

Policy Brief

Opening up “Fortress Europe” to Global Talents: EU Labour Migration Options

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#Migration

#Labor

#Asylum

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This policy brief delves into the potential of regular migration across diverse skill levels to alleviate labour shortages in the EU. It contends that the EU faces a policy dilemma by attempting to curtail certain migration forms, as seen in the recent Common European Asylum System (CEAS) reform, while concurrently encouraging others through initiatives like the EU Talent Pool. The inconsistent approach to third-country migration poses significant trade-offs, necessitating a comprehensive resolution. The brief advocates for a multi-faceted strategy encompassing (a) diversification, (b) integration, and (c) de-bureaucratization at both EU and member state levels. Addressing potential pitfalls such as brain drains and heightened competition among member states, the brief concludes by highlighting three essential criteria for enhancing talent attraction and mitigating EU labour shortages through both high- and low-skilled migration.

Introduction

In November 2023, the EU Commission presented its new EU Talent Pool: “Tinder for jobs” is how Yvla Johansson, Home Affairs Commissioner, pitched it. The idea behind it and how it would work seem as simple as the well-known dating platform (though, some lonely hearts might hope, more effective): matching employers in the EU with qualified jobseekers in third countries.

The concept of the Talent Pool is [not new](#) and only the first in [a number of initiatives](#) the EU intends to present over the coming months to address increasing labour/skills shortages. With a [demographic crisis](#) looming, the Union has come under increasing pressure to fill vacancies in national labour markets and sustain economic output. Although employment rates are at an all-time high, the job vacancy rate has doubled in the last ten years

– to 2.9% in 2022. Especially in manufacturing, services and construction, employers have reported labour shortages as a “[a factor limiting production](#)”. With Poland and Slovenia reporting the highest percentages, countries that used to export labour to Western member states are increasingly facing their own challenges in [attracting talent from abroad](#).

Some of this must be attributed to a cyclical upturn in production after interruption caused by the COVID-19 crisis, so that patterns can be expected to return to normal to a degree. But the overall outlook remains bleak. In some of the most affected sectors, such as healthcare, STEM and tourism, these shortages have been documented for years, with little to no collective response. In other sectors, they are boosted by the energy transition, digitalisation and the rise of AI, as well as at its roots an ageing workforce. This has resulted in shortages in manufacturing and construction almost thrice as high as a decade ago. Evidently, member states will be unable to sustain their current levels of productivity or their welfare and pension systems without attracting migrant workers from third countries.

