

ATTRACTING SKILLED IMMIGRANTS: AN OVERVIEW OF RECENT POLICY DEVELOPMENTS IN ADVANCED COUNTRIES

Giovanni Facchini* and Elisabetta Lodigiani**

In this paper we review the policies put in place by the main Western destination countries to attract highly skilled migrants. Two main systems can be identified. On the one hand, employer-driven schemes typically call for the migrant to meet a set of minimum skill requirements and to have a job offer before a work visa can be issued. On the other, migrant-driven schemes typically do not require a job offer, and instead select the migrant based on a set of characteristics chosen by the policymaker. Employer-driven schemes are the dominant policy tool in the sample of countries we consider in the analysis, and only Australia, Canada and New Zealand have made migrant-driven schemes the mainstay of their skill selective immigration policy. The preliminary evidence we review suggests that the latter are more effective in increasing the skill level of the immigrant population, and casts doubts on the usefulness of new initiatives like the EU blue card that are still based on an employer-driven system.

Keywords: Skilled immigration; immigration policy

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“Skilled labour migration into Europe boosts our competitiveness and therefore our economic growth. It also helps tackle demographic problems resulting from our ageing population. This is particularly the case for highly skilled labour. With today’s proposal for an EU Blue Card we send a clear signal: highly skilled immigrants are welcome in the EU!” Jose Manuel Barroso, 2007¹

1. Introduction

Selecting migrants according to the skills needed in the labour market is becoming increasingly common among developed countries² – even if the recognition of degrees earned in foreign universities and/or the portability of pension and health care benefits remain important unresolved issues.³

Skill selective policies have a long history in traditional destination countries and in particular in Australia, Canada and New Zealand, and, to a lesser extent, in the United States.⁴ Conversely, most traditional European receiving countries have either focused on recruiting from abroad manual/unskilled workers, or have not pursued skill-selective immigration policies at all for decades. Increasing concerns that Europe may be on the losing end of the contest for talents has resulted in policy reforms both at the levels of the EU and of its member states, with the explicit goal of improving the skill profile of foreign workers arriving in the region.

In this paper we provide a descriptive overview of the skill selective immigration policies adopted in the main Western destination countries and of the major shifts which have been recently observed. We will use a conceptual framework that distinguishes between employer- and migrant-driven schemes.⁵ Our main focus will be on *de jure* policies, rather than on the process through which they are implemented,⁶ and we will provide a review of the existing evidence concerning the effectiveness of these policies in achieving their stated objectives. Our main conclusions are that migrant-driven schemes have had some success in increasing the skill level of the average migrant. At the same time, employer-driven skill selective policies have been less effective, especially in those destination countries that have been less successful in attracting foreign students.

The remainder of our analysis will proceed as follows. Section 2 provides an overview of recent developments

*University of Nottingham. E-mail: giovanni.facchini@gmail.com. **Ca’Foscari, University of Venice. E-mail: elisabetta.lodigiani@unive.it. The authors gratefully acknowledge financial support provided by the Miller Center at the University of Virginia.

in the channels of entry of foreign migrants. In Section 3 we outline the main approaches which have been implemented to select highly skilled immigrants. We turn then in Section 4 to describe the main features of the policies implemented in countries which have a long tradition in selecting highly skilled immigrants, i.e. Australia, Canada, New Zealand and the US. In Section 5 we take instead a closer look at the recent policy developments in the European Union, where important efforts have been undertaken to coordinate policy at the supranational level, with the explicit goal of making the region a more attractive destination for highly skilled foreign workers. We will in particular discuss the recent introduction of the Blue card initiative, and analyse the parallel changes that have been introduced in the policies of some of the main destination countries in the EU. In Section 6 we will put our analysis in a global perspective, discussing some of the evidence that emerges from a recent survey carried out by the United Nations on governments’ policies towards skilled immigration. Section 7 concludes.

2.An overview of the main channels of entry

Focusing on permanent inflows, OECD data allow us to identify three broad channels of entry for international migrants. Individuals can relocate abroad to work, to join/move together with family members or to escape persecution in their country of origin.⁷ As labour mobility is free within the European Union, the OECD data also report information separately on the stock of foreign nationals coming from other EU member states.

The same holds for Australia and New Zealand, two countries which have a free labour mobility agreement. Table 1 provides a broad overview of the patterns of settlement in 2011 for the countries we have included in our study.⁸

A few stylised facts emerge. First, about 44 per cent of the incoming permanent migrants in OECD countries in 2011 were admitted under the EU free movement, suggesting that intra-European migration is becoming more and more important. Second, beside free movement, family reunification appears to be the main channel of entry for foreign nationals. On average, 36 per cent of the incoming migrants in the OECD have been admitted either to be rejoined to family members already living in the destination country (family), or as tied movers (i.e. accompanying family of workers).⁹ The importance of the family channel would increase further if we were to focus our discussion on individuals that cannot benefit from free mobility within the EU (the share would increase to 55 per cent of the total). Work is the second most important channel of entry, representing 16 per cent of the total admissions, whereas admissions under the humanitarian channel represent only about 7 per cent of the total.

The average figures conceal substantial heterogeneity among individual countries. In each of the traditional non-European destinations (Australia, Canada, New Zealand and the United States) family reunification covers more than one half of the total arrivals; the figure is a stunning 73 per cent for the United States, 54 per cent for Australia, 53 per cent for Canada and 58 per cent for New Zealand.

