



European Network of Public Employment Services

The role of PES in talent recruitment from third countries

Study Report

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TABLE OF ACRONYMS

CEDEFOP	European Centre for the Development of Vocational Training
EC	European Commission
EIB	European Investment Bank
EMN	European Migration Network
ENIC	European Network of National Information Centres
EoI	Expression of Interest
EQF	European Qualification Framework
EU	European Union
EURES	European Employment Services
GCM	Global Compact on Safe, Orderly and Regular Migration
GiZ	German Society for International Cooperation
ICT	Information and Communication Technology
ILO	International Labour Organization
IOM	International Organisation for Migration
IRIS	International Recruitment Integrity System
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
LFS	Labour Force Survey
NARIC	National Academic Recognition Information Centres
OECD	Organisation for Economic Co-operation and Development
PES	Public Employment Services
PQD	Professional Qualifications Directive
PrES	Private Employment Services
SME	Small and Medium-sized Enterprises
TCN	Third Country National
WAPES	World Association of Public Employment Services
ZAV	International Placement Services, PES Germany

1. INTRODUCTION

Most EU Member States suffer from a long-term shortage of skilled labour in various sectors due to demographic and structural changes. Although the COVID-19 crisis may break the recent trend of increasing labour shortages, technological change and the ageing workforce suggest that skills shortages are likely to remain a challenge in the long run in certain occupations. Structural shortages in these occupations cannot be addressed solely by encouraging intra-EU mobility, as this come at the cost of further aggravating shortages in other EU Member States (European Commission, 2019a).

Therefore, in sectors where an adequate supply of high-skilled labour cannot be ensured by training and other incentives, EU Member States and the EU as a single market might consider intensifying their efforts to attract high-skilled labour from 'third countries' (countries outside the EU). However, in a global comparison, the EU is at a competitive disadvantage in attracting high-skilled labour: according to the OECD's 'Indicators of Talent Attractiveness', Australia, Switzerland, New Zealand and Canada are more attractive than most EU Member States (OECD, 2019b).

Despite the growing international competition for skilled migrants, research on effective tools is relatively thin and few studies discuss the role of Public Employment Services (PES) in detail (Weinar et al., 2020). Some of the recent studies provide an overview of the relevant policies of the EU and its Member States (European Migration Network 2013, 2019a, 2020; OECD 2019a; Cerna 2018; Cerna and Czaika 2016); others analyse the competitiveness of the region internationally (Facchini and Lodigiani 2014; OECD 2019b) or the drivers of migration (Cebolla-Boado and Miyar-Busto 2020). Some studies also discuss the effects of these policies on the 'sending' countries (Boeri et al., 2012) or the challenges and new directions in labour migration (OECD, 2019a).

Though currently managed mainly by non-state actors, the effective recruitment and integration of high-skilled migrants necessitates state intervention in several aspects. As well as overseeing regulations for entering and staying in the host country, the state may play a role in providing impartial and up-to-date information to jobseekers and employers, cooperating with public authorities in the sending countries, and facilitating labour market and social integration in the host country (OECD 2019a). A recent review of relevant integration policies identified some common obstacles where the state has a clear role, for example the recognition of skills and qualifications, and discrimination in the recruitment process (European Migration Network 2019c). However, existing research on the role of state actors in attracting and retaining third country talent is relatively limited, especially regarding PES.

The aim of this study is to explore the role and activities of PES in alleviating skills shortages through talent recruitment from *outside* the EURES area (i.e. third countries). PES in most countries have the potential to play, or they already play, some role in this field as they have a deep knowledge and up-to-date information on changes in the labour market, they have experience with labour market programmes and they also have well-established cooperation with many stakeholders. The general focus of this study is how PES can contribute to meeting some of the challenges in easing skills shortages by recruiting third country nationals (TCNs).

The particular focus of this study is high-skilled workers, defined as 'professionals with a tertiary degree'. For ease of expression, this study also uses 'talent' as a synonym for high-skilled labour (though this term is often understood to cover entrepreneurs regardless of their level of education).

The next chapter provides a brief overview of labour shortages, the unmet demand for high-skilled workers as well as the structural drivers behind this. Chapters 3 and 4 describe EU and national level strategies and measures to attract third country talent. Chapter 5 discusses options for expanding the role of PES in this process, and briefly summarises the role of other actors as potential partners for the PES in facilitating talent recruitment.

Chapter 6 discusses the difficulties and challenges related to the recruitment of labour from third countries and provides some examples of good practice for resolving these. The last chapter makes recommendations to individual PES, the EU PES network and EU level actions.

This study focuses on the role of PES and discusses challenges and policies from the perspective of these organisations. The main sources of information include expert interviews, desk research and a survey specially commissioned for this report completed by the PES in seven Member States or regions, namely Austria, Flanders (part of Belgium), Germany, Spain, Finland, Latvia and Poland in June and July 2020. These PES do not represent variety across PES in the EU, as they were selected on the basis of a desk search for recent initiatives in the recruitment of TCNs (Third Country Nationals). For other Member States, the information was collected from publicly available sources.

As the study was written in the summer and autumn of 2020, it does not provide an analysis of the consequences of the COVID-19 crisis, especially as its long-term implications on the labour market are not yet predictable. While the sudden upsurge of unemployment and the introduction of in-work subsidies has increased the workload of PES, travel restrictions have limited the possibilities of international recruitment. The conclusions of this study are relevant for medium term planning in PES, especially in skills that are in short supply due to long-standing structural causes.

2. THE NEED FOR A HIGH-SKILLED LABOUR FORCE FROM THIRD COUNTRIES

This chapter provides an overview of data on shortages of high-skilled labour in the European Union, its geographic and sectoral characteristics and current trends. It also briefly discusses the intra-EU mobility of high-skilled employees (both EU and third country nationals) and its effect on sending and receiving regions, as well as the structural causes of long-term high-skilled labour shortages observed in several sectors. This chapter also discusses the competitiveness of the EU in attracting high-skilled labour forces from third countries in comparison with other OECD members.

2.1. Labour shortages in the EU – data and trends

Skills shortage has been a growing problem in the European labour market. Eurofound's European Company Survey in 2013 had already recorded 40% of European employers experiencing problems in finding an employee with the right skills (Eurofound, 2013)¹, by 2019 the next wave of the survey showed this figure had gone up to 77% (Eurofound, 2020). The EIB Investment Survey, assessing corporate investment for training and whether skills shortages pose an impediment to investment for firms in the EU, also shows that since 2016 the limited availability of skills has caused a growing problem for European firms, with some 77% of them mentioning this as a challenge in 2018 (Brunello and Wruuck, 2019).

Shortage of high-skilled labour was reported in ICT, healthcare, and engineering, according to a 2019 study by the European Commission that covered 23 Member States and the three Belgian regions (European Commission, 2019b). Unmet demand was highest in occupations such as systems analysts, electrical engineers, generalist medical practitioners, civil engineers, software and application developers and analysts, advertising professionals, and industrial and production engineers (among others).

As the COVID-19 crisis unfolded in the spring of 2020, it temporarily eased skilled labour shortages in some occupations. The crisis shifted the priorities of PES away from tackling skills shortages to managing the rapid rise in unemployment (OECD, 2020b). While most of the short-term impacts on employment were experienced in sectors where employment requires physical contact or physical presence in the place of work, data on 'jobs posted' show that in several OECD Member States, such as the USA, the United Kingdom or Canada, the number of vacancies in high-skilled occupations decreased almost as much as in middle-skilled occupations (OECD 2020b, Fig. 1.11.). Although these data do not cover EU Member States, it suggests that the impact of the crisis on jobs in the high-skilled sector was considerable.

The medium-term impact of the crisis is uncertain. Labour demand undoubtedly fell in some of the high-skilled sectors in the short-term and it is hard to predict how long this may last, given the uncertainty of whether and how governments can repress the pandemic. However, high-skilled labour shortages can be expected to return as the economy recovers, or they will continue to pose a challenge in some occupations, such as healthcare and ICT services, where the pandemic may generate additional demand for highly skilled labour.

2.2. Scope for potential remedies

Possibilities for cross-border matching within the EU are limited, as even when some of these occupations were mentioned as a surplus occupation in some Member States, they were in surplus in too few Member States to help the states in need (European Commission 2019b). In some IT occupations, such as systems analysts or software developers, there

¹ It is important to note that some of the companies reporting labour shortages are either unable to offer a competitive salary or they do not adopt a competitive recruitment strategy (Cedefop, 2018).

are no cross-border matching possibilities at all. Furthermore, most of these shortages seem stable: there have been no major changes in the top shortage occupations at least since 2015 - the IT and engineering professions are in continuous shortage (European Commission, 2019a).

There is some scope for easing these shortages by further improving matching and integration services for students and high-skilled labour migrants from third countries already residing in the EU. A recent JRC (Joint Research Centre – the European Commission's science and knowledge service) study on foreign (non-EU) degrees in the EU shows that tertiary educated migrants are at a much higher risk of unemployment than EU-born graduates. Holding a foreign degree penalises the employment of workers not born in the EU, while it does not affect the employment of EU-born workers. In fact, non-EU citizens who hold a foreign degree are more frequently better educated than natives and mobile EU citizens, especially in the Mediterranean countries (Belmonte, Grubanov-Boskovic, and Mazza 2020). Furthermore, the retention of third country nationals studying in the EU is relatively low.

Recruiting talent from third countries also represents an option: the rest of this study discusses the scope and viability of such initiatives in the EU, focusing especially on the potential contribution of PES in attracting them.

2.3. Structural reasons for labour shortage

The shortage of skilled labour stems from two main causes: population ageing and rapid technological change. While demand for skilled labour is steadily rising, supply is constrained by population decline (although increasing labour market participation has partly compensated for this in the past years) and the relatively slow increase in participation in higher education.

Data in the CEDEFOP Skills Forecast predicts the share of demand for highly educated labour will increase in future employment in the EU: while in 2018, 32.6% of the jobs required a high educational level, the Skills Forecast predicts this will increase to 43.9% by 2030².

The workforce of the EU Member States is rapidly ageing. According to CEDEFOP's Skills Forecast data, by 2030 the size of the labour force aged 25-49 will decrease annually by 0.5%, while the number of workers aged 50-64 will increase by 1% annually. The proportion of the labour force over age 64 will increase even more rapidly, by 5.6% annually³.

The International Labour Organization (ILO) labour force projections forecast that in the coming years the overall size of the European labour force will stagnate, while in most other regions of the world, in contrast, there will be a significant increase in the labour force⁴. In Central and Eastern European Member States, the total labour force will shrink. According to CEDEFOP's Skills Forecast data, the size of the labour force in the entire EU will increase by a modest 0.3% annually until 2030, although the labour force will decrease by 1.7% in Lithuania, and by between 0.4% and 0.7% in Bulgaria, Croatia, Greece, Latvia and Portugal⁵.

² <https://skillspanorama.cedefop.europa.eu/en/indicators/future-qualification-demand>

³ <https://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/skills-forecast>

⁴ ILOSTAT (2019): Labour force by sex and age, ILO modelled estimates. URL: https://www.ilo.org/shinyapps/bulkexplorer22/?lang=en&segment=indicator&id=EAP_2EAP_SEX_AGE_NB_A - last accessed on 19 August 2020.

⁵ A small decline of between 0.2% and 0.3% annually is also projected for Slovakia, Poland and Estonia <https://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/skills-forecast>.

As the share of students enrolled in education in the 20-24 age group is already relatively high in most EU Member States compared to other OECD countries, and the share of public institutions with modest fees is higher in the EU⁶, the potential for intensively increasing enrolment in tertiary education is limited. Furthermore, adjustments in the sectoral composition of recent higher education graduates cannot counterbalance the overall decrease in young cohorts. Data from Cedefop's Skills Forecast suggests that in several EU Member States the supply of graduates will be lower than the demand for specific skills in the future decades. For example, Belgium, Croatia, Luxemburg, Finland and Sweden will experience labour shortages in ICT even though the number of ICT graduates is increasing. Other countries, such as Czechia, Latvia, Slovenia, Estonia, Italy, Lithuania, the Netherlands and Portugal are projected to experience shortages because the number of ICT graduates is actually declining, while demand is either stagnating or declining less rapidly (JRC, 2019, p. 37.)

Besides increasing labour demand in the ICT sector, technological change also has a general polarising impact on employment by reducing the demand for routine cognitive and manual tasks, while increasing demand for non-routine tasks that cannot be easily automated. It can also produce temporary skills shortages by creating a need for new skills that are not immediately available on the labour market, therefore companies in rapidly changing sectors may prefer to hire employees with higher qualifications to ease labour adaptation. Even though 'skills premia' in wages have stagnated in recent years in Europe, and machine learning might be able to substitute for some non-routine tasks as well in the future, it is still true that the demand for workers in mid-skilled jobs is more likely to be adversely affected by automation in the coming decades than demand for high-skilled jobs. Skilled labour will also play an increasingly important role in the ability of companies to adapt to technological changes (Brunello and Wruuck 2019).

2.4. The attractiveness of the EU to high-skilled jobseekers

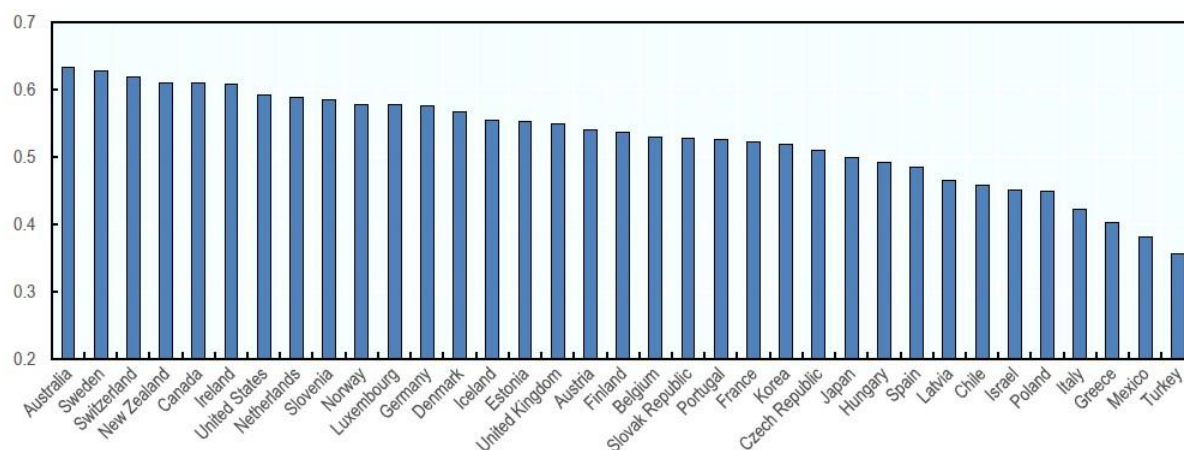
While EU Member States compete with several other countries and regions for high-skilled migrants, the 2014 EU Labour Force Survey data show that labour migration plays a limited role in driving migrants to the EU. While 40% of intra-EU mobility among high-skilled EU nationals is justified by the goal of employment, in contrast, among high-skilled non-EU migrants staying in the EU, only 25% indicate employment as the main motivation for emigration (OECD, 2019a). Eurostat residence permits data also indicate that work-related permits represent only around 30% of permits.

One of the underlying reasons may be that third country nationals find the EU labour markets difficult to navigate and enter, compared to traditional 'immigration countries'. The potential advantage of the EU as a large single labour market continues to be constrained by language diversity, variations in national immigration systems and limited openness to ethnic diversity.

Most EU Member States rank relatively low on the OECD Indicators of Talent Attractiveness, which is a set of indicators capturing the strengths and weaknesses of countries related to their capacity to attract and retain highly qualified foreign workers, university students and entrepreneurs. Taking into account factors such as the scope and quality of employment opportunities; income and tax; future prospects; the family environment; the skills environment; inclusiveness; and the 'quality of life' indicators show that the most attractive OECD Member States for highly qualified workers are Australia, Sweden, Switzerland, New Zealand and Canada. Most of the EU Member States also rank lower than the United States (Figure 1).

⁶ OECD Education at a Glance 2019 data. Indicators Enrolment by age, Share of enrolment by type of institution. URL: <https://stats.oecd.org/> last accessed on 15 September 2020.

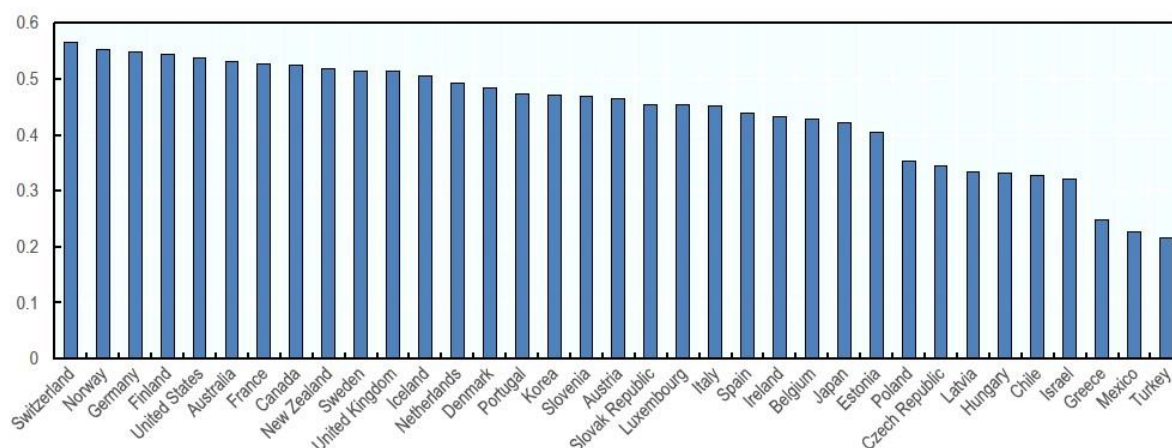
Figure 1. Attractiveness of OECD countries for workers with master’s or doctoral degrees



Note: Values closer to 1 (0) represent higher (lower) attractiveness. Ranking based on default equal weights across indicators. Source OECD Secretariat (OECD 2019b).

European countries fair somewhat better in the competition for foreign students. Germany is the third most attractive country for foreign students despite its average ranking in attracting skilled foreign workers, and France also does better in this field, ranking sixth (OECD, 2019b). This has however remained a largely untapped resource as few third country graduates stay to work in Europe (Burmam et al. 2018).

