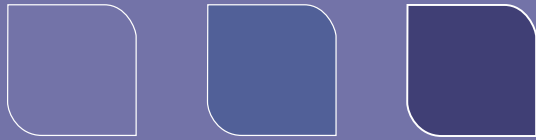


Migrants



Integration of migrants in the European Social Fund 2007-2013

Immigration flows into the EU are likely to rise because of a growing demand for their labour, yet third-country nationals already in the EU are more likely than EU nationals to be unemployed, or to be working in low-skilled and low-paid jobs. The ESF will work to improve the labour market integration of legal immigrants.

1. POLICY BACKGROUND

In June 2003, the Commission adopted a Communication on Immigration, Integration and Employment (COM(2003)336). It reviewed integration policies at national and EU levels, looked at the role of immigration in the context of demographic change, and suggested ways to promote the integration of immigrants. The three main policy messages emerging from this Communication were as follows:

1. Increased immigration flows are not only likely due to "push" factors, they are also becoming increasingly necessary to fill the needs of the labour market as EU employment is likely to start falling after 2010.
2. The EU must achieve better integration of migrants. This is a key condition for success in preparing for future immigration.
3. The EU can and should take the necessary initiatives to provide a more coherent framework at EU level.

These policy messages are as valid today as they were in 2003.

Moreover, in its Communication *A Common Agenda for Integration* (COM(2005) 389 final), the Commission provides guidance for EU and Member States' integration policies. These suggestions are based on the Common Basic Principles that were adopted by the Council in November 2004, to underpin a coherent European framework for the integration of third-country nationals.

2. EMPLOYMENT IN EUROPE 2003 ANALYSIS

Immigrants will have achieved integration when their labour market performance and situation is similar to that of the host country native population. The basic information to enable an assessment of the degree of labour market integration of migrants is provided by the EU Labour Force Survey.

The employment rate of non-EU nationals is much lower than that of EU nationals: in 2002 it was on average 13.8 percentage points lower,



while the unemployment rate was more than twice as high among non-EU nationals as among EU nationals.

The information available on wages shows also that non-EU nationals – and particularly women – are at a disadvantage. The non-adjusted wage gap between EU nationals and non-EU nationals in 2000 amounted to 6 percent.

In 2002, the employment rate of non-EU nationals was consistently lower than that of EU nationals for all ages and qualifications, and significantly more so for women than for men, and for older workers. There may be a correspondence between the skills and the sectoral distributions of non-EU nationals. The proportion of non-EU nationals in for example the *Hotels, restaurants and private households* sector is far above that of EU nationals. Men and women of third country nationality have similar unemployment rates for each qualification level, except for the high-skilled group where women tend to be unemployed more often than men.

Next to discrepancies at every occupational level, the lower employment rate of non-EU nationals is also accounted for by the fact that their whole occupational distribution tends to be skewed towards low skills, despite improvements in the skills of newcomers. Integration policies will have to take into account the fact that finding a job appears to be less related to the skills level of immigrants on arrival than to the experience acquired over the years in the host country. The reviewed evidence (in *Employment in Europe 2003*) shows that improving the integration of immigrants already established in the EU is the first priority.

3. COMMUNITY ACTIONS

Policy plan on legal migration

The Hague Programme, endorsed by the European Council on 4-5 November 2004, stressed the importance of having an open debate on economic immigration at EU level, which – together with the best practices in Member States and their relevance for the implementation of the Lisbon strategy – should be the basis for *“a policy plan on legal migration including admission procedures capable of responding promptly to fluctuating demands for migrant labour in the labour market”*, to be presented by the end of 2005. The programme underlines the political significance of the integration of migrants into the labour market.

On 21 December 2005 the Commission adopted a Communication entitled *“Policy plan on legal migration”* (COM (2005) 669 final). This document represents the Commission’s response to this request from the European Council. The Policy Plan defines a road map for the remaining period of the Hague Programme (2006-2009) and lists the actions and legislative initiatives that the Commission intends to take, so as to pursue the coherent development of EU legal migration policy. For example, improving the conditions of entry for high-skilled workers is a domain which could very well benefit from ESF co-financing.