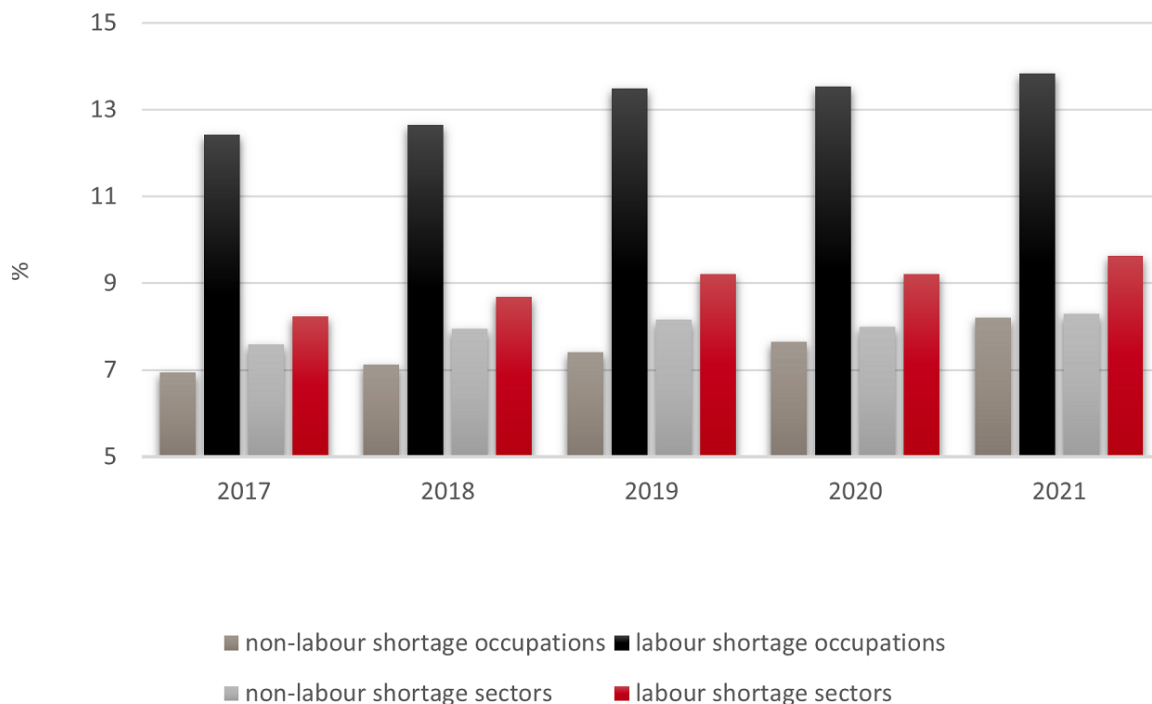
This policy brief explores how far regular migration across all skills levels could address labour shortages throughout the EU. It argues that the EU is caught in a policy dilemma, aiming to both restrict some forms of migration, as evident by the latest Common European Asylum System (CEAS) [reform](#) designed to reduce irregular arrivals, while encouraging others to come, as most recently via the EU Talent Pool. The EU’s inconsistent stance towards third-country migration will come with severe trade-offs that can only be avoided if the dilemma is properly addressed and resolved. To do so, we suggest a multi-pronged approach for both the EU and individual members states, consisting of diversification, integration, and de-bureaucratisation. The brief goes on to discuss potential pitfalls in EU talent attraction and international job matching, including brain drains from sending countries and increased competition between member states. Finally, it highlights three central criteria for boosting talent attraction and addressing EU labour shortages via high- and low-skilled migration.

The importance of migrant workers for the EU workforce

The EU depends on workers from third countries to alleviate its labour shortages. Migrant workers from non-EU countries are [more likely](#) to work in shortage occupations, especially lower skilled ones. Similarly, EU countries with high shortages tend to have an overall lower share of migrants in those sectors. Figure 1 depicts the higher share of migrants in shortage occupations and sectors across the EU. This ranges from over 10% of migrants in nursing, mechanics, and services to over 20% in domestic work, hotel and office cleaning.

But despite its reliance on migrant workers, it is – contrary to popular belief – [not the most attractive region for labour migrants, who often prefer other destination regions](#). Its inability to attract the migrant workers it needs will impact EU [economic performance](#), global competitiveness, social welfare systems and [green transition](#). As a case in point, shortage of staff in construction was listed as a factor limiting production by [26% of companies in 2023, compared to 11% in 2022](#). At the same time, only one EU country, Sweden, made it among the top five most attractive countries for highly qualified workers in 2023. Talent attractiveness, or lack thereof, is a direct reflection of migration policy reforms, as the [OECD Indicators of Talent Attractiveness](#) suggest. With some policy reforms on the way, there is still room for improvement within the EU to adopt comprehensive reforms of legal entryways for third-country nationals.

Figure 1: Share of migrants within labour shortage and non-labour shortage occupations and sectors, 2017-2021, EU; as presented in [ESDE](#) report of the European Commission with a focus on labour shortages; own adaptation.



Note: Migrant and native workers identified based on country of birth. Analysis limited to population aged 20-64. Excludes data on Bulgaria, Hungary, Malta, Poland and Slovenia, as the EU-LFS files do not provide country of birth for people born outside Europe.

Source: EU-LFS 2017-2021.

Europe's Policy Dilemma: Fortress Europe versus Talent Attraction

Europe is caught in a policy dilemma. On the one hand, it wants to attract the workers from third countries that it so desperately needs to overcome its labour shortages. To that end, it has been introducing increasingly creative measures such as the EU Talent Pool. On the other hand, the Union is doing all it can to keep out other foreigners: Fortifying borders, erecting walls and fences with drone supervision and heat sensors, [handing over asylum responsibility](#) to third countries, criminalising NGO search-and-rescue missions in the Mediterranean and, most recently, reforming the Common European Asylum System (CEAS) in a way that would severely restrict the right to asylum. Europe is closing its borders, both literally and metaphorically.

