted workers tend to fall under type D or E.</li> <li>• A seasonal worker can be granted a visitor's visa for the purpose of performing work.</li> </ul>

**Source:** European Migration Network (2010-2011). [www.uw.malopolska.uw.gov.pl](http://www.uw.malopolska.uw.gov.pl), Baker & McKenzie (2010).



**Table 19: Legal requirements for non-EU workers in the United Kingdom**

General	<p>In 2008, the United Kingdom overhauled its immigration law and implemented the Point-Based Migration System (PBS). This is a system for managing non-EU migration for those wishing to enter the United Kingdom for work or study.</p> <p>The system is broken into five tiers. Each tier has different conditions, entitlements, and entry requirements for immigrants wishing to work in the United Kingdom.</p> <ul style="list-style-type: none"> <li>• Tier 1 Visa for High Skilled Immigrants for innovators, entrepreneurs, high-skilled individuals and post-graduates.</li> <li>• Tier 2 Work permit for Skilled Workers for the following categories: <ul style="list-style-type: none"> <li>•The general skilled worker category (to fill a gap in the workforce that cannot be filled by a settled worker)</li> <li>•The intra-company transfer category (only skilled jobs)</li> <li>•The sportsperson category</li> <li>•The minister of religion category</li> </ul> </li> <li>• Tier 3 for low-skilled workers filling specific temporary labour shortages, e.g., construction workers for a particular project.</li> <li>• Tier 4 Student Visas</li> <li>• Tier 5 Visa for Youth Mobility (Working Holidays)</li> </ul>
Link work permit — residence permit/visa	As of November 2008 work permits are awarded within Tier 2 of the Point-Based System. When one has this type of permit, a visa is no longer required.
Type of work permit	Work permit, depending on the length of the job/project and granted for up to five years.
Basic requirements	<ul style="list-style-type: none"> <li>• To apply for Tier 1 one must score a minimum level of points to qualify and show sufficient available funds and evidence of English language ability.</li> <li>• The categories to apply for Tier 2 work permit must have a suitable job offer. In order to be issued with the Tier 2 Work Permit, points have to be claimed and evidenced. Points are awarded for qualifications, the type of job for which the certificate of sponsorship has been issued, the salary offered, age, English language skills and available funds.</li> </ul>
Seasonal workers, intra-corporate transferees and posted workers	<ul style="list-style-type: none"> <li>• The UK does not currently admit non-EEA nationals for seasonal work. It is possible that some immigrants admitted under Tier 2 are coming to undertake seasonal work but currently there is no robust way of distinguishing Tier 2 immigrants coming to do seasonal work from other Tier 2 immigrants.</li> <li>• Intra-corporate transferees fall under the Tier 2 category.</li> </ul>

Source: European Migration Network (2010-2011). <http://www.uk-wp.com/immigration/www.workpermit.com>

As mentioned in Section 1.5, an important development along these lines is the introduction of the EU Blue card initiative in May 2009, designed to attract high-skilled immigrants.

**Box 6: The Blue Card for high-skilled non-EU citizens**

The Blue Card, aka Blue European Labour Card, is an approved EU-wide work permit (Council Directive 2009/50/EC) allowing high-skilled, non-EU citizens to work and live in any country within the European Union — excluding Denmark, Ireland and the United Kingdom, which are not subject to the proposal. The card offers a one-track procedure for non-EU citizens to apply for a work permit.

The Directive on an EU-wide work permit for high-skilled non-EU citizens was scheduled to be implemented by the Member States by 2011 (with the exception of Denmark, Ireland and the United Kingdom). The directive allows highly qualified workers from third countries to work in the EU for an initial period of four years if they fulfil a number of criteria. Individual decisions as to whether a Blue Card will be issued are left to the Member State in question. This is also true when a Blue Card holder applies (at the earliest after 18 months) to work in another EU country.

This Blue Card scheme is inspired by the Green Card programme in the United States.

## 4. THE INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN

The integration of immigrants in the European Union is a major challenge. Practical and institutional barriers exist which decelerate the inclusion of immigrants in the labour market and the educational system. These obstacles, together with differences in cultural backgrounds and religious beliefs, also hinder the integration of immigrants within society.

This section is devoted to the analysis of the legal and practical obstacles which may slow down the assimilation of immigrants in the labour market and limit education access or affect the educational performance of their children.

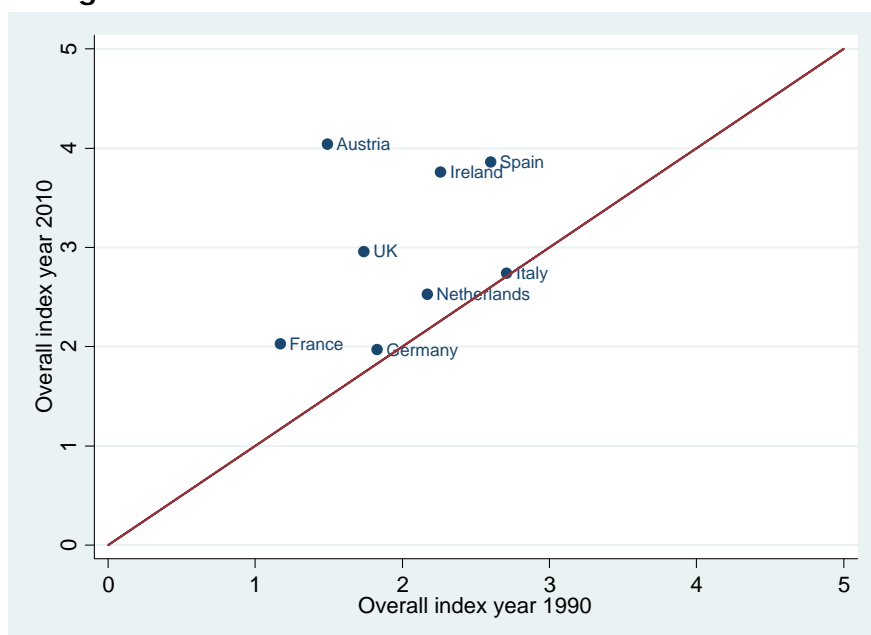
### 4.1 Migration policy and labour market integration

#### KEY FINDINGS

- Over the last 20 years, immigration policies have become more restrictive in the EU.
- Regulations vary considerably between states, from quotas to selective migration policies and point-based systems. In general, a large number of admission and staying requirements are requested.
- Selective immigration policies for high-skilled workers are becoming increasingly popular in Europe.

This section examines the strictness of European migration policies, which may represent the first obstacle to the integration of non-EU immigrants within society. In fact, migration policies introduce a complex set of restrictions to the movement of people across jurisdictions. In Europe, in particular, migration policies are becoming much stricter. Figure 9 tracks the evolution over the last two decades (1990–2010) of a summary indicator of the strictness of migration policies developed by the Fondazione Rodolfo Debenedetti. The index is calculated starting from descriptive features of migration policies, which are then used to construct a cardinal indicator of the strictness of migration policy. This allows for international comparisons across countries and between different years. Migration policy is described using seven basic factors for each country, regarding entry and staying requirements for employment-driven immigrants from outside the EU. The seven basic factors are expressed in different units (time, yes/no answers, specific ordinal scales, among others). The first step of the procedure is to score all these sub-indicators in comparable units by converting them into cardinal scores, which are then normalized in a 0–6 range, with higher scores representing stricter regulation. Finally, the simple average of these sub-indicators is taken, in order to obtain an overall summary indicator of the strictness of national migration policies. As shown in Figure 9, most states are above the 45 degree line in terms of origin, pointing to a tightening of migration restrictions over time.

**Figure 9: Evolution of the index of strictness of migration policies in the largest immigration countries of the EU**



**Source:** fRDB migration policy index (2011).

To what extent, however, can migration policy be seen as an obstacle to the integration of immigrants moving to Europe? An initial response to this question may arise from the consideration that, in most cases, migration restrictions are not very effective in preventing migration altogether and simply end by increasing illegal migration. Thus, unauthorised immigrants raise the issue of appropriate policy responses for people who are not properly integrated into society as a consequence of their illegal status. In fact, illegal immigrants are prevented from having a regular job (and hence paying social security contributions and taxes) — thus excluding them from the formal labour market. In this context, there is a high risk of a vicious circle being set in motion, where unrealistic restrictions to migration induce more illegal and low-skilled migration, which strengthens public opinion against immigrants, pushing governments to adopt even stricter (and unenforceable) migration restrictions.

More generally, national migration policies may be seen as the starting point of the immigrant integration process. Subsequent labour market outcomes regarding immigrants are significantly influenced by provisions regulating entry and access to the labour market of the host country (IOM, 2010). Thus, migration policies preventing the smooth integration of immigrants (such as, for example, increasing the administrative burden placed on immigrants and their employers or increasing the number of years to obtain permanent residence and work permits) tend to interfere with the immigrants' journey towards full citizenship in the host country.

Table 20 provides some information on migration policies in some of the largest immigration countries in the EU. In particular, the table describes seven different features of migration legislation which are likely to influence employment-driven migration from outside the EU. The same seven qualitative features are used to construct a summary indicator of the strictness of national migration policy (last column of Table 20) ranging between 0 and 6 and allowing for comparisons across countries. For each country, the following features are considered:

- *Presence of a quota or point-based system* (column 1). Migration restrictions most typically take the form of quotas establishing a maximum number of work and residence permits to be issued to foreigners in a given year. Quotas are often allocated on a “first-come first-served” basis. A limited number of states have adopted a “point-based system”, whereby each application is attributed a score based on explicit criteria which typically reward educational attainment, experience, and language abilities. Bonus points can also be given for employment in occupations and regions where there is a shortage of workers (see Box 10 for a discussion about the United Kingdom). Over the last 20 years, an increasing number of EU Member States have adopted an explicit quota system. In addition, the United Kingdom, which has one of the few examples of PBS in the EU, has recently introduced a cap to specific tiers.
- *Number of entry requirements; residence permit needed before/after entrance; number of staying requirements; number of administrative bodies involved to obtain residence permit and work permit* (columns 2-5). Migration may also be deterred by increasing the administrative burdens placed on immigrants and their employers. The number of bureaucracies involved in the admission procedures as well as the number of documents to be provided to immigration authorities is therefore another indicator of the strictness of migration policies.
- *Years to obtain a permanent residence permit* (column 6). This can be considered a good indicator for migration policies aiming at the integration of immigrants.
- *Existence of selective migration policies for high-skilled immigrants* (column 7). An increasing number of states have been introducing simplified procedures, fast-track or exclusions from existing quotas in order to positively select high-skilled immigrants and professionals with high levels of qualification (e.g., researchers, scientists and IT workers, among others). These are all categories which typically integrate more easily within the labour market and society of the host country.

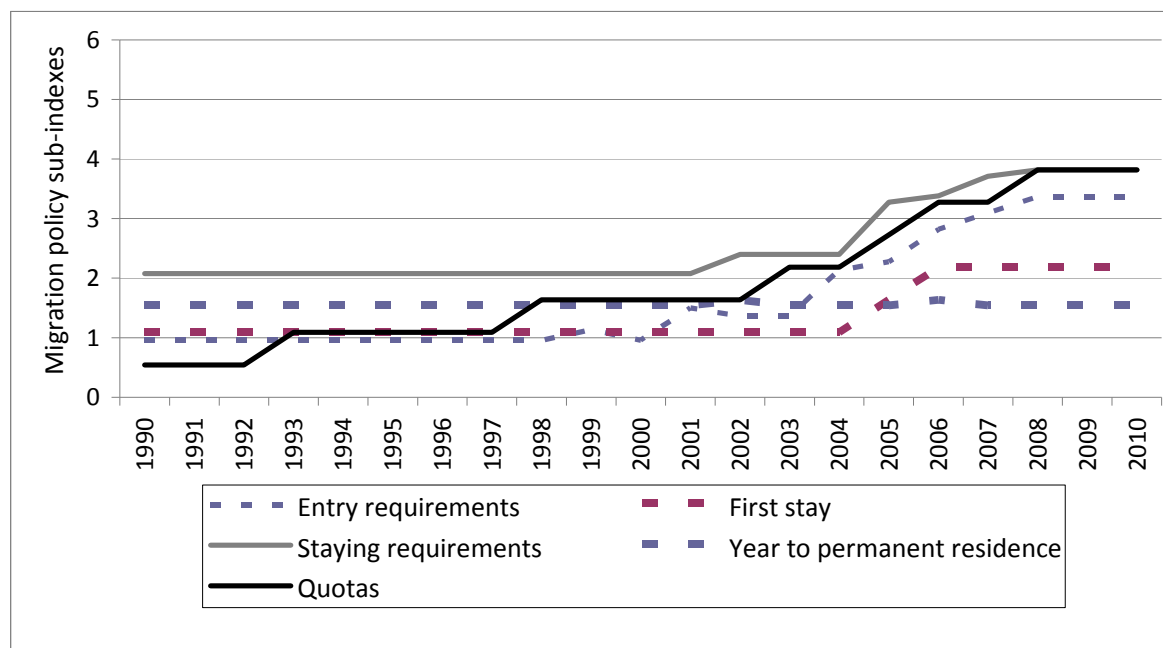
Over time, the trend is towards an increase of the number of requirements to be fulfilled in order to legally access and reside in the host country (Figure 10). The overall result of this process is an increasing strictness of European national migration policies, as can be seen in Figure 11. On the other hand, several states have been gradually simplifying administrative procedures or reducing the administrative burden placed on immigrants. At the same time, however, selective immigration policies for high-skilled workers are becoming increasingly popular across European states, thus reducing restrictions to immigrate for specific categories of individuals (Figure 11).