Figure 2. Attractiveness of OECD countries for university students

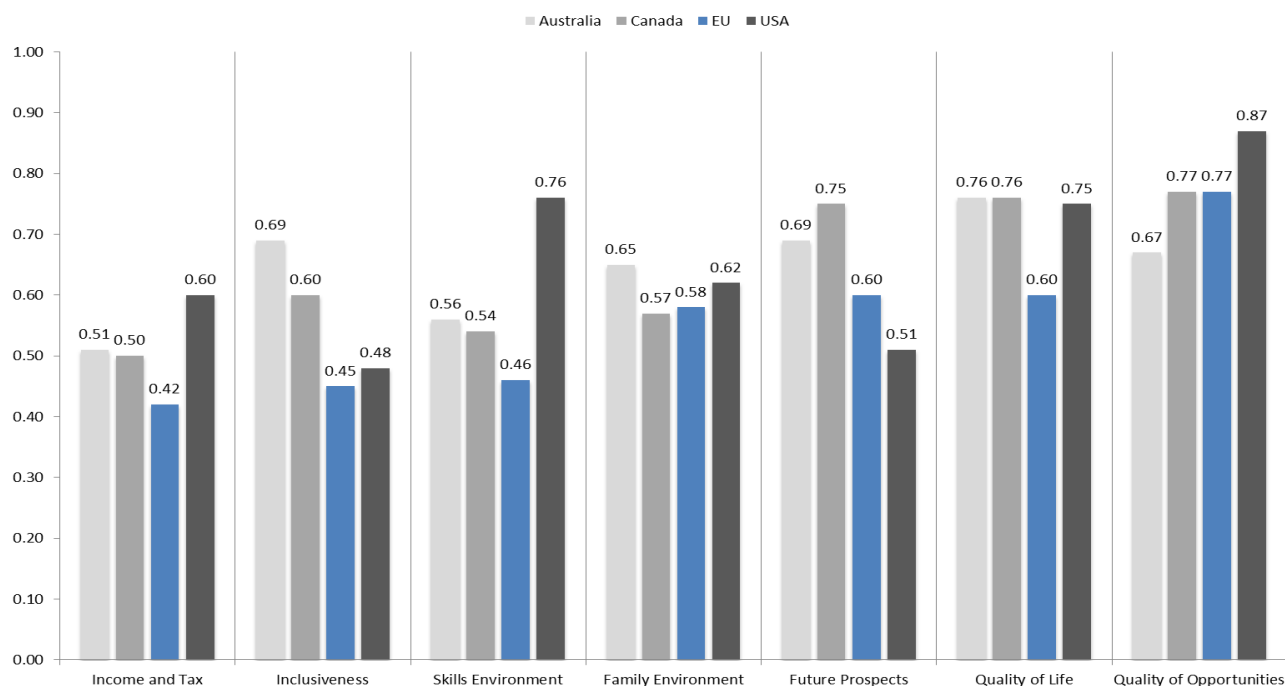


Note: Values closer to 1 (0) represent higher (lower) attractiveness. Ranking based on default equal weights across dimensions. Source OECD Secretariat (OECD 2019b).

On average, the EU as a migration destination for high-skilled professionals scores worse than Australia, Canada and the USA in almost all aspects covered by the OECD attractiveness index (Figure 3). The relative disadvantage of the EU is especially pronounced in the skills environment⁷ and the quality of life, while the gap is smaller on the 'family environment and the 'quality of opportunities' components in the index.

⁷ The 'skills environment' dimension aims to capture the skills infrastructure of the destination country, including internet access, English proficiency, gross domestic spending on R&D, the number of patents in the case of high-skilled workers, and tertiary education spending in the case of university students. Note that the average level of English proficiency plays a role in this indicator, which favours English-speaking countries.

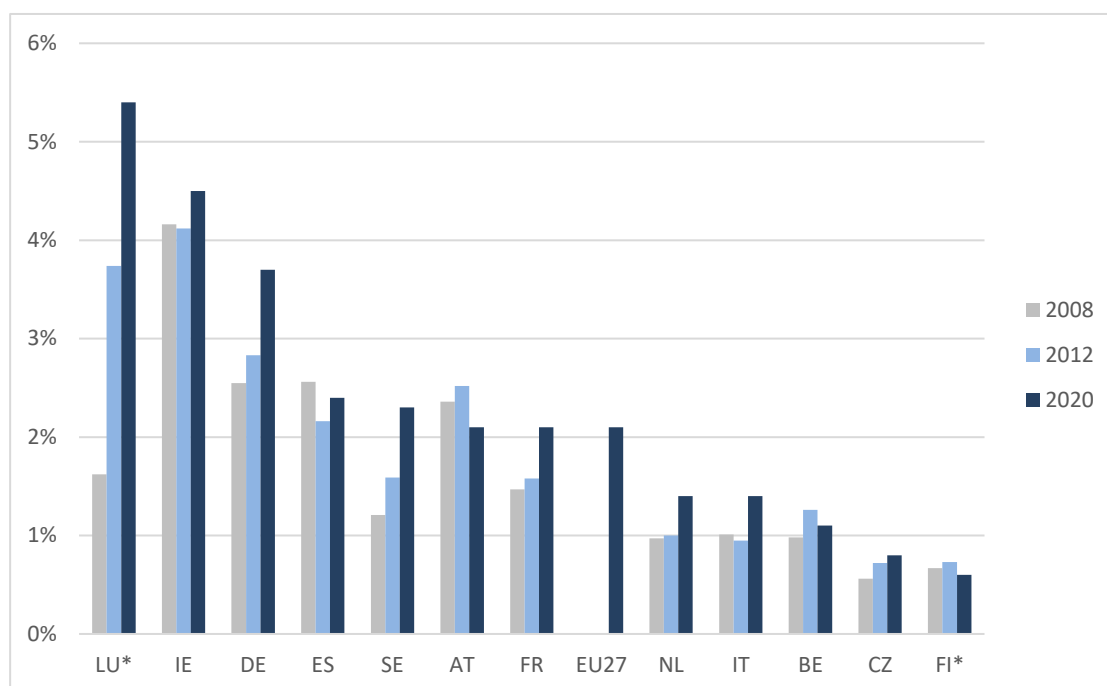
Figure 3. Components of the OECD attractiveness index for highly educated workers



Data source: OECD Indicators for Talent Attractiveness.

The low attractiveness of the EU for high-skilled migrants is reflected in the composition of the immigrant population. Data from the OECD’s Database on Immigrants in OECD and non-OECD Countries shows that while one third of all adult immigrants in OECD countries were former university graduates in 2015/2016, this level was much higher in countries with more selective immigration policies such as Canada or Australia, and it was lower in several European countries such as Slovenia, Italy and Greece (OECD, 2020a). There has been a slight increase in many of the EU Member States since 2008, but the share of TCNs in high-skilled occupations has remained very small, though with significant variation across the countries (Figure 4) (European Migration Network, 2013).

Figure 4. Proportion of employed TCNs working in high skill occupations among the total employed population (in high skilled occupations), %



Source: Eurostat, European Migration Network 2013, p. 5.

Note: 'high skill' is defined as ISCO 1-3. Data for Member States marked with an asterisk (*) is characterised by low reliability.

2.5. Cross country variations in the needs and attractiveness of their labour market

The shortage of highly skilled labour does not affect EU Member States evenly. According to a recent employer survey,⁸ shortages were especially acute in Germany, Poland, Austria, Slovakia, Hungary, Croatia, Slovenia, Portugal, Greece, Romania, Bulgaria, Finland and Sweden in 2019. The share of employers reporting difficulties in hiring talent was also relatively high in Italy and Belgium, while it was somewhat lower in France, Spain, Czechia and the Netherlands. Of the 20 EU countries covered by the survey, Ireland was the only Member State where no significant difficulties were identified relating to hiring skilled labour.

Mapping the data on the attractiveness and severity of labour shortages for those countries where both indicators are available suggests that the pressure for attracting third country talent varies considerably across EU Member States (Table 1). The pressure is obviously low in countries where skilled labour shortages are less severe. Pressure for policy change may be highest in the countries where significant shortages prevail, while the overall attractiveness of the country as a migration destination is low or medium (highlighted in blue in the table below).

⁸ The ManpowerGroup's Talent Shortage survey is the most recent international survey for 13 years, covering 44 countries and 24,419 respondent employers <https://workforce-resources.manpowergroup.com/closing-the-skills-gap-know-what-workers-want/closing-the-skills-gap-know-what-workers-want>.

Table 1. Severity of labour shortages and labour market attractiveness in selected Member States

		Severity of skilled-labour shortage			
		<i>Not severe</i>	<i>Less severe</i>	<i>Severe</i>	<i>Most severe</i>
Attractiveness for foreign talent (OECD)	<i>Least attractive</i>		CZ	IT	PL, GR
	<i>Average</i>		FR	BE	PT, AT
	<i>Most attractive</i>	IE	NL, SI		DE, SE

Data sources: OECD indicator on attractiveness for highly educated workers (see Figure 1 above), severity of labour shortages: ManpowerGroup's 2019 survey on Talent Shortage.

3. EU STRATEGIES

While free intra-EU labour mobility is one of the key principles of the European Union, the immigration and employment of third country nationals was traditionally delegated to the competence of national governments. Many EU countries recruited large numbers of low-skilled workers from third countries in the 1960s and 1970s, but skill-selective migration policies have only gained momentum in the millennium years, lagging behind many Anglo-Saxon countries (the US, Canada, Australia and New-Zealand) (Facchini and Lodigiani 2014).

Acknowledging the growing demand for high-skilled labour and the fear that Europe will lose in the tightening competition for talent, the EU moved towards a more active immigration policy starting from the late 1990s⁹. Recent initiatives included directives on a work and residence permit for highly qualified non-EU nationals (the EU Blue Card), the single permits Directive (2011), the Directive on intra-corporate transfers (2014) and the 2016 recast Directive on the entry and residence of students and researchers. Recent non-legislative EU level initiatives include the EU immigration portal as well as tools focused on intra-EU mobility such as the EURAXESS and EURES portals¹⁰, and tools to facilitate EU level transparency and recognition of academic qualifications, such as the European Qualification Framework and the ERIC/NARIC network.

3.1. The Blue Card Directive and exploring other options to attract talent

The EU guidelines adopted in the early 2000s had not changed the basic landscape of fragmented and diverging national policies and they had limited success. This urged the EU to step further into enhancing the access to EU labour markets for high-skilled third country nationals, leading to the adoption of the Blue Card Directive¹¹ in 2009.

The EU Blue Card Directive, on the conditions of entry and residence of non-EU nationals for the purpose of highly qualified employment, aims to promote the inflow of skilled labour by simplifying entry procedures and providing stable, transparent and predictable EU-wide rules. It harmonises entry and residence requirements in the Member States, while it also facilitates admissions procedures and improves the legal status of those who are already in the European Union. The Directive binds all EU Member States (except Denmark and Ireland).

The Directive defines 'highly qualified employment' as having 'the required adequate and specific competence, as proven by higher professional qualifications,' by evidence of higher education qualifications, or by at least five years of relevant professional experience of a level comparable to higher education qualifications¹².

The requirements of getting an EU Blue Card include a binding job offer or contract with a salary of at least 1.5 times the average salary in the given Member State, or 1.2 times the average salary in case of 'shortage occupations'. Blue Card holders have the right to be accompanied by their family members¹³. They are also entitled to receive the same

⁹ This led to the adoption the Council Directive 2005/71/EC of 12 October 2005 on a Specific Procedure for Admitting Third-Country Nationals for the Purposes of Scientific Research and the Council Directive 2004/114/EC of 13 December 2004 on the Conditions of Admission of Third-Country Nationals for the Purposes of Studies, Pupil Exchange, Unremunerated Training or Voluntary Service.

¹⁰ The operation of the EURES is nevertheless built on a strong legal base ((EU) 2016/589 and 6 implementing acts).

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32009L0050e>

¹² Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment. URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32009L0050> Last accessed on 16 July 2020.

¹³ Immediate family members are entitled to a residence permit at the latest within six months from the time of the lodging of the application and can also access the labour market.

treatment as nationals regarding access to any highly qualified employment after two years of employment, and under certain conditions they may move to another Member State after 18 months' residence (European Migration Network, 2013).

The EU Blue Card can be regarded as an important step towards a unified skill-selective migration policy framework by introducing a common definition of skilled and highly qualified third country nationals and harmonised rules for facilitating intra-EU 'mobility of talent'. However, for several reasons, in its original form it was not able to resolve its previous shortcomings caused by skill-selective migration policies and fragmented national policies. Recent evaluations¹⁴ concluded that the Blue Card system has not been sufficiently successful in attracting third country talent, it has many intrinsic weaknesses and it is not being applied consistently across the EU. Why is this?

Firstly, while the Directive harmonised several conditions and can be communicated towards high-skilled third country nationals jointly, it left many important details to the Member States, such as its initial duration (one to four years). Also, nominal salary requirements and the list of shortage occupations vary significantly across Member States. Moreover, the Directive allows Member States to operate additional parallel migration schemes, rules and procedures to admit highly qualified workers. All EU countries have parallel rules and procedures for the same category of highly skilled workers who compete with the Blue Card. In fact, these national schemes dominate the migration policies over the Blue Card system in the EU: in 2018, EU Blue Cards accounted for just 29.1% of all first permits granted to highly skilled workers¹⁵. This undermines the transparency of the system (European Commission 2016).

Secondly, the Directive takes an employer-driven approach, as it requires applicants to have a job offer before entering the EU, and this is somewhat restrictive. It sets high eligibility standards in terms of salary thresholds, and the claims procedure is lengthy and bureaucratic. Card holders' subsequent mobility within the EU is also tied to burdensome administrative procedures (Facchini and Lodigiani, 2014).

The effectiveness of the Directive has been assessed as being relatively limited, as the number of permits issued to highly skilled workers was low.¹⁶

Based on the evaluations mentioned above, in 2016 the European Commission proposed reforming the Blue Card Directive by offering immigrants more flexible admission conditions, improved procedures and enhanced rights. However, despite the declared ambition of the Commission to adopt a new Blue Card Directive before the 2019 European Parliament elections, the renewal of this Directive remains on the agenda.

In parallel to the Blue Card negotiations, the European Commission explored the possibility of adapting elements of the so-called 'Expression of Interest' (EoI) system. This system worked in a 2017-18 OECD feasibility study looking at how to shift from the mainly demand-based approach of high-skilled immigration to a more proactive immigration system (OECD 2019a). In contrast to the demand-based system, where migrants are selected by employers and the authorities mainly have an approval role, the EoI combines the supply-based and the demand-based approach in a two-step procedure. In the pre-application phase, potential migrants file an Expression of Interest, and after that candidates who meet certain pre-screening requirements are admitted to a pool where

¹⁴ The first EC report about the implementation and results of the Blue Card Directive was published in June 2014 (EC 2014). In 2016, the EU issued an impact assessment, an evaluation of the EU Blue Card Directive and a proposal to repeal the Directive 2009/50/EC (EC, 2016).

¹⁵ Source: Statistics Explained (<https://ec.europa.eu/eurostat/statisticsexplained/>). Last accessed on 28 February 2020. Germany is an exception in that the Blue Card attracts more people than its national scheme.

¹⁶ The number of EU Blue Cards granted continued to rise each year since its adoption, starting from 12 thousand in 2013. However, the total number of 32,678 in 2018 is still quite limited, and the vast majority (83%) of cards were issued by Germany (Source: Eurostat (2020)).

they are assessed according to several criteria. These might be different from the pre-selection criteria, and selected applicants can apply to different migration programmes. The pool is also linked to job-matching platforms and the system ensures an option to apply for a visa for those who meet certain criteria. The OECD feasibility study on an EU Talent Pool (2019a) emphasises that considering the existing diverse national regulations and national competencies in issuing work and residence permits, the introduction of a fully-fledged EoI would not be feasible and perhaps not useful in the EU. However, as the European Pact on migration and asylum¹⁷ announced, adopting some elements may significantly improve the attractiveness of the EU to high-skilled TCNs¹⁸.

3.2. EU policies on students and researchers

The Council Directive (EU) 2016/801 on Students and Researchers¹⁹, regulates the conditions of entry and residence of third country nationals for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects and 'au pair'-ing. The Directive simplifies the admission procedure for researchers by entitling approved research organisations to sign either a hosting agreement or a contract with a TCN for the purpose of carrying out a research activity. The Directive also allows students and researchers to stay in the EU country at least nine months after finishing their research and study to look for a job or start up their own company. It also allows researchers' family members to accompany them and have access to the labour market in the given Member State. The Directive also promotes intra-European mobility by allowing researchers and students to carry out parts of their research activity or studies in another Member State.

However, the Directive leaves some competencies for the national governments, for example by allowing the Member States to apply a labour market test (testing that no suitable candidates can be found in the host country to fill the vacancy) or to maximise the length of stay in the country to continue job-seeking²⁰.

3.3. Other EU-wide initiatives

Beside the directives on employment and residence of third country nationals, the EU has introduced several further initiatives that may play a role in promoting the migration and employment of high-skilled TCNs. Some of these, such as dedicated information portals and qualification recognition agencies, directly relate to PES functions.

3.3.1. Information portals

The EU maintains several information portals that may be used by a TCN, but there is no official EU-wide job portal that targets skilled third country nationals. The EU immigration portal²¹ provides up-to-date information on and links to national immigration schemes and EU-wide directives.

EURAXESS is an EU-wide job portal for researchers, which is also accessible to third country nationals. The EURES portal supports job search and job-matching. It was launched in 1994 and was initially operated by a network of advisers from the national PES of

¹⁷ Commission Communication on a New Pact on Migration and Asylum. COM/2020/609 final. URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1601287338054&uri=COM%3A2020%3A609%3AFIN>.

¹⁸ A first step may be to create an EU-wide pool of candidates, in a job-matching platform to facilitate the selection and matching process. A next step may be to agree on common credentials in certain occupations or other segments of the labour market and provide EU-wide permits based of agreed criteria.

¹⁹ Directive 2016/801 of 11 May 2016 on the conditions of entry and residence of third-country nationals for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects and au pairing. URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016L0801&from=EN>.

²⁰ Directive 2016/801 of 11 May 2016, Article 38.

²¹ <https://ec.europa.eu/immigration>

participating EU countries. It mainly targets the citizens of EU Member States as its primary mission was to facilitate the free movement of workers within the EU. Although the portal publishes job vacancies that are also visible to non-EU citizens, the eligibility rules for non-EU citizens are not usually clear in the way the job is advertised, and certain parts of the portal, such as posting a CV, require TCNs to indicate if they have a work permit for an EU country. In its current form, EURES is not suited to be the main matching platform for high-skilled third country nationals, and its further development may require significant legislative changes (OECD, 2019a).

