



SUMMARY

EMN ad hoc queries 2018.1270 and 2018.1271 on Economic Migration Policy regarding Low Skilled Workers – Part I and Part II.

Launched by Ireland on 21 February 2018

Responding States: Austria, Belgium,¹ Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Slovak Republic, Sweden, United Kingdom, Norway

Introduction

On 21 February 2018, Ireland launched two ad hoc queries on *Economic Migration Policy regarding Low Skilled Workers*. The queries were launched to source comparative information about other EMN participating States, in order to inform policy discussions for a review of economic migration policy in Ireland. The purpose of this review is to assess the implications of opening up the employment permits regime to more low skilled workers for lower skilled occupations.

The focus of Ireland's employment permit regime in recent years has been on meeting the skills needs of enterprise through the employment permits regime where necessary. However, as Ireland is approaching full employment and labour needs are beginning to manifest, the State is being pressed to open up the employment permits regime to low skilled workers in certain sectors such as health care, agriculture and hospitality, at wage levels at or just above the minimum wage. The purpose of the review is to ensure that Ireland's employment permits regime is supportive of Ireland's emerging labour market needs – ensuring on the one hand that the labour market is not disrupted while also ensuring that labour shortages do not stall economic growth.

Ireland operates a vacancy-led employment permits system, which is managed using a list of highly skilled occupations and a list of occupations which are ineligible for an employment permit. Most lower skilled occupations are currently included on the ineligible list. Ireland does not participate in most of the EU legal migration instruments – such as the Blue Card; Intra-Corporate Transferees Directive; and the Seasonal Workers' Directive.

The monthly unemployment rate in Ireland in January 2018 was 6.1%. It has been declining over the past two years from 9% in January 2016. There was employment growth in all sectors in 2017 over 2016, with the exception of agriculture and professional, scientific and technical where falls occurred

¹ Belgium's responses were not for wider dissemination.



(Quarter 3 figures). In 2017, 11,361 employment permits were granted to third country nationals (TCNs), up from 3,854 in 2013, which reflects the improvement in Ireland's economy.

Ireland has a national minimum wage of €9.55 per hour, applicable to own national and migrant workers. Ireland has a remuneration threshold in place for general employment permits – the salary attached to a vacancy must be a minimum of €30,000 per annum to qualify for an employment permit. This is based on Ireland's 2006 average annual earnings. The threshold is set slightly lower for certain occupations - €27,500 for meat boners and €27,000 for recent graduates and customer service/sale roles with languages.

Scope of the ad hoc queries

The first ad hoc query addressed the labour market situation and the need for low skilled labour generally in the other Member States and Norway, and sought to find out if there were any particular restrictions in place for low skilled workers. The second query dealt with wage levels, and sought to assess whether or not other Member States and Norway had in place a salary threshold to qualify for the granting of employment-related residence permits in respect of low skilled work and if this salary threshold differed from national minimum wage standards. The query also asked if the salary threshold for low skilled workers was considered sufficient to cover all the workers' social care needs, and those of their dependants, or if other countries offered access to additional State supports.

Labour Market

Responding States provided general background on the state of their country's labour market in terms of unemployment rate, growth sectors and levels of economic migration, mainly for the period 2017 to first quarter 2018 (see table below).

Unemployment rates reported varied widely – from 2.3% in **Czech Republic** to 23.6% in **Greece**. Some States reported a fall in unemployment rates for recent years (**HR, IE, LV, MT, SK, SE, UK**).

Austria reported that the unemployment rate has risen since 2012, as the increase in employment was not sufficient to absorb the increasing labour supply. In 2017, the annual average employment growth was connected with a 68% increase in the employment of foreigners (i.e. within the increase in employment, 68% of employees were foreigners).

Responding States reported on economic growth by sector, including on increases in labour demand. Economic growth in general or increase in labour demand was experienced across a wide range of sectors at all skill levels across the reporting States, including information and communication; specialised, scientific and technical activities; construction; distribution/transport; manufacturing/industrial; tourism/accommodation/catering; and market/administrative/professional services.

In the **Netherlands**, industry/construction/technical sectors have the highest demand for low skilled jobs. **Croatia** reported a particular increase in demand in the construction sector.

Malta reported that a wide range of occupations are filled by TCNs including construction, catering, care assistants, factory hands and unskilled labourers, customer care call centre workers, software, business services and administration.

Unemployment rates reported and levels of economic migration by Third Country Nationals are summarised in the Table below.