**Table 20: Strictness of migration policies in major EU immigration destinations**

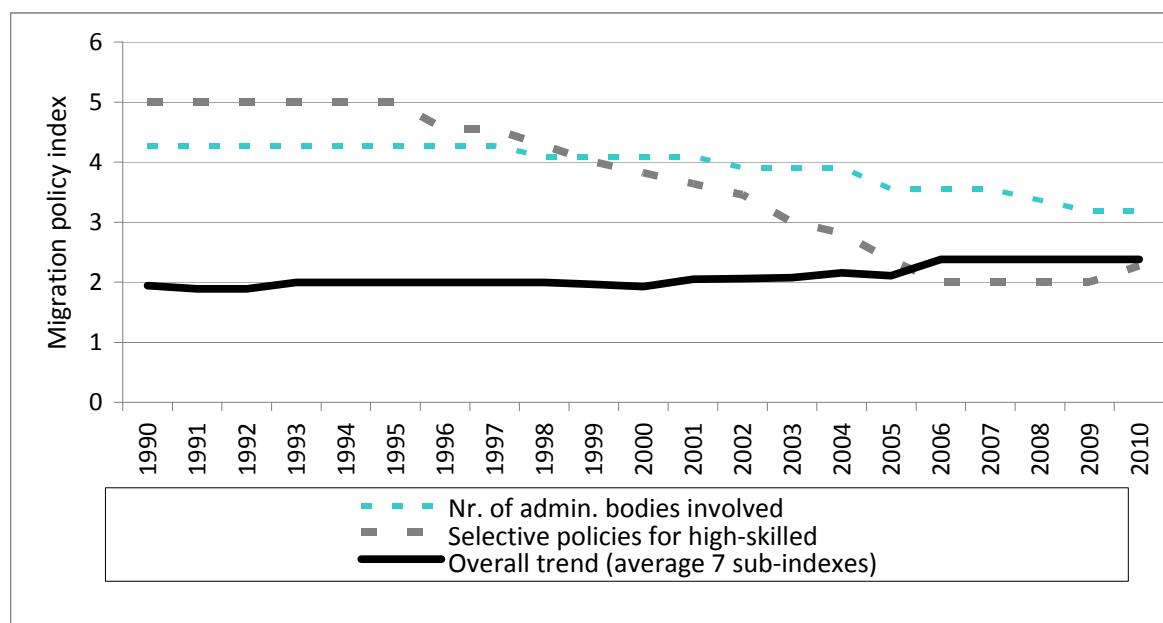
Country	Existence of a quota/PBS system	Nr. entry requirements	First entrance	Nr. staying requirements	Nr. admin. bodies involved	Years to obtain permanent residence	Selective policies for high-skilled	Overall index 2010
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Austria	quota	6	before	4	1 or 2	5	no	4.3
Finland	no	3	before	2	1 or 2	4	limited	2.6
France	no	2	after	2	1 or 2	5	yes	0.7
Germany	no	2	after	4	1	5	yes	1.0
Greece	quota	2	after	5	1	10	limited	3.5
Ireland	quota	4	after	4	2	10	limited	3.8
Italy	quota	3	after	3	1	6	limited	2.5
Netherlands	no	4	before	2	2	5	no	3.0
Portugal	quota	5	after	5	1 or 2	5	yes	3.7
Spain	quota	6	after	7	2	5	limited	3.9
UK	PBS + quota	4	before	3	1	5	limited	3.2

**Notes:**

- 1) Existence of quotas or of a point-based system (PBS).
  - 2) Number of certificates and procedures needed to be admitted as a foreigner, whatever the motivation may be.
  - 3) First entrance: residence permit asked *before* or *after* entering the country.
  - 4) Number of certificates or procedures required to legally reside in the territory. This differs from the entry requirements as holding a valid document is typically not sufficient.
  - 5) Number of administrative bodies involved in obtaining a residence and work permit.
  - 6) Number of years required to obtain a permanent residence permit.
  - 7) Number of categories positively selected (existence of fast-track, simplified procedures or exclusions from quotas).
  - 8) Information in previous columns is coded into sub-indexes. They are then averaged to obtain an overall index of strictness of the migration policy.
- Further information can be found at [www.frdp.org](http://www.frdp.org) (Inventory of Migration Policies).

**Figure 10: Selected sub-indexes increasing the strictness of migration policy (1990–2010)**

**Source:** fRDB migration policy index (2011). It includes 11 EU Member States: AT, FI, FR, DE, GR, IE, IT, NL, PT, ES and UK.

**Figure 11: Strictness of migration policies in 11 EU Member States (1990–2010)**

**Source:** fRDB migration policy index (2011). It includes 11 EU Member States: AT, FI, FR, DE, GR, IE, IT, NL, PT, ES and UK.

## Family reunification

**KEY FINDINGS**

- Recent policies have tended to limit the entry of extended family members through an increasing number of requirements.
- A few Member States require immigrants to fulfil conditions which are considered difficult to meet even for nationals, such as minimum marriage ages or minimum income thresholds — these requirements often apply to spouses abroad as well.

Facilitating family reunification through immigration policy is generally seen as an important factor for enhancing immigrants' integration and participation in the economic and social life of the host country. Most EU states provide basic rights for family reunification, in compliance with the minimum standards set by the EU law (in particular by the Directive 2003/86/EC on the right to family reunification). However, family reunification can also provide a route for the entry of low-skilled individuals. As a consequence, there is an increasing tendency on the part of European states to limit the entry of extended family members through an increasing number of requirements (in terms of education, skills, work experience and age).

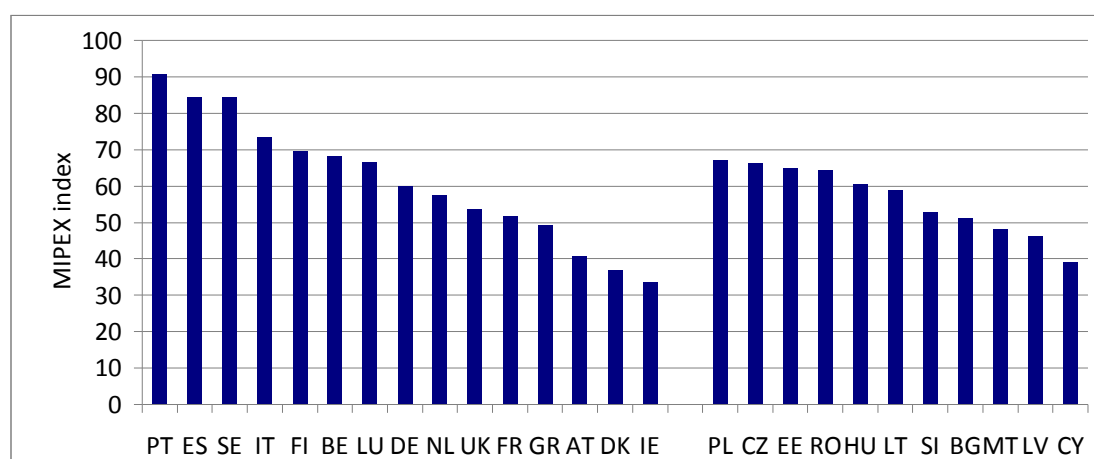
According to the 2010 MIPEx report (Huddleston, T. and Niessen, J.), Member States with more favourable policies (such as Belgium, Portugal and Sweden) try to set income or housing requirements based on the criteria which all residents are expected to meet in society. Other Member States ask immigrants to fulfil conditions that many nationals could not: minimum marriage ages<sup>9</sup> (Denmark, the Netherlands, United Kingdom), higher incomes (Austria, the Netherlands), more tests (the Netherlands), all of which can also apply to spouses abroad (Denmark, France, Germany and the Netherlands).

Figure 12 documents national standards in terms of rules for family reunification by drawing on the 2010 MIPEx index. The MIPEx index<sup>10</sup> measures integration policies in all EU Member States (and also Canada, Norway, Switzerland and the United States) using 148 different policy indicators and allowing for comparisons across countries. The index is developed by normalising country scores in the 0-100 range. As shown by the graph, the index indicates strong variation across EU countries.

<sup>9</sup> The Danish law, for example, requires both spouses to be at least 24 years old (the highest spouse age limit in the EU). Age limits also apply in the Netherlands and in Germany, where the law requires the spouses to be at least 21 and 18 years old respectively.

<sup>10</sup> The MIPEx index is led by the British Council and the Migration Policy Group and co-financed by the European Fund for the Integration of Third-Country Nationals.



**Figure 12: MIPEX index on family reunification, 2010**

Source: MIPEX Index (2010). Data for Slovakia is missing.

## 4.2 Labour market integration

### KEY FINDINGS

- Non-EU immigrants exhibit substantially lower participation and higher unemployment rates than natives in most of the EU, with the exception of Southern Europe and part of the EU-12.
- Ethnic minorities have unemployment rates which are up to five times greater than EU natives, and wage gaps can reach over 30%. Most of the observed gaps can be attributed to lower levels of human capital and low intergenerational mobility.
- According to experts' opinions, discrimination is the most significant barrier preventing ethnic minorities from fully participating in the labour market, together with linguistic, educational and institutional factors.

A few recent studies document the economic situation of foreign-born workers by assessing their labour market outcomes. A comprehensive study is Kahanec, M., Zaiceva, A. and Zimmermann, K.F., who compare the outcomes of non-EU immigrants and natives using labour force survey data from 2007. In their analysis, they consider a rich set of socio-demographic characteristics for both immigrants and EU natives. Their findings indicate that non-EU immigrants exhibit substantially lower participation and higher unemployment than natives. However, there are important differences across Member States. Although the gap in favour of natives is rather large in most states, immigrants are equally or more likely to participate in the labour market in Southern Europe and in some of the EU-12 Member States. The study also considers the role of assimilation, that is, how outcomes of immigrants converge over time to those of natives. Results indicate that participation and unemployment gaps between immigrants and natives are mitigated over time, but also that the catch-up is rather slow.

The report by Zimmermann, K.F. et al. investigates the social and labour market integration of ethnic minorities as identified by individuals born outside the EU. It is based on 10 country studies of European Member States from all over Europe, giving a representative description of the situation of ethnic minorities in the EU. The report investigates the labour force participation and unemployment rates of ethnic minorities as well as their wages. Minorities in most of the sampled countries are substantially disadvantaged in terms of their labour market outcomes. For some groups, unemployment rates are up to five times larger than those of EU natives, and wage gaps can reach over 30%. Low levels of human capital and low intergenerational mobility are found to be common factors across the 10 Member States. Unsurprisingly, the situation of ethnic minorities is better (both compared to other countries and over time) in Member States which have experienced higher economic growth.

A complementary perspective on the labour market situation of ethnic minorities can be obtained by examining expert opinions. Constant, A.F., Kahanec, M. and Zimmermann, K.F. summarise the insights gained from the IZA Expert Opinion Survey, which was conducted among the expert stakeholders and minority representatives in the 27 EU Member States in 2007 and 2010. The survey maps experts' opinions and perceptions regarding the social and labour market inclusion of ethnic minorities and initiatives for integration policies. The survey reveals that minorities face a severe and increasing risk of exclusion from the labour market and social assistance and services — especially if they are from outside the EU. The majority of surveyed experts perceive the risk of exclusion to be constant (53%) or increasing over time (28%) and almost all experts agree that change in the integration of ethnic minorities is desirable. Among 12 important areas where ethnic minorities are disadvantaged, experts identify employment (including hiring and pay conditions), education, housing and attitudes (i.e., acceptance by society) as those areas where changes are most desirable. When asked to indicate the most significant barriers preventing ethnic minorities from participating fully in the labour market, experts indicate discrimination as the most important integration barrier to the labour market. Other relevant obstacles include linguistic, educational and institutional factors. Finally, one of the conclusions from the 2010 IZA Expert Opinion Survey is that the role played by social services is particularly important in the current crisis.

### 4.3 The integration of immigrants and their children within educational systems

#### KEY FINDINGS

- Education systems in Europe are slowly adapting to the needs of immigrants. In particular, the following areas need to be targeted: supporting educational programmes for immigrants, recognition of immigrants' formal qualifications, introductory programmes for newcomers and their families, and the promotion of social integration at schools.
- The educational performance of children with an immigration background is substantially lower than that of native children in nearly all EU countries.
- The publication of written information about the school system, the availability of "resource persons" and the presence of interpretation services are all effective measures to enhance the communication between schools and immigrant families.
- Language supporting services for immigrant children are essential for promoting their integration within the school system.
- The success of integration policies in education is also linked to the use of resources at local level and to coordination between governments and schools.

The integration of immigrants and their children within the educational system is a prerequisite for their economic success, as well as for their inclusion within society. This section investigates the differences in the educational performance of natives and immigrant children distinguishing, where possible, between first and second generation. The section first describes obstacles related to accessing education and then potential causes of the observed gaps in the educational performance between natives and immigrants. It also includes a discussion of the "best practices" implemented in a few countries, which have been described as effective in integrating immigrants' children within the educational system.

#### Access to education

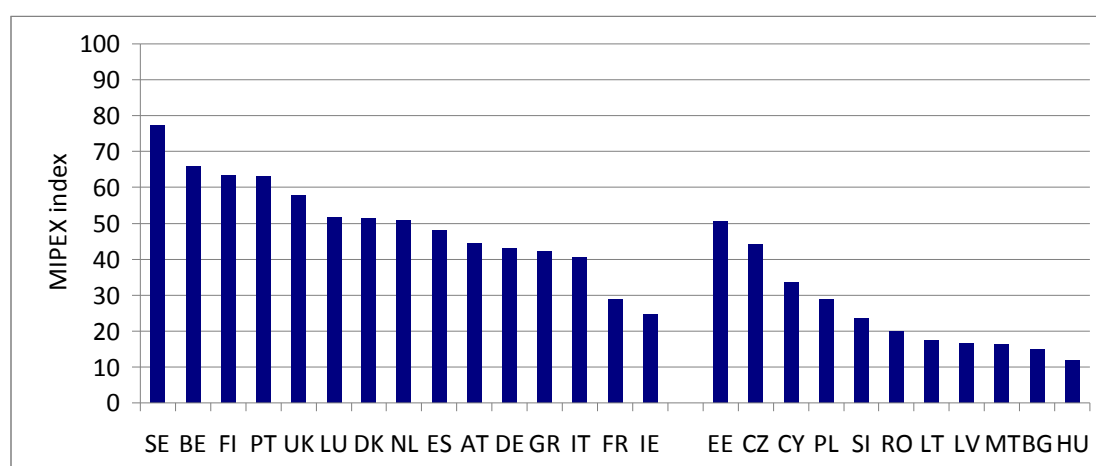
Although access to school may be seen as a key factor for the integration of immigrant children and their families, integration policies to promote immigrant access to education vary widely across EU Member States.

According to the MIPEX report (Huddleston, T. and Niessen, J.), immigrant access to education emerges as a major area of weakness in the integration policies of most EU Member States. Few education systems in Europe are adapting to the needs of immigration. In most European states, immigrant children have at least an implicit right to attend kindergarten and school education, but only few school systems make professional assessments of what newcomer children learned abroad. Schools retain wide discretion on whether or not to address the specific needs of immigrant pupils, their teachers and parents, and monitor the results.

Figure 13 shows national standards in terms of immigrants' access to education by drawing on the 2010 MIPEx index. In particular, the index addresses the following issues: immigrants' access to and support of education for compulsory and non-compulsory education, recognition of immigrants' formal qualifications obtained abroad, existence of targeted policies to address the educational situation of immigrant groups, provision in schools of intensive induction programmes for newcomer pupils and their families and the existence of measures to promote social integration through school, among others. The index is computed by normalising countries scores in each policy area in the 0-100 range and then taking the average of these sub indicators.

As shown in the graph, the most committed states in Europe are Belgium, Finland, Portugal and Sweden, all of which are EU-15 countries. In the EU-12, the Czech Republic and Estonia show the highest ranking. Several states fall well below the 50% score.

