

BACKGROUND NOTE

Labour Migration

Disclaimer

This Background Note was established to inform the intergovernmental consultations held in summer 2021. The consultations served the update of the Prague Process Action Plan and its six thematic areas. The fourth Ministerial Conference in October 2022 shall endorse a new Action Plan, which shall frame the Prague Process cooperation throughout 2023-2027.

Prague Process Secretariat
International Centre for Migration Policy Development (ICMPD)
Gonzagagasse 1
A-1010 Vienna
Austria
www.pragueprocess.eu

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In response to the survey carried out among all Prague Process states in 2020, nearly half of the responding states named the thematic area of *'Addressing legal migration and mobility with a special emphasis on labour migration'* as their top policy priority. Already within the [evaluation carried out in 2015](#), the vast majority of respondents saw this thematic area as overly relevant to their migration policy development. Its respective provisions foresee the elaboration and exchange of good practices in managing labour migration, social portability, skills recognition (including upon return) and the mobility of students and researchers.

Key Developments across the Prague Process region

Europe has an ageing and shrinking population and faces various skills shortages. The decrease in fertility rates and ageing of population has further accelerated over the past decade, with Europe's population projected to reach its peak at 748 million people in 2021. Meanwhile, **the countries of Central Asia, Azerbaijan and Turkey** all feature natural replenishment and a much younger population. These demographic characteristics and trends have a direct impact on labour migration policies and flows.

The contribution of legally staying migrants to reducing skills gaps and rejuvenating the population has been widely recognised. Migrant workers have filled existing labour market gaps, including in occupations that were key to the COVID-19 response. Depending on labour migrants of all skill levels, many high-income countries have introduced targeted mobility schemes and facilitated visa arrangement for specific work categories. In low-income countries, labour mobility has often represented a viable option to sustain families or even national economies.

The past decade saw a significant increase of labour migration across the Prague Process region, with the **EU and Russia** remaining the two main destinations. Most labour migrants still originate from within the region. **Germany** is the number one destination for both EU and non-EU labour migrants. Its lead actually increased following Brexit.

Some 33 million labour migrants are currently working in the **EU**, accounting for 17% of the entire EU labour force. Moreover, nearly 17 million EU citizens are living or working in another Member State - twice as many as 10 years ago. The intra-EU mobility continues to grow, albeit at a slower pace, with ever shorter periods of stay abroad and more circularity observed in recent years. Migration from rural to urban areas, as well as from Eastern to Western EU Member States, has further aggravated the disbalance between 'centres' and 'peripheries', with the latter experiencing a persistent exodus and brain drain. Most non-EU migrants equally tend to opt for capital cities.

In the past decade, four of the six **Western Balkan (WB) countries** became candidates for EU accession and five reached visa liberalisation with the EU. As a whole, the WB region still features considerable labour emigration foremost directed to the EU but also **Montenegro**, which is equally attracting and sending labour migrants. **Albania and Bosnia and Herzegovina** lost nearly half of their population to emigration, with the latter particularly affected by brain drain. Young but less skilled nationals of **North Macedonia and Kosovo**¹ continue emigrating in search of jobs and better opportunities. As compared to the past, the recent outflows from the WB region tend to be less intensive, more temporary and circular in nature. While the propensity to migration remains high, labour migration is no longer viewed as a life-long decision. In policy terms, all WB countries acknowledged the prominence

¹ This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

of labour migration and initiated the design of corresponding institutional structures and national strategies, albeit with a varying degree of success. Some have actively promoted regular channels of migration by renewing existing labour migration agreements and signing new ones with EU Member States as well as within the WB region.

Labour migration from the **Easter Partnership (EaP) countries** has been gradually shifting towards the EU. In 2019, roughly half of all EaP migrants targeted the EU for employment purposes. This is especially true for Ukrainian nationals who accounted for more than half of all residence permits issued in the EU for work reasons. **Poland** has been pursuing a fairly flexible labour immigration policy, attracting many (temporary) labour migrants from neighbouring **Ukraine and Belarus** and turning into the prime EU destination for EaP labour migrants. The character of labour migration remains mostly temporary and circular, with labour migrants often working below their qualifications.