This two-faced approach fails to address the root causes of the EU's migration problems twice over. First, with its various schemes, the EU seeks to attract highly skilled workers. But it is not academics, lawyers and biochemists that EU labour markets most urgently require. The biggest shortage is for workers in Europe's medium- and lower-qualified jobs, such as welders, engineers, nurses, construction workers, lorry drivers and train conductors. As the Commission's Vice-President and Commissioner for Promoting our European Way of Life, Margaritis Schinas, spelled out in an [op-ed](#) following the EU Talent Pool's presentation: "The truth is that Europe currently needs truck drivers rather than rocket scientists." Those truck drivers, cynically put, are stuck in their origin countries without legal labour migration options or drowning in the Mediterranean given the lack of safe routes to Europe.

Second, even if the EU wanted to attract the above-mentioned academics, lawyers and biochemists, it is going about it the wrong way. Studies show that there is [direct correlation](#) between a country's asylum policy, and rhetoric, and its attractiveness to highly qualified foreigners. A persistent anti-migration discourse and restrictive national policies on "unwanted" migrants and refugees put off highly qualified foreign workers. Promoting "wanted" migration only works in tandem with an overall welcome culture and a pro-immigration stance, regardless of the migration category. Anti-immigration attitudes in turn have a [negative impact](#) on both skilled and unskilled migration flows, irrespective of category: The more negative the attitude towards migration in a country, the lower the migration inflows.

How can EU and Member States Attract Talent from Abroad?

Resolving this policy dilemma is the first step in addressing labour shortages via migration, quite likely by [revising](#) some of the most restrictive elements of the latest CEAS reform. Second, member states must explore untapped labour market participation potential among migrant workers already residing in the EU. But even if these first two steps succeed, most member states will still be unable to maintain their current levels of economic productivity without attracting additional talents from abroad. This means that the strategies adopted by both the EU and individual member states must consist of a multi-pronged approach, which can be boiled down to three simple commands: *Diversify, integrate, de-bureaucratise*.

Diversify legal migration options

Legal migration schemes for third-country nationals must match both EU demand and third country labour supply, in particular for workers needed in low- and medium-qualified jobs. Both employers' and workers' demands must be considered throughout the process, which should be a continuous one to maintain flexibility and respond to labour market dynamics in good time. Some options to diversify legal migration schemes are explored below.

- **Complementary pathways for refugees** whose skills match labour demand in EU host countries: Programmes like "[Talents Beyond Boundaries](#)", so far mainly focused on the US, the UK, Australia and Canada, are intended to facilitate refugee mobility from origin or transit countries to (higher-income) host countries where their skills are in demand. The EU Talent Pool could similarly be expanded to make the skills and competencies of refugees and displaced persons [more visible and accessible to employers](#). [An added refugee track](#) would allow humanitarian migrants to access the Blue Card and national residence permits, in addition to resettlement and relocation quota. In its current stage, however, an EU Talent Pool pilot launched among Ukrainian refugees in October 2022 seems to have been underused because they preferred to rely on their own networks to find jobs opportunities.
- **Establishing EU-wide Skills Mobility Partnerships (SMP)** with eligible third countries: SMPs reflect a [sustainable approach to migration](#) that aims to enhance the skills of third-country nationals, which may benefit employers and workers as well as sending and receiving countries. In contrast to the [Talent Partnerships](#) unveiled by the Commission in 2021, SMPs display a more pronounced dual-benefit approach by not only aiming to attract talent to EU member states, but also to enhance economic development in the sending country. The underlying idea is that a receiving country or region, i.e. the EU or a member state, provides resources to educate and train workers in the country of origin, such as Tunisia or Nigeria. Some of these workers will migrate to the sending country, while others will remain in the country of origin, thereby increasing its talent pool and boosting economic development. In a multi-stakeholder approach, employers are closely involved in the process and costs of training are shared between state and

companies. Several member states already have some experience with bilateral Skills Mobility Partnerships, including Belgium, France, Germany, and Spain. Implementing such a model at EU level, could mitigate one of the main drawbacks of SMPs, namely that they have, so far, been [small scale, fragmented and costly](#). Creating an EU-wide hub to streamline the process and provide a more unified response by enabling intra-EU mobility of skilled workers attracted in this way could help to scale up the scheme. It may also encourage more national stakeholders, ranging from employers and agencies to governments, to participate, as the EU would pick up much of the bill for implementation and processing.