**Figure 13: MIPEx index on access to education by immigrants, 2010**



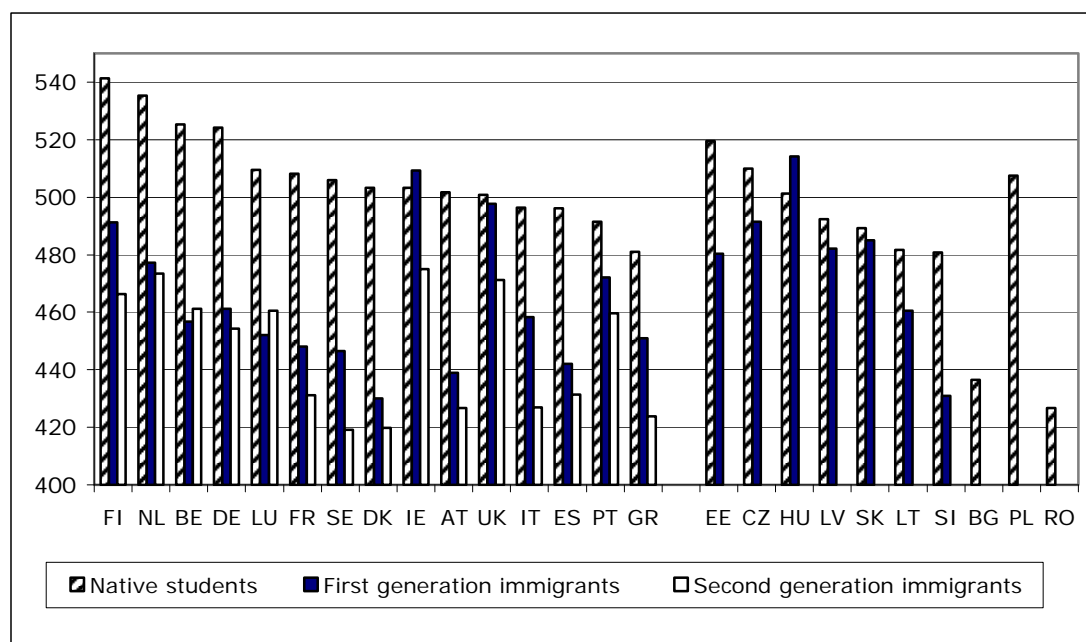
Source: MIPEx index (2010). Data for Slovakia is missing.

## Educational performance

The Programme for International Student Assessment (PISA) provides information on educational performance. For most EU Member States, each wave of PISA contains a sample of between 4,500 and 10,000 15-year old students. The overall score — which averages the performances in reading, mathematics and science tests — is depicted in Figure 14 for the most recent wave (2009). For EU-15 Member States, it is possible to identify immigrants and second generation immigrants (i.e., children of immigrants) separately. For EU-12 Member States, first and second generation immigrant students are aggregated, because there are not enough statistics to treat the two groups separately.

Native students among EU-15 Member States score an average of 46 points more than immigrants. Ireland and the United Kingdom are the only countries in which the performance of natives and immigrants are similar. With the exception of Belgium and Luxembourg, second-generation immigrants fare worse than their first-generation counterparts; differences are more pronounced in Ireland, Greece, Italy and the United Kingdom. However, it is important to interpret these differences cautiously. This is initially due to the different socio-economic backgrounds of the two groups, such as the country of origin or the education level of their parents and, secondly, because 15-year old immigrants may have been partly educated in their country of birth.

**Figure 14: Performance difference between native and immigrant students**



**Note:** Score comprises reading, mathematics and science tests. In Bulgaria, Poland and Romania, the performance of immigrant students cannot be compared due to the lack of data. Cyprus and Malta did not participate in the programme. **Source:** OECD PISA 2009 Database.

Although there is less information about 15-year old children in the EU-12, calculations based on the available data show that the gap between the native and immigrant performance is somewhat lower than in the EU-15 (25 points). In the Czech Republic, Estonia, Hungary, Latvia and Slovakia, the performance of immigrant students is above the average level of EU-15 immigrant students. This result seems to tally with the evidence reported in Section 1.1, in which the immigrant labour force in the EU-12 (which can be interpreted as inclusive of the “parents” of the PISA sample) is more educated than in the EU-15.

The successful implementation of support programmes in the education system requires that the communication between schools and immigrant families is well-organised and that information is passed to immigrant families efficiently. A study by Eurydice (2009) discusses three measures enhancing the means of communication between schools and immigrant families.

The publication of written information, available in several languages to instruct parents on how to prepare their children for school, is complemented by information material regarding school practices. Most states already publish information at all levels of education in the languages of the major immigrant groups. Furthermore, multi-language websites for newcomer children and their parents provide information about school practices. In Ireland, Spain and the United Kingdom, written information on the education system is available in more than 10 languages. This contrasts with Bulgaria, Lithuania, Poland, Slovenia and Slovakia, where information is not published in any foreign language. Although immigration levels in the EU-12 is still rather low, it is rapidly increasing, as documented in Section 1, hence the population of immigrant children is expected to grow substantially even in the short-term.

The second measure, which concerns the availability of “resource persons” designed for supporting immigrant children, is a widespread practice in Europe. A similar purpose is accomplished by school advice centres and socio-cultural mediators, whose task is to strengthen the cooperation between immigrant families and schools, or counsellors responsible for advising teachers when problems such as behavioural difficulties or violence arise. These integrated social workers can be linked to a single school or to several schools and their duties include monitoring all new students, with particular focus on immigrants and on those from disadvantaged background. According to the Eurydice study, only a few Member States do not devote any resources to providing immigrant families with designated persons.

A third important instrument constitutes interpretation services, which are used in many states in a variety of situations requiring communication between schools and immigrant families. A common practice is that schools assign interpreters upon the recommendation of central governments. In Scandinavian countries and Hungary, however, the use of interpreters is a statutory right for specific categories of families (such as refugees). According to the Eurydice study, only a few states (Bulgaria, Poland and Slovakia) do not grant immigrant families access to interpreting services for educational purposes.

## 5. THE IMPACT OF IMMIGRATION ON THE LABOUR MARKET AND THE WELFARE STATE

The scope of this section is to provide evidence of the impact which the immigration of workers, especially those with non-EU origins, has on the labour market and the welfare system of the host country. This will be accomplished by initially reviewing studies which have attempted to assess the effects of immigration on wages and the employment of natives, as well as on social expenditure. Secondly, this evidence will be complemented with information about how natives perceive the impact of immigrants.

### 5.1 The impact of immigration on labour markets

#### KEY FINDINGS

- Empirical studies find no evidence that immigrant workers from EU-12 countries have affected natives' jobs or lowered their wages after the enlargement in 2004. This may be attributed to the fact that the skill structure of immigrant workers from the EU-12 is very similar to that of natives in the EU-15.
- Restrictive and protective measures which decrease the flexibility of labour markets (e.g., rigid wages) could lead to higher unemployment and income inequality as a consequence of immigration.

Economic theory predicts that the impact of immigration on an economy depends on the characteristics of the immigrant labour force compared to the native one (Borjas, G.J. 1987; Chiswick, B.R.). In general, if the host labour market is mainly composed of low-skilled workers, the immigration of skilled workers may negatively affect the skilled native labour force, but will, simultaneously, have positive effects on the employment and wages of the low-skilled native labour force. The reason for this is that although immigrant skilled workers are in direct competition with native skilled workers (they are substitutes, in economic jargon), they do not compete with the low-skilled native workers (which, in economic terms, are defined as complementary in production). In fact, the depression of wages in the high-skilled labour sector will lead to an expansion of firms' production and thereby to an increase in the demand for low-skilled workers, with a consequent rise in their employment and wages.

A number of studies have attempted to determine the impact of immigration on the EU labour market. For example, Angrist, J.D. and Kugler, A.D. analyse the impact of immigration in the EU-15 (plus Norway) in the context of employment protection legislation. Their findings indicate that immigration from outside the EU-15 is associated with a reduction in employment in the host countries, but this impact is economically and statistically insignificant. Furthermore, they demonstrate that countries which implement more restrictive measures to protect their labour markets are those in which larger negative results are found. Rigidities in the labour market may also determine income inequality effects as a consequence of immigration. As Nannestad, P. indicates, if wages are rigid due to institutional arrangements (e.g., minimum wages), immigration could lead to higher unemployment. This will lower average wages for unemployed individuals and, in turn, increase income inequality.

More recent evidence comes from the study by Baas, T., Brücker, H. and Hauptmann, A. concerning the impact of immigration in the context of the 2004 EU enlargement. This analysis is relevant because it shows the effect on the EU-15 labour markets of immigration from relatively less rich Member States (the current EU-12). Due to a different application of transition rules, immigrants from the EU-12 did not distribute evenly across the EU-15. For example, flows of immigrants from the EU-8<sup>11</sup> were higher than Ireland and the United Kingdom. However, immigrants from Bulgaria and Romania continued to migrate principally to Italy and Spain.

The study finds no evidence that enlargement crowds out natives' jobs or lowers their wages. In the short-term, wages of EU-15 natives declined by around 0.1%, whilst the unemployment rate rose by about the same amount. On the other hand, the movement of labour force from the EU-12 to the EU-15 might have had positive effects on the source countries. The study predicts that EU-12 wages may increase by 0.3% and the unemployment rate may fall by 0.4% as a consequence of part of the labour force emigrating. The authors attribute these findings to the fact that the skill structure of immigrant workers from EU-12 is very similar to that of natives in the EU-15.

Similar conclusions are reached by Kahanec M., Zaiceva, A. and Zimmermann, K.F., who focus on Ireland, Sweden and the United Kingdom — three states which did not implement any transitory arrangements in 2004. They show that labour market conditions in these countries (as measured by unemployment rates, job vacancy rates and wages) in the period after EU enlargement were very similar to the period immediately preceding it.

## 5.2 The impact of immigration on welfare

### KEY FINDINGS

- Theoretical work has shown that countries with higher social spending attract more immigrants with low earning capacity.
- When considering welfare as a whole, empirical analysis shows lower rates of receipt among immigrants in comparison with natives in most of the Member States. Immigrants with non-EU origins are more prone to take up unemployment, sickness and disability benefits, let alone old-age benefits.
- The implication of immigration for welfare systems and social services focusing on long run fiscal effects of immigration has shown rather mixed results in EU-15 Member States; however negative effects on public finance were confirmed in Denmark, France, Netherlands and Sweden.

Theoretical studies regarding the welfare-immigration relationship indicate that immigrants are expected to move to countries which offer more generous welfare programmes. This argument is advanced, among others, by Brücker, H. et al., who consider the welfare dependency of immigrants in European countries. The authors consider several channels which might result in immigrants' welfare dependency. First of all, countries with higher social spending will attract more immigrants with low earning capacity. Immigrant networks, which often play a role in informing peer immigrants about working opportunities may well be a channel through which information about welfare programmes is transmitted.

<sup>11</sup> The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia



The imperfect transferability of educational qualifications and the presence of language barriers may induce immigrants to rely more on welfare (e.g., unemployment benefits). In general, the often worse labour market outcomes of immigrants (see Section 4.3) may lower their incentives to look for a job and hence increase their assimilation into welfare. Borjas, G.J. (1999) makes similar predictions (although his work is based on the United States).

Despite the fact that economic theory suggests that immigrants, in particular low-skilled ones, are more likely than natives to access welfare benefits, there is no clear empirical evidence that this is the case. A consortium led by IZA is currently carrying out a study for the European Commission in which the relationship between immigration and welfare is analysed. One of the principal conclusions is that there is no evidence that immigration poses a burden on welfare systems. Immigrants often exhibit an attachment to the labour market that is even greater than natives. Even if they start with inferior labour market outcomes, they tend to improve their position with time spent in the host country. Furthermore, immigrants tend to improve the country's demographic balance and increase the GDP.

A comprehensive investigation into the receipt of welfare support by immigrants vis-à-vis natives in EU-27 Member States is found in Barrett, A. and Maitre, B. Using EU-SILC data from 2007, the authors investigate the relative rates of support payments, taking into account characteristics such as age, education and family composition. Since immigrants differ from the native populations in terms of these characteristics, which are often related to welfare receipt, it is important to understand whether there is a “residual welfare dependency” after taking these factors into account. When considering welfare as a whole, the analysis shows lower rates of receipt among immigrants in comparison with natives. Denmark, Finland, Germany and Sweden are the only countries in which higher (and statistically significant) rates of receipt among immigrants are observed. Even in these countries, however, the residual welfare dependency does not appear to be economically important. When unemployment, sickness and disability benefits are considered separately, the rates of receipt for non-EU immigrants are higher than for natives in only 7 of the 19 countries examined. For old-age support and family-related payments, immigrant groups do not show a greater likelihood of receiving payments.

These findings are corroborated by Giulietti, C. et al., who consider unemployment benefit receipt by natives and immigrants in a sample of 19 European countries for the period 2005–2008. The authors estimate the probability of receiving unemployment benefits for both natives and immigrants and taking their socio-demographic characteristics and their employment status into account. Table 21, adapted from the study, shows that immigrants of non-EU origin have a lower predicted likelihood of receiving unemployment benefits in most of the EU-15 Member States. However, in Austria, Denmark, Greece and Italy, immigrants exhibit a higher likelihood of unemployment benefit receipt. As for the EU-12, the pattern is less clear, because, in half of the countries, natives are more likely than immigrants to receive unemployment benefits — while the opposite is true for the remaining half of the countries. However, it is important to remember that the sample of immigrant population for the EU-12 countries is relatively small, hence these figures should be interpreted cautiously.

Halsmayer, V., Schuh, U. and Skrivanek, I. review studies on the implication of immigration for welfare systems and social services focusing on long-term fiscal effects of immigration. In the majority of the countries examined, their calculations are based on assumptions about the amount of taxes paid by immigrants, as well as the amount of public goods and services, including social benefits, they access for the period which they reside in the country.

Their results vary among the EU-15 Member States. Positive effects of immigration on public finances are found in Austria, Germany, Ireland, Italy, Portugal, Spain and the United Kingdom. In the case of Denmark, France, the Netherlands and Sweden, immigrants represent instead a “fiscal burden”. Immigration in Finland has been identified as too small to have an impact on public finances. No relevant effect was found for Belgium, Greece and Luxembourg.

**Table 21: Predicted probabilities of unemployment benefits receipt, 2005–2008**

Country	Natives	Non-EU immigrants
EU-15		
AT	0.63	0.67
BE	0.81	0.75
DE	0.72	0.71
DK	0.64	0.73
ES	0.33	0.22
FI	0.85	0.84
FR	0.54	0.53
GR	0.11	0.19
IE	0.63	0.50
IT	0.23	0.28
LU	0.26	0.31
NL	0.45	0.21
PT	0.32	0.25
SE	0.38	0.32
UK	0.37	0.35
EU-12		
BG	0.04	
CY	0.24	0.14
CZ	0.33	0.24
EE	0.09	0.13
HU	0.54	0.32
LV	0.17	0.15
LT	0.10	0.16
PL	0.12	0.20
RO	0.14	
SK	0.18	
SI	0.15	0.17

**Source:** Results are based on available data. Malta is missing. Adapted from Giulietti et al. (2011), Table 2. In Slovakia, Romania and Bulgaria there is no information on the origin of immigrants, hence data is missing.

### 5.3 Perceptions about the impact of immigration

#### KEY FINDINGS

- Individuals with lower socio-demographic characteristics tend to be against immigration, while these groups directly compete with immigrant workers.
- European citizens are in favour of restricting (at least transitorily) access to welfare benefits by immigrants.