PROGRESS Programme

The PROGRESS programme is divided into five sections: (1) Employment; (2) Social Protection; (3) Working Conditions; (4) Anti-discrimination and diversity; (5) Gender Equality. In these sections the programme



will support in particular the following type of actions:

- Improving the understanding in the domains, in particular through analysis and studies and the development of statistics;
- Monitoring and evaluating, for example, the implementation of the European Employment Guidelines;
- Organising exchanges of good policy;
- Raising awareness, disseminating information and promoting debate about the various sections.

When looking at the domain of the integration of third country nationals into the labour market, the above actions complement the tasks and scope of the European Social Fund.

Framework Programme “Solidarity and Management of Migration Flows”

In the first half of 2005 the Commission (under the lead of DG JLS) proposed to Member States the Framework Programme “Solidarity and Management of Migration Flows”. It will establish financial solidarity mechanisms (funds) covering four areas:

1. controls and surveillance of external borders and visa policy
2. return of third country nationals illegally residing in the EU
3. integration of legally residing third country nationals (Integration Fund)
4. asylum – building upon the existing European Refugee Fund

In relation to the ESF, the Integration Fund is of particular importance. This instrument is discussed in some detail here below. In addition clarification is provided with regard to the new European Refugee Fund.

Integration Fund

The Commission has proposed a Council decision establishing the European Fund for the Integration of Third-country Nationals. The aim of the Fund is *to support the efforts of Member States in enabling third country nationals of different economic, social, cultural, religious, linguistic and ethnic backgrounds to fulfil the conditions of residence and to facilitate their integration into the European societies.*

In 2007-2013 overall budget of the Integration Fund will be €825 million i.e. an average €118million a year compared to approximately €10 billion ESF per year. As a general rule the Fund will co-finance actions up to 75% for Cohesion countries, and 50% for the other Member States. This budget will be distributed over Member States on the basis of technical provisions included in the Integration Fund decision (article 14). The Fund will operate under the shared management provisions provided for in the Financial Regulation.

The range of eligible actions shows that there is potential overlap with ESF. At the same time, the proposed text is clear: the Integration Fund *shall be complementary to actions financed under the European Social Fund.* In other words, the ESF takes precedence. How this is to be translated into concrete actions and into organisational aspects is to be considered as part of the programming process. Article 7 paragraph 1 specifies the complementarity of the Integration Fund. Paragraph 2 indicates that *the Commission and the Member States*



shall ensure that assistance from the Fund and the Member States is consistent with the activities, policies and priorities of the Community [i.e. with ESF]. This consistency shall be indicated in particular in the [Integration Fund] multiannual programme referred to in Article 18.

Within the Commission, the services responsible for the Integration Fund (DG JLS) will be consulted on ESF programmes. Likewise, DG JLS will consult DG EMPL on Member States programmes for the Integration Fund.

In the context of programming, it is up to the Member States to develop and propose programmes. Therefore, Member States should envisage specific joint programming arrangements. Arrangements should also be made at national level to ensure consistency in implementation.

The Integration Fund is a new instrument and after adoption specific strategic guidelines will have to be adopted as well as implementing provisions. The Integration Fund will also operate under shared management, and with a programming approach. Given its novelty, the expected timing of adoption and the remaining elements to be prepared, it is likely that programming of the instrument will be later than the future ESF operational programmes.

In this context, and as the instruments may not overlap in terms of their coverage, Member States will need to ensure that the **proposals developed under the new Integration Fund will be complementary to ESF**. At the level of projects and operations it is important that *“An expenditure co-financed by the Funds shall not receive assistance from another Community financial instrument.”*

European Refugee Fund (ERF)

The European Refugee Fund was originally created for the period from 1 January 2000 to 31 December 2004. The general aim of the ERF is *to support and encourage the efforts made by the Member States in receiving and bearing the consequences of receiving refugees and displaced persons, taking account of Community legislation in these matters, by co-financing the actions provided for by this Decision.*

As the second phase of ERF started on 1 January 2005 and ends in 2010 it was considered useful to put the programming cycle/period and the implementing arrangements in line with the other three Funds under the *Solidarity and Management of Migration Flow* framework programme. Therefore the Commission proposed a Decision of the European Parliament and the Council establishing the new Refugee Fund for the period 2007-2013.