- **Circular migration options and reduction of remittances costs** [to maximize the gains and limit the losses from the perspective of sending countries](#): Member states should consider creating opportunities for third-country nationals to study, work and train in the EU for fixed periods of time, before returning to their country of origin and applying their skills back home. This comes with the option of applying for another round of work or study in due course, which will ensure voluntary returns. Such schemes must be predicated on strict employee protection and, despite the temporary nature of residence, include integration options, such as language courses and social inclusion measures. Together with lower transaction costs of remittances, this approach can [reconcile EU labour migration demands with its development goals](#) in the Global South.

Foster Integration

Member states should be incentivised to foster the economic and social integration of newly arrived migrants and refugees.

- **Expansion of funding schemes like AMIF (Asylum, Migration and Integration Fund)** to help member states tap into unused labour potential: As migrant workers in the EU are a heterogeneous group from different regions and backgrounds, with highly divergent skill sets, experiences and goals, integration programmes must be tailor-made, target group-oriented and adapted to newcomers' skills and needs, rather than "one size fits all".
- Making these funds available to NGOs, civil society and companies in member states for **awareness building and anti-racism training**: Xenophobia is still a substantial barrier to talent attraction and labour market integration. Reports show a [higher share of migrants reporting discrimination](#) at the workplace than natives (8.6% vs. 5.4%), with most indicating their foreign origin as the most common reason. Native workers, conversely, attribute perceived discrimination to other factors like gender or disability. Whatever its cause, workplace discrimination can act as a barrier to employment uptake or sustainable integration. Again, this is closely entwined with the general migration rhetoric in a receiving country, as workplace discrimination often simply reflects the overall social climate. While Commissioner Johansson promised "[to fight racism because this is also an obstacle for skilled people to choose to come to the European Union](#)" when presenting the Talent Pool, specific initiatives on that score, let alone proposed sanctions against employers for failing to comply, were not discussed. Overall, a [resource-oriented approach to migration](#), emphasising the role of human capital and talent in promoting prosperity and security for all, can support efforts to fight xenophobia levelled at both economic and humanitarian migrants.

- Moving from profession-based to **competence-based job matching** by member states: In many EU countries, workers from third countries may not meet the stated criteria for a given job, because formal qualifications and degree systems at home may vary significantly from those pertaining in the EU. As a case in point, dual vocational training schemes, widespread and popular in German-speaking countries, do not exist in most other regions of the world. Even so migrants from those regions may possess the skills to fill a vacancy that on paper they don't have. What really matters to employers is learning on the job, not degree certificate. Skills-based matching may be particularly pertinent for lower qualified economic migrants, as well as for refugees and humanitarian migrants of all educational levels – even if they arrive without certificates evidencing their qualifications or whose history of enforced migration may have led to a CV full of gaps caused by upheavals in their lives. Leaving this human capital untapped simply because of a lack of formal qualifications would be a grave mistake in today's tight labour markets.