Table 1. Permanent inflows into selected OECD countries, by category of entry, 2011

	Work	Free movements	Accompanying family of workers	Family	Humanitarian	Other
Canada	0.23	–	0.33	0.20	0.13	–
Australia	0.27	0.17	0.28	0.26	0.07	0.01
New Zealand	0.21	0.08	0.24	0.34	0.06	–
United States	0.06	–	0.07	0.66	0.16	0.06
France	0.12	0.36	–	0.43	0.05	0.11
United Kingdom	0.34	0.18	0.12	0.10	0.03	0.09
Germany	0.12	0.89	–	0.24	0.05	0.01
Denmark	0.15	0.55	0.06	0.07	0.05	0.08
The Netherlands	0.11	0.64	–	0.23	0.11	–
Italy	0.30	0.31	0.01	0.24	0.02	0.01
Spain	0.45	0.50	–	0.19	0.00	0.02
EU	0.25	0.44	0.03	0.24	0.04	0.04
OECD average	0.16	0.44	0.08	0.28	0.07	0.03

Source: OECD International Migration Database 2013.

In countries that have received large immigration flows only recently – like Spain or Italy – the relevance of the family reunification channel is much smaller, as it covers respectively only 19 and 25 per cent of the total number of inflows. At the same time, for more recent destinations the labour market channel plays a much more important role; 30 per cent of the foreign nationals admitted in Italy in 2011 came to the country to work, and in the case of Spain the corresponding figure was 45 per cent. At the same time only 6 per cent of the permanent inflows in the United States in that year was represented by individuals who came to work, and even for countries like Australia, Canada and New Zealand, that have made selecting skilled migrants the capstone of their immigration policy, the labour market channel does not cover more than 27 per cent of the total admissions.

The important message that emerges from this short overview is that when assessing the role that skill selective migration policies can play in shaping the composition of the foreign born population, we need to recognise that they have a direct effect only on those migrants admitted to work on a long-term basis, who on average represent 16 per cent of the total permanent inflows in OECD countries.

3. Classifying skill-selective immigration policies

Countries that have in place specific systems to attract skilled workers employ a wide array of policy instruments, which can be broadly classified as immigrant-driven or employer-driven (Chaloff and Lemaitre, 2009). Under the former, an immigrant is admitted into the country without necessarily having a job offer and is selected on the basis of a set of desirable attributes. Under the latter, a highly skilled foreign worker must have received a job offer in order to apply for a visa.

Immigrant-driven systems typically use a point assessment to determine the desirability of a foreign national. This type of framework was first introduced in Canada in 1967, followed by Australia in 1989 and New Zealand in 1991. More recently, the UK has experimented with a similar framework, and point-based systems were also introduced in Denmark in 2008, and to a lesser extent in the Netherlands in 2009.

Point systems are used to select individuals on the basis of characteristics that make them desirable.¹⁰ The selection involves the identification of a pass rate and, typically, point systems attribute a substantial weight to five criteria: occupation, work experience, education, destination

country language, additionally proficiency, and age. A second set of criteria might be included in point systems and involves: employer nomination/job offer, prior work in the destination country, education obtained in the destination country, settlement stipulations, presence of close relatives, and prior earnings.

Two different economic models that underpin the attribution of points in the first set of criteria. On the one hand, we have a short-term perspective, in which emphasis is put on the need to fill gaps in the destination country’s labour market. In such a model, the applicant’s recent occupation and work experience are highly rewarded. On the other hand, we can identify a long-term stance, which is inspired by an earnings or human capital economic model. In this context, education, age and official language proficiency are instead the main criteria.

In employer-driven skilled immigration systems – like the US H1B visa system or the current UK Tier 2 system – employers are the key players. They offer the foreign national a job, sponsor his/her application and typically carry out a labour market test. The goal of the test is to establish whether the vacancy for which an immigrant is requested cannot be filled by a local worker, and the stringency of the labour market test varies substantially across countries.

4. Skill-selective immigration policies in traditional immigration countries

We will now briefly review the salient features of the different systems operating in traditional destinations to get a better sense of how they work in practice. While doing so we must keep in mind that many actual migration systems blend facets of both employer- and immigrant-driven frameworks.

Canada

The point system for the independent (or economic) class was introduced in Canada in 1967. Since then, it has been used as the core criterion to determine which individuals will gain access to the country as skilled migrants, and represents a typical example of an immigrant-based system. The economic class was expanded to include a business class in 1986, but its numeric importance has been limited and has not exceeded a few percentage points of the total. In 2007, approximately 98,000 individuals, or 41 per cent of the total, have been admitted under the skilled worker programme as either principal applicants or spouses and dependants (CIC 2008), down from an average of around 50 per cent for the period 2000–2006.

Table 2. The Canadian point system						
	1967	1978	1986	1996	2009	2013
	Maximum number of points					
Experience	–	8	8	9	21	15
Specific vocational preparation	10	15	15	–	–	–
Occupational demand	15	15	10	–	–	–
Labour market balance	–	–	–	10	–	–
Education	20	12	12	21	25	25
Language proficiency	10	10	15	21	24	28
Age	10	10	10	13	10	12
Arranged employment or designated occupation	10	10	10	4	10	10
Personal suitability/Adaptability	15	10	10	17	10	10
Levels adjustment factor	–	–	10	–	–	–
Relative	5	5	–	5	–	–
Destination	5	5	–	–	–	–
Total	100	100	100	100	100	100
Pass mark	50	50	70	*	67	67

Sources: Green and Green (1999) and Citizenship and Immigration Canada. Pass mark denotes the number of points which are required for admission.

The working of the system has changed substantially over time, with new criteria being introduced and others being removed. The pass rate has also changed, ranging from 50 points (out of a total of 100) in 1967, to 70 in 1986. The system’s evolution is illustrated in table 2. In the first twenty years since its introduction, the focus was on the occupational needs of the economy at any given point in time. Since the 1990s the focus has changed, and now Canada implements a migration policy which is no longer based on a gap filling strategy, but rather on an earnings/human capital perspective.