The ERF will also operate under shared management between Member States and the Commission. As for the Integration Fund, it will use multiannual programming cycles on the basis of guidelines published by the Commission, annual allocation of resources and operational programming, and multiannual evaluation. Regarding the programming of the ERF, the multiannual programmes, once approved by the Commission, will then be implemented through annual programmes prepared by the Member States. The new provisions are expected to come into force as of 1 January 2008 and the global resource expected to be around €600 million for the period 2008-2013.

As the scope of eligible actions is wide and risks overlap, it will be important that future ERF programmes complement ESF programmes.



The new programming period of the Structural Funds began on 1 January 2007, a year before new ERF phase commences. As ERF (2008-2013) programmes come later than the new ESF operational programmes, the coherence of the two instruments can be taken into account by Member States when preparing their proposals and by the Commission when approving them.

4. THE ESF REGULATION

The new ESF regulation refers to *migrants* in three instances:

1. Recital 6 indicates that particular attention should be paid to the participation of target groups, the integration of migrants, including those seeking asylum;
2. Article 3 defines the scope of the ESF regulation. Paragraph 1b identifies enhancing access to employment as a priority, and refers in particular in subparagraph (iv) to specific action to increase migrants' participation in employment.
3. Article 10 *Reports* indicates in paragraph (b) the requirement to include in annual or final implementation reports information regarding action to increase migrants' participation in employment and thereby strengthen their social integration.

The new ESF regulation does not define the term '*migrant*'. Member States should therefore apply the national definition.

Two migrant groups can be distinguished:

1. **Legal migrants**, persons who fulfil the conditions for stay or residence in a particular Member State, such as workers, students, persons coming for family reunification,

marriage etc. as well as asylum seekers who have been granted the status of refugee.

- These persons may have come into the EU without a particular skill or with skills and qualifications not formally recognised or with particular skills.
- As a general rule they have a work permit. However, in the case of refugees this is not necessarily the case (see below).

2. **Illegal migrants**, in particular persons who do not fulfil, or no longer fulfil, the conditions for stay or residence in a particular EU Member State.

The ESF aims to improve *employment opportunities for workers in the internal market*. The ESF can only address *rendering the employment of workers easier* when these workers are *legally* present in their host society. Therefore, illegal migrants fall outside the scope of ESF. However, at times some flexibility may be appropriate. This could for example be if the '*regularisation*' of a group has already been foreseen while nominally it has not yet taken place. Therefore, it is important to treat each case on its own merits.

Recital 6 makes explicit reference, in the context of the integration of migrants, to asylum seekers. In some Member States asylum seekers would not have a permit to work. At present, a total of 18 Member States have opened up their labour market for asylum seekers, while 13 of these have inserted conditions that restrict this access. Having no permit to work is as such not a criterion for determining whether ESF can support actions targeting a specific group. The Treaty (EC, article 146), which establishes the ESF, uses the wording



“rendering employment of workers easier.” The ESF regulation does not limit in any way the freedom of a Member State to co-finance projects targeting asylum seekers if a Member State determines, in the legal context in which the ESF operates, that asylum seekers are an eligible group.

It should nevertheless be noted that such co-financing is inappropriate (and in legal terms incorrect) if a person or group has no permit to work and is unlikely to receive such permission in the foreseeable future. At the same time the 2000-2006 EQUAL experience has shown that even in those Member States where asylum seekers are not permitted to work integration support for asylum seekers plays a crucial role in a number of areas, including speeding up their entry into the labour market once they become refugees and obtain permission to work.

Article 3.1.b (iv) makes reference to the *validation of competences and acquired skills*. It is important to note that this reference is of particular value for migrants who have obtained important competences and experience without having diplomas that are recognised in the EU.

The Integrated Guidelines and the European Employment Strategy

Article 2 of the new ESF regulation specifies that *“in particular ESF shall support actions in line with measures taken by Member States on the basis of the guidelines adopted under the European Employment Strategy, as incorporated into the Integrated guidelines for growth and jobs, and the accompanying recommendations.”*

In addition, article 4 indicates that *“Member States shall also concentrate support, where ESF can contribute to policies, on the implementation of the relevant employment recommendations made under Article 128(4) of the Treaty and of the relevant employment related objectives of the Community in the field of social inclusion, education, and training.”*

The integration of migrants in the labour market is one of the main priorities in the framework of the European Employment Strategy. An increased emphasis on this could lead to a significant reduction in the unemployment gaps between non-EU and EU nationals that exist in the Member States. Guideline 19 states the following:

Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive.