The EU adopted a new EURES Regulation in 2016, which allowed private and third sector employment services to join EURES, and obliged EURES members and partners to publish all the publicly available job vacancies at the national level on the portal (OECD, 2019a). More recently, a comprehensive evaluation of EURES was launched, including a public consultation and targeted surveys. The lessons of this evaluation may provide useful inputs for developing a matching service for third country nationals.

3.3.2. *Qualification recognition*

Though the recognition process for qualifications obtained in third countries is generally regulated at national level and there is no common methodology within the EU, several EU level schemes facilitate the EU-wide recognition of qualifications and also facilitate the transferability of qualifications recognition decisions across the EU (Donlevy et al., 2016; McGrath, 2019b)²². In the case of non-regulated professions, employers play the most important role in qualification recognition. In the case of regulated professions, where formal recognition by national bodies is necessary, improving harmonisation and information sharing is especially important.

The ENIC Network (European Network of Information Centres) serves as a multilateral cooperation mechanism within the UNESCO Europe and North America region, and it links with other UNESCO regions, working jointly with the NARIC Network (National Academic Recognition Information Centres)²³. The ENIC/NARIC network is comprised of national centres with the task of facilitating the academic recognition of diplomas from other countries. The national centres provide authoritative and accurate information on the higher education system, qualifications, and qualification recognition matters of all member countries, serving both private individuals and institutions.

The European Qualification Framework (EQF) is a framework primarily set up to support intra-EU mobility of students and workers, and it is being extended to 11 non-EU countries in addition to the EU Member States²⁴. The EQF is a reference framework that consists of eight levels of learning, where the levels are defined in learning outcomes (skill, competency and knowledge). The objective of the framework is to improve the transparency, comparability and portability of qualifications.

Though these tools play an important role in improving access to (and reducing the cost of) information, they do not provide a harmonised EU-wide mechanism for the recognition of foreign qualifications held by a TCN, which is likely to be a key barrier to attracting more third country nationals to the EU (OECD, 2019a).

²² <http://ec.europa.eu/social/BlobServlet?docId=16623&langId=en>

²³ For further information, see: <https://www.enic-naric.net/index.aspx>.

²⁴ Iceland, Liechtenstein and Norway (European Economic Area countries), Albania, North Macedonia, Montenegro, Serbia and Turkey (candidate countries), Bosnia & Herzegovina, Kosovo ** (potential candidates) and Switzerland.

3.4. Guidelines on fair international recruitment

The EU also supports its international partners in facilitating international cooperation on labour migration and developing guidelines for public authorities and private agencies.

Such initiatives include, for example, the International Recruitment Integrity System (IRIS) set up by the International Organisation for Migration (IOM), and the Fair Recruitment Initiative developed by the ILO²⁵. There are similar international codes of conduct for private employment agencies (see 5.2.).

More recently, in June 2020, the IOM (International Organisation for Migration, a UN body) released [the Montreal Recommendations on Recruitment: A Roadmap towards Better Regulation](#), aiming to tackle deficiencies in existing regulations and the new challenges imposed by COVID-19²⁶. The guideline addresses recruitment fees, licensing and registration of labour recruiters, inspections and enforcement of access to grievance mechanisms and dispute resolution, bilateral and multilateral cooperation and agreements on labour migration, migrant welfare and assistance.

Most relevant for the recruitment of high-skilled migrants, the WHO's Global Code of Practice on the International Recruitment of Health Personnel was released in 2010²⁷. This voluntary code provides ethical principles as well as a reference for establishing or improving the legal and institutional framework required for the international recruitment of health personnel. As the document notes, the severe shortages of healthcare personnel threaten the performance of healthcare systems in many developed countries. However, labour shortages in healthcare is a global phenomenon, which increases the importance of sustainable migration and addressing brain drain by bi- and multilateral agreements, capacity development in the education of health professionals, and supporting skills and technology transfer.

3.5. Mobility partnerships with third countries

The New Pact on Migration and Asylum²⁸ has strengthened EU initiatives on labour mobility schemes and partnerships with third countries as a way of coordinating legal migration, including employment-oriented migration. This Pact promotes a comprehensive approach to labour mobility schemes which would be in line with Global Skills Partnerships. These Partnerships are bilateral agreements where the destination Member State gets directly involved in creating human capital among potential migrants in the country of origin prior to migration, helping to create mutually beneficial international mobility.

As outlined in the Pact, the European Commission will launch Talent Partnerships in the form of an enhanced commitment to support legal migration and mobility with key partners, first in the EU's neighbourhood, the Western Balkans and Africa, with a view to expanding to other regions later on. The Talent Partnerships will provide a single framework to mobilise EU and Member States' tools, supported by EU funding streams in the area of external relations, home affairs, research, and education, and these partnerships would combine direct support for mobility schemes for work or training with capacity building in areas such as labour market or skills intelligence, vocational education and training, the integration of returning migrants, and diaspora mobilisation.

Currently eight Member States are involved in six legal migration pilot projects with Egypt, Morocco, Tunisia, Nigeria and Senegal. The PES is directly involved in two of these projects,

²⁵ Source: <https://wecglobal.org/topics-global/fair-recruitment-and-migration/>.

²⁶ <https://publications.iom.int/system/files/pdf/the-montreal-recommendation.pdf>

²⁷ https://www.who.int/hrh/migration/code/WHO_global_code_of_practice_EN.pdf

²⁸ Commission Communication on a New Pact on Migration and Asylum. COM/2020/609 final. URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1601287338054&uri=COM%3A2020%3A609%3AFIN>.

PALIM²⁹ and MATCH³⁰, both implemented in partnership with VDAB (PES of Flanders). The focus of these projects is mobility for ICT experts, as well as opportunities for study and traineeships in Europe, so they are also an important means for Member States to respond to skills shortages in their labour markets. If such agreements build on the experiences of the current pilot projects and if they are designed carefully, they have the potential to reduce skills shortages in Member States, while also limiting the risks of brain drain in partner countries.

²⁹ <https://www.enabel.be/content/palim-european-pilot-project-linking-moroccan-ict-development-and-labour-shortages-flanders>

³⁰ <https://belgium.iom.int/sites/default/files/Updated%20MATCH%20Infosheet%20EN.pdf>

4. THE CURRENT ROLE OF PES IN NATIONAL IMMIGRATION STRATEGIES

Immigration policies vary across EU Member States. These variations stem partly from the policy challenge, i.e. the variation in labour shortages, and partly from institutional and political factors that shape government policy on labour immigration. This chapter provides a brief review of the relevant national policies in the EU and describes the factors that may determine national strategies regarding talent attraction, with a special focus on the role of PES. It highlights constraints on the potential role of the PES embedded in the current strategies.

4.1. National strategies and immigration measures

This section reviews existing national strategies and approaches of EU Member States to attract a high-skilled labour force from third countries, highlighting the role of the PES and elements that may influence the possibility of EU level action.


The review is based mainly on a comprehensive detailed survey conducted in 2013 (European Migration Network 2013), which covered 23 EU Member States³¹, supplemented in some aspects by a few more recent studies (Facchini and Lodigiani, 2014; European Migration Network 2017; 2019b; 2020b; Burmann et al., 2018; OECD, 2019a), the recent European Migration Network Ad Hoc Queries on labour market tests and on talent attraction (European Migration Network ,2019a; 2020a) and interviews with a sample of PES. Though we have made an effort to trace significant developments since 2013, we did not have the time and resources to conduct a comprehensive survey of all Member States, and therefore may have missed some policy changes not documented by recent international studies.

National strategies and measures to attract talent from third countries go beyond the administrative rules of granting residence and work permits. Even in the absence of an explicit strategy, the ultimate attractiveness of a country's labour market for skilled migrants is determined by a broad range of policies (as well as other factors beyond government control) (Hercog and Sandoz, 2018). In the following chapter, we therefore consider admissions rules, skill recognition, information services, matching services, recruitment programmes and integration support as the main areas of government intervention.

A recent study by the OECD summarised policy areas in terms of the depth of government intervention, as illustrated by Figure 6 below (OECD, 2019a). At one end, regulations governing entry, work permit and qualification recognition represent the lowest level of intervention, at the other end, assisted recruitment programmes represent the highest level (Table 2). As we show later, though PES have the potential to play an extensive role in talent recruitment, in most countries their current role is limited to implementing regulations.

³¹ The countries excluded were Bulgaria, Croatia (about to join in 2013), Portugal and Romania.

Table 2. Government tools and measures to support the recruitment of third country nationals

Regulations	Providing information	Matching	Assisted recruitment programmes
<ul style="list-style-type: none"> - job-search visas - work permit exemptions - more efficient labour market tests - change of status from visit to employment - qualification recognition procedures 	<ul style="list-style-type: none"> - comprehensive websites - ad hoc guides - pre-departure programmes - welcome centres 	<ul style="list-style-type: none"> - through web-based portals - through programmes to meet in person 	<ul style="list-style-type: none"> - within bilateral agreements - training component - limited in scope, professions, skills, and countries
 <p>depth of public intervention</p>			

Source: Adapted from OECD 2019a p.40.

4.1.1. Existence of an explicit strategy

Immigration policies were tightened in most Member States during the late 1970s and in 1980 in response to the decline in labour demand during the aftermath of the 1970s oil crisis (Facchini and Lodigiani 2014). Economic development, notably the rapid increase in demand for high-skilled labour has put pressure on the technologically most advanced economies to ease the immigration of high-skilled labour since the late 1990s. These national initiatives received further impetus from EU-level negotiations that culminated in the adoption of the Blue Card Directive in 2009.

While most Member States implemented the EU Blue Card Directive in 2011 and 2012, in many cases they kept their previous national measures, or they introduced the EU Blue Card Directive as part of a broader national strategy. Several Member States developed a specific strategy for attracting (highly) qualified immigrants, including Austria, Czechia, Denmark, Germany, France, Ireland, the Netherlands, Spain, and the United Kingdom (European Migration Network, 2013; Facchini and Lodigiani, 2014). Other Member States address the attraction of high-skilled immigrants from third countries within the framework of their general migration policy³². A few countries had no explicit strategy about immigration³³ in 2013, but several of them have since introduced preferential measures to encourage high-skilled labour immigration³⁴.

Specific national strategies on attracting high-skilled labour from third countries are typically justified by the need to ease labour market shortages, and in some cases also by further aims such as strengthening economic competitiveness, attracting foreign investment, or developing research capacity (European Migration Network, 2013).

³² These countries include Belgium, Croatia, Estonia, Finland, Greece, Hungary, Lithuania, Luxembourg, Slovakia, Slovenia, and Sweden (EMN 2013, EC 2018 for Croatia). In 2019, Belgium, Germany, Lithuania, Portugal and Slovakia simplified their administrative procedures with the aim of attracting foreign talent, while other Member States increased the maximum number of permits reserved for certain types of occupations (European Migration Network, 2020).

³³ Including Cyprus, Italy, Latvia, Malta and Poland.

³⁴ Along with Greece, Finland, Ireland, Lithuania, and Luxembourg Latvia and Poland simplified the residence and/or work permit application process for high-skilled immigrants, while Italy and Malta (along with Czechia, France and Portugal) introduced fast-track or single application procedures for work and residence permits, or extended previously available schemes in 2018 (European Migration Network 2019b).

4.1.2. Demand-driven versus supply-driven approaches

With few exceptions, national immigration strategies across the EU follow the traditional demand-driven (or employer-led) approach, which ensures a tight control over immigration³⁵.

Using this approach, the employer identifies a need for an employee with specific skills, then selects a suitable candidate, makes a job offer, and finally the employer or the potential employee send a request to the immigration authorities for a work permit. This procedure allows the authorities to screen prospective immigrants and grant permits only to those who have skills in occupations where there is a shortage, or skills representing a high added value for the national economy. This may be achieved by requiring employers to prove that the job and the applicant meet certain conditions, such as certain wage level and qualification levels, or by lifting the 'work test' (i.e. providing proof that they could not find any one in the resident population to fill the position) for 'shortage occupations' or for particular skills (Chaloff and Lemaître, 2009).

A few Member States have introduced supply-driven elements into their immigration system. The so-called supply driven approach is also based on the skills needs of the host country but leaves more room for market forces. With this approach, prospective immigrants are not required to have a binding job offer when applying for a work permit, but their application is assessed considering the likelihood of their successful labour market integration. This usually takes the form of a points system based on qualifications, language skills, age and work experience. Also, most countries using this sort of a system set a limit to the number of work permits issued in a year, which can be adjusted according to fluctuations in labour demand.

Within the EU, this form of points system was introduced in Denmark in 2008 and Austria in 2011. In the Austrian 'Red-White-Red' Card system, the obligation to have a binding job offer is lifted for highly qualified third country nationals, instead, applications are evaluated in a points system based on general education, the field of qualification, academic or professional achievements, professional experience, language skills, age, and studies in Austria³⁶. Those admitted can enter the country and spend up to six months there finding a suitable job with their 'Jobseeker Visa'. An important advantage of this sort of points system is that it is more transparent and predictable from the perspective of applicants compared to the discretionary decisions in demand-driven systems.

Some countries have introduced supply-driven elements in milder forms (OECD, 2019a).

- Ireland has a short-visit visa to high-skilled migrants coming over for job interviews, and in Sweden third country job candidates are also allowed to visit an employer facing labour shortages for an interview.
- Temporary job search visas are issued to highly skilled migrants in Germany, the Netherlands and Norway (for specific professions).
- Several countries have also introduced special incentives for recent graduates to stay and work in the host country, such as less strict conditions related to salaries or simplified work permit application procedures and quicker eligibility for permanent residence (European Migration Network 2017).

³⁵ The widely used typology of migration policy regimes was developed for the traditional immigration countries. For example, Koslowski (2014) describes three models of highly skilled immigration policies: a "human capital" model based on state selection of permanent immigrants using a points system (as in Canada); a "neo-corporatist", model which is a similar model, with extensive business and labour participation (as in Australia); and the "demand-driven" model based primarily on employer selection of immigrants (as in the USA).

³⁶ <https://www.migration.gv.at/en/types-of-immigration/permanent-immigration/very-highly-qualified-workers/>

- Poland uses temporary exemptions to grant work permits to citizens of particular countries under the employer's declaration of *intent* to hire (rather than offering a binding contract).
- Several countries exempt highly skilled applicants from the usual labour market test when applying through the Blue Card system (BG, ES, FI, FR, DE, LT, LV, LX, NL, PT and RO)³⁷, or through a national programme for high-skilled migrants (BE, DE, EE, ES, FI and NL). In Italy exemptions from the work test may be granted to particular employers (selected by a government agency).

Besides controlling the conditions of initial entry, governments may also use the rules of transfer to permanent status to attract high-skilled immigrants. Relaxing rules regarding the length of stay, employment status, or salary levels increases the likelihood of obtaining a permanent work permit for TCNs. Improving the speed, transparency and predictability of evaluating applications for permanent permits can act as a further incentive for high-skilled TCNs.

All EU Member States have both temporary and permanent migration programmes, and the right to permanent residence is usually not granted upon entry. Temporary permits have a double purpose: non-renewable permits are issued to seasonal workers, students, or professionals on a fixed-term contract (e.g. in cross-national research projects or research fellowships). Renewable permits are typically used as a safeguard to ensure that permanent permits are issued only to those successfully integrated into the labour market of the host country³⁸.

As most EU Member States follow the demand-driven approach, where employers or private employment services are assumed to be efficient in recruiting third country nationals, in most cases the PES mainly either plays a role implementing work permit regulations, or has no role at all. Work permit regulations typically involve administering the labour market test³⁹, and in some countries, evaluating and issuing work permits. In some countries the PES is also responsible for providing analytical support and the regular update of 'shortage occupation' lists, while in other countries this is undertaken by the relevant government Ministry. As we show in the next chapter, a shift towards a supply-driven approach would suggest that PES might play a more proactive role in talent recruitment from abroad.

4.1.3. *Administrative roles of the PES*

In most countries, PES administer the labour market test for high-skilled migrants (high-skilled migrants are exempted from the labour market test in more than half the EU Member States⁴⁰)(European Migration Network 2013). This role may be purely nominal in countries where the vacancy database of the PES mainly covers low-skilled occupations. The PES may genuinely contribute to safeguarding the interests of local jobseekers if it has a considerable share of high-skilled job-matches (which is rare, cf. Oberholzner 2018). In Germany, for example, employment-based residence permits are always subject to a

³⁷ Such tests require the employer to prove that they could not find a suitable candidate for the job among the resident population. In Bulgaria, the exemption applies to shortage occupations, in Lithuania, it applies to shortage occupations or if the salary exceeds three times the average.

³⁸ For example, the EU Blue Card requires them to hold a high-skilled job with a certain salary level. Thus, immigrants with such indefinitely renewable permits may be considered as being on "a permanent immigration track" already before getting a permanent residence permit (Chaloff and Lemaître, 2009).

³⁹ This is a procedure for testing that no suitable candidates can be found in the host country to fill the vacancy. The test typically involves posting the vacancy at the PES portal for a period of time.

⁴⁰ In nine countries, the labour market test is maintained for all EU Blue Card applicants (AT, CZ, ES, GR, HU, PL, SE, SK and SI), while three countries exempt Blue Card applicants in shortage occupations (BG and LT, and Italy has these exemptions for pre-approved employers IT). Very few countries use the labour market test in national programmes for high-skilled migrants (FR, IT, LT and PT) (data for 2015, OECD 2019).

labour market test, carried out by the PES. These are administered by specialised expert teams at the employment agencies in Essen, Cologne, Frankfurt/Main, Munich and Stuttgart.

In some countries, PES are responsible not only for the labour market test, but also for administering the complete work permit procedure (AT, BG, CY, LT, NL and SI) (European Commission 2019a). In Austria, the PES is also responsible for the assessment of qualifications, payment, work conditions and the employer's good conduct with the Foreign Labour Act.

4.1.4. Skills assessment and qualification recognition

Qualification recognition is arguably the most important element in the regulation of labour migration as the duration, predictability, reliability and administrative costs of the recognition process can pose a significant barrier to recruiting third country talent (OECD, 2019a). In some sending countries, corruption in the selection of local candidates may reduce the reliability of the information on candidates' true skills and may increase costs by necessitating additional skills assessment procedures⁴¹.