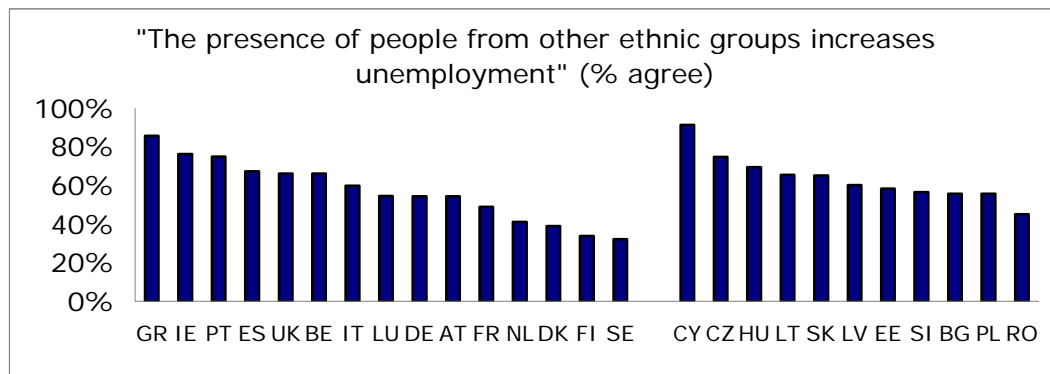
The impact of immigrants on the receiving countries' labour market and welfare state is typically a hotly debated issue. It is also socially sensitive, since many natives fear the competition of immigrants in the labour market and they are often worried that immigrants may abuse the welfare services provided by the receiving country.

On the one hand, native workers are concerned about new immigrants of similar skill levels, since they are seen as potential competitors for similar jobs, inducing downward pressure on their wages and increasing their unemployment risk. On the other hand, the existence of generous redistributive systems in most European countries may attract immigrants who could become a fiscal burden for the native population by benefiting from social services such as subsidised health care, unemployment compensation or provisions concerning family dependants.

This section documents perceptions regarding the impact of immigrant workers on the local labour markets and welfare services by drawing on two surveys — the European Social Survey and the Eurobarometer. The fourth round of the European Social Survey was carried out in 2008–2009 in 30 European countries and contains a large section on attitudes towards immigrants. The Eurobarometer is a public opinion survey carried out on behalf of the European Commission since 1973, monitoring the evolution of public opinion in the Member States. It periodically includes special modules to investigate migration issues. Combining the two surveys yields evidence regarding the cross-sectional profile and the evolution of European citizens' attitudes towards immigrants over time.

In the 2009 wave of the Eurobarometer,<sup>12</sup> respondents were asked to indicate their agreement level with the statement "The presence of people from other ethnic groups increases unemployment" on a scale from 1 (completely agree) to 5 (completely disagree). Opinions on this statement may be interpreted as a good indicator of the fear that immigrant workers may compete with the native labour force, worsening natives' labour market opportunities. Figure 15 shows the proportion of individuals in agreement with the statement above (answers 1 and 2 are classified as "agree"). As the figure clearly shows, in most EU Member States (with the exception of France, Romania and some Northern European countries such as Denmark, Finland, the Netherlands and Sweden) the majority of people believe that immigrants do have a negative impact on overall unemployment. Interestingly, in countries severely hit by the economic crisis, such as Greece, Ireland and Portugal, the percentage of people believing that immigrants increase unemployment is above 70%.

<sup>12</sup> Eurobarometer 71.3 (2009).

**Figure 15: Attitudes towards immigrants**

**Source:** Eurobarometer (2009). Figure for Malta missing.

Regarding European concerns that immigrants may abuse welfare, the focus is placed on three questions drawn from the European Social Survey:

*Question 1: "To what extent do you agree or disagree that social benefits and services in [country name] encourage people from other countries to come and live here?"* (answers on a scale of 1–5);

*Question 2: "A lot of people who come to live in [country name] from other countries pay taxes and make use of social benefits and services. On balance, do you think people who come to live in [country name] receive more than they contribute or contribute more than they receive?"* (answers on a scale of 0–10);

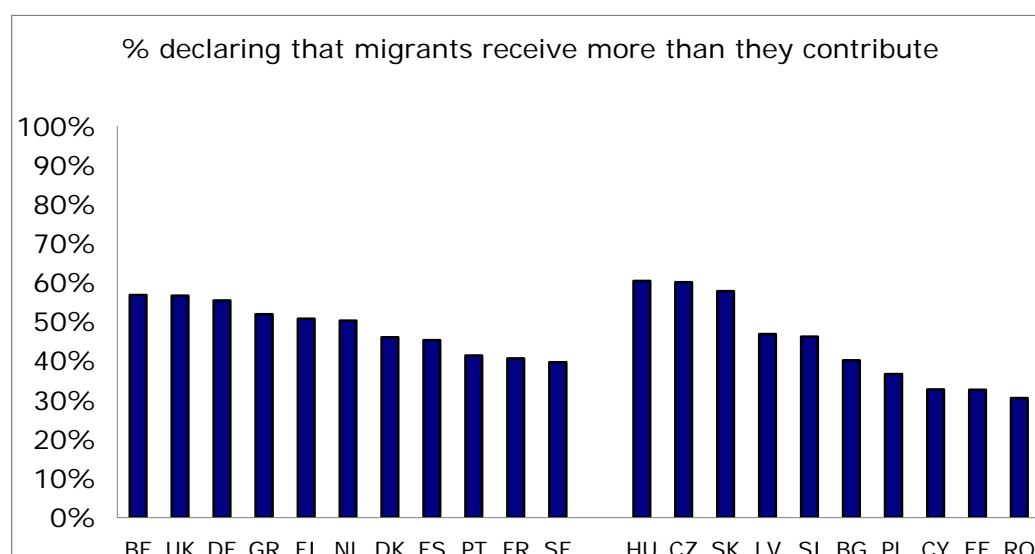
*Question 3: "Thinking of people coming to live in [country name] from other countries, when do you think they should obtain the same rights to social benefits and services as citizens already living here?"* (answers: i) immediately, ii) after living for a year, iii) after working, iv) after becoming a citizen, v) never).

Results in Figures 16, 17 and 18 provide cross-country evidence for the role of welfare-state considerations in shaping preferences towards migration. The majority of people living in EU-15 Member States — the main receiving countries in the EU — think that generous welfare states tend to attract immigrants (Figure 17). In other words, they fear that the existence of redistributive policies and social insurance programmes may act as a "magnet" to immigrants interested not only in new job opportunities, but also in the benefits that may come from generous welfare states. Results are different for EU-12 Member States, where welfare abuse by immigrants does not seem to be a matter of concern for public opinion. Altogether, our results suggest that negative perceptions of immigrants are greater in countries that have states with more generous social welfare systems and more consistent inflows of low-skilled immigrants.

As shown by Figure 16, when people are asked to declare whether immigrants are net contributors to host countries' welfare states, in many EU countries the percentage of people perceiving the fiscal position of immigrants as a burden is higher than 50%, although opinions show stronger variations across countries. Finally, many European citizens living in the EU-15 seem to have a preference for "closing the welfare door to immigrants" policies. In other words, they are in favour of restricting (at least transitorily) access to welfare benefits to immigrants (Figure 18).

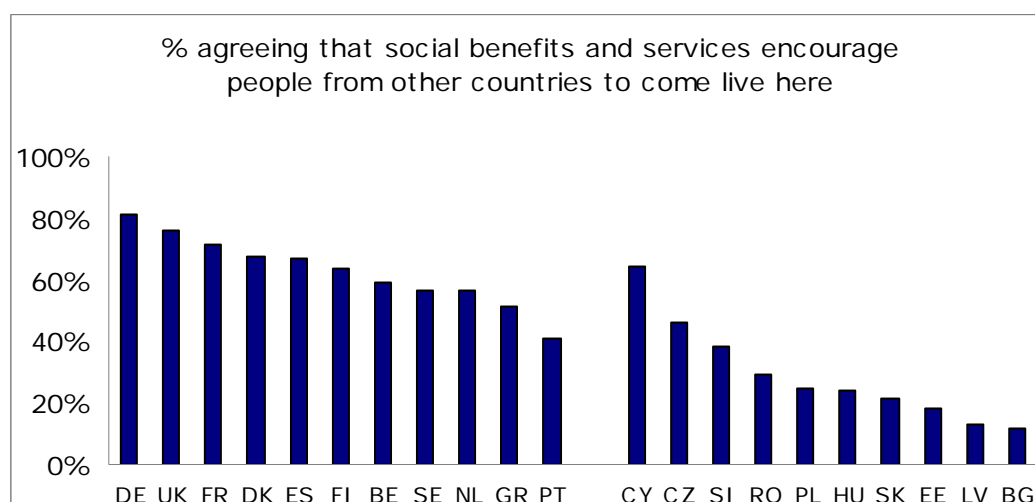
Perceptions in favour or against migration, however, seem to vary across different population groups. Boeri, T. and Br  cker, H. find that migration is perceived as a threat mainly among those with primary or lower educational attainments, low incomes and prime-aged workers, since these groups are in greater direct competition with immigrant workers. They also observe that political affiliation to the right and (more surprisingly) being retired increase negative perceptions about immigrants. Similarly, Facchini, G. and Mayda, A.M. show that the skill level of natives is a key element in understanding preferences towards migration. They find that, in countries where natives are on average more skilled than immigrants, individual income is negatively correlated with pro-immigration preferences, while individual skill is positively correlated with them. These relationships have the opposite signs in destinations characterised by high-skilled migration.

**Figure 16: Attitudes towards immigrants**

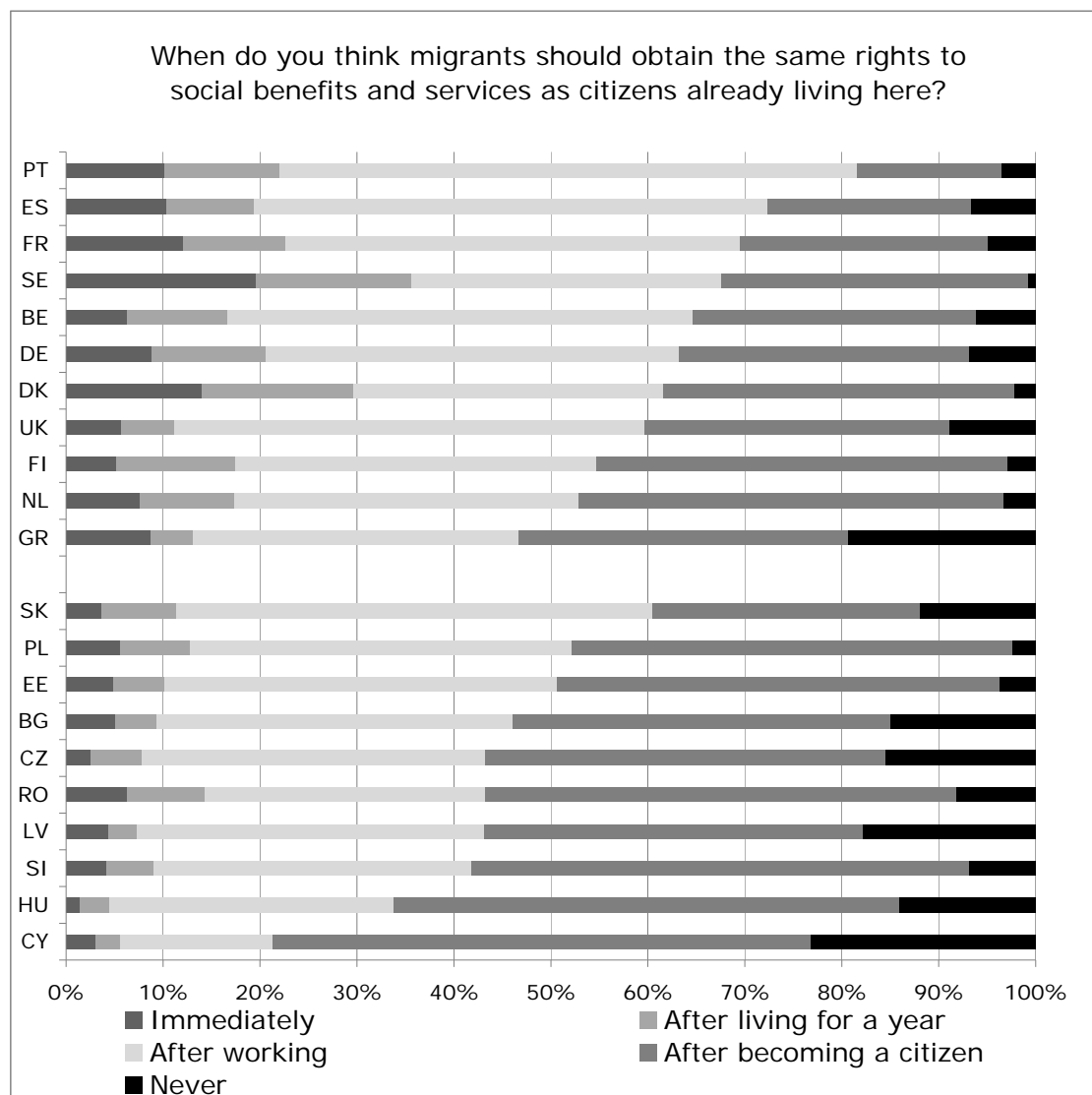


**Source:** ESS 2008–2009 (edition 3.0). The ESS does not include all EU-27 Member States. Austria, Ireland, Italy, Lithuania, Luxembourg and Malta are missing.

**Figure 17: Attitudes towards immigrants**



**Source:** ESS 2008–2009 (edition 3.0). The ESS does not include all EU-27 Member States. Austria, Ireland, Italy, Lithuania, Luxembourg and Malta are missing.

**Figure 18: Attitudes towards immigrants**

**Source:** ESS 2008–2009 (edition 3.0). The ESS does not include all EU-27 Member States. Austria, Ireland, Italy, Lithuania, Luxembourg and Malta are missing.

## 6. ANALYSING EU AND NATIONAL POLICIES AND IDENTIFYING BEST PRACTICES

### KEY FINDINGS

- Policies at the European, national, local and company level can make a difference in either hampering or promoting the labour market integration of immigrants. Policy makers at these different levels are well advised to implement suitable policies.
- Based on evidence from recent studies, there is need for a more comprehensive and effective implementation of anti-discrimination legislations at the national level. Anonymous job applications are a highly interesting policy innovation in this field.
- Furthermore, positive national integration measures and labour market programmes can help promote the integration of immigrants. Language training is probably the most important element of integration programmes, but programmes comprising additional cultural and labour market training have recently grown in importance. Making these courses compulsory is a reasonable option to avoid exclusion from society and the labour market. However, the length of the programmes should not be extended, as this may hamper job search. Language training is also most relevant for children of immigrants in order to facilitate their school careers.
- In general, it is preferable to have combined language and labour market integration courses as part of a more comprehensive activation and integration strategy. These programmes emphasise early work experience in firms and help overcome hiring disadvantages with the focused support of both employees and employers.
- Recognising qualifications acquired abroad more easily is an important measure to promote integration within high-skilled occupations and make full use of given skills. Point-based migration systems should be employed in order to attract skilled immigrants.
- Company policies to promote diversity and thereby integration of immigrants in the framework of CSR benefit not only companies by attracting and retaining high-skilled employees, but also immigrants and society as a whole.
- Effective delivery of policies to promote the labour market integration of immigrants benefits from appropriate governance structures and the involvement of all crucial stakeholders in a network.