Unemployment rates and levels of economic migration by Third Country Nationals (TCNs).

| Responding State | Unemployment Rate | Levels of economic migration (TCNs) |
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| AT | Not stated. Unemployment rate has risen since 2012. | Sectors with the highest proportion of foreigners employed were other economic services (41.4%); transport and warehousing (23%) and upbringing and education (21.4%). |
| HR | 12.7% (January 2018) | Quota of 29,000 work permits agreed for 2018 – 2.5 times higher than 2017. Broken down as follows: New employment: 17,810 Renewals: 9,000 Seasonal employment: 1,940 |
| CZ | 2.3% (December 2017) | 15,000 labour migrants in 2017. |
| EE | 5.8% (2017) | Number of temporary residence permits for work in 2017: 2,273 Number of registered short term employees in 2017: 7,584 |
| FI | 8.8% (January 2018) | 2017: 6,751 residence permits for work. |
| FR | 8.9% (4 th quarter 2017) | First residence permits for economic reasons: 2017: 27,690. Also 91,070 migrants admitted in 2017 for family reasons have direct access to work. |
| DE | 3.6% (January 2018) | Arrivals up to September 2017: Balkans: 68,000. Third countries in Eastern Europe: 21,000. First asylum applications from eight non-European countries of origin of asylum seekers with the largest number of arrivals in 2017: 198,000. Increase of employment of these nationals' year-on-year 2014 – 2016: Balkans: 13.5% Third countries in Eastern Europe: 6.3% |

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| | | First asylum applicants as above: 53% |
| EL | 23.6% (approximate 2017). | Number of initial residence permits for dependent work in 2016: 1,585. Seasonal workers and temporary workers can enter Greece and work with a national D visa without granting a residence permit. |
| HU | 3.8% (first quarter 2018) | Less than 4,000 work permits were granted in the sectors retail trade and repair of vehicles, catering and information and communication services. These sectors accounted for 40% of work permits granted in 2017. |
| IE | 6.1% (January 2018) | 2017: 11,361 employment permits granted to non-EEA nationals |
| IT | 10.8 % (December 2017) | 2016: Quota of 30,850 residence permits – 13,000 seasonal workers and 17,850 non-seasonal workers. 2017: Quota of 30,850 residence permits – 17,000 seasonal workers and 13, 850 non-seasonal workers 2018: Quota of 30,850 residence permits – 18,000 seasonal workers and 12,850 non-seasonal workers. |
| LV | 6.8% (2017) | Total TCNs granted employment rights 2016: 6,007. Most of these worked in the following sectors: Land transportation and pipeline transportation: 2,765 Software programming and consulting: 528 Production of other means of transport: 310 Repair and installation of machinery and equipment: 265 Catering services: 230 |
| LT | 9.1% (1 March 2018) | In 2017, an estimated 40,000 foreigners participated in labour market activities – in the service (52%), construction (37%) and industry (9%) sectors. |
| LU | 5.8% (December 2017 seasonally adjusted). | TCNs only represent 3.7% of the total workforce |
| MT | 3.2% (Q4 2017) | 12,313 TCNs employed at end September 2017, an increase of 50.4% from December 2013. |
| NL | 4.4% (November 2017) | Residence permits for remunerated activities: 2014: 47,338 2015: 49,542 2016: 54,890 Work permits: 2015: 7,000 2016: 7,700 |
| PL | 6.9% (January 2018) | 2017: 242,755 work permissions issued |
| SK | 5.88% (31 January 2018) | 31.01.2017: 3,835 TCNs with work permit 31.01.2018: 8,838 TCNs with work permit |
| SE | 6.3% (February 2018) | First time residence permits issued for employment: 2014: 25,571 2015: 27,003 |



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| | | 2016: 24,710 2017: 32,294 |
| UK | 4.2% (December 2017 – February 2018) | In the year ending September 2017, long term immigration to work decreased by 45,000 to 248,000 (these figures include EU nationals). |
| NO | 4.1 % (December 2017 – Nov – Jan average seasonally adjusted) | Work Permits 2017: Total: 8,046 Skilled: 2,815 Seasonal: 2,647 Other: 2,584 |

Some MS noted an increase in the employment of TCNs in recent years (**HR, FI, IE, LV, EE, SE**). For example, in **Croatia**, the quota for TCN workers has increased from around 200 in 2014/15 to around 6,000 in 2016/2017, and there is a quota of 21,200 for new employment for 2018. The largest increase is in the construction sector with the quota for this sector for 2018 increased to 12,170.

Key factors to determine access to the country's labour market by TCNs in low skilled occupations

Some responding States reported that their economic migration policy for TCNs is primarily aimed at high skilled/professional workers, including the EU Blue Card, or that there are more restrictions in place for low skilled workers (**AT, DE, IE**). Some States reported that they do not distinguish between skills levels for TCN workers (**EE** and **SE**), and **Lithuania** does not have the concept of low skilled worker in national legislation. In **Estonia** and **Latvia**, there is a salary threshold (average gross national salary) for the issuing of a residence permit for work to TCNs (with exceptions for seasonal workers).

Netherlands and **United Kingdom** reported that low skilled vacancies can be met from own nationals or the EU. In the **UK**, while the opportunity to access low skilled worker is available to some TCN migrants (participants in the Youth Mobility Scheme, students and dependents of skilled workers), the primary purpose of these migration permissions is not work and they are not designed to fill a low skilled labour need.