The main goal of the current framework is to favour the immigration of individuals that are more likely to adapt successfully, and thus assimilate faster. This is reflected in the most recent changes introduced in the point system. Language proficiency is now the most important single factor in the selection criteria. Age at entry now receives more weight, whereas foreign work experience has been downgraded, as research has shown that this is only a weak predictor of success in the Canadian labour market. Educational credentials are assessed on the basis of the value of educational credentials in Canada and no longer on the basis of those of the home country. Overall, the existing policy aims at selecting younger skilled workers, proficient in official languages, who can integrate more rapidly and successfully in the Canadian labour market.¹¹

In many ways, the Canadian experience with the point system is particularly interesting, as it represents the

evolution from a short-run migration model, focused on contingent labour market shortages, to a long-run framework where the focus is on adaptability of the immigrants to the destination country.

Australia

Most immigrants to Australia today enter under one of three categories: skilled workers, family reunification, or humanitarian. In 2010, 22 per cent was made up by skilled workers, whereas in 1985 their share was only 10 per cent (Linacre, 2007).

This important change is the result of a series of initiatives undertaken throughout the 1980s, which culminated in the points test formally introduced in 1989. Under this regime, every year the Minister for Immigration not only sets the overall target for permanent settlers to be admitted into the country, but also fixes the numbers of individuals to be allowed in for family reunification and as skilled workers. For instance, according to the 2013–14 Migration Programme for permanent migrants, up to 190,000 individuals can be admitted, and a large majority of the quota is allocated to skilled migrants (67.7 per cent), with family reunification permits representing instead 32 per cent of the total.¹² Whenever a category requires a points test, the government also announces the pass mark.

The current Australian framework to admit skilled immigrants is a combination of immigrant- and employer-driven schemes. A general skilled migration

scheme is in place for those who do not have an employer sponsoring them; an employer nominated scheme is instead intended for those who have a sponsor. Successful entrepreneurs can be admitted through a business skills migration scheme, whereas exceptionally talented individuals can have access to the distinguished talent framework. Focusing on the first two categories, under the general skilled migration scheme, individuals can apply provided that their occupation is listed in the Skilled Occupation List (SOL) and the relevant assessing authority has certified that they possess the required qualifications. Under the Employer Nominated Scheme, an employer must have nominated the immigrant to fill a position in an occupation that appears in the Consolidated Sponsored Occupation List (CSOL).¹³ The lists are updated annually, based on labour market conditions. As of July 2013, the SOL comprises 188 high value occupations, while the CSOL includes 649 occupations. In recent years, as part of the Employer Sponsored Programme, initiatives were also introduced to encourage migration to specific areas of the country to address local skill shortages (Regional Sponsored Migration Scheme (RSMS)). Currently (since July 2013), regional employer sponsored visas have the highest processing priority, followed by applicants under the Employer Nomination Scheme (ENS), and under the points-tested skilled migration scheme.¹⁴

Table 3. The Australian skilled migration system, 2013	
	Maximum no. of points
Age	30
English language ability	20
Skilled employment	20
Educational qualification	20
Australian study requirements	5
Other factors:	
Credentialed community language qualifications	5
Study in regional Australia or a low population growth metropolitan area (excluding distance education)	5
Partner skill qualifications	5
Professional year in Australia for at least 12 months in the four years before the day you were invited	5
Nomination/sponsorship:	
Nomination by state or territory government	5
Nomination by state or territory government or sponsorship by an eligible family member, to reside and work in a specified/designated area	10
Pass Mark	60

Source: Australian Government (<http://www.immi.gov.au/skills/skillselect>). Pass mark denotes the number of points which are required for admission.

As of July 1, 2012, a new model for the selection of immigrants for the general skilled migration scheme has been introduced, which requires the perspective migrant to submit an expression of interest (EOI) online. Qualified applicants are then invited to lodge a visa application. Importantly, reaching the pass mark in the point system does not immediately guarantee an invitation to move to Australia, as the highest scoring applicants will be invited first, until the quota is filled.

Table 3 provides a snapshot of the point distribution in place as of 2013, together with the pass mark for the general skilled immigration scheme. Unlike the Canadian point system, the Australian one is largely driven by the short-term needs of the local labour market. Moreover, in the Australian system the employer route is becoming more important. For instance, in 2010–11, the number of skilled migrants admitted through the employer-nominated scheme was almost twice as big as the one admitted through the migrant-driven scheme (Phillips and Spinks, 2012).

New Zealand

Up until the early 1970s migration policy in New Zealand was strongly biased in favour of UK and Irish nationals, who enjoyed practically unrestricted access to the country, and against Asian immigrants. After the first oil shock a series of changes were introduced that put an end to assisted migration and also restricted immigration from traditional origins. In particular, the concept that entry was to be granted on the basis of the existing demand for skills and qualifications was introduced in the legislation, even if the details concerning the implementation of this principle remained rather vague.

The Immigration Policy Review of 1986 represents a turning point, calling for admission procedures that were intended not to discriminate on the basis of the country of origin and/or ethnicity. This policy was formalised in the 1987 Immigration Act, which distinguished four different channels of entry: employment, business, family and humanitarian. Under the employment grouping, any person who had received a job offer for employment in one of the jobs listed under the Occupational Priority List was eligible for a residence permit, regardless of race or nationality (Winkelmann, 1999).¹⁵

The Immigration Amendment Act of 1991 explicitly introduced a migrant-driven scheme based on a point system for the general skill category of immigrants, replacing the occupational priority list, and abandoning the requirement of a job offer (Winkelmann, 1999). Between 1991 and 2003, the system underwent only

Table 4. The New Zealand point system

	1994	2001	2009	2013
Skilled employment				
(current NZ/offer NZ)	3	5	60	60
SE Bonus points			35	50
Relevant work experience	10	10	30	30
RWE Bonus points			40	45
Qualifications	15	12	55	60
Q Bonus points			30	65
Family ties/settlement factors	7	9	10	10
Age	10	10	30	30
Total	43	46	290	350
Pass mark	20–31	24–25	100	100