All Member States make a distinction between 'regulated professions' and 'unregulated professions'. Regulated professions have formal requirements (such as in the healthcare sector) where foreign qualifications need to entirely cover the elements of local qualifications, and if this is not the case, foreign applicants are then required to take additional exam modules to complete their qualification. In unregulated professions (such as in the IT sector), national authorities only assess whether applicants have the necessary level of education or experience to qualify as high-skilled workers. In some countries, PES may also provide support for employers in assessing the actual value of foreign qualifications.

National authorities may reduce the costs for employers by allowing and encouraging pre-departure recognition of qualifications⁴² (concluding mutual recognition agreements with target countries as under the EU Professional Qualifications Directive – the EU PQD) and providing detailed and up-to-date information on the process in a user-friendly way. In Germany, assisted recruitment programmes also include counselling on qualification recognition tailored to employers. In more general terms, costs can be significantly reduced by focusing on countries that already have some institutional or cultural ties to the host country (Weinar and von Koppenfels 2020). This is the case for example between France and Quebec (Canada), or between Croatia and the Western Balkans.

In most countries, qualification recognition is delegated to a separate institution which usually cooperates with the PES. In Austria, for example, the PES evaluates whether the applicant meets the requirements of its high-skilled immigration scheme, but in regulated professions the Federal Ministry of Education, Science and Research undertakes the official recognition of diplomas, in cooperation with ENIC-NARIC for Austria⁴³.

4.1.5. Information tools and targeted programmes

Beside preferential conditions for entering their country, some Member States have introduced further measures to attract high-skilled TCNs, such as web-based 'information and matching' portals or assisted recruitment programmes (OECD, 2019a).

In several countries, the PES portal provides both detailed information in English and links to inform TCNs about the rules and conditions of working in the country. Some countries

⁴¹ VDAB reported these sorts of difficulties in some of their initiatives.

⁴² e.g. in Germany, the 2012 Federal Law on Recognition of Foreign Qualifications allows prospective labour migrants to have their qualifications assessed prior to arrival and the procedure is completed within three months of receiving all necessary documents (OECD, 2019).

⁴³ <https://www.berufsanerkennung.at/en/professional-recognition/key-terms/>

have separate websites that provide detailed information on immigration rules and working conditions and available support services for migrants and integration services for employers (Germany, Spain and Sweden, for example). In some countries these dedicated websites also facilitate the matching of employers with employees (Czechia, Denmark⁴⁴, Estonia, Germany and Sweden). These websites are not always explicitly targeted just to high-skilled professionals, though their content is usually tailored to this target group. For example, on the Estonian website 'Work in Estonia'⁴⁵ almost half the jobs listed are for ICT professionals⁴⁶. The 'Make it in Germany'⁴⁷ German website is expressly for qualified professionals, but it is linked to the 'Recognition in Germany' website⁴⁸, which provides detailed information on qualification recognition procedures. The Finnish website 'Work in Finland'⁴⁹ is managed by the government organisation Business Finland, and it also includes a job board for TCN workers. The accessibility of these websites is further facilitated by email, chat and hotline services, and linked social media accounts.

PES typically do not play a leading role in maintaining these dedicated information sites. The Estonian website is managed by Enterprise Estonia, which is a national foundation to support entrepreneurship. In Germany, the two related websites mentioned above are managed in cooperation with the federal Public Employment Service, the Federal Ministry of Economic Affairs, and the Federal Ministry of Labour and Social Affairs. The Swedish portal, 'Working in Sweden'⁵⁰, is managed by the Swedish Institute, which is a public agency with a general mandate to improve the international relations of the country, in cooperation with the public business development agency and tourist agency.

A few countries have also established dedicated desks or counsellors in embassies abroad (e.g. the German GIZ-trained migration advisers in India, Indonesia and Vietnam) or a welcome centre for newly arrived migrants in the host country (e.g. the International House of Estonia⁵¹ in Tallinn).

4.1.6. Assisted recruitment programmes

Assisted recruitment programmes combine some limited and temporary exemptions to regular migration rules with additional support to employers and migration candidates, such as training or information provision (OECD, 2019a). These programmes usually require the cooperation of public authorities in the sending and receiving countries, such as the PES, the immigration authorities and the relevant ministries.

These programmes are usually used to support the recruitment of seasonal workers (e.g. in agriculture in Italy and Spain)⁵², but a few countries have experimented with using these for recruiting high-skilled migrants in regulated professions. In these professions, the rationale for assisted programmes is that the involvement of public authorities can facilitate the recognition of foreign qualifications before and after arrival in the host country, and it can provide supplementary training to bridge any gaps in the professional qualifications

⁴⁴ <https://www.nyidanmark.dk/en-GB/About-newtodenmark>

⁴⁵ <https://www.workinestonia.com/>

⁴⁶ <https://www.workinestonia.com/latest-offers/>, accessed on 15 August 2020, listed 327 jobs, of which 139 were in IT.

⁴⁷ <https://www.make-it-in-germany.com/en/>

⁴⁸ <https://www.anerkennung-in-deutschland.de/html/en/index.php>

⁴⁹ <https://www.businessfinland.fi/en/do-business-with-finland/work-in-finland/>

⁵⁰ <https://sweden.se/collection/working-in-sweden/>

⁵¹ <https://workinestonia.com/internationalhouse/>

⁵² In agriculture, government participation in such programmes usually serves to curb illegal employment practices and to prevent the irregular migration or overstaying of seasonal workers.

requirements before the immigrant leaves their own country as well as after they arrive in Germany.

One example is the German 'Triple Win' pilot started in 2013, in which ZAV (the international placement service of the federal PES) and GIZ (the German Federal Enterprise for International Cooperation) recruit nurses in cooperation with the PES in Bosnia-Herzegovina, the Philippines, Serbia and Tunisia⁵³. ZAV is responsible for assessing candidates' personal and professional skills and organising job interviews with selected candidates and the prospective employers. GIZ provides language training, orientation and specialist nursing courses to those accepted into the programme in their home country and provides support to those hired once they arrive in Germany. GIZ also assists employers in planning individual integration and qualification recognition processes (GIZ 2018). The costs of the programme are financed mainly by employers, who paid a fee of EUR 5,500 (in 2019) for each nurse placed with them. Germany also implemented a similar pilot in 2012-2013 for engineers from the Philippines, Georgia, Tunisia and Vietnam (Desiderio and Hooper 2015). As already mentioned in section 3.5, there are also pilot projects started in eight Member States to support the mobility of ICT experts and students from third countries⁵⁴.

4.1.7. Targeting of policies

The exact targeting of policies to attract skilled immigrants varies across Member States, in terms of the definition of 'high qualifications' and whether further criteria are considered, such as shortage occupations.

National definitions of 'qualified' and 'highly qualified' applicants are typically based on international standards⁵⁵, however, Member States often apply further, specific requirements on qualifications, salary and occupation (European Migration Network, 2013). While some Member States (e.g. Poland) only use the definitions in the Blue Card Directive, other more elaborate systems use several definitions linked to the various schemes in place in their country (for example in Austria, Belgium or Germany).

Definitions are usually underpinned by criteria related to education, salary or professional experience, or a combination of these, while the most frequent criteria are those of education and salary. In most Member States there is a distinction between qualified third country nationals (ISCED levels Three or Four, or work experience) and highly qualified third country nationals (ISCED levels Five or Six). Regarding professional occupations, definitions based on ISCO levels consider Groups One to Three as high-skilled, but some Member States use broader definitions, especially in occupations where there are shortages.

For the EU Blue Card, all Member States (that participate in the scheme) conform to the Directive and apply a minimum salary of 1.5 times the average salary (1.2 times for shortage occupations). This however implies considerable differences in the actual minimum levels, as average salaries vary across Member States (Burmam et al. 2018).

Many Member States focus their strategies on certain shortage occupations or apply additional measures for these (these are discussed in more detail in Chapter 5), such as

⁵³ GIZ (2019) Project Triple Win: Recruiting nurses from abroad sustainably (<https://www.giz.de/en/downloads/giz2019-en-triplewin.pdf>). Entry requirements are adjusted to the local qualifications (assessed by GIZ): applicants from Bosnia-Herzegovina and Serbia are expected to have completed four year medical secondary school and six months of relevant work experience, while applicants from Tunisia and the Philippines are expected to have a BA in nursing (CIM 2019).

⁵⁴ Commission Communication on a New Pact on Migration and Asylum. COM/2020/609 final. URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1601287338054&uri=COM%3A2020%3A609%3AFIN>.

⁵⁵ e.g. the ILO's International Standard Classification of Occupations (ISCO), or the UNESCO's International Standard Classification of Education (ISCED).

the ICT sector, healthcare, sport, art, academia and financial services. In some countries specific policies designed to attract a highly skilled labour force are further narrowed to target certain professional groups, such as entrepreneurs, executive staff and management, employees of international corporations, students and researchers (European Migration Network, 2013).

4.2. The factors influencing different national strategies

The existing research on the drivers of migration policies has tended to focus mainly on low-skilled migration and less on the high-skilled (Czaika 2018), and there is very little analysis on what may determine the role of public employment services. This section summarises the factors identified in recent research.

The principal driver of high-skilled migration policies is the fast increase in demand for skilled labour in developed economies. There are, however, several institutional factors that also influence government response to this economic pressure, such as the strength of institutions that mediate employers' interests, past experience with immigrants and migration policies, policy learning, the quality of governance and existing institutional capacities that may be used as a resource for developing and implementing migration policies.

National strategies and the sophistication of high-skilled immigration policies depend on a variety of country-specific factors. Some of these may influence the feasibility of transferring good practices and therefore may need to be taken into account in recommendations on more efficient policies.

4.2.1. Economic and demographic factors

Member States with larger and sustained labour market shortages in high-skilled occupations clearly have more motivation to create an explicit strategy and to develop policies to attract high-skilled foreign workers. This pressure tends to be higher in the most advanced economies where technological change is fastest (Czaika and Parsons 2017; Williams and Baláž 2014). It is further augmented by the parallel demographic trend of declining birth rates, which implies that new, better-educated generations are smaller in size: this puts a constraint on the domestic supply of high-skilled labour even if participation in higher education grows fast (Basri and Box 2008; Kerr et al. 2016; Cerna and Czaika 2016).

This factor was very likely the reason why technologically advanced EU Member States were among the first to introduce targeted measures to attract high-skilled labour (Germany, for IT specialists only, in 2000; Denmark and UK in 2002; and the Netherlands in 2004) (Facchini and Lodigiani 2014). Likewise, the slower pace of technological change may explain why several Eastern European states have not yet developed such policies (Weinar and von Koppenfels, 2020).

4.2.2. The relative cost of attracting third country talent

Countries also vary in terms of the relative cost of recruiting from a third country as compared to recruiting from other EU countries. Historical and cultural connections with other countries reduce the so-called soft barriers of migration (such as the knowledge of the local language and work culture), and these connections often cut across the EU borders. For a few Member States it may be relatively easy to attract talent from former colonies outside the EU that have sustained considerable cultural and economic connections with their former rulers. Often, these countries also have the same language. Similarly, the geographical proximity of third countries also reduces the relative cost of recruiting TCNs for countries along the EU borders, Poland, for instance, focuses on recruitment from neighbouring Ukraine. Given the high fixed costs of obtaining information and contacts in the third country, large countries again have an advantage.

4.2.3. *History of migration*

Past experience with immigration may facilitate the evolution of policies via several channels (Freeman, 2006). It strengthens institutional capacities to control and administer migration and provide integration services, it may support the emergence of non-state advocacy organisations and it may also make public attitudes more tolerant and more open towards diversity.

Most countries that articulate a strategy on the attraction of high-skilled workers from third countries have indeed a longer modern history of large-scale labour immigration. Member States such as Austria, Germany or the Netherlands have seen large inflows of labour during the past decades (Facchini and Lodigiani, 2014), which highlights the importance of strategies and policies related to immigration, and at the same time it helps their institutions to accumulate expertise and establish cooperation in the field.

4.2.4. *Political factors*

Political considerations may hinder the development (or transparent communication) of migration policies. This is reflected in the recent emergence of a sharp contrast between the immigration of low-skilled and high-skilled workers in the discourse on immigration policies in many Member States. While the immigration of low skilled workers is generally perceived as something that has to be controlled, the attraction of high-skilled labour is perceived as a major national interest amidst intensifying global competition for talent (Cerna and Czaika, 2016).

In some countries such as Hungary or Poland, policy measures facilitating migration tend to remain ad hoc and less visible to the general public.⁵⁶ However, the lack of an explicit strategy does not always mean that the legislation is more restrictive than in other countries, especially in the case of shortage occupations (cf. the simplified work permit procedure of workers from certain countries in Poland).

Analysis of the political economy in migration policy has shown that some of the country variations may be explained by internal political processes, such as how coalitions between high-skilled labour, low-skilled labour and capital may influence policy outcomes (Lodge 2006; Gawrich, Melnykovska, and Schweickert 2010). Czaika and De Haas (2013) also note that skill-selective migration policies are negotiated in a political arena defined by the competing interests and preferences of political parties, voters, employers, trade unions and other interest groups.

4.2.5. *Policy learning*

The challenge of labour shortage has affected most advanced economies in a similar way, which has paved the way for policy learning. This was further facilitated by the discussions leading to the EU Blue Card initiative, and also by the analytical work of the OECD (Chaloff and Lemaître 2009) and other international organisations (ICMPD, IOM). Some recent studies suggest that policy learning may eventually lead to a convergence of policies in this domain (Cerna, 2016; Weinar and von Koppenfels, 2020). The impact of the Directive was arguably stronger in the countries that had no explicit policy on high-skilled migration before 2009 (Cerna, 2013).

4.2.6. *Institutional context*

While the general goal and approach of migration policies may be driven mainly by economic and political factors, the detailed design of policy measures is likely to be shaped by institutions. Firstly, the strength of employer organisations and the established channels of cooperation (and interest-mediation) with the government is likely to increase the push

⁵⁶ This may be explained by the general anti-immigration stance of the government, which is too strong to be combined with a nuanced approach to high-skilled immigrants.

for effective migration policies, and also influence their targeting (e.g. the definition of shortage occupations or the group of employers eligible for preferential measures)⁵⁷.

Secondly, the institutional set-up and capacities of the PES may also influence policy design. PES that have a mandate to launch or design new initiatives in response to labour market changes and those that maintain close cooperation with employers are more likely to proactively promote high-skilled migration policies. PES that have a role in administering work permits and labour market tests may also be more likely to be involved in the implementation of more elaborate policies. Also, the prior involvement of PES in training and qualification recognition is likely to influence their role in implementing skilled migration policies.

Thirdly, national higher education systems may also have some role, though not a decisive role, in shaping migration policies. A large and high-quality tertiary education system with strong international relations is an asset that may support policies based on the attraction of foreign students (and their retention after graduation), while their networks may also facilitate qualification recognition and proactive recruitment initiatives in third countries (OECD 2017b).

4.3. Typology of national contexts and institutional settings

National approaches to attracting third country talent do not seem as varied as one might expect considering the variety of institutional contexts across the EU. With very few exceptions, Member States follow a demand-driven approach that includes the EU Blue Card and, in some countries, this is supported by a few additional incentives and targeted measures. The elaboration of existing policies tends to be driven by economic pressures, i.e. a shortage of highly skilled job applicants. As the economies most affected by skills shortages also tend to have high quality governance, they are typically well-prepared for developing effective measures. The actual implementation of measures might be constrained by political factors.

⁵⁷ This may be stronger in demand-driven systems (Hercog and Sandoz 2018; Kerr et al. 2016; Kolbe and Kayran 2019), but the voiced needs of employers are considered in supply-driven systems as well (Knowles 2016).

Table 3. Typology of policy drivers for attracting high-skilled talent

Preparedness for attracting/ integrating TCNs	Need for third country talent	
	LOW	HIGH
LOW	<ul style="list-style-type: none"> • technological change is slower • room to increase domestic skill supply • relatively weak employer organisations • limited migration experience (e.g. Poland and Cyprus) 	<ul style="list-style-type: none"> • advanced economy • weak employer organisations • limited migration experience (e.g. Estonia and Ireland)
HIGH	N/A	<ul style="list-style-type: none"> • advanced economy • strong employer organisations • strong higher education sector • prior migration experience or strong LM integration services (e.g. Austria, Germany and the Netherlands)

5. POTENTIAL FOR EXPANDING THE ROLE OF PES AND OTHER ACTORS

As the previous chapter showed, most Member States currently follow a demand-driven approach. PES play a limited role in implementing labour migration policies, and this is centred mainly on administering labour market tests and work permits. This chapter reviews the potential roles of public employment services (PES) and other main actors in the recruitment of third country talent, particularly focusing on institutions that may potentially cooperate with their national PES. As the existing literature on this aspect of migration policies is relatively thin, this chapter draws mainly on a few relevant studies and an analysis of existing practices.

5.1. Expanding the role of Public Employment Services

Workers' recruitment is in principle a market transaction, which may however need to be regulated and supported by public actors, in some cases. The recruitment of high-skilled labour from third countries is clearly an example of this in several ways (OECD, 2019a). Firstly, the state needs to regulate the entry of foreign nationals into their country as well as their employment. Secondly, recruitment from abroad is likely to involve high fixed costs so that if only firms invest in this individually, it would not be optimal for the national economy as a whole⁵⁸. Thirdly, public bodies have an advantage over business actors in terms of obtaining up-to-date and complete information on regulations on the work permit process and, contrary to PrES, they have no incentive to distort this information. Finally, some public bodies, particularly public employment services, have considerable experience in services that support the matching of employers to jobseekers, and this could be extended to the recruitment of third country talent in a cost-effective way. At the same time, as the PES clientele consists mainly of low-skilled or mid-skilled jobseekers, some PES may have limited experience serving highly skilled clients.

As discussed in the previous chapter, the PES currently plays a role in administering labour market tests and work permits. The PES may have the potential to take on a more proactive role in the following areas:

- identifying shortage occupations
- managing qualifications recognition systematically, and then collecting and providing this information to employers and jobseekers
- supporting the retention of international students
- providing services to employers to recruit and/or integrate TCNs
- providing services to TCN jobseekers to find a job and/or integrate them in the host country.

5.1.1. Administrative roles

In their existing administrative roles, PES may more proactively use their experience to regularly assess inefficiencies - concerning labour market aspects - in the relevant regulations and provide feedback to policy makers who may prioritise policy goals beyond reducing skill shortages (such as curbing illegal migration).