This section introduces recommendable policies and presents good practice examples to promote the labour market integration of immigrants. Firstly, the implementation of anti-discrimination legislations at national level is discussed. Second, the concept of Corporate Social Responsibility, which motivates companies to contribute to societal well-being beyond their legal obligations, is presented. In particular, promoting diversity at corporate level helps to minimise discrimination in society. Finally, a few examples demonstrating the successful implementation of integration practices both at national and corporate level are presented.

A recent study from the International Organization for Migration on integration policies in the EU-27 states that (IOM, 2010)

in more than a third of the reviewed countries, including some with substantial immigrant population, no systematic attention has been paid to integration in the national policy making, with some countries either lacking any integration policy, or having adopted general declarations, and others having undertaken only the very first steps towards the creation of relevant state institutions and provision of basic services to immigrants.

In general, there are large cross-country differences in the level of implementation of integration policies for immigrants. In some cases, the issue of integration is only marginally addressed by national migration policies and existing activities are often project-based and lack sufficient financial resources. At the same time, some European Member States have succeeded in developing a wide range of measures aimed at promoting the labour market integration of immigrants and improving social inclusion.

The widespread introduction of successful labour market programmes and integration activities is partly delayed due to the lack of evaluation studies assessing the effectiveness of policies targeted at immigrants (IOM, 2010; OECD, 2007a). Often, no disaggregated data are available on participation of immigrants in national programmes, which makes it difficult to evaluate the impact of integration policies. Moreover, integration initiatives are often based at local level (regional or municipal rather than national) and limited in scale and scope, hence with the limited possibility of evaluation (Denmark is an exception in this respect, having implemented an evaluation system at municipal level).

The responsibility for the planning and implementation of integration policy is taken by different actors across countries. Central administrative bodies usually make decisions at the national level, although in an increasing number of countries, integration services have been gradually de-centralised at regional or even municipal level (e.g., in Denmark, the Netherlands and Sweden). Decentralisation is usually seen as a positive development, since locally-based integration measures may adapt to local situations more effectively (IOM, 2010). Depending on the countries, other actors beyond the state may also play a key role in integration measures, especially when there is a lack of state initiative in this field or as a complement of support services provided by local-level administrations (e.g., trade unions, NGOs and civil society organisations). In Spain, trade unions promote labour market integration of immigrants mainly through information and labour rights protection. Through a national network of contact points, the principal Spanish trade unions (CCOO and UGT) have established different programmes and mechanisms to facilitate the participation of immigrant workers in the labour market, to inform them of their labour rights and to defend immigrants if any of these rights are violated (IOM, 2010). In Romania, trade unions developed some good sectoral practices, such as the System of Sectoral Self-Regulation in Construction (SASEC) set up through a sectoral social agreement between the employers' confederation and the trade unions and including a bargaining committee for immigrant workers (IOM, 2010). In several countries, NGOs and civil society organisations (especially immigrant associations) provide a wide range of support services to immigrants, either independently (Ireland, Italy and Luxembourg) or in cooperation with municipalities (Portugal and the Netherlands).



**Box 7: Anonymised applications procedures in Germany**

Members of ethnic minorities in Germany often face problems with economic integration even when highly qualified. Since conscious or subconscious discrimination affects the screening of job applications, the “best” applicants may not always end up obtaining the job. From a socio-economic perspective, it is therefore important to implement proactive measures to prevent discrimination.

In 2010, the German Federal Anti-Discrimination Agency (ADS) started a pilot project on anonymised application procedures. The 12-month project will be scientifically monitored and evaluated by the Institute for the Study of Labor (IZA). Participating employers include four large corporations, one medium-sized enterprise, as well as two government agencies and one municipality. For the duration of the project, the institutions have modified their job application procedures by removing any photos and other personal details such as name, age, sex, marital status and (implicit) indications of ethnic origin from incoming applications. All of these are currently common practice for job applications in Germany. The purpose of this experiment is to test the practicability and effectiveness of anonymised application procedures. Prior evidence from other experiments with anonymised job applications shows that this process may help reducing the systematic discrimination of members of certain demographic groups, such as ethnic minorities, at least in the first stage of the application procedure (i.e., before the job interview).

For the project’s duration, all applications for around 225 different jobs and apprenticeships will be anonymised in three different ways. Some of the participating companies simply adjust their existing online application forms. Others send prospective applicants a standardised form on request. And a third group of companies anonymises the applicants’ personal data ex post. Employing different methods will make it easier for the evaluators to identify the best practice in each context.

Apart from the goal to test the practicability of anonymised application in Germany, a sound methodological approach will also yield conclusions on the effectiveness of these procedures. Comparisons between anonymously treated job postings and non-anonymously treated job postings as well as with data from the period prior to the experiment can show, for example, whether the call-back and hiring probability actually increases for certain groups as a result of the change in job application procedures. One interesting question will be whether anonymised application procedures merely defer discrimination to the interview phase. It could also be studied whether companies offering anonymised application procedures experience an increase in minority applicants or particularly qualified applicants as a result of self-selection. The initial results of the evaluation are expected to be delivered after the end of the project in late 2011.

Tables 22 and 23 summarise the anti-discrimination legislation in EU-27. A detailed description of the table can be found in Annex A.3.

Table 22: Anti-discrimination legislation in EU-15

Country	Direct/ indirect	Disc. by association	Multiple	Membership	Social protection	Social advantages	Education	Goods and housing provided privately	Public	Self- employed	Independent Equality Body	Equality Body's independent assistance	NGOs' standing	Criminal	Non- material damages	Statistical evidence
Austria	yes	yes (only for disability of relatives)	yes	yes	yes	yes	yes	no	yes	yes	no	yes	no (but class action allowed)	no	yes	yes
Belgium	yes	no	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	no	yes
Germany	yes	no	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes
Denmark	yes	yes (only ethnic)		yes	yes	yes		no	yes	yes		yes	no	yes		yes (case law)
Spain	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes, but composed of ministers	yes	yes (trade unions)	yes	yes	yes
Finland	yes	yes (but not clear)	no	yes	yes	yes	not completely	no	yes	yes	yes	yes	no	yes	yes	yes
France	not admitting hypothetical analysis	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Greece	yes	no	no	yes	yes	yes	yes	no	yes, except military service	no	yes	no	no	yes	no	no
Ireland	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes	yes	no	no	yes	yes
Italy	yes	no	no	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	no	yes	yes
Luxembourg	yes	no	no	yes	yes	yes	yes	no	yes	yes	yes	yes	no	yes	no	no
Netherlands	not as in the Directives	no	no	yes	yes	yes	yes	no	yes	no	yes	yes	yes	yes	yes	yes
Portugal	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes (and class action)	yes	yes	yes
Sweden	yes	yes	no	yes	yes	yes	yes	no	yes	no	yes	yes	yes (and class action)	yes	yes	yes
United Kingdom	yes	yes	no	yes	yes	yes	yes	no	yes	no	yes	yes	no	yes	yes	yes

**Notes:** Direct/indirect: discrimination; Disc. by association: explicit provisions against discrimination; Multiple: specific provisions against discrimination; Membership: involvement in an organisation with regard to ethnic discrimination; Social protection, Social advantages, Education, Goods and housing provided privately, Public, Self-employment: legislation with regard to ethnic discrimination; Independent equality body, Equality Body's independent assistance: at least one has been established; NGOs' standing: explicit provisions allowing NGOs to participate on behalf of, rather than just in support of, alleged victims of discrimination; Criminal: anti-discrimination provisions in criminal law; Non-material damages: availability to the victim of compensation for non-material damages; Statistical evidence: validity in the proceedings of the use of statistics to prove that discrimination has occurred. **Source:** Information based on 2009 country reports from the European Network of Legal Experts in the Non-discrimination Field.

Table 23: Anti-discrimination legislation in EU-12

300.00	Direct/ indirect	Disc. by association	Multiple	Membership	Social protection	Social advantages	Education	Goods and housing provided privately	Public	Self- employed	Independent Equality Body	Equality Body's independent assistance	NGOs' standing	Criminal	Non-material damages	Statistical evidence
Bulgary	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	Judicial interpretation needed	yes	no	yes	yes
Cyprus	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	not specifically
Czech Republic	yes	no	no	yes, except professional organizations	yes	no	no	no	yes, except some public officials	no	yes	will	no	yes	yes	yes (case law)
Estonia	yes	no	no	yes	yes	yes	yes	no	yes, except some public officials	yes	yes	yes	no	yes	yes	yes (case law)
Hungary	yes	no	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes	yes
Lithuania	yes	yes	no	yes	case law, hard to implement	no	yes	no	yes	no	yes	no	no	yes	yes	yes
Latvia	yes	yes (only for ethnicity of relatives)	no	yes, except professional organizations	yes (only in public sector)	yes	yes	no	yes, except military service	will	yes	yes	yes	yes	yes	no
Malta	not formally	yes	no	yes	yes	no	yes	no	yes, except military service	yes	yes	yes	yes	yes	yes	no
Poland	yes	no	no	not explicitly	yes	no	not explicitly	no	yes	no	no equality body	no equality body	yes	yes	yes	not specifically
Romania	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Slovenia	yes	no	no	yes	yes	yes	yes	yes	yes	yes	no	Judicial interpretation needed	no (but class action allowed)	yes	yes	yes
Slovakia	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	not specifically

**Notes:** Direct/indirect: discrimination; Disc. by association: explicit provisions against discrimination; Multiple: specific provisions against discrimination; Membership: involvement in an organisation with regard to ethnic discrimination; Social protection, Social advantages, Education, Goods and housing provided privately, Public, Self-employment: legislation with regard to ethnic discrimination; Independent equality body, Equality Body's independent assistance: at least one established; NGOs' standing: explicit provisions allowing NGOs to participate on behalf of, rather than just in support of, alleged victims of discrimination; Criminal: anti-discrimination provisions in criminal law; Non-material damages: availability to the victim of compensation for non-material damages; Statistical evidence: validity in the proceedings of the use of statistics to prove that discrimination has occurred. **Source:** Information based on 2009 country reports from the European Network of Legal Experts in the Non-discrimination Field.

The following discussion focuses on two interesting examples of labour market integration policies implemented by Denmark and Portugal.

In Denmark, the growing discrepancy between native-born Danes and immigrants with respect to labour market outcomes became a matter of increasing concern during the 1990s. In 1999, the responsibility of integration was then transferred to the municipalities, which are obliged to offer a three-year integration programme for all non-EEA immigrants above the age of 18. Over the following years, new labour market support measures were developed, placing newcomers in close contact with municipalities and local job centres. There are strong financial incentives for municipalities to achieve rapid labour market integration of newcomers, and an elaborated benchmarking system is in place to evaluate municipalities' performance (OECD, 2007a). In fact, the current legislation on the labour market integration of immigrants places considerable emphasis on integration effort: immigrants sign an "integration contract" with an obligation to make an effort to become employed, and Article 2 of the Integration Act explicitly states "making newly arrived aliens self-supporting as quickly as possible through employment" as a key objective of integration policy.

One of the most interesting activation schemes introduced in Denmark is the so-called "step model" for the labour market integration of unemployed immigrants from non-Western countries, developed in collaboration with municipalities and the social partners. The "step model" is targeted at both new arrivals and immigrants who have been in Denmark for some years. It is a flexible model of gradual integration into an ordinary job. The first step consists of intensive language training and introduction to the labour market. This is followed by a workplace introduction, which may be combined with continuous language training. The language training is, where possible, given on-the-job or at least provided to meet the needs of the immigrant with respect to employment. During this second step, no wage is paid to the trainee, but the immigrant is eligible for social benefits. The firm where the immigrant has completed the traineeship is then expected to offer a job. Although the immigrant may still not be fully functional in the workplace and require more training, the local authority can subsidise part of the salary for a maximum period of 12 months. The subsidy is paid to the employer and depends on the qualifications of the employee. Moreover, it is possible for the local authority to finance "workplace mentorships" both in public and private organisations, where other employees in the firm are paid to spend part of their working time introducing the newcomer to the workplace (OECD, 2007a). Mentor programmes have proven to be a highly effective tool to support employment and labour retention (IOM, 2010). The model was firstly introduced in 13 municipalities over the period 2003–2006, with positive results in terms of participation in training schemes (OECD, 2007a).

In Portugal, the main body with respect to integration is the High Commission for Immigration and Intercultural Dialogue, ACIDI (Alto Comissariado para a Imigração e Diálogo Intercultural). In 2002, ACIDI started developing the National Immigrant Support System, a specific free service targeting the foreign population, which includes three one-stop shop National Immigration Support Centres (CNAI) (in Lisbon, Porto, and Faro), and a vast complementary network of local immigrant support centres (CLAII), dispersed throughout the country. ACIDI also supports several projects carried out by non-governmental organisations (NGOs) — in particular immigrant associations — related to the integration of immigrants. Moreover, the participation of socio-cultural mediators guarantees cultural and linguistic proximity to each immigrant who uses the services of these centres, but also a fundamental proximity between public administration and immigrant citizens. Each CNAI hosts a range of other government services and the range of services has been gradually expanded. They now also include legal counselling, family reunification services, support in the naturalisation procedure and several new services related to labour market integration. This includes “Units for Insertion into Professional Life” (UNIVAs), in co-operation with the employment services, aimed at supporting integration in the labour market. These units provide information on job offers and available training programmes, and establish contacts with companies. Since December 2006, advice on self-employment and credit access is available, and a special unit has been created which is in charge of this (IOM, 2010; OECD, 2008a).

The CNAI system is an excellent example of coordination of multiple services under the same roof and the main objectives of the CNAIs are apparently successful — from March 2004 to December 2008, a total of over 1,688,000 cases were dealt with. Currently, the CNAIs have a daily average of around 1,200 service users, although the use of placement services, compared to other integration services, is still limited. Furthermore, the satisfaction expressed by immigrants in the quality of the front-line service at the CNAI is significantly positive (IOM, 2010).

**Box 8: Supporting immigrants' entrepreneurship**

The project "*Kleurrijk Ondernemen*" (colourful entrepreneurship) is a local public policy initiative of the city of Zaanstad, initiated in 2002 with funding from the European Social Fund. Zaanstad is an industrial town near Amsterdam. With a population of 145,000, it is the fifteenth largest city in the Netherlands.

The first "*Kleurrijk Ondernemen*" project started in September 2002 and ended in May 2004 (with a budget of 235,000 euros). Due to the success of this project, it has been renewed three times. Currently, the project is in its fourth implementation period (*Kleurrijk Ondernemen IV*), which started in January 2010 and runs until the end of 2011.