Sources: OECD (2003b) and New Zealand Immigration Service (<http://www.immigration.govt.nz/>). Pass mark denotes the number of points which are required for admission.

minor changes (table 4).¹⁶ The main innovation in the early phase of the programme – introduced in 1995 – has been a change in focus from qualifications as a sign of employability to a job offer, together with the introduction of additional points for settlement factors. Importantly, the presence of an employment offer contributed only a comparatively minor number of points to the application and the selection continued to focus mainly on individual characteristics. Instead, a major change was introduced in 2003. As a result, a much greater emphasis is now posed on short-term occupational background than on general educational qualification. Importantly, initial applications (expression of interest in the current jargon) meeting the minimum pass rate will not automatically entitle the applicant to admission into the country, but rather they will lead to inclusion into a pool in which they will remain for up to six months. Those ranked at the top of the pool (in terms of points obtained) will then be invited to apply for residence, at a biweekly frequency. Thus, similar to Australia, and different from Canada, the New Zealand immigrant-driven scheme has evolved into a model where entry is granted on the basis of very short-term labour market considerations, and little attention is paid to the long-term consequences of immigration policy.

The United States

The United States remains one of the main destinations for highly skilled immigrants, even if the country has not put in place a point system to select prospective foreign workers based on their qualifications. Today, the main instrument to admit skilled workers is represented by the H1B visa category, which was introduced in the 1990 Immigration Act, and targets workers to be employed in

a specialty occupation, defined as requiring theoretical and practical application of a body of highly specialised knowledge in a field.¹⁷ Under this programme, 65,000 visas are issued annually,¹⁸ and the minimum skill requirement is a bachelor’s degree. Visa requests need to be sponsored by a prospective employer, and a Labour Condition Application needs to be submitted to ensure that the foreign workers do not displace or adversely affect wages or working conditions in the US.

The H1B visa does not fall under the immigrant visa category, i.e. it confers the possibility of working in the United States for a limited period of time, currently three years, renewable once for a maximum of six years. The H1B visa category is a typical example of an employer-driven system. While this type of visa does not automatically result in the conferral of a permanent resident status, it allows a worker to apply for permanent residency. The same is true for other visa programmes for highly skilled workers, like those reserved to intra-company transferees (L1), internationally recognised athletes and entertainers (P), workers of extraordinary ability (O) etc. (Facchini, Mayda and Mishra, 2011), some of which are subject to quantitative restrictions, while others are not (a particularly relevant example is represented by the L1 category). In fact, the literature suggests that employment-based legal permanent residency permits (green cards) are overwhelmingly issued to H1B (and possibly L1) visa holders, who apply for a change of status, and their immediate family members.¹⁹

To provide an overview of the importance of the various non-immigrant visa categories, table 5 contains an overview of the number of non-immigrant visas which have been issued, on average, between 2006–11. Two different broad categories can be distinguished: work and related visas, and other admissions. As is immediately apparent, the other admission category, which includes temporary visitors, official representatives, transitional family members and students plus their spouses/children, represents approximately 85 per cent of the non-immigrant visas issued over the period. Work and related visas account instead for approximately 15 per cent of the total. More specifically out of the 944,315 work and related visas granted every year, 318,164 were issued to Temporary workers, a group that includes visa categories such as: H1-B (reserved to workers of distinguished merit and ability), H1A & H1C (registered nurses and nurses in shortage area), H2A (workers in agricultural services), H2B (workers in other services), H3 (trainees)²⁰ and H4 (spouses and children of temporary workers). The other work and related visas were assigned, for example,

to Intra-company transferees and spouses/children (L1, L2), workers with extraordinary ability in the sciences, arts, education, business, or athletics (O1, O2), internationally recognised athletes or entertainers (P1, P2, P3), religious workers (R1), and exchange visitors (J1). Interestingly H1B visas – which represent the main channel of entry for skilled workers in the United States – account for only about one third of the total number of visas issued to temporary workers, and for only about 14 per cent of the total of work and related visas. In fact some observers like Beach *et al.* (2007) have suggested that the absence of a specifically designed point-based system might have played a key role in explaining the comparatively lower skill level of immigrants in the US than in immigration countries with point-based systems like Canada or Australia.

Table 5. Number and types of non-immigrant visa issuances, 2006–11

Type of temporary admission	Visa category	Average 2006–11
Work and related visas		944,315
Exchange visitors and spouses/children	J1, J2	361,142
Workers with extraordinary ability	O1, O2	12,902
Internationally recognised athletes or entertainers	P1, P2, P3	33,771
Cultural exchange and religious workers	Q1, Q2, R1	8,244
Treaty traders/investors and their children	E	38,693
Spouses/children of certain foreign workers	O3, P4, Q3, R2, I	20,618
NAFTA professionals and spouses/children	TN, TD	7,261
Intra-company transferees and spouses/children	L1, L2	143,522
Temporary workers of which:		318,164
Workers of distinguished merit and ability	H1B	128,289
Registered nurses and nurses in shortage area	H1A, H1C	72
Workers in agricultural services	H2A	53,960
Workers in other services	H2B	61,373
Trainees	H3	2,477
Spouses and children of temporary workers	H4	71,992
Other admissions		5,492,179
Temporary visitors	B1, B2, B1/B2, B1/B2/BCC	4,611,791
Official representatives and transitional family	A, G, K	186,011
Students and spouses/children	F1, F2, M1, M2	379,082
Other non work visas		315,295
Total non immigrant visa issuances		6,436,494

Source: Data are based on the ‘Report of the Visa Office’ (<http://travel.state.gov>). Notice that aliens issued a visa do not necessarily enter the United States in the year of issuance.

