



Brussels,
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Opinion

Title

DG HOME – Impact Assessment on a revision of Council Directive 2009/50/EC on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment ("EU Blue Card")

(resubmitted version of 14 March 2016)*

(A) Context

The EU will face demographic challenges in the next decades with a rapidly ageing population, a progressively shrinking labour force and an increasing old-age dependency ratio. The EU also faces increasing structural skills shortages and mismatches in certain key sectors (e.g. ICT, engineering, health care) often requiring a high level of qualification. This damages growth, innovation capacity and competitiveness of the EU.

The EU Blue Card Directive, adopted in 2009, was intended to help make the EU more competitive in attracting highly qualified workers from around the world. This way it would contribute to address the labour and skills shortages within the EU labour market. However, to date the influx of highly-skilled third-country nationals has remained insufficient to meet this objective, especially when compared to the number of highly skilled third-country nationals attracted by other non-EU OECD countries.

The review of the Blue Card is included in the key priorities in Commission President Jean-Claude Juncker's Political Guidelines of July 2014, confirmed by the European Agenda on Migration issued in May 2015.

(B) Overall opinion: POSITIVE

The Board gives a positive opinion to the resubmitted version of the impact assessment report.

Overall, the revised report has improved in line with the Board's recommendations. The report now better addresses the problems linked to labour and skills shortages and more clearly explains the EU added value of the Blue Card, especially in relation to the intra-EU mobility. The description of the policy options has been clarified and the impact analysis improved, providing a clearer comparison between policy alternatives and the identification of a preferred option.

In spite of the above improvements, it is recommended to further reinforce the link between the objectives and the problems, and to clarify the underlying logic of the policy options.

The lead DG shall ensure that these recommendations are integrated in the report prior to launching the interservice consultation.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted.

(C) Main recommendations for improvements:

- While the problem analysis better explains the labour and skills shortages, more indications on the **scale of the labour shortages** should be given, i.e. by showing how the evolutions of labour demand and supply compare to each other (e.g. integrate some basic information or a graph from annex 4 into the main text of the report).
- The (general and specific) **policy objectives** have been reformulated. While their link with the problems is now clearer, their formulation should still be simplified, especially by reinforcing the link between the specific objectives and the problem drivers (in this regard a table – or problem tree – confronting problems and objectives could be useful).
- The report has improved the explanation of the policy options, in particular by presenting (in a table on pages 23/24) the differences between the legislative options. The (revised) annex 13 provides further explanations on the options. However, the report should elaborate further on the reasons why repeal has been discarded as option by referring to EU value added and the importance of intra-EU mobility (section 5.1). Furthermore, the explanation of the **underlying logic of the options** (e.g. trade-off between level of entry barriers and rights attached to the Blue Card) on pages 21/22 should be clarified. To explain the importance of such a trade-off, it would be useful to explain why simultaneously lowering the entry barriers and increasing attached rights cannot be considered as a policy option. Given the preference of many Member States to maintain their national schemes, stronger arguments are needed why these are to be abolished in all but one option.
- The report should explain why the problems with **international service providers** are mentioned within the scope of the report although the only option that addresses these problems has been discarded (section 5.1).
- Finally, the report should **better explain some mentioned issues**, such as the nature of the "separate set of admission conditions" in option PO-C; the functioning of a "trusted employers" scheme; and how the recognition of qualifications will practically be eased in the relevant options.

(D) Procedure and presentation

The readability of the report and of the executive summary has improved. Note that where figures/estimates are mentioned in the main report there should always be a reference to the relevant annex.

(E) RSB scrutiny process

Reference number	2016/HOME/025
External expertise used	No
Date of RSB meeting	Written procedure (an earlier version of this report was submitted to the Board on 5 February 2016, for which the Board issued an opinion on 4 March 2016).