Russia represents the main destination for labour migration in the post-Soviet region and especially from **Central Asian countries and Armenia**, which all largely depend on remittances sent home. The share of labour migrants from **Ukraine and Moldova** has been declining in favour of the EU. With the establishment of the **Eurasian Economic Union (EAEU)** in 2015, labour migrants from the EAEU member states – **Armenia, Belarus, Kazakhstan and Kyrgyzstan** - can work in Russia without a work permit and enjoy other benefits, including the retention of pension rights. In recent years, **Russia and individual countries of Central Asia** have developed the organised recruitment of labour migrants, although the share of workers mobilised through such schemes remains low overall. Some experts voice concerns that the potential for migration to Russia from many post-Soviet states is close to exhaustion and the country may soon need to explore other potential donors.

In Central Asia, **Kyrgyzstan, Tajikistan and Uzbekistan** heavily rely on labour migration with the resulting remittances representing a lifeline for many families and the economy. All three countries, work on improving pre-departure information systems, diversifying external labour markets and working towards enhancing the skills and employability of their nationals abroad. Over the recent past, **Uzbekistan** has turned into a frontrunner in this context.

The impact of COVID-19 on labour mobility has been considerable, simultaneously reducing its volume, while also highlighting the need for migrant workers in key economic sectors of destination countries. It also became apparent that apart from high skilled workers those with low and medium qualifications are also in high demand.

The EU's New Pact on Migration and Asylum

The **EU's New Pact on Migration and Asylum** issued in September 2020 is still under negotiation between EU Member States. Once approved, it will constitute the EU's overall framework for migration, including its external dimension. Recognising that most migrants enter the EU legally, the Pact raises the need to better match existing labour market needs.

Several EU-funded legal migration Pilot projects have already demonstrated the possibility to implement schemes that meet the needs of migrants, states and employers. The forthcoming **Talent Partnerships** shall scale up these efforts and support mutually-beneficial legal migration and mobility from key partner countries, while maintaining national states' responsibilities in this area. The strong engagement of the private sector and social partners will be essential in this regard. The Talent Partnerships shall combine direct support for mobility schemes for work or training with capacity building measures. The reinforced cooperation with partner countries shall be pursued bilaterally and through regional migration dialogues such as the Prague Process.

The New Pact further foresees several legislative measures to enhance labour mobility to the EU:

- The recently revised **Visa Code** and further visa facilitation measures should enhance short-term mobility of *bona fide* travellers, including students;
- The ongoing reform of the **Blue Card Directive** shall allow Member States to attract more highly skilled migrants. The reform envisages more inclusive admission conditions, improved rights, swift and flexible procedures and enhanced intra-EU mobility of migrant workers.
- A new EU-wide scheme shall enable the **recognition of skills** and relevant experience.
- The review of the **Single Permit Directive** shall explore the possibility of introducing common rules for the admission and residence conditions for low and medium skilled workers and further simplify and facilitate the existing single permit procedure..
- The recently revised **Directive on Students and Researchers** adopted in 2018 facilitates their access to the EU and intra-EU mobility.
- The **EU Talent Pool** shall provide an EU-wide platform for international recruitment, allowing EU migration authorities and employers to identify skilled third-country nationals who have expressed their interest in migrating to the EU.

Looking into the Future²

While the **COVID-19 pandemic** is still present and more health-related interventions are still needed, the Prague Process countries should start looking into the future and build preparedness for the years to come. Although the impacts of the pandemic on the socio-economy situation are to be further elaborated, the pre-COVID trends give us a basic idea of further developments in the area of legal migration.