5. Skill-selective immigration policies in the European Union

The immigration policies of the EU have been traditionally characterised by a fundamental dualism. On the one hand, free internal labour mobility is one of the core provisions of the Common Market and hence subject to EU-level jurisdiction. Immigration of third-country nationals remains instead largely in the national policy domain of each member state, even if recent efforts have been made to promote the introduction of a set of common rules and requirements. The free movement of workers within the Common Market is by definition not skill-selective. However, the EU is trying to actively encourage the mobility of high-skilled individuals within the Common Market. This goal has inspired, for instance, the recent efforts to harmonise education policies under the umbrella of the Bologna process, and the mutual recognition of university degrees. Still, there are important obstacles to access to liberal professions which remains regulated at the national level. Limited pension portability across countries is another important hindering factor for labour mobility.

Concerning third-country nationals, most EU member states mainly recruited manual workers from abroad during the 1960s and the early 1970s, and then pursued restrictive immigration policies in the aftermath of the first oil price shock of 1973 (Zimmermann, 1995). More recently, concerns that the EU may lose out in the global contest for highly skilled workers and that labour shortages will become widespread as a result of demographic changes have meanwhile triggered several new policy initiatives at the EU level. At the 1999 Tampere (Finland) meeting of the European Council, the EU leaders introduced some important elements for a common EU immigration policy to fulfil the broad objective of attracting highly skilled individuals from abroad. As a result, the EU has started to play a more active role in immigration policies vis-à-vis third-country citizens, through a series of initiatives of the European Commission, namely the Green Paper on an EU approach to managed immigration (EC, 2004) and the Policy Plan on Legal Migration (EC, 2005), which outline a strategy for attracting particularly skilled and highly skilled migrants. For the selection of highly skilled immigrants from third countries, two initiatives are particularly relevant: two directives of the European Council regulate the admission of students (European Council, 2004) and researchers (European Council, 2005). Both share the objective of easing the entry of third-country nationals as students and researchers to the EU, and to simplify their mobility across EU member states once they have been admitted by one member country.

5.1 The Blue Card initiative

An important EU-wide initiative to promote the inflow of foreign skilled workers is the European Council Directive on the conditions of entry and residence of third-country nationals for the purpose of highly qualified employment, which was adopted on 25 May, 2009 (Directive 2009/50/EC) and binds all EU member states, except Denmark, the United Kingdom and Ireland. The rationale behind this initiative was the perceived limited success of national programmes aimed at attracting skilled foreign workers, and the basic idea was that a broader, Europe-wide, set of labour market opportunities would instead give the continent an edge in the global competition for talents. As a result, a key provision of the Blue Card is the enhanced access it provides to EU labour markets.

The initiative is a typical employer-driven scheme, that is limited to a common definition of the criteria to qualify for admission under the highly skilled migration programme (the existence of a work contract, professional qualifications, and a salary above a minimum set at the national level), without prejudice to more advantageous conditions provided by national laws. The validity of the initial permit varies substantially across issuing countries (from a minimum of one year and up to four). Blue card holders face restrictions on their ability to change employment in the first two years of their permanence in the granting country, and they can find employment only in the receiving country's labour market for the first eighteen months after arrival.²¹ Importantly, more freedom of movement is contemplated after this period, including the possibility for the migrant to gain access to a second member country's labour market. Still, the procedure is rather cumbersome, as to be allowed to work in the second country the applicant needs to obtain a new blue card issued by the local government, and might be prevented from working while waiting for a decision (Art. 18). After five years of continuous and legal residence within the territory of the European Community the Blue Card holder can apply for EU long-term resident status, provided that he has held continuous and legal residence in the country where the application is lodged in the last two years.

Directive 2009/50/EC was to be implemented by June 2011, but delays have seen most countries introducing national legislation to incorporate the Blue Card provisions only in 2012. Importantly, while the Blue Card initiative has laid out some common principles that will inspire domestic legislation on skilled migration, ample margins of discretion are retained by each member country, and in particular no coordination is envisaged

as far as the actual number of migrants to be admitted (Article 6).²² Moreover, the Blue Card initiative does not prevent individual countries continuing to retain separate additional schemes to admit highly skilled workers. Importantly though, these national schemes will not grant a right of residence in other EU member countries.

5.2 Skill-selective immigration policies in a group of EU member countries

Even if the competences of the EU in the area of immigration policy have steadily increased over the past fifteen years, the core decisions continue to fall within the domain of national governments. Thus, to assess the actual selectivity of immigration policy in Europe, it is important to look at national level initiatives. In this section we will review the policy stance of a group of selected countries, which represent the broad variety of experiences of the region with immigration. We start by considering three large historical destination countries – France, the United Kingdom and Germany – which have received large inflows of foreign workers since the early post-WWII period. We then turn to examine the experience of two smaller destination countries, in which immigration has been a particularly salient issue in the past few years (Denmark and The Netherlands). Lastly, we will explore how two Mediterranean countries, which have only recently become important immigrant destinations, have approached immigrant selection policies. In several instances, a policy to attract skilled immigrants was introduced, starting only at the end of the 1990s. The focus is typically on attracting skilled workers for a finite period of time, even though provisions are typically introduced to make the acquisition of permanent residence easier for skilled workers than for other categories of migrants. Moreover, most of the existing systems are employer-driven, i.e. the migrant requires a job offer prior to obtaining a work visa.

France

France has a very long history of immigration, and bilateral agreements with source countries had already been signed at the beginning of the twentieth century to handle the labour shortages created by its rapid industrialisation process.²³ After the Second World War, and during the boom years of the *trente glorieuse* (1945–75), France once again actively recruited workers from other European countries, such as Italy, Portugal, Spain, Belgium, Germany, Poland and Russia, as well as from colonies/former colonies, like Algeria or Tunisia. This period, characterised by a relatively open migration policy, came to an end with the economic crises that

followed the first oil shock. As in other European immigration countries, labour immigration came to a halt, and migrant workers were given incentives to return to their countries of origin. This policy had limited effects though, and through family reunification foreign citizens, especially from former colonies, continued to enter the country.