5.1.2. Analytical roles

In many countries, PES are fully or partly responsible for identifying shortage occupations, which serve as a basis for targeting immigration policies (European Migration Network 2015). This is an important role, as the ill-advised targeting of these policies may lead to costly inefficiencies and may also distort firms' recruitment decisions. The quality of the

⁵⁸ This may be especially likely if work permit processes are not transparent or predictable. The public provision of information (as opposed to fee-based private sources) can also promote equity by ensuring that smaller firms and less affluent jobseekers have access to the information (OECD 2019a).

analysis of the occupational and skill structure of labour demand and supply, which underlies official lists of shortage occupations, tends to vary greatly across Member States (Larsen et al., 2009).

This is a role where the PES has a clear advantage over other agencies, given that they maintain an important data source (the vacancy database). However, reliable analysis requires analytical capacities that may not be available in all PES.

PES may contribute to refining the definition of shortage occupations in at least two ways. Firstly, by differentiating short versus long-term (or cyclical versus structural) shortages. PES that are also involved in career orientation services may feed additional useful information into predictive models. Secondly, PES that have developed a competence-based matching system can use that to identify potential for reducing shortages in particular occupations by modularised training for the internal labour force and cooperate with higher education institutions and training providers to increase the availability of this sort of training (McGrath 2019a).

5.1.3. Qualification recognition

The need for recognising foreign qualifications may arise in the case of domestic jobseekers as well and therefore, in theory, cooperation with the relevant agencies is part of the standard procedures of PES (Donlevy et al., 2016). However, as the PES clientele tends to be dominated by the low-skilled or medium-skilled unemployed, most PES currently have limited experience on qualifications recognition. In countries where the PES already cooperates with validating institutions, e.g. to support qualification recognition of refugees and asylum seekers, this may be extended to supporting qualification recognition of high-skilled TCNs. For example, the Austrian PES, as part of the 'Contact Points for Persons with Qualifications from Foreign Countries' initiative, provides multi-lingual personal counselling on how valid different qualifications are in Austria. The German PES is involved in the IQ-Network, an inter-agency partnership that provides counselling on qualification recognition, information, bridging courses to gain full recognition, and other services to refugees.

The PES may further support qualification recognition systems by providing information to employers, and possibly also by sharing their contacts in the third country (e.g. with PES or academic institutions) who may support the recognition process (OECD 2017b). PES may also collect feedback from employers on the quality and reliability of certificates and feed it back to the qualifications' recognition authority.

5.1.4. Providing information

As already mentioned in Chapter 4, several countries have established dedicated platforms to inform employers and jobseekers of labour market regulations and opportunities. In some countries, these platforms are operated by the PES, or in cooperation with the PES.

Given their core mandate of informing jobseekers and employers in the national labour market, as well as their administrative roles related to labour migration, PES have a clear advantage in managing such platforms.

It is important, however, that the scope of the information supplied by these platforms is not limited by the mandate of the managing organisation, i.e. that it should provide comprehensive information on the administrative procedures including those aspects that are managed by other authorities (such as immigration offices or qualification recognition agencies). This requires continuous cooperation with the relevant authorities in order to keep the information content up to date.

5.1.5. Providing matching services

As with information provision, PES may have an advantage in providing services that match up domestic employers with foreign jobseekers residing outside the country. Delegating this sort of task to the PES may be particularly efficient for governments if the PES already

has a decisive role in a migration management and selection system that involves the pre-screening of candidates for admission requirements. Linking their international job-matching platform to the migration management system can save time and costs for employers by ensuring that candidates are eligible for immigration (OECD, 2019a).

Such services can especially benefit smaller firms that cannot cover the high fixed costs of international recruitment or, more generally, have limited capacity in human resource management (Oberholzner et al, 2018). PES may therefore need to segment these services according to the size of the employer and offer more intensive (and especially face to face) services to SMEs or consider charging larger firms for their services.

Direct PES involvement in job-matching platforms can also speed up policy adjustments as the PES may be able to recognise and address (or provide feedback on) regulatory barriers and inefficiencies that hamper the recruitment of TCNs.

There are also some obstacles to the involvement of PES in offering job-matching to high-skilled migrants. First, PES may perceive this as conflicting with their principle mandate to assist jobseekers in the national labour market. It is likely that those PES that have more developed employer-services would be more likely to undertake this role. Second, PES often focus on low-skilled and medium-skilled vacancies and jobseekers, rather than highly skilled ones.⁵⁹ This can make their experience in serving jobseekers in the national labour market relatively less useful in this task. In some Member States, PES may also have limited capacity and skills (e.g. knowledge of languages) to implement services for foreign jobseekers, while in others they are better equipped to serving jobseekers from various national backgrounds.

In the Flemish PES in Belgium, for example, the VDAB has dedicated counsellors having the expertise to help employers find high-skilled talent abroad, and the VDAB is also taking part in some pilot projects on new pathways for legal economic migration⁶⁰. In Finland, the PES collects information from Finnish embassies through a survey on recruitment possibilities in third countries.

Despite these advantages, few European PES provide this sort of matching service (beyond contributing to the EURES portal)⁶¹. As already mentioned in Chapter 4, the German PES has a dedicated agency (ZAV – the Agency for International Placement Services) that cooperates with PES in ‘sending’ countries. Several PES, including the Finnish PES and VDAB in Flanders, disseminate information to third countries about employment possibilities in their country. VDAB also has counsellors organising or taking part in job dates and fairs abroad, although mostly in other EU Member States (and they also have pilot programmes⁶² for their Flemish clients to train abroad, with the goal of finding a suitable workforce for Flemish companies).

5.1.6. Retention of international students

Several PES offer careers guidance services to secondary and tertiary students (European Commission 2019a), which may be extended to support the retention of TCN students, focusing especially on shortage occupations. This may significantly improve the efficiency of talent recruitment as TCNs graduated in the host country can be hired without going through the costly qualification recognition process.

⁵⁹ Qualitative data collected in the PES Benchmarking initiative suggest that less than half of EU PES have well-developed employer services. Some of these countries, such as VDAB (Flanders, Belgium) or the Estonian PES also have a relatively high share (of around 20-30%) of highly educated persons in the unemployment register.

⁶⁰ PALIM and MATCH, mentioned in Section 3.5.

⁶¹ EURES serves intra-EU labour mobility and is thus not described here in detail.

⁶² PALIM and MATCH, mentioned in Section 3.5.

The PES might have a prominent role in retaining students in the country by supporting their integration into the labour market. Evidence suggests that international students face larger initial obstacles and need more help than their domestic peers when entering to the labour market. Difficulties may arise from imperfect language skills, a lack of local professional networks, lack of experience about the local labour market, and discrimination by employers (Berquist et al. 2019).

An example of good practice is the programme by the German PES which provides job search assistance to international students on site at larger universities (see Appendix 2).

5.1.7. Language training and cultural integration

A lack of language skills, a lack of personal networks in the host country and limited information on local social norms also create a barrier to successful labour market integration and social integration. As a result, third country migrants may take up employment below their skills level or return to their home country sooner than planned. Given the relatively high costs of their recruitment, it is important to tackle these soft barriers to integration (Weinar et al., 2020).

Many European PES already offer language training to jobseekers (such as asylum seekers or mobile EU citizens), which can be made accessible to third country migrants as well (European Commission 2019d). PES may also offer mentoring and training to jobseekers and counselling to employers to support cultural integration. Depending on the local institutional context, such activities may also be organised in cooperation with other stakeholders, such as NGOs, municipal agencies, unions and associations of the target professions. In the Scandinavian countries, for example, some PES cooperate with local partners offering integration programmes including language training, civic orientation and other measures to support asylum seekers entering the labour market (European Commission 2019c).

5.1.8. Providing recruitment and integration services

Some PES already provide integration measures to high-skilled third country nationals, and while this is not typically part of a pro-active recruitment programme for TCNs, it is part of an integration programme for people who have been admitted to the country via another channel (such as asylum seekers). In most EU Member States, the PES offers support to refugees, helping them prepare for and find a job. This can include the development of (soft) skills, vocational training and career counselling, language and civic orientation courses, enhancing employers' awareness and capacity to manage diversity, or cooperation with employers, universities and private employer services (European Migration Network, 2019). The Italian PES, for example, organises gender-oriented counselling to develop personalised inclusion plans. The PES in Austria, Belgium, Germany, Norway, Sweden and Turkey have received Fast Track Integration through European funds (from the EU's EaSI, its Employment and Social Innovation funds) to cooperate with regional or local authorities, training providers, NGOs and employers in offering labour market integration services for refugees.

Some PES also provide post-placement assistance for third country nationals to prevent the exploitation of migrant workers, thereby assuring 'fair mobility' and decent working conditions⁶³. Since 2016, the EURES network has also served as a pro-active instrument, offering post-placement assistance to intra-EU labour migrants.

Most of these services may be used as building blocks of an elaborate recruitment and integration programme targeting high-skilled migrants. Furthermore, PES that already have extensive employer services may be well-placed to extend these to offer counselling

⁶³ This is also promoted by the New Pact on Migration and Asylum, and the 2018 Directive amending directive 96/71/EC concerning the posting of workers in the framework of the provision of services <https://data.consilium.europa.eu/doc/document/PE-18-2018-REV-1/en/pdf>.

on international recruitment. For example, VDAB (Flanders) provides support in setting up a function profile, matching, organising or supporting employers in 'job-dating' to help them recruit from abroad. The German PES provides employers with advice and information on the process of qualification recognition and obtaining a work permit.

Lastly, PES may build on their existing international contacts with PES and related organisations in potential sending countries to collect and share information and build cooperation in the recruitment of high-skilled migrants.

5.1.9. Family policies and support for children and spouses

The services and integration measures provided for family members can significantly improve the attractiveness of a job market for high-skilled workers, and they also play a crucial role in long-term social integration. It is often argued that one of the main reasons for losing international experts is that their spouses lack meaningful employment prospects and the integration of their family is difficult⁶⁴.

A primary concern is the accessibility of a home and obtaining a work permit for the spouse of a recently hired TCN, which is usually in the remit of immigration offices (OECD 2017a). Though in most cases the spouse of a highly skilled immigrant is also granted a work permit (as guaranteed by the EU Blue Card and also the Single Permit Directive that apply to all other migrant workers and their families), prospective migrants may not be aware of this⁶⁵. Migrants may face several further difficulties in relocating their family and integrating them into the local community, such as finding suitable accommodation or navigating the school system.

PES may have a role in collecting and providing up-to-date information on these aspects of social integration or including links to the relevant government websites/agencies on their websites. Also, some PES, particularly those that maintain dedicated counselling services to support internal mobility, may make these services available to TCNs, or they may share information with the agencies that provide this element in assisted recruitment programmes. Furthermore, PES may offer dedicated job counselling and training courses for spouses to facilitate their entry to the local labour market.

In Finland for example, the Hidden Gem programme, coordinated by the Tampere Universities and implemented in cooperation with the PES, facilitates the employment of skilled professionals' spouses and thereby helps their integration into the Finnish economy. The programme includes mentoring, support in networking, and pilot projects where spouses can try out different jobs.

5.1.10. Institutional constraints to PES actions

In the interviews we conducted with selected European PES, most responding PES reported they were open to being involved in the recruitment of high-skilled workers in third countries. They did not believe that their national strategies or regulations would constrain the role of PES in this aspect. Poland is exceptional as their lack of strategy limits their possibilities, as there are no assigned roles, ascribed tasks and resources related to cooperation with partners in third countries. VDAB mentioned the importance of the support they receive from the Flemish government in setting up their organised migration schemes.

Capacity constraints may however occur even in the most mature PES. For example, VDAB mentioned that they receive insufficient policy support and vision for developing a possible strategy for international mediation outside Europe. They also have insufficient experience in proactively detecting appropriate sending countries where they can set up organised

⁶⁴ For example: <https://www.linkedin.com/pulse/spouses-key-keeping-international-talents-finland-laura-lindeman/>.

⁶⁵ E.g. in Austria, family members of highly skilled foreign workers are entitled to an 'RWRC plus' permit.

migration schemes. VDAB experts also have limited experience and knowledge of the legislation in the relevant origin countries.

These institutional constraints are likely to be more relevant in countries where the PES has a less autonomous role, a more limited mandate in the provision of services to national clients, and the PES employs fewer people.

5.1.11. Potential partners for the PES

Their existing international and domestic networks may also be an important resource that PES may use in developing labour migration services. PES usually cooperate with several actors that play an important role in the employment of foreign talent. These actors include potential employers and employer organisations, private employment agencies, universities, migration authorities and organisations in the Member State, PES in other Member States, and in some cases, also with PES or authorities in third countries. Regional networks of PES, such as CPESSEC in South-East Europe, may be especially useful in this regard.

Cooperation between PES and other stakeholders may vary in intensity and level of formality. Informal and loose forms of cooperation may include the exchange of information and good practices, the discussion of topics of mutual interest, consultation and networking on different forums. PES may develop close partnerships, involving shared commitment, responsibilities and joint decisions, usually based on a formal, and possibly, but not necessarily legally binding agreement. PES may also engage stakeholders as sub-contractors that support the delivery of PES services, for example to private employment agencies and service providers, thereby increasing their capacity and range of services.

5.2. The role of, and cooperation with, the PrES

In most Member States, the primary organisations specialised in matching high-skilled job offers and potential employees from third countries are private employment services (PrES). PrES offer a wide range of services: job-matching, legal and administrative support with immigration procedures placement and settlement services or complementary training (OECD, 2019a). Some PrES specialise in the recruitment of highly skilled experts in specific professions, which makes them an important player in talent recruitment. Global recruitment agencies with branches in many countries and access to labour markets worldwide are especially well equipped to support international talent recruitment and international mobility.

The available data suggests that private employment agencies play a more important role in recruitment of skilled third country nationals than PES. According to a survey conducted by the European Job Mobility in 2011, 30% of the employers used private employment services to hire from abroad, compared to the 15% of employers who relied on services on PES. According to the 2014 Eurostat LFS ad hoc module, 10% of high-skilled non-EU migrants used private employment services as a job search method, exceeding the 6% for the medium and low skilled. Nevertheless, personal relations and advertisements proved to be a far more important channel for migrants than either private or public employment services (OECD, 2019a).

The role of private agencies probably increased further in the last decade due to the capacity constraints within the PES and increasing demand from employers for more flexible and mobile labour (International Labour Organisation, 2018). However, not all employers can afford to work with fee-based private agencies. As PrES charge significant fees, their services are used mainly by larger companies and companies which regularly recruit globally (OECD, 2019a).

PrES are not under the same public regulation and surveillance as PES, and this may involve a higher risk of fraudulent and abusive practices. Such concerns are fuelled by cases when private agencies have misled and exploited large numbers of labour migrants

(EU and OECD, 2016). International organisations, the EU, and the PrES themselves have made significant efforts to reduce these risks and promote ethical conduct⁶⁶. In 2006, the World Employment Confederation Europe, the international organisation of PrES at the European level, developed a code of conduct for ethical and lawful recruitment, transparency of operation, refraining from charging jobseekers for service provision, respect for workers' rights, health and safety, respect for diversity, confidentiality, fair competition and service quality⁶⁷. The International Confederation of Private Employment Services (Ciett) adopted a new Code of Conduct in 2015.

The regulatory framework for accreditation and operation of PrES is very diverse across EU countries. The lack of unified guidelines and standards is considered to be a potential barrier to EU-wide collaboration between private and public employment agencies in attracting third country talent (OECD, 2019a).

5.2.1. Cooperation between PES and PrES

The increasing complexity and volatility of the labour market, especially after the 2008 crisis, stimulated PES worldwide to cooperate with different non-public labour market stakeholders such as private employment agencies, to meet increasing demand for flexible and well targeted services (Hiebl and Hempel 2019). Cooperation between the PES and the PrES creates synergy: it might mitigate risks and concerns associated with PrES involvement in talent recruitment, while PES may benefit from the proficiency of private agencies in many areas such as flexibility, expertise with high-skilled jobseekers and international background. Cooperation might be especially fruitful when the PES struggles with capacity constraints.

Looser forms of cooperation between PES and PrES may include the pooling and sharing of relevant information and the exchange of vacancies and jobseekers' profiles. PES may also use cooperation to increase their capacity in service delivery: PES may subcontract counselling, coaching, training and other active measures. PrES and PES may also cooperate in developing and maintaining online services in which some PES lack expertise (Hiebl and Hempel 2019) It should be noted however that procurement and contract management also require capacity, expertise and sources and may carry some efficiency risks as well (e.g. results-based contracts might result in 'cream skimming'/'cherry picking' by PrES, taking on all the easy contracts with a focus on short-term gains - Hiebl and Hempel 2019).

International experience suggests that PES may benefit from better exchange of labour market information, access to expertise in special labour market segments and a larger pool of vacancies and CVs. Different forms of cooperation might contribute to the more innovative and flexible provision of labour market services (Hiebl and Hempel 2019; International Labour Organization 2018).

There are several examples of PES and PrES cooperation and partnership in Europe, on the exchange of vacancies and candidates (e.g. the UK, regionalised public employment services of the three regions in Belgium⁶⁸, the Netherlands, Denmark, Italy and Sweden), sharing information and intelligence on labour market and best practices (the UK, France, Germany, the Netherlands and Sweden), or on the exchange of statistical information (e.g. the UK, regionalised public employment services of the three regions in Belgium). Complementary forms of partnership include contracting out labour market programmes

⁶⁶ Note that PrES are regulated at the EU level, for example by Directive 2008/104/EC on Temporary Agency Work adopted in 2008. The ILO Convention on Private Employment Agencies (No.181) also sets norms for ethical international hiring, for example includes the ban on recruitment fees charging.

⁶⁷ https://weceurope.org/uploads/2019/07/2017_WEC_Code-Conduct.pdf

⁶⁸ Cooperation agreements between Federgon, the Belgian Federation of Staffing Agencies, and the regionalised public employment services in 2013 (Flanders, Wallonia, Brussels and German speaking Community).

(Belgium, Denmark, France, the Netherlands and Sweden), support to jobseekers (regionalised public employment services of the three regions in Belgium), and the integration of target groups (Germany, France, the Netherlands and Sweden) (WEC 2018). Cooperation also takes place at the EU level, between the World Employment Confederation-Europe (WEC-Europe) and the EU PES Network, primarily in sharing experiences and best-practices. The EURES regulation adopted in 2016⁶⁹ has opened up partnerships with private employment services by allowing and encouraging PrES to become EURES members and post their vacancies on the EURES portal.

