

European Dialogue on Skills and Migration

Concept note

I - Context

Even more than the twentieth century, the twenty-first century will be defined by the phenomenon of migration. While at the moment the European Union is dealing with a refugee crisis, Europe must also look ahead. The European Agenda on Migration seeks to address not only the immediate challenges of migratory and refugee flows immediately, but also the challenges and opportunities that can stem from migration in the longer run.

While refugee flows to Europe are increasing, and the European Union as a whole must think not only about their protection but also about their integration, an ageing society is calling for more skills, while two thirds of third country nationals residing in Europe and having tertiary education are not in high-skilled occupations (either not in employment or working below their qualification level).

In the EU today, most migrants are of working age and are therefore likely to contribute to the EU economy. Moreover, their average skill level is on the rise, like in other OECD countries: while slightly less than a quarter of third-country nationals residing in the EU are highly educated, the share is higher among those recently established (36% for those who came to the EU between 2008 and 2014)¹. However, among those highly educated third country nationals being in employment, 43% work below their qualification levels (i.e in medium or even low skills occupations). Member States, and the European Union as a whole have both an interest and responsibility to put all skills to good use.

The distribution across education level is more difficult to assess in relation to refugees (and asylum applicants) due to lack of data. While they may have lower education level than other categories of migrants², there is also evidence that for example recent refugees from Syria are more skilled than other groups.³ Nevertheless, refugees are less likely than labour migrants to work at the level of their qualification or to have a job at all, even if past experience shows that their situation tends to improve over time⁴. Ensuring that they learn the language, get their educational and professional skills recognised and receive adequate training is therefore essential for their overall integration and positive economic impact in the receiving societies.

¹ Eurostat, Labour force survey data (2014)

² European Commission, Economic Forecasts, November 2015 (Box 1)

³ OECD, Is this humanitarian crisis different?, October 2015

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At the same time, Europe is competing with other economies to attract workers with the skills it needs. According to OECD, migrants currently in the EU are less likely to be highly-educated compared to those in non-EU OECD countries (respectively 25% and 35%). At the same time, recent surveys on immigration intentions point to a relatively strong attractiveness of the EU for highly-educated potential migrants, compared notably to the US.

Changes in the skills required by the EU between 2012 and 2025 are expected to show a sharp increase in the number of jobs employing higher-educated labour (from 68 to 83 million, or +23%). The further development of knowledge-intensive services, high tech manufacturing, or the "green jobs" that underpin Europe's future competitiveness requires Europe as a whole to "up its game" in terms of skills development. Shortages have already been seen in key sectors such as science, technology, engineering and healthcare. The shortages should be addressed both by training and development of the existing (and underused or unemployed) work force (both native and of migrant origin), but also by attracting skills from abroad.

For example, the number of "digital jobs" is growing by about 100.000 every year, yet the number of skilled IT graduates is not keeping pace. By 2020, the EU economy would be able to absorb 825.000 additional workers in ICT jobs, if demand is not hampered by supply bottlenecks. In the health sector, a potential shortfall of around 1 million workers is estimated by 2020, rising up to 2 million if long term care and ancillary professions are taken into account. This means that around 15% of total care would not be covered compared to 2010. In fact, migration has already helped to fill the gaps in EU labour markets: new migrants in the EU represented 15% of the entries into strongly growing occupations, such as science, technology and engineering as well as the health and education professions.

While its economy is increasingly dependent on highly-skilled jobs, the EU will also have to face demographic challenges. The working-age population in the EU started to decline in 2014, posing challenges for sustainable growth. In the next decade, Eurostat demographic projections indicate that the working-age population in the EU-28 will decline by almost 10 million (or -2.9%) but without the positive net migration from outside the EU, this decline would be even stronger with a drop by 17.5 million in the next decade (or -5.3%). In the longer run, the EU's working-age population would decline very sharply without the contribution of migration, i.e. by 66 million between 2015 and 2045.

Moreover, the EU population will also age significantly: from 2014 to 2054, the ratio between the population aged 65 years and over and the working age population (15-64 years old) will increase from 28.2 % to 50.0 %. This increase would be much more severe (up to 59.2%) in a scenario where there would be no net migration to the EU. Migration will thus be an increasingly important way to enhance the sustainability of our welfare system and to ensure sustainable growth of the EU economy.

These trends have been known for a while, yet little has been achieved for enhancing the engagement of European employers in recruiting and upskilling migrants. Given the pivotal role played by employers' demand in predominantly demand-driven labour migration systems, encouraging the business sector to get more involved in such activities would be crucial to meet the demographic and employment targets.

II – Objectives of the European dialogue on Skills and Migration

The European Agenda on Migration has set out a comprehensive approach to addressing migration challenges and opportunities. This also means engaging with all stakeholders involved to achieve its objectives. Both in addressing the current refugee crisis as well as in responding to future migration opportunities and challenges, the private sector can play a crucial role and yet has so far been little engaged. That is why the European Commission, and Commissioner Avramopoulos, are launching a European dialogue on Skills and Migration, to create a long-standing dialogue with different private and public sector stakeholders on the issue of labour migration and labour market integration of third country nationals. The Dialogue will bring together regularly economic stakeholders (business, trade unions) with representatives from national (public employment services) and EU level on economic migration and increase visibility of the economic opportunities and the potential of well-managed labour migration and labour market integration as an instrument for growth.

Firstly, this dialogue should further contribute to improve "labour market intelligence", i.e. help identify sectors and occupations where talents and skills shortages exist and that would require an active policy to attract, recruit and integrate third country nationals into the labour market, building on — and improving — existing analysis and tools. Participants to the dialogue should share their experience with labour migration and insertion policies, and identify best practices on how best to respond to labour market variations, shortages, lack of required skills etc.