Greece reported that there is a need for low skilled workers in particular for agriculture, seasonal workers, fishermen and domestic workers. In some States, with a low or decreasing unemployment rate, there is an ongoing need for low skilled TCN workers in sectors like industrial production and construction (**CZ, HR**). **Croatia** reported that employers find it difficult to compete for EU workers in terms of relative salary levels offered. In **Czech Republic**, where industrial production accounts for 47% of the economy, the need for TCN workers is addressed by labour migration agreements with specific third countries. **Czech Republic** has an arrangement in place with Ukraine and will soon launch similar schemes for Mongolia and the Philippines. **Czech Republic** plans to introduce a general annual quota for economic migration, broken down by third countries.

Labour market tests and quotas were the most commonly reported tools for controlling the inflow of TCN workers (including low skilled) to the reporting States' labour markets. In **Poland**, certain occupations can be excluded from the need to provide a certification of the labour market needs test,



at voidship level, depending on demand. In addition, some States reported intergovernmental agreements on labour migration (**CZ, DE**).

Sweden reported that it has a liberal and employer driven approach to the recruitment of TCN workers, as long as working conditions are in line with the relevant collective agreements or (in the absence of such agreement) with customary standards for the profession at hand. However, since 2012, stricter controls have been applied to work permit applications in certain sectors (such as cleaning, hotel and catering, services, construction, agriculture) to safeguard against the exploitation of foreign workers.

Some States reported regarding seasonal work in sectors like tourism and agriculture (**AT, EE, FI, LV, NO**). In **Finland**, seasonal work in tourism and agriculture for less than six months is excluded from labour market needs assessment, as is also the case for natural product pickers in the forests working for a maximum of three months. In **Norway**, after the quota for seasonal workers is filled, a labour market needs test applies.

Germany and **Austria** noted the different labour market access arrangements in place for asylum seekers. **Austria** includes facilitated admission for employed asylum seekers within the seasonal quotas for tourism and agriculture and forestry.

Most States reported that they did not preclude particular categories of low skilled workers, for reasons other than labour demand. In **Italy**, limits can be set on the number of workers accepted from third countries that are not adequately cooperating in the fight against illegal immigration or in relation to readmission.

Latvia commented that while no category of low skilled migrant worker is excluded from the labour market, certain requirements can make the employment of low skilled migrant workers uneconomically viable. One of these is the salary threshold condition that a foreign worker is not paid less than the average salary in the country.

Wage Standards

Responding States reported a minimum wage standard for workers either via collective agreements or a set national minimum wage. Most States responded that there was not a separate wage standard (or salary threshold) for low skilled migrant workers. Equal treatment (paying a migrant worker the same as a national worker for a comparable job) is an important principle (e.g. reported for **FR, LT, DE, LU, NO**). In **Sweden**, a migrant worker must earn at least SEK 13,000 per month before taxes. This is not a minimum wage but the minimum income needed by an individual to support themselves.

Some States reported a minimum salary threshold in order for the residence permit to issue to the TCN worker (**EE, LV, IE**). In **Estonia** and **Latvia**, the general requirement is for the TCN to earn an average national salary. In **Ireland** there are set remuneration thresholds (see introduction). There are exceptions for seasonal workers – in **Estonia**, the national minimum wage can apply, whereas in **Latvia** seasonal workers in agriculture must be paid the average salary payable in the agriculture sector.



Latvia reported that, due to labour shortages in various sectors, there is a discussion ongoing regarding lowering the salary criteria for migrant workers, but political agreement has not yet been reached.

Germany noted that the statutory minimum wage is only the bottom pay limit, as the assessment for the permit has to take into account that the TCN worker is not employed under less favourable conditions than a comparable German worker – collective agreements setting out working conditions can apply here.

Some States reported on remuneration requirements for migrant workers who have family dependents. **Finland** and **Czech Republic** reported that migrant workers are required to support their dependents – **Czech Republic** noted that the minimum wage would be sufficient to cover the costs of a single migrant. In **Sweden**, the minimum salary threshold is to enable the migrant to cover their own cost of living but the migrant is not also required to be able to support family members.

Access to additional State supports

Answers varied regarding access to additional State supports. Some States reported that the salary level must be at a sufficient level, so that additional State supports are not provided or should not be applicable (**FR, DE, IE, LV, PL, NO**). In **Italy**, remuneration must meet the level of the 'social check' for the permit to issue, but workers also have access to the social welfare system as taxpayers. Access to the social insurance system applies to eligible workers in **Slovakia**. In **Estonia**, additional state supports are not provided, but workers have access to social services provided by the State. In **Czech Republic**, reunified families can have access to certain state supports, e.g. child allowance or housing benefit. This is also the case in **Sweden**, if a migrant worker stays, or is expected to stay, in Sweden for one year or longer. In **Greece**, legally resident migrants have the same social care rights as Greek nationals.