"*Kleurrijk Ondernemen*" provides support to starting entrepreneurs, particularly focusing on immigrants and women. The novelty of this project is that it applies a personal approach: there is intensive, personal coaching of the participants and an introduction of a personal budget. There are no costs for participants involved. Potential participants have to meet the participation criteria and are selected through an intake meeting. Once selected, the participant has to sign a contract and an individual coaching plan is set up. The participant (in "*Kleurrijk Ondernemen*" II and III) receives a personal budget of 2,500 euros to spend on business-related investments.

In "*Kleurrijk Ondernemen*", there were 27 participants, of which 17 were immigrants while, in the second project, there were 32 participants with 18 immigrants. The entrepreneurs and their contact details can be found on the website: <http://www.ko-zaanstad.nl>.

**Box 9: The integration of immigrant children in education: policies and practices***Language support*

For many first and second generation immigrant children, the language used in school is often different from the one spoken at home. These children face a significant disadvantage with respect to classmates with a better command of the language of instruction. It is therefore essential that immigrant children receive additional language support in order to maintain educational performance. International data shows that 15-year-old immigrant students who do not speak the language of instruction at home lag, on average, one year behind native counterparts (OECD, 2000). If immigrants do not receive adequate language support, their integration in terms of educational attainment and labour market prospects may be hampered.

Christensen, G. and Stanat, P. summarise language policies and practices for helping immigrant children in 10 European countries. Most states offer monolingual programmes which provide additional support for second-language learning, i.e., immigrant students are taught in the classroom but also receive extra hours aimed at increasing proficiency in the language of instruction. Despite the diverse approaches across countries, the authors identify key policy recommendations in terms of language support.

- a. High-quality monolingual programmes which support students in acquiring the language of instruction are preferred over the bilingual education of immigrant students from all language groups in every school. Member States may consider offering bilingual programmes to foster multilingualism.
- b. For new immigrants, an intensive programme with a preparatory phase and continual language support helps to facilitate the transition to mainstream instruction.
- c. Language support programmes should be available to students from pre-primary throughout secondary school.
- d. Language support programmes should have guiding principles, goals and standards, benchmarks for measuring progress and dedicate a sufficient amount of time.
- e. Teachers who provide the language support should receive appropriate linguistic training, so they can effectively teach grammatical structures and overcome the main hurdles in the second-language acquisition. Teachers should work in cooperation with the classroom.

*Policies and the educational systems in four EU countries*

The study by Barth, H.J., Heimer, A. and Pfeiffer, I. identifies policies and practices implemented in four EU countries which have been successful in improving the integration of immigrant children in education.

The United Kingdom has one of the smallest differences in student attainment between immigrants and natives. One of the reasons for this relatively low gap is the strong autonomy of education policies at local level, which allows the administration of central funds to fit specific school needs. An important example is the “Ethnic Minority Achievement Grant” (EMAG) which, introduced in 2003, allocates funding to local education authorities. A best practice based on EMAG is the so-called “Education Leeds”, a non-profit private education service provider, which establishes a standard for schools regarding integration and equality of ethnic minority students.

Education Leeds measures successful integration in terms of attainment of students, cohesion between teachers and students and between schools and the community as a whole. It also provides several programmes in support of integration, such as individual language assistance, buddy programmes, parents' courses and summer schools.

In France, as in many other EU countries, there is a marked difference between the attainment of students with immigrant origins and natives. For a long time, France has promoted assimilation policies to provide equal access to public services for immigrants. However, perhaps due to its centralised education system, such policies did not result in the desired effects. In order to promote reforms, France replaced its old initiative "Education Prioritaire" with the "Ambition Réussite", a programme which targets schools in disadvantaged areas. One of the features of this programme is the collaboration of regional executive committees with central government and schools. Among the practices which relate more to the integration of immigrant children is the provision of financial support to employ teaching assistants and social workers. Due to its recent implementation, the impact of the programme has yet to be fully assessed.

In the Netherlands, a few initiatives have been recently introduced in order to stimulate immigrant children integration. The most important policy is the "Educational Priority Policy", which provides funding to primary schools. The programme has been successful in reducing the achievement gaps in maths and Dutch language between immigrants and natives. The accomplishments of such a policy can also be attributed to the relatively large autonomy of Dutch local governments and schools. The Dutch educational system also allows students to choose their education track based on their performance. This flexibility is particularly beneficial for immigrant children, who can also benefit from the so-called "Top" or "Linking Classes" which provide learning and language support outside compulsory education. Finally, a successful initiative has been the mentoring programme, consisting of graduates of immigrant origins who are employed by schools to support immigrant students.

To reduce the gap between immigrant children and natives, the Swedish government has been active in the promotion of integration policy in the education system. Swedish language courses are offered to immigrants and the introduction of a National Diversity Plan has contributed to the promotion of diversity and equal opportunities in schools. The initiative consists of several programmes, such as the creation of a school network for exchanging successful practices, and the introduction of school mentors, multilingual lessons and training schools. Exemplary is the case of the city of Malmö, where the implementation of the National Diversity Plan has resulted in the successful integration of immigrant students and has increased their educational performance.



**Box 10: The UK Point-Based System**

The UK has recently changed its immigration policy, giving a key role to labour market shortages. The UK Point-Based Migration System (PBS), which was gradually phased in between 2006 and 2008, has been designed to explicitly tackle labour market shortages. The system comprises five tiers:

- Tier 1: high-skilled individuals who can contribute to growth and productivity;
- Tier 2: foreign nationals who have a skilled job offer to fill a gap in the workforce that cannot be filled by a settled worker;
- Tier 3: low-skilled workers to fill specific temporary labour shortages. (Tier 3 is currently closed);
- Tier 4: students;
- Tier 5: individuals going to the United Kingdom to satisfy primarily non-economic objectives (e.g., temporary workers and youth mobility schemes).

For each tier, prospective immigrants need to gain a set number of points by satisfying certain criteria. Points are scored predominantly for attributes that predict the applicant's success in the labour market. In particular, the functioning of Tier 2 is inextricably linked with the identification of skilled occupations that are deemed in short supply.

To enter under Tier 2, applicants must have been offered a job in an occupation which is included in the "shortage occupation list". This contains occupations identified by the Migration Advisory Committee (MAC) as having three requirements: they are skilled occupations; a related labour shortage exists; it is sensible to fill the shortage through immigration from outside the EEA.

The MAC published its first shortage occupations list in 2008 (MAC, 2008), and has subsequently updated it since then (MAC, 2009a, 2009b, 2010, 2011). The MAC assesses the existence of a labour shortage, in particular occupations relying on both "bottom-up" and "top-down" evidence.

"Bottom-up" evidence is collected through calls for evidence, field-visits to meet with individual employers, employers' organisations, trade unions and other stakeholders, specific research commissioned to academics, as well as from inputs received by purposely set-up sector-specific Advisory Panels and from the Stakeholder Panel, which comprise representatives of the employers' organisations, trade unions and professional bodies.

"Top-down" evidence, on the other hand, is collected through the quantitative analysis of a variety of datasets with information on the UK labour market. The datasets are used to compute 12 shortage indicators, which belong to four categories: 1) employer-based indicators (e.g., % of skill-shortage vacancies/employment by occupation); price-based indicators (e.g., % change in mean hourly pay for all employees); volume-based indicators (e.g., % change in unemployed by sought occupation); indicators of imbalance based on administrative data (e.g., change in median vacancy duration).

The top-down indicators are integrated with the bottom-up evidence gathered in the consultation of the MAC with the different stakeholders. If the bottom-up evidence does not corroborate the top-down indicators, an occupation is not included in the shortage occupation list.

The interaction between business and society in Europe is shaped by the diversity of economic, political and cultural landscapes across the continent. The idea that companies can contribute to societal well-being beyond their legal obligations has a long tradition in many parts of the region. In recent decades, however, economic and socio-political factors in many Western European countries have led to a partial redefinition of the boundaries between the public and the private sector as well as their respective roles in the society. In this context, growing attention is being paid to the voluntary actions taken by companies as part of their strategies to manage their economic, social and environmental impacts and to contribute to wider societal development. In post-communist Central and Eastern Europe, environmental and social concerns have tended to receive less attention than the significant economic challenges associated with the transition to market economy. However, the awareness and implementation in the region are advancing rapidly. In contrast to Western Europe, it is mainly companies themselves — often multinational corporations — which are the main agents of change, whereas external pressure from civil society, media and public authorities has been fairly low so far.

The concept of Corporate Social Responsibility (CSR) means that companies effectively agree on common internal guidelines guaranteeing sustainable development on a voluntary basis. The aim is to make diversity a part of Corporate Social Responsibility and thereby contribute to a reduction in social discrimination by creating financial incentives for companies. The recent development of CSR in the EU-27 is presented in CSR Europe (2011). The following three cases demonstrate the successful practices aimed at promoting the diversity and integration of immigrant workers at the company level.

**Box 11: Dublin Bus (Company case in Ireland)**

Dublin Bus, an Irish company, has developed a Diversity Management Programme and Action Plan in recognition of their increasingly diverse customer and staff base, with the latter drawn from 38 countries (including 30 countries outside the EU). As part of the programme, Dublin Bus has introduced a cultural awareness plan. Dublin Bus (Bus Atha Cliath) is a major semi-state public transport provider in the city of Dublin and the surrounding area. The company is part of the CIE group, an umbrella organisation covering four subsidiaries. In 2007, Dublin Bus operated with 1,182 buses and 3,700 staff members.

Ireland has seen a dramatic change from being a country of emigration to becoming one of immigration. The increasing number of immigrants who came to Ireland in the late 1990s coincided with the expansion of the Dublin Bus fleet. The company welcomed applications from a significant number of new immigrants, mainly as bus drivers. In 2007, 15% of the bus drivers employed by Dublin Bus came from a country different than Ireland, and 10% were from outside the EU. Dublin Bus is now recognised as a high profile intercultural workplace.

The Dublin Bus Diversity Management Programme was established in January 2001 within a context of dramatic changes in Ireland in recent years. One of the fundamental drivers of this initiative was the rapid change taking place within the organisation: changes in terms of workforce demographics, older employees and cultural diversity, among others. The first step was the appointment of an Equality and Diversity Officer in 2001, who had the task of setting up an Equality and Diversity Action Plan (for the period 2003–2010), which covers a number of areas, including the following: applying the principles of equality and inclusion to people management; involving staff who reflect the diversity of the workforce; and evaluating the benefits of any change made in relation to equality and diversity.

At the beginning of the programme, much of the work concerned establishing human resource policies relating to recruitment and career development. The work continued with awareness-raising activities for management and staff and was supplemented by a number of specific activities and events to promote diversity. In 2007, labour turnover in Dublin Bus had dropped to 3%, resulting in lower training costs and fewer accidents. Absenteeism also reduced steadily. Dublin Bus was listed in a compendium published by the European Commission as carrying out best practice in managing diversity. It has been recognised as a Good Practice Intercultural Workplace by the Equality Authority and as a best practice HR employer in Ireland by the Chartered Institute of Personnel Development and the Irish Management Institute.

**Source:** European Foundation for the improvement of living and working conditions (2007) European Monitoring Centre on Change (EMCC) company network. Case example of Dublin Bus.

**Box 12: Plastal Group (Company case in Sweden)**

The Diversity in the Swedish Industry or DISI project was set up in 2002 and was 50% funded by Equal, a programme initiated by the European Social Fund in order to decrease discrimination on the European labour market. The project focuses on ethnic and gender discrimination in the automobile industry and tries to facilitate access to positions of responsibility for immigrants.

The Plastal group appeared to be the most active in the project. Plastal serves the European automotive industry and is one of the leading suppliers of surface-treated, injection-moulded plastics (products and systems). Plastal has 11 production units in seven countries and a total of around 2,200 employees. In 2007, over 60% of people hired by Plastal were from ethnic minorities. During the DISI project, a “skills map” was developed to highlight long-ignored talents. This happened through interviews with employees. Plastal deserves to be cited as a case example because they were able to define problems of discrimination which had not been perceived previously because nobody was talking about them. Immigrant workers were not satisfied because they felt they were not being treated in the same way as other employees. Following the anti-discrimination programme, the firm reorganised its production process in order to employ team supervisors from various ethnic groups.

**Source:** Diversity in the Swedish Industry (DISI).

**Box 13: Novozymes (Company case in Denmark)**

Within the platform of Corporate Social Responsibility (CSR) Europe, the Danish company Novozymes has launched a project on the counselling of new Danes with higher education at Novozymes to help them become integrated in the Danish labour market. Novozymes is a biotech-based company with headquarters in Denmark, which employs approximately 5,400 people in 30 countries. Novozymes A/S' B shares are listed on the NASDAQ OMX Nordic.

Many new Danes (e.g., immigrants and refugees) experience difficulties entering the Danish labour market, including those who have successfully completed higher education in their country of origin. Novozymes has had difficulties attracting and integrating new Danes in the Danish workforce, so they decided to design a programme targeting new, high-skilled Danes. Each year from 2001 to 2005, Novozymes offered five Danes with higher education a traineeship of three months in order to attract employees and allow the candidates to test existing competencies by working with professionals and on relevant assignments in a large company. In 2005, the programme was changed to a more formalised career counselling programme in order to enable 10–15 candidates to test their competencies each year. Since then, there has been a two-day career counselling programme with the following contents:

- An individual conversation with a relevant manager with similar educational background as the candidate
- A conversation with an HR consultant advising the candidate on job seeking, e.g., understanding job adverts, writing applications and CVs, searching on job portals and other job advert forums, etc.
- A conversation with a shop steward about the Danish labour market structure in general, e.g., unions and collective agreements
- A conversation with a consultant specialised in understanding of workplace culture
- A final evaluation summing up the four prior conversations and providing recommendations for the candidate's way forward, including possible training at Novozymes.

From 2001 to 2007, approximately 40-50 candidates completed training, and two were employed by Novozymes. The percentage of individuals with a non-Danish background who work for the company has increased from 4.48% to 7.66%.

## **7. POLICY RECOMMENDATIONS**

### **Raising awareness of the importance of anti-discrimination**

First of all, it should be noted that recent developments in European legislation have broadened the scope of the provision protecting the rights of minorities. Anti-discrimination legislation and policy play a crucial role with regard to the further integration of the European Union. However, legislation alone will be not enough to eradicate discrimination. Therefore, the European Parliament should make people aware of the damaging effects of discrimination in general.

Moreover the European Parliament can help disseminate information of people's right to protection against discrimination and the positive effects of diversity. Everyone in Europe should know his or her rights under the law to protect themselves from discrimination and to query discriminatory attitudes and behaviour.

The integration of immigrants can succeed only if they are adequately protected from discrimination on grounds of nationality or ethnic origin. In this context, the European Union efforts are appreciated for their role in raising awareness, but more remains to be done to increase dialogue among governments, civil society and social partners across all grounds.

The European Parliament should advance anti-discrimination across the full range of policy areas beyond labour market issues. Against this background, specific campaigns could help raise awareness in society concerning the risk of discrimination. To change the perception of immigrants within society is a crucial issue regarding social inclusion.

### **Effective enforcement and implementation of anti-discrimination legislation**

The implementation of anti-discrimination legislation at the national level was reviewed within the present study. The authors conclude that all European Member States have recently implemented anti-discrimination laws. Moreover, the legislation in many Member States goes beyond the requirements of European law with regard to the grounds of discrimination, the scope of protection or the competencies of specialised bodies.