Secondly, the dialogue will seek to improve the involvement of economic stakeholders in the design and implementation of labour market policies.

Thirdly, the dialogue will also serve to discuss how economic actors can contribute to the integration of foreign talents who have arrived for reasons other than employment. The workplace is an important catalyst for integration. Allowing all workers to contribute to the maximum of their abilities (by, for example, valuing their experience and qualifications) should be part of a sound migration policy and can help filling skills gaps.

Discussions held in this context should help the Commission to have a better understanding of the present and future challenges that economic actors are facing regarding skills and labour shortages and the role that skilled workers from third countries can play in that respect, while also involving them more proactively in facilitating labour market integration for present and newly arrived third-country nationals.

This Dialogue will be a new format of engaging consistently with all the relevant stakeholders in the long term. The results of the first meeting will constitute an important input to the Commission legal migration package to be presented in March 2016. A second meeting is planned for late 2016.

III – Launch event of the European Dialogue on Skills and Migration

Day 1 – Dinner/roundtable

Participants invited to the dinner (15-20) will be high-level representatives from public and private employers, business and trade unions representatives, who have an interest in discussing these issues either because their companies are active in sectors where labour and skills shortages exist or because of their own interest and commitment relating to migration issues.

They would be hosted by Commissioner Avramopoulos (*and possibly other Commissioners, e.g. Thyssen, Bienkowska*) in an informal setting (dinner), thus allowing for an open discussion on skilled migration and EU challenges and needs in that respect.

Discussions would be triggered by the following kind of questions:

- *What can be the role of private sectors in addressing the immediate challenges of the refugee crisis?*
- *What are currently the main challenges in attracting foreign talent? How can the EU play a greater role in attracting highly skilled migrants? What are the main shortcomings that should be tackled as a priority to make the EU more attractive for highly-skilled migrants?*
- *Would the creation of a platform or a common EU methodology for the recognition of qualifications facilitate recruitment of migrant workers?*
- *Do you think that an "expression of interest" system would be useful for real-time matching of migrants' skills with industry demand?*
- *How can EU economy make better use of untapped potential amongst migrants (including refugees) already residing in the EU? How can they be enabled to make full use of their skills and qualifications? Where are the barriers according to you? What measures should be taken in the short, medium and long term to address this challenge?*

Day 2 - Sectorial workshops

On the second day, there will be an introductory session with key note speakers (i.e. high level representatives of EU Institutions). The workshops will bring together representatives from the national and EU level, from the private sector and trade unions, as well as experts.

Following this introduction, three workshops will be organised in order to discuss the specific problems of some sectors regarding labour shortage of skilled staff. The first workshop will focus on labour shortages in the field of ICT and the way to address this issue, which has a multisectorial dimension as ICT technology and skills are used by many industries (e.g. automotive industry, telecommunications, etc...). The second workshop would focus on health (including pharmaceuticals and biotechnologies) and

care sectors, where there is a clear demand for skilled workers (including for medium skilled jobs) due to the aging of the EU population. Focus will not only be on attracting the required skills from abroad but also on using the skills available amongst the migrant population already in the EU. The third workshop would focus on attracting foreign entrepreneurs, particularly in innovative sectors and on how to encourage and facilitate entrepreneurship amongst legally resident migrants.

A panel of around 3-4 experts per workshop will present and discuss sector-specific issues and interact with the participants, whose number would not exceed 30/35. Participants attending the workshops, in addition to high-level representatives who will be present in the dinner, would comprise representatives of business and trade unions, policy makers, experts in the area of migration, representatives from Member States migration departments and public employment services etc. Selection of participants not invited as members of the panel for each workshop would be done based on a review of applicants' profile (relevant experience, competence and knowledge) by the Commission to ensure a relevant and balanced representation across sectors, geographical areas, profiles, etc.

For the three workshops, private and public employers do not need to be represented at CEO level but can also be senior HR and/or recruitment managers of the entities they represent.

Each workshop will have to come up with conclusions that would answer, for example, the following type of questions:

- *What role can the private sector, trade unions and public employment services play in the immediate integration process of newly arrived refugees?*
- *What added value can actions at the EU level offer to attract skilled workers in the sectors identified (ICT/health) to address labour and skills' shortages? On which aspects do you think the EU should be more active in this area?*
- *What kind of training or bridging programmes could be developed in the health and care sector to improve the skills and labour market integration of migrants already residing in the EU?*
- *What are the barriers to the recognition of skills and qualifications (in general/in this specific sector)? What specific challenges should be addressed in the short and in the long term and how?*
- *How to make the EU more attractive to foreign entrepreneurs, particularly in key sectors for boosting innovation and enhancing EU competitiveness? What role can migration policies play in that respect?*

A rapporteur (member of the panel) should be designated for each workshop, whose role would be to report on the discussions/conclusions of the workshop. The discussions will be moderated by an expert specialised in these issues.

The **conclusion of the first meeting** of the European dialogue on skills and migration would take place at midday on the second day, building up on the outcome of the discussions having taken place during the dinner and on the outcome of the workshops

organized in the morning. The rapporteurs of each workshop and a person taking part in the dinner will briefly give an overview of the outcome of their discussions/work.

The conclusions of the Dialogue would be **published on the website of DG HOME** and would be part of the preparatory work for the Commission legal migration package to be presented in March 2016.

The 28 January session would be open to representatives of the media. A press conference will be organized after the keynote speech with the Commissioner.