Partnerships between PES and PrES seem to be less widespread in the area of high-skilled labour migration, or the attraction of third country nationals. Cooperation may be especially beneficial for both parties in the exchange of information on labour markets and qualification systems, sharing vacancy and jobseeker databases, and developing user-friendly online platforms to inform employers and jobseekers. Cooperation with the existing international online information sites and job-matching platforms (e.g. LinkedIn) may be especially useful in helping PES to lower 'information barriers' in international recruitment.

This form of cooperation may be beneficial for PrES as they may gain reputation and confidence among both potential third country jobseekers and employers, as the partnership with public bodies might be seen as a guarantee that their hiring practices are ethical and in line with the migration and settlement regulations.

5.3. The role of other stakeholders

Beside PES and PrES, other stakeholders and their potential cooperation with PES also influences the capability of Member States to attract high-skilled workers. In this chapter we discuss the role of these stakeholders, such as accreditation agencies, employer organisations, universities, non-governmental organisations, or other authorities in the Member States and in third countries.

5.3.1. Qualification assessment and training organisations

PES usually are not directly involved in qualification recognition, but they cooperate with various other actors depending on the national institutional setting: local authorities, education providers, national accreditation agencies or professional regulatory bodies (Donlevy et al., 2016). PES responding to our survey reported close cooperation with the ENIC-NARIC network where formal recognition is necessary.

Cooperation with stakeholders in sharing information on qualification recognition can increase the reach of PES. For instance, since the revision of the Europass online platform launched within the 2016 EU Skills Agenda, the platform now includes information on qualifications and qualifications frameworks, on opportunities to validate informal learning, and on the recognition practices and relevant legislation in different countries, including third countries (OECD, 2019a).

5.3.2. Universities

Universities are usually involved in some way in the accreditation of high-level foreign qualifications (Donlevy et al., 2016). Based on our survey results, several PES cooperate with universities and training institutions both at home and abroad. Universities and academic bodies play a role in qualification recognition, either by assisting other bodies involved in recognition or by recognising the foreign diploma as equivalent to theirs, but this plays a more important role in further studies than in employment.

VDAB, for example, helps find the right educational institution in foreign countries which will deliver training based on the requirements of Flemish employers (advice on the programme, public procurement, etc.). The German PES also cooperates in some cases

⁶⁹ (EU) 2016/589

with educational institutions abroad, mostly with local language institutes, such as the Goethe Institute that teaches German language skills. The Finnish Hidden Gem programme, which offers services for spouses of high-skilled immigrants, is organised by Tampere University in cooperation with the PES.

5.3.3. *Immigration authorities*

Public employment services usually cooperate with immigration authorities in processing work permit applications. In the case of single permits, allowing both residence and gainful employment, and in the case of work permits for those who already have a visa, the PES is usually in charge of processing labour market tests. This implies that most PES have up-to-date information on immigration regulations that they can use to inform TCNs and employers.

5.3.4. *Employer organisations*

PES that have an elaborate talent recruitment policy tend to cooperate with individual employers as well as employer organisations, however this is rare (Oberholzner 2018). In regulated professions, employer organisations and/or professional bodies may also influence qualification recognition rules or play a role in the recognition process. In effect, they may function as labour market gatekeepers for foreign qualified professionals through professional accreditation (OECD, 2019a).

One example of fruitful cooperation is Finland, where Business Finland (the national business development and innovation support agency) supports the PES in attracting foreign high-skilled workers. Close communication with employers also plays an important role in gathering information on occupational shortages in several regions or countries, such as Finland or Flanders.

5.3.5. *PES and other authorities in the sending country*

Although the capacity of PES in third countries shows a large variation, building closer cooperation with them within the World Association of Public Employment Services (WAPES) is an important possibility for building mutually beneficial channels for labour migration. The long term strategy of WAPES for 2015-2025 expressly mentions this goal, as well as improving the exchange of information and good practices across member countries (WAPES, 2015).

A good example of this sort of cooperation is the German PES. It contacts the responsible authorities in the sending countries before it recruits potential candidates from abroad, and it does not recruit without the consent of the relevant local Ministry or the local PES. Similarly, VDAB works together with several partners in the origin country, while various Flemish organisations, such as the *Agentschap inburgering en integratie* (the Agency for Integration and Civic Integration) and NARIC (recognition of diplomas) also work jointly with VDAB. Where possible, VDAB's dedicated counsellors cooperate with the local PES when recruiting high-skilled applicants from third countries.

5.3.6. *Social integration actors and NGOs*

As the ultimate success of costly recruitment efforts depends on the sustained employment of newly recruited TCNs, elaborate recruitment initiatives often include integration services as well. Social integration services are typically provided by dedicated public agencies or NGOs, often sub-contracted by the PES. In Flanders, for example, social integration measures are delivered by the Agency for Integration and Civic Integration. The PES remains responsible for the labour market integration of immigrants, but it works closely together with the agency for civic integration to align both social and labour market integration trajectories. In Poland, social integration measures are usually provided by NGOs (mostly within EU programmes and funds), but in some big cities there are special municipal units responsible for supporting migrants in cooperation with the local PES.

6. CHALLENGES AND BEST PRACTICES

Based on the brief review of relevant EU level and national migration policies in Chapters 3 to 5, this chapter discusses challenges related to attracting high-skilled workers from third countries and their successful labour market and social integration, with a focus on relevant PES activities. Some of these challenges concern the complexity of migration policies, and some point to the need for tackling the soft barriers of migration which impede the successful labour market integration of third country migrants even where hard barriers (work and residence permits) have been removed (Weinar et al., 2020).

Challenges mentioned in the survey conducted for this study⁷⁰ include matching the needs of the host country to the qualifications of the applicants, attracting talent without causing a 'brain drain' in the sending country, convincing employers about labour shortages, proactively encouraging preferential sending countries to set up legal migration schemes, a lack of relevant experience within the PES, and raising awareness abroad about their country as a potential destination.

Based on these, there are three main areas where PES might contribute to improving migration policies targeting third country talent. These include:

- flexibility in responding to frequent changes;
- tackling the potentially high fixed costs of recruitment;
- tackling prejudices within recruitment processes.

6.1. Flexibility in responding to the changing environment

The current COVID-19 crisis highlights the importance of the ability of national policies and institutions to react to changes in the environment and especially in the structure and size of demand for, or the supply of, skilled labour.

PES may contribute to tackling this challenge by further developing their tools for monitoring labour market needs and the identification of skills shortages. Currently, PES tend to focus on low-skilled and mid-skilled occupations, as their primary goal is to support jobseekers in the national labour market (Oberholzner, 2018). However, most PES monitor the labour market as a whole, including both low and high-skilled sectors, and they collect data from sources other than the jobseekers' registry. The PES in Austria, for example, conducts interviews with experts and uses the Labour Force Survey data to complement their own data sources. VDAB in Flanders (Belgium) uses a combination of their vacancy database and the jobseekers' registry in their statistical analysis and complements this by gathering information from experts within the PES and from sectoral organisations, as well as seeking other data.

The German PES has developed a 'needs analysis' to identify specific occupations, which are particularly suitable for the recruitment of skilled labour from abroad. In addition to pure shortage indicators, new findings about the occupation-specific demand for skilled labour using foreign skilled labour are also taken into consideration. These findings are validated by external and internal labour market actors⁷¹. The PES in Poland uses two main tools to monitor the need for foreign talent. Firstly, they monitor 'deficit professions' and 'surplus professions' based on unemployment and job offer registers and the calculation of special indicators for each group of professions⁷². Secondly, they use their 'Barometer of

⁷⁰ The survey covered the PES of AT, BE-Flanders, DE, ES, FI, LV, and PL.

⁷¹ For further information, see Bundesagentur für Arbeit (2019): Needs analysis of the German Federal Employment Agency (BA) for the recruitment of skilled labour from abroad <https://www.arbeitsagentur.de/datei/ba146345.pdf>.

⁷² For further information, see: <https://dane.gov.pl/dataset/681,monitoring-zawodow-deficytowych-i-nadwyzkowych>.

professions', a short-term prognosis for about 100 professions made by a group of experts⁷³, and they use this data when preparing the list of shortage professions exempted from the labour market test.

Other ways to increase flexibility may include the simplification of procedures, and the allocation of all the related administrative and decision-making authorities to a single institution. In Spain, the 14/2013 Act of support to entrepreneurs and their internationalisation was created to attract foreign investment and entrepreneurs to improve Spain's competitiveness and innovations. This policy offers five visa categories from investors to entrepreneurs and highly skilled workers. The policy is designed to eliminate the obstacles to foreign entrepreneurship. It introduced a flexible and fast application procedure with a single authority for large businesses and strategic groups (UGE – the Large Business and Strategic Groups Unit). The unit belongs to the State Secretariat for Migrations in the Ministry of Inclusion, Social Security and Migrations. The procedure is streamlined such that residence permits can be offered within 20 working days.

6.2. Meeting fast-changing needs when recruitment is costly and time-consuming

Recruiting high-skilled migrants from third countries tends to be more expensive and time-consuming compared to recruitment within the EU or in the domestic labour market. It is therefore important to ensure that third country recruitment is mainly used when other, more cost-effective, alternatives are not available. Moreover, an elaborate recruitment programme is also likely to have high fixed costs that are only likely to be recovered if the demand for recruits is sustained over a period of time. This calls for a careful selection of target professions, and for measures to reduce the costs.

As already mentioned above, one potential PES contribution might be in the analysis of labour market trends and the identification of professions where labour shortages are likely to continue for some time. PES may also advise employers on alternative solutions to tackling skills shortages, such as by investing in automation and reorganising the allocation of tasks or upskilling domestic jobseekers.

PES may also contribute by reducing the costs of assisted recruitment programmes. They may raise awareness of soft barriers to social integration to steer employers (or other participating agencies) towards third countries that already have some cultural ties to the host country, and they may build on their existing contacts in implementing the programme e.g. through involving the PES in the third country in providing information and selecting candidates.

For example, the German ZAV (the international placement service of the federal PES) and GIZ (the German Federal Enterprise for International Cooperation) have several recruitment programmes in which they cooperate with third country PES to recruit highly skilled professionals (nurses or engineers). It should be noted that this is only feasible (and ethical) in countries that have a surplus of jobseekers in the target professions.

6.3. Discrimination and prejudices

TCNs may be less likely to be employed or more likely to settle in lower quality jobs than their similarly educated peers as a result of discrimination and prejudices. This might be caused by government agencies when work permits are issued, and by employers during the recruitment process and subsequent employment. Furthermore, discrimination in everyday life may harm their social integration and well-being in the long term.

Prejudices against specific ethnic groups are widespread in Europe and are inevitably there within public authorities and from employers. An additional source of discrimination may

⁷³ See: <https://barometrzwodow.pl/en/site/index>.

be the negative perceptions regarding credentials and professional experience completed abroad (Bauder, 2005). Some of these perceptions are based on evidence or personal experiences of a discrepancy in the quality of foreign credentials and actual professional experience. Higher education systems differ and often similarly titled degrees may entail significantly different course contents (Sweetman, 2004; Li and Sweetman, 2014; Aumüller, 2016). However, when these differences lead to generalised perceptions, immigrants coming from either non-English speaking or non-Western countries may be more likely to be discriminated, even if their actual skills and qualifications meet host country standards (Weinar et al., 2020). Similarly, discrimination may stem from perceptions regarding work-values and soft skills. Indeed, Syed (2008) finds that immigrants coming from non-Anglo-Saxon countries were perceived by employers as being more expensive due to the higher costs of training on how the organisational culture works and on social skills, and therefore immigrants were more difficult to integrate into the workforce. Some of the PES in our small sample also mentioned the discriminatory selection process of employers as a barrier to attracting third country talent. A recent report from the EU Employment Observatory also suggests that discrimination against migrants is widespread in several countries either in the form of general societal discrimination, or in the hiring practices of employers. This can affect both highly skilled workers and their spouses, especially if the spouse is female (for instance in the case of refugees, female sub-Saharan Africans have a lower labour market participation rate than males, and wearing a hijab is also reported as being a significant obstacle) (EEPO, 2016).

PES can contribute to tackling this challenge in several ways. First, PES may use their existing experience with employer discrimination (e.g. towards ethnic minorities in the national labour market) to make employers and, if it is appropriate, their own staff more aware of the issue. Second, PES may use their existing experience in integration support services to inform recruitment initiatives when targeting countries in a way that minimises the risk of discrimination (i.e. stressing the importance of finding countries where the education system, work values, and social norms in general are similar). Third, PES may provide (or outsource) training and mentoring to jobseekers and employers in assisted recruitment programmes, which can include practices that reduce the risk of discrimination.

6.4. Impact on the economies of the ‘origin countries

In theory, the countries of origin may gain from highly skilled workers migrating to an EU country e.g. through remittances, through developing professional networks with the host country, or from the knowledge and experience of returning migrants (Weinar et al., 2020). However, these gains are not automatic, and the gains and the losses do not necessarily balance each other out. The risk of ‘brain drain’ therefore remains a concern, especially when countries plan to establish long term cooperation facilitating high-skilled migration on a significant scale.

The 2013 review of the European Migration network recorded no initiatives to strategically address the brain drain issue or to promote ‘brain circulation’, but the Blue Card has some relevant provisions⁷⁴. Several Member States have specific policies in place to limit the potential negative impacts on the economies of the sending countries. Several countries, including Belgium, may refuse work permit applications on the grounds that the country of origin of the applicant suffers from a labour shortage in the given sector (European Migration Network, 2013). Some countries, such as Finland, also established bilateral cooperation with sending countries. Germany has run several pilots where ‘avoiding brain

⁷⁴ For example, the grounds for refusal article states that “Member States may reject an application for an EU Blue Card in order to ensure ethical recruitment in sectors suffering from a lack of qualified workers in the countries of origin”.

drain' was an explicit aim of the programme, e.g. 'Triple win'⁷⁵ which recruited nurses from countries with an oversupply of the profession. The German 'Migration for Development'⁷⁶ programme, launched in 2017, aims to support return migrants to resettle in their home countries. The VDAB, in the Flanders region of Belgium, has launched a programme in which prospective migrants received training in their home country⁷⁷, as not all of them are then subsequently hired to work in Belgium, the sending country also benefits from a skills gain.

⁷⁵ <https://www.giz.de/en/downloads/giz2019-en-triplewin.pdf>

⁷⁶ <https://www.giz.de/en/worldwide/62318.html>

⁷⁷ PALIM, mentioned in Section 3.5.

7. RECOMMENDATIONS

This chapter formulates recommendations for further action at four levels: national labour migration policies (as a framework for PES actions), PES at the national level, the EU PES Network, and finally at the EU policy-making level. These are not comprehensive in the sense that the focus is kept on issues that are especially relevant for the PES.

7.1. National policies

For countries with a sustained shortage of highly skilled labour in several professions it may be especially beneficial to introduce supply-based elements into their migration system, combined with strong integration measures to lower the soft barriers to integration, as well as high quality analysis of shortages to support the targeting of labour migration policy. To ensure that admission rules are transparent and predictable, a points systems for high-skilled immigrants, partly or fully implemented by the PES may add value.

To curb costs and gain a competitive advantage, PES could build on the existing resources in their country. This can include identifying target groups who may especially value particular attractive features of the host country. A good example of this is the Finnish PES attracting female IT workers from Southeast Asia through emphasising their inclusive and gender-neutral labour market and childcare services/support for mothers. It may equally include identifying target countries with existing institutional or cultural and language ties to the host country (e.g. the UK recruiting engineers from former colonies).

Countries with a strong and attractive higher education system may be advised to attract more foreign students and motivate them to stay after their studies. Beside the general rules laid down by the recent EU recast Directive on students and researchers, national policies may further facilitate the inflow and the retention of TCN students. This can be done in various ways, for example by stipends; through simplified, fast and low-cost approval procedures; through simplified or automatic permit extensions after students have completed their studies; through career orientation services and through job search counselling. Retaining international students eliminates the costs of qualification recognition (as compared to attracting foreign migrant workers trained abroad) and it also significantly reduces the need for specialist integration services. PES can play an active role in supporting foreign graduates entering the local labour market.

A general recommendation applicable to all Member States is to increase the transparency and speed of the work permit process by reviewing and removing unnecessary administrative burdens, and by eliminating those labour market tests that are a pure formality. Introducing fast-track procedures for the most highly sought-after professions, such as IT, is also recommended.

Finally, Member States are advised to identify the relevant strength of the PES and utilise them in their migration and integration policies, ensuring that their increased tasks are matched with increased resources.

7.2. Individual PES

Individual PES are recommended to:

- explore the alternatives to recruiting from third countries (e.g. incentives to domestic supply of labour, recruiting from within the EU, and automation) and give information to employers and relevant public organisations;
- encourage supply (within the PES mandate) in occupations that face shortages (depending on national legislation), e.g. through highlighting job opportunities with the career orientation services, and through encouraging employers to offer stipends and internships;

- support recruitment among foreign students in professions requiring more recruits. Facilitate the job-matching of graduating students, for example by giving on-site job search assistance at universities;
- improve the quality of data narrowing down 'shortage occupations' by cooperating with other institutions, and obtaining richer, better quality data through involving highly qualified experts. Distinguish between temporary transitory shortages and structural shortages;
- identify deficiencies in immigration rules and provide feedback to authorities, e.g. cases where the 'labour market test' is has no value (either because it is a clear 'shortage occupation' or the PES has limited involvement with the sector);
- provide reliable and up-to-date information via several channels on the work permit process, qualifications, job opportunities and available integration services, and make this information available in several languages. Cooperate with other public agencies providing this information and aim to establish a single, comprehensive information source that is accessible via several organisations. Include links to information on all aspects of the migration decision and accentuate attractive features (e.g. access to social security, healthcare and schools);
- support the identification of the most relevant third countries to recruit from: those with existing institutional and cultural ties to the host country and/or geographical proximity, and/or those with an oversupply of qualified people in 'shortage occupations'. Use existing networks to collect information (e.g. local PES, and/or the diplomatic network);
- strengthen cooperation with employer associations and relevant NGOs in sharing information, provide advice on their existing recruitment and integration programmes;
- PES that have sufficient capacities and resources may consider developing and offering additional services to support talent recruitment from third countries, e.g. diversity management training for employers, and integration support for migrants. PES may wish to consider charging employers for recruitment and integration services that require sophisticated work.