However, some states have essentially reproduced the text of the directives in national legislation and the challenge identified in many Member States is the enforcement of these laws in practice. Against this context, a comprehensive integration policy has been implemented in only a few EU Member States.

Implementation must be fulfilled not just in law but also in practice. Hence, the European Parliament should remind Member States that implementation alone is not enough. An effective enforcement of the anti-discrimination legislation is of utmost importance.

## **Promoting introduction programmes for immigrants**

Although these programmes may extensively differ in scope and relevance across countries, they typically combine language courses, vocational training, civic education and basic information on the host country. Examples of such programmes can be found in most EU countries. In some cases language courses are organised centrally by the ministry of labour or of education (e.g., in Austria, Belgium, Italy, Luxembourg and Romania) or provided by municipalities and regional governments (Denmark, Spain and Sweden).

Some of these programmes have been criticised for having little labour market relevance, which, in some cases, led to a gradual adjustment of their contents towards work-oriented language training. In Portugal, for example, the Host Programme originally offered free training courses with language, civic and vocational modules. In recent years, however, sector-specific technical Portuguese modules have been introduced for the fields of commerce, hotels and restaurants, beauty care, construction and civil engineering (IOM, 2010).

In the Netherlands the immigrants' introduction programme, "Delta Civic Integration Programme", goes beyond language teaching to include cultural competences. In Denmark immigrants sign an "integration contract" involving a number of obligations to the society such as to learn Danish, make an effort to find work, and comply with the basic values of Danish society. In Sweden all immigrants are entitled to Swedish language courses, but introduction programmes organised by municipalities include not only language education, but also information about Swedish society and labour market training.

Compared to other EU countries, Denmark has one of the most well-established introduction programmes, which can be seen as a good practice for other Member States of the EU. All foreigners above 18 years of age, regardless of their permit category or length of stay, are required to participate in a three-year language course, which is becoming increasingly business-oriented and flexible in terms of time.

Moreover, all newcomers who obtained residence permits through family reunification or through an extension of their asylum will be automatically registered for an Introduction Programme offered by the municipalities. The Introduction Programme supports newcomers in language, cultural, and professional acquisitions, and can last a maximum of three years with a minimum of 37 hours of activities per week (IOM, 2010).

The European Parliament should help spread successful introduction programmes for immigrants across the EU. The Danish and the Portuguese model could serve as possible role models.

## **Providing language services for immigrant children**

The most common feature with regard to the integration of immigrants is language training. The support of immigrant children seems to be of utmost importance in view of a successful integration of immigrant children.

Courses may be voluntary or compulsory. In Germany for instance, immigrants who do not meet the standards of the integration courses are notified by the immigration office and may be sanctioned. Moreover, in Germany adult immigrants need to attend language courses which require significant knowledge of German language.

The language integration courses consist of a total of 600 academic hours, while other integration courses are also organised focusing on basic knowledge of German society, politics, culture, history and the legal system. The total number of those with the right to attend an integration course was approximately 600,000, while only a total of 210,000 finished a course (IOM, 2010).

In the Netherlands labour immigrants are not required to participate in integration courses, as opposed to asylum and most family members of immigrants for whom participation is compulsory. As a complement of the state provision of language courses, in many European countries a number of NGOs, private service providers and civil society associations organise different introductory projects for immigrants which focus chiefly on improving language skills (Italy, Luxembourg and the Netherlands).

Studies for Sweden show, for example, that language training attended shortly after arrival is effective in improving labour market outcomes of newcomers, but there appears to be an upper limit (around 500 hours) beyond which no further significant impact is found, especially for men (OECD, 2007a). Similar results have been found for Denmark (Clausen, J. and Husted, L.).

Prolonged language training seems to be problematic, since it keeps immigrants away from the labour market in a situation in which employers tend to positively evaluate early work experience in the host country rather than previous work experiences in the country of origin.

However, comprehensive language services for immigrant children across the EU would positively contribute to 'Europe 2020, a strategy for smart, sustainable and inclusive growth'. Employment and social inclusion needs of immigrant children deserve closer attention. Language services help ensure social inclusion and therefore constitute a sustainable and long-term investment. Mainstreaming of language services for immigrant children into all kind of integration programmes is a strongly recommended measure.

## **Enhancing the labour market participation of immigrants**

In almost all European countries, immigrants with (especially long-term) regular work and residence permits are eligible to participate in the national labour market support and activation measures. However, those employment programmes are not necessarily targeted at immigrants, and they do not take account of immigrants' specific needs.



For example, in countries such as Austria and Ireland, integration policies focus on marginalised groups of workers, with no distinction between immigrants and natives in their labour market policy measures. As a consequence, many states introduced labour market integration measures specifically targeted at immigrants, since they typically represent a vulnerable group in terms of labour market outcomes.

There are many examples of this type of policy in European countries (Belgium, Denmark, Germany, the Netherlands and Sweden and others), but in most cases it is still quite difficult to assess their effectiveness, due to the general lack of evaluation studies monitoring the performance of participants both during and after the programme.

Against this background, the European Parliament should enhance the labour market participation of immigrants by overcoming barriers such as discrimination and a lack of language skills as well as the recognition of foreign qualifications. Furthermore, the Danish 'workplace mentorship' programme seems to be an appropriate measure to help integrate immigrants into the labour market, since such programmes have proven to be a highly effective tool to support employment and labour retention

## **Increasing the possibility for the recognition of qualifications**

Medium- and high-skilled EU immigrants face considerably higher rates of over-qualification than natives. In other words, many immigrants have educational attainment above the formal skill level needed to perform the tasks required by their occupation in the host country.

This may be partly due to foreign qualifications and work experiences not being really recognised by employers in the host country. For that reason, some Member States (such as Denmark, Sweden and the United Kingdom) recently introduced measures aimed at increasing the possibility for immigrants of having their skills recognised.

In Sweden in particular, recognition of qualifications is also complemented by different forms of higher education, so that individuals can practice their former professions in the host country.

The European Parliament should stress the importance of a better recognition of qualifications, in order to better tackle a possible shortage of skilled workers.

## REFERENCES

- Angrist J.D. and A.D. Kugler (2003), "Protective or Counter-Productive? Labour Market Institutions and the Effect of Immigration on EU Natives" *Economic Journal*, Royal Economic Society, Vol. 113, No. 488, pp. F302–F331.
- Baas T., H. Brücker and A. Hauptmann (2010), "Labor Mobility in the Enlarged EU: Who Wins, Who Loses?", in: Kahanec, M. and K.F. Zimmermann, *EU Labor Markets After Post-Enlargement Migration*.
- Baker & McKenzie (2010), *Global Mobility Handbook*.
- Baldwin-Edwards, M. and A. Kraler (eds) (2009), *REGINE: Regularisations in Europe*, International Centre for Migration Policy Development.
- Barnow, B.S., J. Trutko and R. Lerman (1998), "Skill Mismatches and Worker Shortages: The Problem and Appropriate Responses", *Urban Institute Policy Memorandum*.
- Barrett, A. and B. Maitre (2011), "Immigrant Welfare Receipt across Europe", *International Journal of Manpower*, forthcoming.
- Barth, H.J., A. Heimer and I. Pfeiffer (2010), "Integration through Education: Promising Practices, Strategies and Initiatives in Ten Countries", in: H.J. Barth, A. Heimer and I. Pfeiffer, *Immigrant Students Can Succeed: Lessons from around the Globe*.
- Boeri, T. and H. Brücker (2005), "Why are Europeans so Tough on Migrants?", *Economic Policy*, Vol. 20, No. 44, pp. 631–703.
- Bonin, H. et al. (2008), "Geographic Mobility in the European Union: Optimising its Economic and Social Benefits", *IZA Research Report No. 19*.
- Borjas, G.J. (2001), "Does Immigration Grease the Wheels of the Labor Market?", *Brookings Papers on Economic Activity*, Vol. 32, No. 1, pp. 69–133.
- Borjas, G.J. (1999), "Immigration and Welfare Magnets", *Journal of Labor Economics*, vol. 17(4).
- Borjas, G. J. (1987), "Self-Selection and the Earnings of Immigrants", *American Economic Review*, American Economic Association, Vol. 77, No. 4, pp. 531–553.
- Boswell, C., S. Stiller and T. Straubhaar (2004), "Forecasting Labour and Skills Shortages: How Can Projections Better Inform Labour Migration Policies?", Paper Prepared for the European Commission, DG Employment and Social Affairs, Migration Research Group.
- Brücker, H. and A. Damelang (2009), "Labour Mobility within the EU in the Context of Enlargement and the Functioning of the Transitional Arrangements: Analysis of the Scale, Direction and Structure of Labour Mobility", Deliverable 2, Institute for Employment Research.
- Brücker, H. et al. (2002), "Welfare State Provision", in: T. Boeri, G. Hanson and B. McCormick (eds), *Immigration Policy and the Welfare System*, pp. 66–90.

- Büchel, F. and H. Battu (2003), "The Theory of Differential Overqualification: Does It Work?", *Scottish Journal of Political Economy*, Vol. 50, No. 1, pp. 1-16.
- Cangiano, A. (2008), "Foreign Immigrants in Southern European Countries: Evaluation of Recent Data", in: J. Raymer and F. Willekens (eds), *International Migration in Europe: Data, Models and Estimates*, pp. 89-114.
- Carrera, S. and M. Merlino (eds) (2010), "Assessing EU Policy on Irregular Immigration under the Stockholm Programme", Centre for European Policy.
- CEDEFOP (2008), "Future Skill Needs in Europe: Medium-Term Forecast", Synthesis Report, European Centre for the Development of Vocational Training.
- CEPS (2010), *Impact of the Seasonal Employment of Third-Country Nationals on Local and Regional Authorities*, Centre for European Policy Studies.
- Chiswick B.R. (1992), *Immigration, Language, and Ethnicity: Canada and the United States*.
- Chopin, I and E. Gounari (2009), *Developing Anti-Discrimination Law in Europe: The 27 EU Member States Compared*, European Commission.
- Christensen, G. and P. Stanat (2007), "Language Policies and Practices for Helping Immigrants and Second-Generation Students Succeed", *The Transatlantic Task Force on Immigration and Integration: Migration Policy Institute*.
- Clausen, J. and L. Husted (2005), "The Progression of Teaching in Danish Language Centres", government report.
- Cohen, M.S. and M.A. Zaidi (2002), *Global Skill Shortages*.
- Constant, A.F., M. Kahanec, and K.F. Zimmermann (2011), *An Expert Stakeholder's View on European Integration Challenges*, in: M. Kahanec and K.F. Zimmermann (eds.), *Ethnic Diversity in European Labor Markets*.
- CSR Europe (2011), *A Guide to CSR in Europe: Country Insights by CSR Europe's National Partner Organisations*.
- D'Amuri, F. and G. Peri (2010), "Immigration and Occupations in Europe", CReAM Discussion Paper No. 1026.
- de Filippo, E. and E. Morlicchio (2010), "Economic Recession and the Internal Migration of Immigrants in Italy", presented at *Rethinking Migration in Times of Economic Crisis in Europe*, 9-10 December 2010.
- Dietz, M., M. Stops and U. Walwei (2010), "Safeguarding Jobs Through Labor Hoarding in Germany", *Applied Economics Quarterly*, Vol. 61 (Supplement), pp. 125–166.
- Drinkwater, S., J. Eade and M. Garapich (2006), "Poles Apart? EU Enlargement and the Labour Market Outcomes of Immigrants in the UK", IZA Discussion Paper No. 2410.

- Dustmann C., T. Frattini and I. Preston (2011), "Can Immigration Constitute a Sensible Solution to Sub-National and Regional Labour Shortages?", Report prepared for the Migration Advisory Committee.
- Düvell, F. (2009), "The Crisis and its Possible Impact on Global Migration", Centre on Migration, Policy and Society.
- Eurofound (2007), "Seasonal work", <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/seasonalwork.htm>.
- European Commission (2010a), Proposal for a directive of the European Parliament and of the Council on conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer, COM(2010) 378 final, Brussels, 13 July 2010.
- European Commission (2010b), Proposal for a directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purposes of seasonal employment, COM(2010) 379 final
- European Commission (2009), Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment, Council Directive 2009/50/EC, 25 May 2009.
- European Commission (2008), Comparative study on the laws in the 27 EU Member States for legal immigration including an assessment of the conditions and formalities imposed by each Member State for newcomers.
- European Commission (2005), Communication from the Commission: policy plan on legal migration, COM(2005) 669 final, Brussels, 21 December 2005.
- European Migration Network (2011), EMN Studies on Temporary and Circular Migration.
- European Migration Network (2010), Ad-Hoc Query on Seasonal Workers and Intra-Corporate Transferees (ICTs), Ad-Hoc Query No. 208.
- Eurydice (2009), "Integrating Immigrant Children into Schools in Europe", Education, Audiovisual and Culture Executive Agency, Brussels.
- Facchini, G. and A.M. Mayda (2008), "From Individual Attitudes Towards Immigrants to Migration policy Outcomes: Theory and Evidence", *Economic Policy*, Vol. 23, No. 56, pp. 651–713.
- Frijters, P., M.A. Shields and S. Wheatley Price (2003) "Immigrant Job Search in the UK: Evidence from Panel Data", IZA Discussion Paper No. 902.
- Green, F., S. Machin and D. Wilkinson (1998), "The Meaning and Determinants of Skills Shortages", *Oxford Bulletin of Economics and Statistics*, Vol. 60, No. 2, pp. 165–187.
- Greig, M., K. Glancey and P. Wilson (2008), "A Review of Labour Shortages, Skills Shortages and Skill Gaps", Report prepared for the Home Office Migration Advisory Committee, York Consulting.