The Council decision on the Employment Guidelines indicates for this guideline that actions *promoting access to employment for disabled people and integrating immigrants and minorities are particularly essential*.

As part of the European Employment Strategy, the Council has adopted country-specific recommendations that reflect the Council appraisal regarding the main priorities a Member State faces in the context of the Lisbon strategy. For 12 Member States (10 from the EU-15) the recommendations make direct reference to migrants/third country nationals, notably in the context of attracting more people to the labour market and making work a real option for all.



5. WHAT'S NEW?

Actions aimed at promoting the integration of migrants into the labour market were also eligible in the 2000-2006 programming period, although the regulation made no specific mention to this target group. The Regulations for 2007-13 place a greater emphasis on the issue, by mentioning:

- specific action to increase migrants' participation in employment (article 3.1.b (iv))
- reporting requirements (article 10.b)

Investments made by the ESF have contributed to the integration of migrants into the labour market. Data from evaluations confirm this:

- Within the context of "social inclusion", evaluations of the Spanish programmes found that 2.2% of the persons benefiting were third country nationals;
- For Germany corresponding figures set the level at 0.5% in East Germany and 3.0% in West Germany;
- Monitoring of the Italian objective 3 programme found that globally 6.4% were non-Italian nationals (0.6% EU nationals). For ESF training projects co-financed by the ESF in Italy this percentage was 5.6%.

In addition, the EQUAL Community Initiative has gained considerable experience in the domain of integrating asylum seekers into the labour market.

6. PROGRAMMING AND IMPLEMENTING OPERATIONAL PROGRAMMES

As noted above, the integration of migrants is a priority, and actions in this domain should also be rendered visible. For many Member States a two-track approach may be relevant in the programming and implementation of operational programmes:

1. **Mainstreaming:** integration of migrants could be a horizontal issue in all ESF programmes ensuring that under all priorities, ranging from increased adaptability to enhanced access to employment, special attention is paid to this target group;
2. **Specific action** for migrants may at the same time be necessary, in particular through the implementation of operations and projects targeting migrants, in order to achieve progress, for example in terms of increasing the employment rate.

Specific actions for migrants (or actions with relatively a proportion of migrants) can be implemented under the following priorities in particular:

1. Enhancing **access to employment** and the sustainable inclusion in the labour market of job-seekers and inactive people;
2. Reinforcing **social inclusion** of people at a disadvantage and combating all forms of discrimination in the labour market, in particular by promoting pathways to integration and re-entry into employment and combating discrimination in the workplace for disabled people.



Specific and non-specific actions can cover a wide range of actions, including counselling and training adapted to the specific needs of migrants, rehabilitation, lifelong learning type of actions, special support to promote entrepreneurship among third country nationals, and awareness raising campaigns to combat discrimination.

For those Member States that have a EES recommendation in this domain or for which demographic change is expected to become a pressing problem in the short to medium term, specific mention could be made in the relevant priorities regarding the approach that will be followed, in line with General Regulation article 37.1(c) which indicated that the Member States must provide *"information on the priority axes and their specific targets."*

Information and communication

Awareness of specific actions or actions with a relatively high proportion of migrants will be important. In this respect the new Structural Funds monitoring system will provide an important step forward. The future information system has 15 ESF categories, one of which [Category 70] is *Specific action to increase migrants' participation in employment and thereby strengthen their social integration.*

Member States will report the level of financial expenditure under this category on an annual basis.

In addition, actions for the integration of migrants would be highlighted in the annual report on ESF operational programmes.

Reference to Integration Fund

Whilst no obligation exists, it may be appropriate to include in future ESF Operational Programmes a reference to the Integration Fund, explaining how the complementary nature of the two instruments has been translated into actual support.

The full version of the above text is available at:

http://ec.europa.eu/employment_social/esf/fields/discrimination_en.htm



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