During the 1980s immigration became the subject of much political debate, and the controversial Pasqua laws of 1986 and 1994 explicitly pursued the goal of zero immigration. To this end a series of restrictive measures were implemented, ranging from making family reunification more difficult, to prohibiting foreign graduates from accepting job offers by French employers (Hamilton *et al.*, 2004). These laws saw widespread opposition from the civil society, and the following socialist government of prime minister Jospin introduced less restrictive measures. For instance, the Chevenement law of 1998 favoured family reunification and established clearer criteria for the granting of refugee status. The Guigou law of 1998 established an *ius soli* for children of migrants born in France.

From 2000 onwards, a series of changes in immigration legislation reflected a new policy stance, in which family reunification and asylum lost importance as channels of entry, and more emphasis was instead given to labour migration. In particular, the 2006 and 2007 immigration and integration laws contained provisions which explicitly encouraged high-skilled migration and facilitated foreign students's stay. The main entry channel is still represented by employer-driven work visas (two tracks area available for individuals with long- and short-term contracts), but the 2006 legislation also introduced a skills and talents visa (*carte de séjour compétences et talents*), which is granted for a period of three years to qualified workers with a professional project that should make a significant or lasting contribution to France's economic development or to its intellectual, scientific, cultural, humanitarian or athletic standing. In principle, this visa does not require a job contract and as a result it can be configured as a migrant-driven scheme, but admission is nevertheless conditional upon the presentation of a concrete project, which must be approved by the relevant French immigration authority. Interestingly, the skills and talents visa is not subject to an explicit numeric restriction (quota), but only 345 and 365 *cartes compétence et talents* were issued respectively in 2009 and 2010 (Breem, 2011), suggesting that the requirements of this programme are rather strict.

Recent legislation has also introduced fiscal incentives for foreign professionals coming to France from January

2004. These include a five-year tax exemption for bonuses directly related to their assignment in France, and tax deductions for social security payments made by the expatriates in their home countries. A deduction is also available for pension and health care payments made outside France (Profit *et al.*, 2008).

The move towards a more skill selective immigration policy has also continued in recent years. In 2011, France introduced legislation to implement the EU Blue Card initiative. To qualify under this scheme the individual needs to have an employment contract for one year or more and a monthly salary amounting to at least 1.5 times the average gross salary taken as a reference and fixed annually by the Minister for Immigration (€52,725 gross per year in 2013). Furthermore, he/she needs to have completed at least a three-year bachelor degree or have proof of at least five years of professional experience at a level comparable to the one for which he/she will be working in France.

Since 2012, new measures have been introduced to simplify the process through which foreign students can obtain a work permit. Students who have earned at least a Master's degree can now apply for a non-renewable temporary leave to stay (*Autorisation provisoire de séjour*), which is valid for twelve months and allows applicants to look for a job related to their field of study. Under certain conditions, a change of status may later be granted (Sopemi, 2013).

The intention to attract foreign students and professionals is also clearly stated in the National Pact for Growth, Competitiveness and Employment put forward by the Hollande administration, introduced in November 2012, which aims “*to develop a strategy to attract, in particular, international talent and major investment projects, as well as cultural and scientific activities*” (OECD, 2013).²⁴

United Kingdom

After the Second World War, the United Kingdom experienced a large influx of migrants,²⁵ especially from former colonies, which made it unnecessary to introduce a formal guest workers programme, and which has instead been a mainstay of migration policy in many Northern European countries during the reconstruction period. This was possible because the British Nationality Act of 1948 granted residents of UK colonies British citizenship, which allowed them the right to enter and work in the UK. These individuals were followed by their families in the 1960s and 1970s.

The large inflow of immigrants during the 1950s raised much concern and public discontent. As a result, a series of new measures was gradually introduced to make it more difficult for citizens of the British Commonwealth to move to the United Kingdom, starting with the 1962 Commonwealth Immigrants Bill, which ended the open door policy. From the 1970s until the 1990s subsequent Conservative governments restricted the immigration policy stance and there was very little primary immigration. In particular, the 1971 Immigration Act laid the basis for a tight immigration policy. Migrants were allowed to enter only as family migrants or with a work permit (which was to be sponsored by the prospective employer); furthermore, in the shadow of the US civil rights movement, the legislation focused attention on the integration of existing migrants (Sommerville *et al.*, 2009).

In the late 1980s and throughout the 1990s, with the fall of the Berlin Wall and the break-up of the Soviet Union, an important feature of immigration to the United Kingdom was the large inflow of asylum seekers and refugees, and there was much debate in the country on whether these were not simply economic migrants in disguise. With the coming to power of the labour government in 1997, and the booming economy of the late 1990s, the focus in the policy debate on immigration changed and an explicit commitment to economic migration was made. As a result, at the beginning of the new century, a broad policy overhaul was introduced involving, on the one hand, the tightening up of the requirements to qualify for asylum and, on the other, the introduction of a programme targeting highly qualified individuals, i.e. the Highly Skilled Migrant Programme, which was launched in 2002. The latter was an immigrant-driven point-based system, which allowed a foreigner who satisfied a minimum points requirement to enter the country, even in the absence of a formal job offer. This system was reformed in 2008, when UK immigration policy was reorganised and a five-tier programme was introduced. Under this new scheme, the Tier 1 and Tier 2 categories were reserved for skilled migrants. Under Tier 1, highly skilled foreign workers were allowed to apply for an entry permit, without the need for an existing job offer – in other words this continues to be an immigrant-driven framework. The Tier 2 scheme was instead reserved for medium and highly skilled workers, but, importantly, to be admitted under this programme the third country nationals had already to have received a job offer. The latter scheme thus falls under the employer-driven category.