7.3. The PES network

The PES Network could play an important role in raising awareness of, and information about, the problem of structural high-skill shortages. It could facilitate further research and discussion on the links between high-skilled labour shortage and automation.

The PES Network can naturally provide a forum for discussion and share best practices on attracting third country talent, and it could also facilitate PES cooperation in how a national PES can help attract high-skilled labour from abroad.

Although national PES are to a certain extent in competition with each other for foreign talent in the current setting, the PES network could also play a role in information sharing, including information collected by embassies of Member States on recruitment potential in third countries. This may considerably reduce the fixed costs of developing recruitment programmes for the individual countries.

In the development of EU-level actions, policies and tools to facilitate third country recruitment, the PES network could play an important role through collecting and providing regular feedback from national PES. The PES network may also facilitate further cooperation with WAPES and PrES. In line with their long-term strategy for 2015-2025, WAPES may be used as a platform for exchanging good practices, for sharing information and also as the starting point for bilateral cooperation between PES.

7.4. EU- level actions

At the EU level, there is a clear need to continue the development of existing tools to support migration and also to provide guidance on national policies.

The revision of the EU Blue Card system is on the political agenda, but any new regulation is bound to leave many competencies at the national level. Assuming this is the case, EU level information campaigns could promote the EU as a destination and increase the attractiveness of the EU as a whole, as evidence suggests that one of the important frictions in the international mobility of labour is the lack of information, and the cost of complying with legislation that creates a bureaucratic burden for potential migrants.

The EU immigration portal contains a lot of important information about the national legislation and rules, and differing national implementation of the EU Blue Card. However, improvements could make the site more user-friendly for potential third country jobseekers and help them choose between EU countries.

The EURES portal could be further developed to become the main gateway into the EU labour market. Although the portal already has jobs available for third country nationals, and the immigration portal has a link to EURES, the platform was originally optimised as a tool to facilitate intra-EU mobility.

The EU may facilitate further cooperation between the PES Network and Cedefop regarding the methods and tools for analysing labour market trends and identifying skills shortages.

The EU may consider facilitating the cooperation of country clusters within the EU to coordinate their efforts and reach scale economies in their recruitment strategies and improve the overall attractiveness of their joint labour markets, e.g. by increasing the variety of job opportunities.

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APPENDIX

Appendix 1 – Questionnaire sent to selected PES

Part A – Strategy and the role of PES

A1. Do you perceive a structural (longer term) need for attracting highly skilled third country nationals (TCNs) in your country?

Yes

If so, in what professions?

No

A2. Is there a government strategy for attracting high-skilled TCNs in these professions?

Yes

If yes, please provide a link to the strategy (which may have a broader target).

No

A3. Does the PES play any role in job-exchange for high-skilled unemployed in general (domestic, EU and TCN)?

Yes

Please specify

No

A4. Does the PES have the capacity / tools / expertise to play a more active role in job-matching for the high-skilled (domestic, EU or TCN)?

Yes

No

A5. Does the PES play an active role in attracting third country talents or mainly a passive role through implementing national regulation, for example administering labour market tests or issuing permits?

Yes

Please specify

No

A6 Is there any cooperation regarding the employment of high-skilled TCNs between your PES and the following actors? If yes, please briefly explain the aims and tools of your cooperation.

a) (potential) employers of third country skilled workers

Yes

Please specify

No

b) Universities and other educational institutions in the home and foreign countries

Yes

Please specify

No

c) Other authorities and organizations in the home country

Yes

Please specify

No

d) PES in other EU Member States and third countries

Yes

Please specify

No

e) EU institutions and organizations?

Yes

Please specify

No

A7. Could the PES be involved in the process of attracting highly skilled labour force from third countries?

Yes

If so, how could this be achieved under the current national regulation and strategy? (Further development in recent activities and introduction of new activities?)

No

A8. a) What are the main external challenges and barriers to PES in attracting third country talent?

b) Does the national strategy/regulation constrain the role and activity of PES in attracting third country high-skilled persons?

Yes

What are the legal and regulatory constraints to increasing the involvement and role of PES in attracting third country skilled persons?

No

A9. What are the main strengths and weaknesses of PES activities and your role in the process of attracting and assessing high-skilled third country nationals?

A10. Do

you have any suggestions on how the national strategy/regulation may be modified in order to enhance attraction of highly skilled third country nationals?

Yes

Please specify

No

A11. Does the current COVID-19 pandemic affect the ability of PES to attract skilled workers from third countries?

Yes

Have you implemented practical measures affecting this issue in response to the pandemic, and do you see any probable major changes in the long term (e.g. The role of more widespread teleworking, platform work, etc. in the employment of third country nationals)?

No

Part B - Labour market needs monitoring

B1. How does the PES monitor occupations and skills in shortage in high-skilled professions? What are the main data sources, methods?

Does the PES use other sources than the jobseekers' registry? (Internet databases, other admin data, employers' surveys, other surveys etc.)

Yes

No

B2. How frequently is the assessment or list of shortage occupations revised? How quickly can the PES respond to changing labour market needs?

B3.

Does the PES forecast labour market trends in high-skilled professions?

Yes

If so, what methods are used in the forecasting? Does this forecast have any (formal or informal) role in attracting or admitting high-skilled third country nationals?

No

B4. How does PES get information about countries/regions with recruitment potential? Do you monitor labour markets in third countries? Do you cooperate with third country institutions (universities, PES, etc) in exploring recruitment possibilities?

Yes

No

B5. Do you cooperate with CEDEFOP regarding skill forecasting tools, big data analysis of vacancies?

Yes

No

B6. Do you rely on the European skills and jobs (ESJ) survey or skills index of CEDEFOP, Skills Panorama or skill forecast?

Yes

If the answer is yes, do you use the above services also in attracting third country nationals?

No

B7. - Do you apply other skills intelligence tools? (e.g. the OECD Skills for Jobs Database).

Yes

If yes, please specify

No

B8. Do you work with the EU Skills Profile Tool for Third Country Nationals?

Yes

If yes, what are the experiences with this service?

No

B9. Do you use any other EU tools related to skills forecasting or the recruitment of TCNs?

Yes

If yes, what are your experiences? Would any other new EU tool be helpful in your work? Please specify

No

Part C - Qualification recognition

C1. Does the PES have any role in the recognition of foreign tertiary qualifications?

Yes

Please briefly summarise the main rules and regulations and the differences between regulated and unregulated professions (*or provide a link to the source of this information*):

No

Please specify which organisation is in charge of that:

C2.

Do foreign job applicants have a possibility to validate professional experience (either minimum 5 years, following the Blue Card regulations, or less) as an alternative to professional qualification, in certain professions?

Yes

What is the procedure for the validation of professional experience gained abroad?

No

C3. Are there other means of skills recognition for high-skilled professionals?

Yes

What are these?

No

C4. Is the European Qualification Framework used by the PES?

Yes

What are its advantages?

No

What is the reason for that?

C5.

a) Does your country require/use the recognition of qualifications by ENIC-NARIC?

Yes

How useful is the ENIC-NARIC system?

No

b) Has the PES developed their own programmes and knowledge of selected third country qualification systems?

Yes

How do they work?

No

C6. Do you cooperate with third-country institutions (e.g. universities, chambers of commerce, etc) in order to better understand the qualifications acquired outside of the EU?

Yes

In which countries do you have such cooperation?

No

Part D - Work permits, campaigns and integration

D1. Is the PES involved in issuing work permits for high-skilled workers from abroad?

Yes

How is the PES involved in issuing work permits for high-skilled workers from abroad? What is the role of PES in the authorisation process? What other organisations are involved in the process?

How do you assess the administrative procedure of acquiring work permit in your country? Typically, how long does it take to acquire it? How many documents need to be attached to the claim? Is it the employer or the prospective employee who submits the claim? Might it deter third-country nationals (TCNs) from applying? Could it be simplified?

No

D2. Is there any role of the assessment of skill shortages by the PES in recruiting from third countries?

Yes

Is that related to the authorisation process? E.g. those jobs are exempt from the labour market test which are in shortage, as in the UK. Does the skill shortages list influence the marketing and advertising activity of the PES in recruiting TCNs?

No

D3. a) Does the PES administer labour market tests for the employment of third-country nationals?

Yes

No

b) Are labour market tests also applied to highly skilled workers?

Yes

No

D4. Does PES actively seek to recruit high-skilled third-country nationals (e.g. via advertisements abroad, career fairs, exhibitions abroad, internship programmes)?

Yes

No

D5. Is the PES involved in the provision of relevant, up-to-date information and guidance to potential third-country high-skilled employees about the country's labour market, administrative issues, etc.?

Yes

What platforms and channels are used for this purpose? E.g. detailed information on the website in English and other languages, marketing campaigns abroad, etc.

No

D6 Do public policies specifically aiming at positively influencing the immigration decision of (highly) qualified third-country nationals exist in your country?

Yes

How the PES is involved?

No

D7. Are there any measures aimed at facilitating the social integration of (highly) qualified third-country nationals (e.g. language courses) legally residing in the country?

Yes

How the PES is involved?

No

D8. Does your country have measures for family (re-)unification?

Yes

How the PES is involved?

No

D9. Do you have any programme for spouses (assistance in finding a job, language or other trainings) or children (assistance in finding an appropriate school, kindergarten) available to TCNs recruited to a job in your country?

Yes

How the PES is involved?

No

Appendix 2 Summary of national policies and the role of PES in selected countries

1. Austria

Austria has a significant history of attracting both high-skilled and mid- or low-skilled workers from third countries, and the Austrian PES has an active role in the management of high-skilled immigration. A special scheme, the Red White Red Card, was introduced in 2011 to facilitate the immigration of highly skilled workers. The applications are managed by PES, and the system combines a supply-driven and demand-driven approach: those who have enough points based on their educational and professional background, age, and language skills, can enter Austria to search for jobs, and later can apply for the Red White Red Card. At the same time, the entry of professionals in shortage occupations is also facilitated.

Sectors in need of third country talent

Engineering, ICT sector and healthcare⁷⁸

Strategy

Austria has no specific strategy document on attracting talent from third countries, but has targeted measures, such as the Red-White-Red Card, a single permit for highly skilled foreign workers, in use since 2011. It is directed towards different categories of (highly) qualified third country nationals, including very highly qualified workers, skilled workers in shortage occupations, other key workers, graduates of Austrian universities and colleges of higher education, and self-employed key workers.

Information used for labour market monitoring

The data has come from AMS e-Jobroom, the Austrian online job market information on jobfeed.at, the Labour Force Survey, and interviews with experts. The number of jobseekers per vacancy and the shortage of skilled workers are monitored monthly from administrative data available. The Qualification barometer is updated twice a year based on online job market data and interviews. It is run by the Austrian PES together with a consultancy firm (3s Unternehmensberatung), WKO (a subsidiary of the Austrian Federal Economic Chamber), and IBW (the Austrian government's Institute for Research on Qualifications and Training).

The Federal Minister of Labour in consultation with the Federal Minister of Economics therefore issues the so-called 'Skilled Workers Regulation' each year, listing the relevant shortage occupations. An occupation is considered to be a shortage occupation if there are no more than 1.5 unemployed persons registered with the Austrian PES for a listed job opening. The regulation is valid for one year, which makes this tier flexible when addressing changing labour market demands.

Information website for third country nationals

<https://www.migration.gv.at/>

Work permit

For issuing work permits, the PES cooperates with the immigration authorities and is involved in the assessment of qualifications, payment, work conditions, employer's good conduct. The administrative procedure takes four to twelve weeks depending on how quickly all the documents are presented. PES Austria processes the Red-White-Red Card applications.

Qualification recognition

⁷⁸ <https://www.migration.gv.at/en/types-of-immigration/permanent-immigration/austria-wide-shortage-occupations/>

For most jobs, formal recognition ('nostrification' - granting recognition to a degree from a foreign university) is not necessary. TCNs only need formal recognition (nostrification) for the so-called 'regulated' professions. These are the professions where statutory requirements exist and professional practice is only possible through formal proof of certain qualifications (e.g. all health professions and teachers in government schools). Formal recognition is the responsibility of the Austrian Federal Ministry of Education, Science and Research⁷⁹.

Family reunification and integration

Family members of 'Red-White-Red Card' holders or 'EU Blue Card' holders, third country nationals with a long-term residence title in Austria, holders of a 'Red-White-Red Card plus', holders of a 'settlement permit' for self-employed persons, certain holders of a 'settlement permit - special cases of dependent gainful occupation' or holders of a 'settlement permit - researchers' can all get the 'Red-White-Red Card' as well as residents' permits, provided they meet the general granting requirements. In certain cases, there is a quota requirement for family reunification residence permits. The 'Red-White-Red Card plus' grants its holders free access to the labour market. According to Austria's *Governing the Employment of Foreign Nationals Act*, no further permissions are required for any employment activity⁸⁰.

Cooperation

The PES cooperates with the immigration authorities and with the Austrian Federal Ministry of Education, Science and Research in formal qualification recognition.

Main challenges mentioned

The main problem is the authentication of TCNs' documents.

Impact of COVID-19

After COVID-19, the Austrian PES has had its hands full with placement services for nationals, EU citizens and TCNs in Austria. Further impacts can be seen when we know more about the residual unemployment in the Member States. For the time being, the PES has to seek employment for the TCNs that are already in Austria who are currently jobless.

2. Flanders (Belgium)

Flanders experiences significant sustained shortages in ICT and healthcare professionals, therefore the Flemish PES (VDAB) plays an active role in attracting high-skilled workers not only from the EU, but also from third countries. Besides having dedicated counsellors helping companies finding talent abroad, the VDAB has recently run several pilot projects in cooperation with third country PES to organise training and career fairs in shortage occupations abroad⁸¹.

Sectors in need of third country talent

Flanders has shortages for ICT and engineering skills, as well as in medically trained personnel (doctors and nurses), VDAB aims to recruit these profiles abroad.

Strategy

⁷⁹ <https://www.berufsanerkennung.at/en/professional-recognition/overview/>

⁸⁰ <https://www.migration.gv.at/en/types-of-immigration/permanent-immigration/family-reunification/>

⁸¹ PALIM and MATCH, mentioned in Section 3.5.

In 2019, the Flemish Government published a policy note containing its major strategic choices in the field of social economy for the period 2019-2024⁸². The strategy has a part dedicated to attracting workers from abroad, stating that the region is also looking for outside talent for positions that local companies cannot fill with local residents, firstly from the other Belgian regions, then in the adjacent border regions of neighbouring countries, and then abroad (inside and outside the EU). It specifically mentions the need to attract highly skilled workers and entrepreneurs, and it sets goals for simplifying procedures and shortening processing times using an electronic platform, in cooperation with social partners and universities.

Information used for labour market monitoring

A combination of PES administrative data and information collected from sectoral organisations and other sources, such as information from researchers, press, etc. is used.

Information website for third country nationals

www.workinlanders.be

Work permit

If working in Belgium for more than 90 days, third country nationals need to obtain a single permit, certifying the right of residence and employment, issued by immigration authorities. The PES is not involved in issuing permits.

Qualification recognition

The recognition of qualifications is mandatory in regulated professions. It is the responsibility of NARIC Flanders and other institutions to decide on additional study programmes needed to obtain recognition. As there are several institutions involved, and as they each have their own procedures and programmes, the process is somewhat complex and might not be transparent for applicants. VDAB provides specific guidance for jobseekers applying for recognition as part of the job orientation process.

The Social and Economic Council of Flanders (SERV - general information is given in English) has recently published recommendations for improving the procedures for recognition of qualifications in Flanders (in Dutch), to which VDAB has contributed. NARIC Flanders has taken several steps in recent years to make their procedure more accessible.

Services for high-skilled citizens of third countries

VDAB has dedicated counsellors who have the relevant expertise to help employers find high-skilled talents abroad, and it takes part in pilot projects regarding new pathways for legal economic migration. These counsellors play an active role in finding and informing employers interested in hiring third country skilled workers, they support the employers setting up a 'function profile', matching, organising or supporting employers in job dating abroad.

Family reunification and integration

The immigration office has measures for family (re-)unification but VDAB is not involved in these. The Flemish Agency for Integration and Civic Integration is charged with providing general integration programmes for newcomers aged 16 and older, including guidance for parents on finding schools for their children. In terms of labour market integration (e.g. assistance in finding a job or vocational training), everyone with a 'legal residency' and access to the labour market is entitled to the services of the VDAB. VDAB has a range of

82 Vlaamse Regering: Beleidsnota 2019-2024. Werk en sociale economie. URL: <https://www.vlaanderen.be/publicaties/beleidsnota-2019-2024-werk-en-sociale-economie> Last accessed on 19 August 2020.

different projects and programmes for migrants/non-native speakers and it offers tailored trajectories based on the jobseeker's skills, experience, needs and motivation.

Cooperation

VDAB works together with several partners, for example: the sector organisations, *Agentschap inburgering en integratie* (Agency for Integration and Civic Integration) and NARIC (recognition of diplomas). For Flemish clients seeking skills in other EU Member States, VDAB's dedicated counsellors work with colleagues from other PES in the network. For third countries (countries outside the EU), the starting point is VDAB cooperating with the local PES.

Belgian universities are involved in evaluating the pilot projects. As there is a need for some specific vocational training, VDAB helps find the right educational institution in the foreign country which will deliver the training based on the requirements of employers (through giving advice on the programme, public procurement, etc.)

Main challenges mentioned

- - Recognition of qualifications and diplomas
- - Recognition of competences acquired elsewhere
- - Attracting talent without causing a brain drain or a talent drain
- - Convincing the employers about the shortages in our country
- - Proactively detecting preferential sending countries to set up legal migration schemes
- - Lack of experience when it comes to migration from third countries
- - Flanders is not well known as a receiving region.

Impact of COVID-19

Within the framework of the pilot projects, during lockdown VDAB worked hard on preparing the next steps and on digitalising as much as possible: online meetings, website with video presentation of the selected candidates, etc. After lockdown, VDAB prepared to launch an online matching/job interviews, but is uncertain whether the employers will still be interested in hiring skilled workers from third countries while the economic situation in Flanders is not clear, especially with uncertainty about when the selected candidates will be able to move to Flanders. VDAB is therefore also envisaging remote working, with the new talent remaining based in their country of departure.

3. Finland

The Finnish PES cooperates closely with private companies and employer organisations, such as Business Finland, in attracting talent from third countries. They work together creating incentives such as the Talent Boost programme, which aims to improve the attractiveness of the Finnish labour market, and also cooperate with embassies in gathering information on recruitment potential in third countries.