- Giulietti C., M. Guzi, M. Kahanec and K.F. Zimmermann (2011), "Unemployment Benefits and Immigration: Evidence from the EU", IZA DP forthcoming
- Halsmayer, V., U. Schuh and I. Skrivanek (2008), "The Impact of Migration on Welfare Systems and Social Services", EU Research Note, Institute for Advanced Studies.
- Hatton, T.J. and J.G. Williamson (2002), "What Fundamentals Drive World Immigration?", NBER Working Paper 9159.
- Hierländer, R. and P. Huber (2010), "The Labour Market Situation of Highly Skilled Migrant Workers in the EU", in: P. Huber et al., Migration, Skills and Productivity, Research Report 365, The Vienna Institute for International Economic Studies, pp. 55–99.
- Huber, P. (2011a), "Educational Attainment and Education-Job Mismatch of Cross-Border Commuters in the EU", WIFO Working Paper No. 388.
- Huber, P. (2011b), "Do Commuters Suffer from Job-Education Mismatch?", Applied Economics Letters, forthcoming.
- Huddleston T. and J. Niessen (2011), Migrant Integration Policy Index III.
- IDEA Consult and ECORYS (2011), Study on the Economic and Social Effects of Associated with the Phenomenon of Posting of Workers in the EU, Final report.
- IOM (2010), "Part 2: Labour Market Integration Policies in the European Union (2000-2009)" of Migration, Employment and the Outcomes of Labour Market Integration Policies in the European Union.
- Jacobsson, J. (2008), "Posted Workers and Free Movement of Services in the European Union: The Impact on National Employment and Immigration Law", Master's Thesis, University of Helsinki.
- Kahanec, M., Zaiceva A. and K.F. Zimmermann (2009), "Lessons from Migration after EU Enlargement" in: Kahanec, M. and K. F. Zimmermann, EU Labor Markets After Post-Enlargement Migration.
- Kahanec, M. and K.F. Zimmermann (2010), "High-Skilled Immigration Policy in Europe", IZA Discussion Paper No. 5399.
- Kovacheva, V. and D. Vogel (2009), "The Size of the Irregular Foreign Resident Population in the European Union in 2002, 2005 and 2008: Aggregated Estimates", HWWI Database on Irregular Migration Working Paper No.4.
- Migration Advisory Committee (2011), Analysis of the Points Based System: Revised UK Shortage Occupation List for Tier 2 Comprising Jobs Skilled to NQF Level 4 and Above.
- Migration Advisory Committee (2010), Skilled, Shortage, Sensible. Third Review of the Recommended Shortage Occupation Lists for the UK and Scotland: Spring 2010.
- Migration Advisory Committee (2009a), Skilled, Shortage, Sensible. First Review of the Recommended Shortage Occupation Lists for the UK and Scotland: Spring 2009.

- Migration Advisory Committee (2009b), *Skilled, Shortage, Sensible. Second Review of the Recommended Shortage Occupation Lists for the UK and Scotland: Autumn 2009.*
- Migration Advisory Committee (2008), *Skilled, Shortage, Sensible. The Recommended Shortage Occupation Lists for the UK and Scotland.*
- Nannestad, P. (2007), "Immigration and Welfare States: A Survey of 15 Years of Research", *European Journal of Political Economy*, Vol. 23, No. 2, pp. 512–532.
- OECD (2000), *Knowledge and Skills for Life: First Results from PISA 2000.*
- OECD (2010), *International Migration Outlook, SOPEMI.*
- OECD (2009), *International Migration Outlook. Special Focus: Managing Labour Migration Beyond the Crisis, SOPEMI.*
- OECD (2008a), *Jobs for Immigrants. Volume 2: Labour Market Integration in Belgium, France, The Netherlands and Portugal.*
- OECD (2008b), *International Migration Outlook, SOPEMI.*
- OECD (2007a), *Jobs for Immigrants. Volume 1: Labour Market Integration in Australia, Denmark, Germany and Sweden.*
- OECD (2007b), *International Migration Outlook: Annual Report 2007, SOPEMI.*
- Papademetriou, D.G., M. Sumption and W. Somerville (2009), *Migration and the Economic Downturn: What to Expect in the European Union*, Migration Policy Institute.
- Richardson, S. (2007), "What is a Skill Shortage?" National Centre for Vocational Education Research.
- Rulikova, M. (2010), "Responses to the Economic Crisis Among Immigrants in the Czech Republic: Impeding and Inhibiting Factors for Staying Abroad", presented at *Rethinking Migration in Times of Economic Crisis in Europe*, 9-10 December 2010.
- Shah, C. and G. Burke (2005), "Skill Shortages: Concepts, Measurement and Implications", *Australian Bulletin of Labour*, Vol. 31, No.1, pp. 44–71.
- Stalker, P. (1994), *The Work of Strangers: A Survey of International Labour Migration*, ILO.
- Triandafyllidou, A. (2010), *Seasonal Migration and How to Regulate it*, Hellenic Foundation for European and Foreign Policy, ELIAMEP Thesis.
- Uhlenborff, A. and K.F. Zimmermann (2006), "Unemployment Dynamics among Immigrants and Natives", IZA Discussion Paper No. 2299.
- Veneri, C.M. (1999), "Can Occupational Labor Shortages be Identified Using Available Data?", *Monthly Labor Review*, Vol. 122, No. 3, pp. 15-21.
- Wilson, R.A. (2008), "Using the European LFS to Anticipate Changing Skill Needs", presented at *ISA-RC33 7th International Conference*, 1-5 September 2008, Warwick Institute for Employment Research.

- Zanfrini, L. and W. Kluth (2008), Policies on Irregular Immigrants, Council of Europe.
- Zimmermann, K.F. et al. (2008), "Study on the Social and Labour Market Integration of Ethnic Minorities", IZA Research Report No. 16.

## ANNEXES

### Annex A.1 – Defining and measuring labour shortages

Labour shortages are widely recognised as a factor hindering economic growth in many countries (Greig, M., Glancey, K. and Wilson, P.). Policy makers, employers, and stakeholders hold often different views as regards what a shortage situation is (see e.g., Green, F., Machin, S. and Wilkinson, D.), an additional problem when trying to assess the extent of skill shortages. A commonly used definition of shortages is one which defines shortages as occurring when demand for labour of a particular skill type is higher than its supply at a particular wage and working conditions, and at a particular point in time (see e.g., Barnow, B.S, Trutko, J. and Lerman, R.; Boswell, C., Stiller, S. and Straubhaar, T.).

The above definition requires therefore that labour markets are defined in line with different criteria:

- Skills: shortages are defined in relation to a particular skill or occupation
- Time: shortages can be a temporary phenomenon, hence they have to be defined for a particular time period.
- Geography: shortages for a given occupation can exist in one country (or region) at any given point in time, while the situation for the same occupation in another country may differ greatly.

It is important that each of the three dimensions above is accurately specified when shortages have to be empirically measured. However, it should be noted that the definitions above can reflect very different situations. Shortages may arise because of an increase in labour demand, for example, due to an increase in the demand for the goods produced by those workers or by an increase in the prices of factors used as substitutes. Shortages may also arise as a result of a decrease in labour supply. The decrease in supply might arise because, for instance, wages in another occupation have increased, leading workers to switch occupations, or because of a decrease in the size of population due to an historical decrease in fertility, or because of restrictions in the access to particular labour markets. Finally, wage rigidities are another cause of labour shortages. If wages in an occupation cannot adjust to changes in demand and supply — because institutional settings keep them lower than what they would be if they were determined on the market — then this may also lead to a shortage of labour in that occupation (see Dustmann, C., Frattini, T. and Preston, I.).

Many shortage indicators have been proposed, each of which captures different features of a shortage situation. It is therefore advisable to use several indicators simultaneously, rather than relying on one only indicator (see Cohen, M.S. and Zaidi, M.A.). In practice, the number of available shortage indicators is often limited by data availability.

Shortage indicators can essentially be divided into two types:

- Employer-based indicators, which are computed from employers' surveys, in which they are asked to assess whether they are experiencing hiring difficulties, for example. These indicators are appealing because employers are clearly in a privileged position to assess labour needs, but evidence collected from employers has to be interpreted with some caution. First, as previously noted, the notion of shortages may not be uniformly interpreted by the employers (Green, F., Machin, S. and Wilkinson D.). Second, employers may have an incentive to overstate the extent of their hiring difficulties in order to push for easier access to the skills they need, without having to make the job more attractive through higher wages or better working conditions.



-Indicators based on labour market signals, such as the number of vacancies, or wages and employment growth. Excess demand for a particular skill or occupation can manifest itself through one or more of the following (occupation- or skill- specific) signals (see Richardson, S.):

- Rapid earnings growth
- Vacancy numbers, vacancy durations or the vacancy/unemployment ratio persistently high or rising rapidly over time
- Low or decreasing unemployment rate
- Increase in the use of overtime or an increase in recruiting efforts (including temporary workers)
- Improvement of working conditions/job attractiveness
- Decrease in workers dismissals
- Increased training of own workforce
- Changes in technology towards the use of more abundant skills or capital
- Increase in outsourcing of production processes abroad
- Rapid price rise in product markets, which may reflect higher production costs

Each of these indicators can be due to the existence of shortages, but may, in isolation, also be due to other unrelated factors. In addition, not all shortages situations may manifest themselves with one of these signals. For these reasons, it is advisable that several labour market indicators are considered jointly when attempting to assess the existence of labour shortages.

A key issue when trying to assess the existence of labour shortages is the availability of reliable, detailed and up-to-date data. This is a serious issue in many countries, where updated and extensive microdata is not always available, and may be even more problematic in the EU-context. The key source of information on the EU labour market is the EU Labour Force Survey (EU-LFS), and this would, in principle, be the best dataset to assess European labour shortages. However, the EU-LFS, in its current format, has some drawbacks related essentially to the relatively small sample size and to some inconsistencies in definitions across countries. Wilson (2008) performs an accurate analysis of the extent to which the EU-LFS can be used to anticipate changing skill needs, and concludes that the scope and quality of the LFS should be improved. Similarly, the paper calls for the introduction of an employer-based European skill survey, which would allow a more accurate assessment of skill shortages.

**Annex A.2 – Differences in employment rates between natives and immigrants in the EU by country of residence and highest completed education (% of the population aged 15 or above)**

	Native			Born inside EU-27			Born outside EU-27		
	Skill level								
Receiving country	low	medium	high	low	medium	high	low	medium	high
AT	7,4	3,2	1,7	-	5,9	-5	13,1	9,7	-8,4
BE	11,4	6,9	3,5	14,1	10,6	5,4	30,1	23,1	14,6
DK	5,6	2,9	2,9	-	-	-	11,5	7,6	-6,9
ES	10,1	7,7	5,2	10,8	6,2	8,9	12,6	11,6	10
FR	12,2	7,5	5,2	7,5	7,5	10,6	20,9	15,5	12,7
GR	7,8	10,2	6,9	-	-10,1	-	7,2	10,6	10,4
IT	7,6	5,7	4,6	9,8	8,3	5,7	8,6	7,7	7,3
LU	6,1	-2,4	-2,5	-5	-5,3	-2,9	-18	-13,8	-
NL	6	2,9	1,9	-7,9	6	-3,7	12,1	10,7	6,6
PT	7,8	8,1	6,7	-	-	-	11	9,6	7,1
SE	11,9	5	3	8,9	7,1	4,1	23,6	13,7	12,7
UK	8,7	4,7	2,1	6,1	5,8	3,6	15,2	8,8	5
EU-15	9,1	5,9	4	8,8	6,8	6,5	14,3	11,1	8,9
BG	18,8	6,7	3,1	-	-	-	-	-	-
CY	4,8	3,5	3,7	-	-8,1	-	-3,8	-7,2	-4,6
CZ	21,9	5,5	1,9	36,4	5,5	-	-	7,3	10,6
EE	12,6	5,1	2,4	-	-	-	-	8	-5,1
HU	17	6,8	2,8	-	-	-	-	-	-
LT	8,6	5,7	2,3	-	-	-	-	-	-
LV	12,6	6	3,4	-	-	-	-	6,3	6
MT	9	-	-	-	-	-	-	-	-
PL	19	12,6	5,2	-	-	-	-	-	-
RO	7,3	7,4	3,4	-	-	-	-	-	-
SI	7	5,7	3,2	-	-	-	-8	-6,2	-
SK	46,8	10,6	3,7	-	-	-	-	-	-
EU-12	14,4	9	3,9	-19,8	-6,4	-	-	7,1	-5,9
EU-27	9,9	7,1	3,9	9,1	6,8	6,3	14,2	10,8	8,7

Note: In some EU Member States, the LFS does not provide information on employment rates by educational breakdown.

**Annex A.3 – Detailed description of Table 22 and Table 23**

When not specified otherwise, the data is based on 2009 country reports from the European Network of Legal Experts in the Non-discrimination Field (<http://www.non-discrimination.net/>), established in 2004 on the initiative of the European Commission, with the aim of providing the Commission with independent advice on all the grounds of discrimination covered by Directives 2000/43/EC and 2000/78/EC.

- Direct/indirect: the definition of direct and indirect discrimination is explicit in the legislation and conforms to Directives 2000/43/EC and 2000/78/EC. Direct discrimination requires differential treatment with respect to a hypothetical or actual person with the same characteristics as the one giving rise to discrimination. Indirect discrimination arises when an apparently neutral provision or practice unreasonably disadvantages persons belonging to specific groups.

- Disc. by association: presence of explicit provisions against discrimination by association, which is discrimination against persons related to discriminated persons.

- Multiple: presence of specific provisions against discrimination based on more than one ground. Multiple discrimination may occur either by addition or by intersection, when the presence of all the contested grounds is necessary for the discriminatory activity to take place.

- Membership: with regard to ethnic discrimination, anti-discriminatory legislation applies to “membership of and involvement in an organisation of workers or employers, or any organisation whose members carry on a particular profession, including the benefits provided for by such organisations”, as prescribed by Directive 2000/43/EC, Art.3 sec.1 (d).

- Social protection: with regard to ethnic discrimination, anti-discriminatory legislation applies to “social protection, including social security and healthcare”, as prescribed by Directive 2000/43/EC, Art.3 sec.1 (e).

- Social advantages: with regard to ethnic discrimination, anti-discriminatory legislation applies to “social advantages”, as prescribed by Directive 2000/43/EC, Art.3 sec.1 (f).

- Education: with regard to ethnic discrimination, anti-discriminatory legislation applies to “education”, as prescribed by Directive 2000/43/EC, Art.3 sec.1 (g).

- Goods and housing provided privately: with regard to ethnic discrimination, anti-discriminatory legislation applies to access to goods and housing provided privately, rather than just to those provided publicly.

- Public: with regard to ethnic discrimination, anti-discriminatory legislation applies fully to work relationships in the public sector, as prescribed by Directive 2000/43/EC, Art.3 sec.1.

- Self-employed: with regard to ethnic discrimination, anti-discriminatory legislation applies fully to self-employed persons, as prescribed by Directive 2000/43/EC, Art.3 sec.1.

- Independent equality body: at least one of the Equality Bodies established in accordance to Directives 2000/43/EC and 2000/78/EC is formally independent from the political power. Additional source: Equinet, the European Network of Equality Bodies (<http://www.equineteurope.org/>).
- Equality Body's independent assistance: at least one of the Equality Bodies in charge of ethnic discrimination provides independent assistance to the victims of discrimination, as prescribed by Directive 2000/43/EC, Art.13 sec.2. Additional source: Equinet, the European Network of Equality Bodies (<http://www.equineteurope.org/>).
- NGOs standing: explicit provisions allowing NGOs to participate on behalf of, rather than just in support of, alleged victims of discrimination.
- Criminal: presence of anti-discrimination provisions in criminal law.
- Non-material damages: availability to the victim of compensation for non-material damages.
- Statistical evidence: validity in the proceedings of the use of statistics to prove that discrimination has occurred against the specific complainant or against the group they belong to.

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

## POLICY DEPARTMENT ECONOMIC AND SCIENTIFIC POLICY **A**

### Role

Policy departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

### Policy Areas

- Economic and Monetary Affairs
- Employment and Social Affairs
- Environment, Public Health and Food Safety
- Industry, Research and Energy
- Internal Market and Consumer Protection

### Documents

Visit the European Parliament website: <http://www.europarl.europa.eu/studies>

PHOTO CREDIT: iStockInternational Inc.



ISBN