Demography will impact global patterns of migration. Based on the demographic curve, the labour force of European states and Russia is projected to decline substantially over the coming years and decades. The resulting challenges will require sensitive policy interventions in the area of migration and beyond. Several of today's sending countries could be put in a position, in which they will have to start admitting or even actively recruiting foreign labour. Eventually, labour migrants might come from other parts of the world. In this context, countries of the Prague Process region will inevitably be **competing for talent and skills** with classical immigration countries, but also against each other. It would be important that the PP countries with (so far) little or no experience in recruiting and admitting foreign labour migrants prepare for this policy option. Others, which have been predominantly welcoming migrant workers from neighbouring countries, should prepare for migrant workforces with larger diversity, possibly creating the necessity for additional integration efforts.

Whereas labour migration across the Prague Process region is unlikely to slow down in the foreseeable future, attracting the skills needed may become more difficult. This calls for the **development of more favourable and flexible migration policies and programmes**, in line with responsibilities of respective state authorities. Policy options such as job-search visas, new pathways for entrepreneurs, subsidies to employers recruiting foreign labour, and easier status change can make a positive impact. Improving the **portability of social rights and benefits** accumulated by migrant workers could be achieved relatively easily

² The forecasting is based on the Secretariat's research and expertise.

through the signing of bilateral or regional agreements. To improve the retention of labour migrants outside of metropolitan areas, some governments may support a whole-of-family approach for settlement, including spousal welcome services.

Ensuring **sufficient outreach means** will also matter. An online presence that previously only explained and presented the legislation should go into personalised marketing and promotion, offer rapid response to specific questions or service hotlines. The opening of **Migrant Resource Centers** may also represent a viable option to better inform potential migrants on the possibilities of legal migration and equally inform about the risks of irregular migration. Some Prague Process countries already undertake these efforts and could share their experience with others. A stronger **engagement and dialogue of national employment services**, the regular exchange of good practices and closer cooperation between them may also prove overly beneficial.

Already existing efforts concerning **skills recognition and licensing, skills development and matching mechanisms** should be reinforced, making use, albeit carefully, of new technologies. This may also require additional investments in national education systems, as well as a certain degree of harmonisation and coordination amongst them. While countries of destination may be inclined to facilitate the labour market access of foreign **students, graduates and researchers**, they could also consider compensating countries of origin for the prior educational investment.

Due to the substantial difference in wages and working conditions for highly qualified workers, these have a higher incentive to leave. The resulting **'brain drain'** is difficult to curb by sending countries alone. Receiving countries shall support them in their efforts to prevent significant shortages in key areas such as the health and care sectors. Recruiting countries also have the possibility to establish skills equivalence schemes in advance, which rate educational outcomes in sending countries according to the standards of receiving countries. Bilateral agreements between sending and receiving countries can be helpful in avoiding **brain waste**. Moreover, joint efforts to facilitate return and circularity, as well as suitable employment at home, can result in **'brain circulation'**, considered most beneficial for developing countries who can profit from the generated knowledge transfer.

Automation and artificial intelligence may help mitigate future labor market shortages. Maintaining high standards in terms of personal data protection will play an important role in this regard. The states may also need to factor in different forms of **non-standard employment** such as remote and virtual work, which require adjusted policies not only for attracting labour migrants but also in a range of related policies such as taxation. Ensuring proper rights and decent working conditions for this new type of (migrant) employees will also be of growing importance.

All Prague Process countries also need to start **assessing future economic performance** and particular sectors driving future GDP growth, thereby defining specific demand for labour and skills. In a world where the use of fossil fuels and air travel will come under increasing pressure due to global warming, **innovation** is inevitable. For example, tourism, the lifeline for many marginal economies, may look very differently in the future. Moreover, **automation** will lead to stronger demand for high-skilled labour. Making migration systems fit for the future, regarding changing supply, demand, unknown skill needs and new policy priorities means investing in their adaptability. It is very unlikely that any single country can fully address these challenges alone.

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