Sectors in need of third country talent

Healthcare and the ICT sector

Strategy

Based on the Talent Boost Programme, a new inter-ministerial programme is currently under development.

Information used for labour market monitoring

The occupational barometer, updated twice a year, is based on the assessment of regional Employment and Economic Development Offices, which use interviews, studies, visits to employers and data on customers to assess the balance between the local demand and

supply for specific occupations. This national occupational barometer is compiled by the Ministry of Employment and the Economy⁸³.

Talent hubs are operated as local and regional hubs for the attraction and retention of international talent. The PES is also in contact with companies and business associations to better react to needs, and it is currently drafting a regular questionnaire that in the future would cover the issue of international talent attraction need. A new job board of advertisements for English speaking professionals is coordinated by the PES, and the Business Finland business association, working together with local and regional stakeholders from the Talent hubs.

Information website for third country nationals

<https://migri.fi/en/working-in-finland>

<https://www.businessfinland.fi/en/do-business-with-finland/work-in-finland/>

Work permit

The PES has no role in decisions on work permits for highly skilled third country nationals, it is the responsibility of the immigration authorities. No labour market test is needed for this group.

Qualification recognition

A list of regulated professions requiring formal recognition of qualifications and the competent authorities by professional group are available on the website of the Finnish National Agency for Education, PES has no role in formal recognition: <https://www.oph.fi/en/services/regulated-professions-finland>.

Services for high-skilled citizens of third countries

In the recruitment of experts from third countries, the Finnish PES has a somewhat reactive role, helping companies and applicants with information on recruitment from abroad, permit procedures, etc. However, there is an increasing recognition of the need for more active participation in the attraction of talent from outside the EU, also through more active recruitment and organising events abroad.

The Talent Boost programme aims to increase the attractiveness of the Finnish Labour market through emphasising characteristics such as safety, clean environment, and gender equality.

Business Finland started carrying out both digital and other campaigns abroad and selected a few target countries, such as India or South Korea, where they employ special talent advisers responsible for the target country. One of the main target groups are women working in the technology industry in South and Southeast Asia, for whom the inclusivity of the Finnish labour market when it comes to gender and the possibility of combining a career with family ambitions more easily contributes to Finland's attractiveness.

Family reunification and integration

Family members of those granted a residence permit for work can apply for a residence permit on the basis of family ties⁸⁴. The Hidden Gem programme, coordinated by the Tampere Universities, aims to facilitate the employment of international experts' and skilled professionals' spouses in the Finnish economy, and support the growth and internationalisation of local SMEs. The programme includes mentoring, support in networking and pilot projects in which spouses can try out different jobs. The programme is also offered within the PES itself.

⁸³ <https://www.ammattibarometri.fi/?kieli=en>

⁸⁴ <https://migri.fi/en/working-in-finland>

Cooperation

Active cooperation with employer organisations (e.g. Business Finland), local and regional talent hubs, embassies and municipalities.

Main challenges mentioned

Reporting system should be improved.

Impact of COVID-19

Talent attraction campaigns planned for the Autumn of 2020 will be organised mostly online and using resources that are already present in the target country.

4. Germany

Germany has a significant history of attracting third country workers in recent decades. The new Skilled Immigration Act of early 2020 makes it easier for third country professionals to work in Germany. The employment of qualified professionals with vocational training is no longer restricted to shortage occupations, and highly qualified workers no longer need a labour market test. The PES is therefore mostly active in identifying labour market needs for highly skilled third country workers, and in providing them with information and labour market services.

Sectors in need of third country talent

Although there is currently no nationwide shortage of skilled workers in Germany, there are already vacancies in certain regions and industries that cannot be filled with suitable skilled workers. This particularly affects the MINT (Mobile Information and Network Technologies) and health sectors.

Strategy

The new Skilled Immigration Act⁸⁵, which entered into force in March 2020, makes it easier for qualified third country professionals to live and work in Germany. According to the new law, a qualified professional is defined as a person with a tertiary education degree or a vocational training qualification following a training course lasting at least two years. The employment of qualified professionals from outside the EU with vocational (i.e. without academic qualification) experience is no longer restricted to occupations experiencing a skills shortage.

Information used for labour market monitoring

BA, the German PES, uses data from a yearly employer survey (IAB-EGS) and PES data on 'unemployment per occupation' for its yearly Skilled Labour Bottleneck Analysis⁸⁶.

The BA has also developed a needs analysis going beyond the Skilled Labour Bottleneck Analysis to identify specific occupations, which are particularly suitable for the recruitment of skilled labour from abroad. In addition to pure shortage indicators, new findings about the occupation-specific demand for skilled labour using foreign skilled labour are also taken into consideration, and it uses additional indicators on the number of foreign nationals working in Germany, complemented by a qualitative analysis of occupations in need of foreign workers and a validation by internal and external labour market actors⁸⁷.

Information website for third country nationals

⁸⁵ <https://www.make-it-in-germany.com/en/visa/skilled-immigration-act/>

⁸⁶ Kubis, Alexander; Müller, Anne; Moertel, Julia (Mitarb.); Weber, Eva (Mitarb.); Woitschig, Christian (Mitarb.) (2013): Datenkompendium: Kernindikatoren der IAB-Erhebung des Gesamtwirtschaftlichen Stellenangebots (EGS). (FDZ-Methodenreport, 03/2013 (de)), Nürnberg, 207 S. URL : <https://fdz.iab.de/342/section.aspx/Publikation/k130522305>.

⁸⁷ <https://www.arbeitsagentur.de/datei/ba146345.pdf>

<https://www.make-it-in-germany.com/en/>

Work permit

The qualified professional must possess an employment contract, or a specific job offer, and a qualification recognised in Germany, but according to the new Skilled Immigration Act, the Federal Employment Agency (BA) no longer needs to carry out a labour market test for highly qualified workers. However, it still verifies the employment conditions. Professionals who qualified abroad are able to receive a permanent settlement permit after four years.

Professionals with a vocational training qualification are also able to enter Germany to look for a job. A residence permit is granted for up to six months if their foreign qualification is recognised by the relevant body in Germany, if they can support themselves for the duration of their stay and if they have the German language skills needed for their new job.

In general, for a residence for the purpose of gainful employment, approval by the Federal Employment Agency (BA) is always required. This approval can be obtained with an internal procedure from the German agency abroad, in the German visa centre in their country of origin (or from the responsible local immigration authority in Germany). The permit for taking up employment is awarded along with the residence title.

For approval, a legislative provision granting access to the German labour market is needed. This happens if there is a concrete job offer, if there are no preferential workers available for the concrete job, and if the conditions of employment are comparable with those of domestic employees (the 'labour market test'). Specialised expert teams at the employment agencies in Essen, Cologne, Frankfurt/Main, Munich and Stuttgart are responsible for approvals regarding residence permits.

Qualification recognition

In regulated professions, such as the health service professions, legal advice, teaching or certain forms of engineering, an official recognition of the qualification is needed. In non-regulated professions, TCNs are required to prove that their foreign academic qualifications are recognised as comparable in Germany using the help of the database of the Central Office for Foreign Education (ZAB)⁸⁸. Employers are involved in this recognition through their sectoral bodies, professional associations and chambers of commerce.

Services for high-skilled citizens of third countries

The field offices of Germany's Federal Employment Agency (Bundesagentur für Arbeit) provide job search assistance on site at larger universities.

Family reunification and integration

The spouses of highly skilled third country workers are entitled to receive a residence permit with access to the German labour market if the worker satisfies certain conditions, such as having appropriate accommodation, health insurance and enough funds to take care of the family. Spouses of EU Blue Card holders are exempted from the requirement of having basic knowledge of the German language⁸⁹.

Cooperation

Before the German PES recruits potential candidates abroad, they are in contact with the responsible authorities in the country of origin. They do not recruit without the consent of a local government organisation (such as the local PES).

⁸⁸ <https://www.make-it-in-germany.com/en/jobs/recognition/who-needs-recognition/>

⁸⁹ <https://www.make-it-in-germany.com/en/living-in-germany/family-reunification/spouses-non-eu-countries/>

Main challenges mentioned

Recognition of qualifications from the home country, language barrier, and matching the needs in Germany with the qualifications of the applicants.

Impact of COVID-19

Travel restrictions have an impact on attracting talent from third countries. Due to the impact on the local jobs market, and the current rising unemployment figures, future demand is not yet foreseeable.

5. Latvia

Latvia has limited experience of attracting talent from third countries in the past decades and preventing emigration - or encouraging highly skilled migrants to return - is a more important priority.

Information website for third country nationals

<https://www.nva.gov.lv/en/node/736>

Work permit

For a TCN to be able to work in Latvia, he or she needs a residence permit. In order to receive a temporary residence permit (a TRP, based on a labour agreement or an enterprise agreement) with the right to work in Latvia, the person must submit the necessary documents to the Office of Citizenship and Migration Affairs (OCMA)⁹⁰. In order to submit these documents, the employer must post a vacancy in the State Employment Agency of Latvia (SEA) CV and Vacancy portal, and it must be open for at least two weeks for a TCN to be able to apply for a temporary residence permit and thereafter become employed in Latvia.

Qualification recognition

A procedure for recognizing professional qualifications is available if a person wishes to work in a regulated profession in Latvia. A list of regulated professions and additional information can be found in the webpage of the Centre of Academic Information: <http://www.aic.lv>⁹¹.

Services for high-skilled citizens of third countries

The State Employment Agency of Latvia (SEA) does not specifically focus on finding/recruiting/offering highly skilled TCNs to employers. The SEA only operates with jobseekers and unemployed persons who have registered with the SEA.

Anyone from any country in the world can go to the European Job Mobility Portal every Friday from 13:00 till 15:00 Latvian time. Through online chat, they can contact SEA specialists from the European Employment Services Network (EURES) and receive consultations on job opportunities, living conditions and the labour market situation in Latvia and other European countries. They can also ask about SEA services and job search support, the administrative procedures needed and the documents that are required when returning to Latvia, as well as about conditions for transferring unemployment benefits or pensions and other relevant issues.

6. Poland

In recent decades, Poland has had a limited experience of attracting highly skilled workers from third countries, but it has attracted a large number of low-skilled or mid-skilled workers, mostly from neighbouring non-EU countries. Encouraging the return migration of

⁹⁰ <https://www.pmlp.gov.lv/en/>

⁹¹ <https://www.nva.gov.lv/en/entry-and-stay-latvia>

highly skilled Polish nationals is a priority, and the retention of foreign university students in the Polish labour market also plays an important role in attracting highly skilled workers from abroad. Workers from certain Eastern European countries can access the Polish labour market through a simplified procedure, for a maximum of six months over a period of twelve months, without a labour market test, with a declaration of the employer's intent to hire foreign workers.

Sectors in need of third country talent

IT, healthcare and engineering.

Strategy

There is no written, complex strategy on this matter, but there are some solutions e.g. exemption from labour market test in some professions.

Information used for labour market monitoring

There are two main tools used by Polish PES: 1) monitoring the deficit and surplus of professions (based on unemployment and job offer registers and calculation of special indicators for each elementary group of profession)⁹², and 2) the Barometer of professions, a short term prognosis for about 100 professions made by a group of experts⁹³. The Polish PES uses this data when preparing the list of professions exempted from labour market test.

Information website for third country nationals

<https://lang-psz.praca.gov.pl/en/>

Green line: <https://zielonalinia.gov.pl/web/zielona-linia/-/employment-of-foreigners-34791>

Work permit

The 340 local PES issue:

- Seasonal work permits (introduced 2018-01-01 when implementing the 'seasonal directive') issued for employers, allowing for 9-months' work in the calendar year in sectors classified as seasonal (mostly in agriculture, but also some tourism). These sectors are exclusively linked to seasonal work permits (there is no possibility of obtaining other types of permit).

- A 'Declaration of entrusting work to foreigner'. These are issued for employers, allowing for six months work in a consecutive period of up to twelve months (exemption from obtaining a work permit issued by 16 regional Voivodeship Offices. No labour market test is needed). Declaration is limited to citizens of Ukraine, Armenia, Belarus, Moldova, Georgia and Russia.

The 340 local PES are also responsible for:

- Labour market tests for the purpose of obtaining work permits issued by 16 Voivodeship Offices (also for temporary permit for stay and work, Blue Card and seasonal work permits when a foreigner is not a citizen of Ukraine and the other five countries mentioned above). Employers send a job offer, while PES try to find someone unemployed to fill the role (14/21 days). After that, an 'opinion' about the availability of local (Polish/EU/EFTA workers) is issued.

Qualification recognition

⁹² <https://dane.gov.pl/dataset/681,monitoring-zawodow-deficytowych-i-nadwyzkowych>

⁹³ <https://barometrzaszawodow.pl/en/site/index>

Coordination is the responsibility of the Ministry of Science and Higher Education. Competent authorities depend on the professions, for example in the case of academic professions, it is done by the Polish National Agency for Academic Exchange (<https://nawa.gov.pl/en/recognition>).

Services for high-skilled citizens of third countries

The PES has no assigned role or dedicated services for attracting high-skilled labour from third countries.

Family reunification and integration

The PES is not engaged in family reunification policies. Members of Polish, EU and EFTA families, and some categories of TCN, are as a rule exempted from work permit obligation. Social integration measures are usually provided by NGOs (mostly within EU programmes and funds) but in some big cities there are special units responsible for supporting of migrants in local PES.

Cooperation

The responsible Ministry is engaged in cooperation with Polish, EU and Third Country universities and ministries.

Main challenges mentioned

No task and resources are ascribed relating to cooperation with partners in third countries. Job offers in the PES tend to be for low educated workers, and staff without experience in international cooperation.

Impact of COVID-19

PES are engaged in support for companies (there are millions of applications), so there are less resources for other tasks. There are some measures facilitating the employment of TCNs during the pandemic (extension of work permits and stay permits, and the possibility of seasonal work without obtaining seasonal work permit).

7. Spain

In 2013, Spain introduced a new policy scheme that simplifies the immigration of third country entrepreneurs and highly skilled workers. The permit procedures under this scheme are managed by a single authority (UGE), and the competence of PES is limited as no labour market test is required.

Sectors in need of third country talent

ICT sector

Strategy

Launched in September 2013, the 14/2013 Act of support to entrepreneurs and their internationalisation⁹⁴ was created to attract foreign investment and entrepreneurs to improve the competitiveness and innovation in Spain.

This policy offers five visa categories, from investors to entrepreneurs and highly skilled workers. The policy is designed to eliminate the obstacles to foreign entrepreneurship and to establish a regulatory framework that is conducive to this entrepreneurial activity. It introduced a flexible and fast application procedure with a single authority (UGE – the Large Business and Strategic Groups authority). This Unit belongs to the State Secretariat for Migrations in the Ministry of Inclusion, Social Security and Migrations.

⁹⁴ <https://www.boe.es/buscar/act.php?id=BOE-A-2013-10074&tn=1&p=20200507>

The procedure is streamlined and made faster as the process and decisions are made within 20 working days for granting residence permits.

Information used for labour market monitoring

Each quarter, the State Public Employment Service (SEPE) compiles a Catalogue of Hard-to-fill Job Vacancies, which includes the occupations where the regional Public Employment Services have struggled to manage job vacancies submitted by employers.

Every year, the SEPE Employment Observatory draws up a Report on the Forecasting and Identification of Training Needs, which includes the training needs and skills required for a large number of occupations that can be classified as 'high-skilled professions' (included in major occupational groups One and Two of the CNO-2011 national classification of occupations). The information is obtained from individual interviews with key informants and experts in the occupations under annual analysis and the economic activities which are the focus of recruitment.

The Observatory also publishes an annual analysis of Job Offer Profiles, where approximately 36% of the profiles fall within the category of 'high-skilled professions'. This information is sourced on the basis of the skills and competencies required in job offers published online.

There are also sectoral foresight studies for sectors or areas of activity with the potential for employment generation. Each of these studies (renewable energy, the automotive industry, the fruit and vegetable sector, the logistics sector: supply chain management in Spain, advanced ITC services for business, capital goods, the retail trade and activities related to the circular economy) has a key section with information on the most important occupations within each area of economic activity. This includes emerging occupations and those with the best prospects for employment generation. There is also information on occupational trends, labour market requirements, training needs for these occupations and job-related training provision. This information is compiled from analysis of the 'time series' for jobseekers applying for these jobs and the employment contracts recorded, as well as data from a representative survey administered to employers in the corresponding sector and from personal interviews with industry experts.

Information website for third country nationals

<https://prie.comercio.gob.es/en-us/Paginas/Profesional-Altamente-Cualificado.aspx>

Work permit

The Large Business and Strategic Groups organisation (UGE) is responsible for processing the residence permit applications under the Entrepreneurial Support Act of 27 September 2013 (Ministry of Inclusion, Social Security and Migrations). No labour market tests apply or are required for third country nationals who are highly qualified professionals.

Qualification recognition

The Royal Decree 1837/2008 of 8 November applies here. It transposes into Spanish law Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications, and Council Directive 2006/100/EC of 20 November 2006, with respect to certain aspects of the exercise of legal professions⁹⁵.

The Ministry of Education and Vocational Training is responsible for proposing and implementing Government policy on education and vocational training in the education system and for employment.

Information about official equivalence (homologación) and recognition (convalidación) of foreign non-university qualifications and studies can be found here:

⁹⁵ <https://www.boe.es/buscar/doc.php?id=BOE-A-2008-18702>

<http://www.educacionyfp.gob.es/servicios-al-ciudadano/catalogo/gestion-titulos/estudios-no-universitarios/titulos-extranjeros/homologacion-convalidacion-no-universitarios.html>

Information about the official equivalence of foreign higher education qualifications with official Spanish university bachelor's or master's degrees which give access to regulated professions in Spain is here: <http://www.educacionyfp.gob.es/va/servicios-al-ciudadano/catalogo/gestion-titulos/estudios-universitarios/titulos-extranjeros/homologacion-educacion-superior.html>

Services for high-skilled citizens of third countries

The Ministry of Inclusion, Social Security and Migrations is the competent authority, so the PES does not have competences in this topic.

Family reunification and integration

There are measures for family members that help attract and retain talent, these competences currently belong to the Ministry of Inclusion, Social Security and Migrations. There are authorisations for the relatives of high-skilled TCN professionals within Law 14/2013 to support entrepreneurs and their internationalisation

Cooperation

The immigration of high-skilled workers is not managed by PES.

Main challenges mentioned

The immigration of high-skilled workers is not managed by PES.

Impact of COVID-19

The immigration of high-skilled workers is not managed by PES.

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