De-bureaucratize

- Member states should be incentivised to **harmonise and de-bureaucratise the recognition of degrees and qualifications** obtained abroad to counter dis-/de-qualification of migrant workers. Recognition of skills and qualifications can have positive impacts on labour shortages and [bring substantial benefits for workers, employers and national economies](#). Placing third-country nationals in jobs that match their qualifications ensures [sustainable economic integration](#) and [better outcomes](#) for both employees and employers.
- To streamline the recognition process, the [EU Skills Profile Tool](#), set up in 2017 under the Skills Agenda for Europe, must be amplified to promote awareness and encourage counselling in both regulated and non-regulated areas. At the same time, it should serve to boost comparability and thus facilitate intra-EU mobility among third-country nationals. [Research suggests](#) that the tool is heavy on standardization, at the expense of flexible, tailor-made measures, and this particularly affects less “clear-cut” cases among foreign job seekers, like refugees and humanitarian migrants. The resultant „profile“ of suitable applicants is narrowed and this can be alleviated by tweaking the tool to allow for more flexibility and target group-focused responses.
- To harmonise the recognition process, the **European Professional Qualifications Directive should apply to all recognition procedures**, regardless of the country in which the qualification was obtained. While this is already the practice in member states like Germany and Sweden, others (such as Austria) differentiate between qualifications obtained within the EU or in a third country. In addition to harmonising recognition practice across the Union, relevant professional experience and competencies gained from learning on the job should be taken into accounts. Support and counselling also serve to enhance labour market integration.

The Pitfalls of a European Migration Policy Response

The above proposals do not come without pitfalls. First, worldwide talent attraction and international job matching run the risk of increasing current “[brain drains](#)” from third countries. This can result, in the worst-case scenario, in a neo-colonial strategy to employ the best workers from abroad while neglecting the effects of this on the local economy and society. While concepts like Global Skills Partnerships, circular migration and cuts in

remittances transaction costs aim to mitigate some of these effects, potential trade-offs between migration policy and development cooperation must be considered and conflicts of interests, where possible, [reconciled](#).

Second, member states' national labour markets are quite different in demand and supply. In Spain for instance, labour shortages in construction and services are reported by just 10% of employers [as acting as a drag on production](#), whereas this impact stands at over 50% in Malta. Such diverging pressures could make some member states hesitant to participate in an EU-wide strategy that must of necessity cater to all needs and resources. After all, participation in the EU Talent Pool, and in further initiatives that the Commission may present over the next few years to mitigate demographic change, is voluntary.

There is even [evidence](#) from previous, bilateral projects on new migration pathways for third-country nationals which suggests that EU-wide talent attraction schemes may increase, rather than erase, competition between member states. The reasons are national languages (some of which, like English and French, are more widespread in non-EU countries than others) or divergent levels of quality of life. This, in turn, could strengthen the already observable trend of undermining comprehensive European solutions in migration policy [in favour of bilateral agreements](#) between individual member states and third countries. Recent (planned or executed) agreements to reduce irregular migration between Italy and Albania, Rwanda and Germany, and Austria and Tunisia reflect this trend. This may further undermine EU cohesion and solidarity.

Finally, efforts to incentivise, facilitate and manage skilled migration to the EU must not ignore local specificities and unwittingly fuel a decline in job quality and salaries. Safeguarding wages and social benefits, as well as free movement between EU labour markets for both native and foreign workers is key. Indeed, this could act as a strong argument for heading to Europe rather than other, currently more attractive, regions for foreign talent like the US or Australia, where these factors are less prevalent and/or absent.

Conclusion

To boost talent attraction and circumvent potential pitfalls, labour migration programmes at both national and EU level must adhere to three general criteria that have proven feasible and relevant: (1) **flexibility** in scope and operationality, making them adaptable and sizeable to scale for as many member states, employers and foreign workers as possible; (2) **aiming for mutual benefits for sending and receiving countries** by working from a level playing field, navigating conflicts of goals between development aid cooperation and labour migration policy in a responsible, deliberate manner; and (3) **consistent independent monitoring** from the get-go, to allow for ad hoc readjustments and adaptations of programmes in a dynamic labour market situation (affected, among others, by digitalization and green transition efforts) and a fragile geopolitical climate. This must work hand in hand with actions in related policy areas, such as security, trade, asylum and social welfare, plus agriculture.

Reconciling the demand for migrant labour with the wish to reduce irregular migration and to encourage returns remains one of the [biggest and, at the same, most urgent challenges](#). At this critical juncture, with a rapidly ageing population and declining birth rates, the EU can no longer afford to send contradictory signals to third-country nationals of all skills levels. Working towards a unified, shared response to both economic and humanitarian migration must happen in tandem, if European cohesion, prosperity, and quality of life are to be maintained.

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