The financial crisis of 2008 and the subsequent recession saw migration take centre stage in the political debate

during the 2010 elections. In particular, the Conservative party made the introduction of more restrictive policies part of its platform, with the explicit goal of reducing net migration to the UK below 100,000 individuals per year. The result was a more stringent scheme which was put into place in 2011, making it much more difficult even for highly skilled non-EU nationals to gain employment in the country. The Tier 1 programme is the UK points-based system and continues to allow foreign workers to be admitted even in the absence of a formal job offer, but the entry requirements have been made substantially stricter, and only truly exceptional foreigners can be considered under this system.²⁶ Depending on the admission category, strict numerical limitations exist, but many observers have lamented the complicated process that needs to be followed to apply for these visas, which has left the quotas for several categories unfilled.

The Tier 2 category instead allows UK employers to hire third country nationals to fill particular jobs, and requires the existence of a job offer prior to application. Four sub-categories have been identified: general, intra company transfer, sportsperson, minister of religion. For the fiscal year 2013 a total of 20,700 visas could be issued under the general sub-category for workers earning less than £152,100. On the other hand, there is no cap for workers earning more than £152,100.

Recent data show that, as in the Tier 1 case, in the Tier 2 category the number of visas is also currently substantially below the limit set by the quota (MAC, 2012). This is likely to be the result of weak demand in the UK labour market, but might also signal the complexity of the procedure which companies need to follow in order to sponsor a visa under this programme.

Overall, British migration policies show a cyclical pattern, which alternates between periods during which borders have been kept wide open and periods during which flows have been drastically restricted.²⁷

Germany

After the Second World War, as in the United Kingdom and other Northern European countries, Germany experienced rapid growth that led to labour shortages which were addressed by favouring both the immigration of ethnic Germans from Eastern Europe, and the establishment of a guest worker programme, which resulted in the conclusion of a series of bilateral recruitment agreements.²⁸ Following the first oil price shock in 1973, Germany stopped active recruitment policies. As a result, family reunification, humanitarian immigration and the immigration of ethnic Germans

(the so-called *Spätaussiedler*) became the main channels of entry.

Against the background of low skill levels in the immigrant population in Germany and of an increasing shortage of highly skilled labour, the Schröder government began to redefine immigration policies in the late 1990s. An important initiative was the introduction, in August 2000, of the Regulation on Work Permits for Highly Qualified Foreign Labourers in Information and Communication Technology (IT/ArGV), also known as the Green Card initiative, which was meant to be a response to the shortage of information and communication technology specialists. This is a typical example of an employer-driven scheme. To qualify for this type of visa²⁹ the individual offered a job needed to meet a minimum skill requirement (a university or technical college degree) or his ability in this field needed to be recognised through a guaranteed gross annual salary of at least €51,000. The Green Card could also be obtained by international ICT students, allowing them to sign a labour contract in Germany directly following the completion of their studies. Importantly, the regulation also allowed Green Card holders to change jobs. The views on the effectiveness of this programme are mixed. On the one hand, the original quota of 20,000 visas was never fully subscribed. Existing estimates suggest that between 2000 and 2004, 17,111 Green Cards were actually issued (Constant and Tien, 2011),³⁰ highlighting a broad lack of demand for this type of visa. On the other, these permits gave small and medium enterprises access to much needed foreign skills, whereas larger firms mainly took advantage of existing intracompany transfer programmes to meet their staffing requirements.

The system was overhauled with the comprehensive immigration act of 2005. Four channels of entry are identified in the new legislation: namely employment, education, family reunification and asylum/refugee seeking. Moreover, the act allowed foreign graduates of German universities to stay in the country for a maximum period of twelve months to look for employment.

As with the Green Card programme, one of the main objectives of the new legislation is to attract highly skilled workers, and two groups have been targeted in particular, through an employer-driven framework. The first comprises scientists and teaching personnel with excellent qualifications (i.e. university professors), outstanding sportsmen and artists. The second refers instead to managers and specialists whose income was at least twice the ceiling of health insurance in Germany, i.e. it was above €85,000 p.a. as of 2008, even though

the 2009 amendment of the immigration act reduced this ceiling to €65,000.³¹ Both groups are entitled to permanent residence permits. Moreover, a residence permit was to be granted to individuals who are self-employed if they invest €500,000 and employ at least five persons (this threshold was reduced to €250,000 in 2009).

In quantitative terms, once again the evidence suggests that this reform did not manage to achieve its goals. Only 466 residence permits have been granted for the two groups of highly skilled individuals in 2007, and only 115 of those have been granted to new arrivals. It is not likely that the 2009 reform changed the picture substantially, since the €65,000 income ceiling was still well above the average income level of individuals with a university degree, particularly in the age groups below 40. Given the limited success of this scheme, it is not surprising that it was eliminated in 2012 (OECD, 2013).

A renewed effort to make the country an attractive destination for highly skilled immigrants is represented by the implementation, in August 2012, of the EU's Blue Card Directive. As a result, the EU Blue Card has become the only residence permit for highly skilled workers, and it is granted for a period of four years. The requirements for obtaining a visa have been substantially simplified, compared to the previous legislation. In particular, the minimum income threshold has been reduced to €46,400, and this threshold has been further lowered to €36,192 for the so-called shortage occupations (scientists, mathematicians, engineers, doctors and IT-skilled workers). EU Blue Card holders can apply for permanent resident status after three years of residence (reduced to two if they can demonstrate good German language skills). While this less demanding set of requirements should make the country more attractive to foreign skilled workers, it is too early to carry out a quantitative assessment of whether the reception of the EU Blue Card has been a success.

In the same year, other measures to facilitate the entrance of highly skilled individuals have been introduced. In particular, foreign graduates can be granted a six-month visa for the purpose of seeking employment in Germany, and at the same time graduates from German universities can now spend up to eighteen months in Germany to look for employment.

Denmark

Like several other Northern European destination countries, Denmark experienced rapid growth during the 1960s and dealt with emerging labour market shortages by implementing a guest worker programme. As a result,

a substantial inflow of low skilled foreign workers took place during this period, with the main origin countries being Turkey, Pakistan and the former Yugoslavia.

Following the 1973 oil shock, this programme came to a halt, but foreign workers already in the country were allowed to stay and bring their families to Denmark. At the same time, starting in the 1980s and following the ratification of a series of international conventions, asylum seekers and refugees became a more important feature of migration in Denmark. Concerns about the low skill profile of migrants in the country and about possible abuses of the asylum/refugee protection schemes led the government to introduce in the late 1990s a series of measures to tighten entry and integration requirements.

At the same time, policies aimed at promoting the immigration of highly skilled foreign workers were introduced. In 2002 a job-card initiative came into existence to facilitate the recruitment of individuals whose professional qualifications were in short supply (Liebig, 2007). Since then a richer set of selective policies were introduced, involving both employer- and migrant-driven schemes. Several employer-driven schemes are now in place, not only for individuals with particular skills (e.g., the so called Positive List), but also for individuals

who have been offered a highly paid job³² (Pay Limit Scheme) etc. Importantly, in 2008 a Green Card initiative was introduced. This is an immigrant-driven point-based system aimed at attracting highly qualified foreigners from outside the EU/EEA. Under this initiative, it is possible to receive a residence permit for the purpose of seeking work, and subsequently working, in Denmark. This permit is initially granted for three years and can be renewed. In order to be qualified for it, an individual must obtain at least 100 points, and table 6 illustrates the functioning of the mechanism. Besides offering special visa programmes for highly skilled workers, a special tax scheme has also been introduced, which allows foreign employees to pay a significantly lower tax rate (26 per cent) while working in Denmark for a period of up to five years.

The Netherlands

In the aftermath of the Second World War, the Netherlands saw half a million Dutch citizens leave the country, to look for employment in the USA, Canada, and Australia (National Contact Point, 2005). Starting from the mid-1960s, however, this trend reversed and the country has become the destination of growing immigrant flows. Many of the workers arriving in the country through the 1970s and 1980s originated in former Dutch colonies – Indonesia, Suriname etc. At the same time, during the 1960s the Netherlands started to recruit guest workers for low-skilled jobs from Southern Europe, Yugoslavia, Turkey and Morocco.

As in the case of Germany, guest workers programmes ended after the first oil crisis of 1973, but guest workers already in the country were allowed to stay and bring their families. The inflows due to family reunification peaked during the 1980s and 1990s. A second important group of migrants arriving in the Netherlands in the 1990s were asylum seekers, mainly originating in countries like Afghanistan, Iran, Iraq, the former Yugoslavia and Somalia. The peak in the new arrivals of foreign migrants was reached in 2001, and was followed by a substantial decline in inflows, due both to tighter labour market conditions, as well as to the introduction of stricter requirements for the granting of asylum and for family reunification.

In particular, the Aliens Act of 2000 was explicitly aimed at reducing low-skilled migration, and stricter rules were devised both for family reunification and asylum. The same line was pursued in the 2006 Civic Integration Abroad Act, which requires migrants who want to come to the Netherlands to live with their partners to pass a civic integration test abroad on language and Dutch culture.³³

At the same time, new measures were introduced to promote the immigration of highly skilled foreign workers, mainly through employer-based schemes. In particular, the 2004 Highly Skilled Migrant Scheme identifies knowledge migrants based on a job offer which meets a minimum income threshold.³⁴ Under this scheme, foreign workers do not need a separate temporary work permit, but only a residence permit that is granted for a maximum of five years. Approval times are very short, ranging between two and four weeks. After five years of legal residence knowledge migrants can apply for a permanent residence permit or consider naturalisation.

An interesting innovation was introduced in December 2007. Since then foreign students from outside the EU/EEA graduating in the Netherlands do not need to leave the country immediately, but can instead apply for an orientation year for graduates seeking employment. This scheme allows bachelor’s or master’s students to have a one-year search period for a job, immediately after graduation.

In January 2009, in addition to the previous programme for foreign graduates of Dutch institutions, a new admission scheme has been introduced for highly educated migrants. This legislation allows recent foreign graduates, who have completed their studies within the last three years, to come to the Netherlands to look for a job as a knowledge migrant or to start an innovative company. This new system represents an interesting attempt to introduced an immigrant-based scheme to promote the inflow of highly skilled foreign workers.

Table 7. The Dutch scheme for the orientation year for highly-educated persons, 2013

	Maximum no. of points
Educational attainment (max 30 points)	
Master’s Degree	25
PhD Degree	30
Age between 21–40 years (max 5 points)	5
Indicators for success in the Netherlands (max. 5 points)	5
Pass mark	35

Source: NUFFIC (www.nuffic.nl). The Pass mark denotes the number of points which are required for admission. Indicators for success in the Netherlands involve: previous employment in the country; previous education in the country; Dutch language proficiency, English language proficiency; Degree granted by a country that has signed up to the Bologna declaration.

The framework resembles a points-based system, and table 7 provides a broad overview of its characteristics. The eligibility threshold is 35 points, and once this has been met, the highly skilled foreigner is granted a one-year permit, which cannot be extended.

In June 2011 the Netherlands implemented the EU Blue Card initiative. Compared with the knowledge migrant scheme, the procedure for obtaining the EU Blue Card is slower and more complicated. Moreover, the EU Blue Card involves both a salary requirement (€61,469.28 gross) and an educational requirement (at least post-secondary degree). In the Highly Skilled Migrant Programme only the threshold salary must be met, and the threshold is much lower. A decision on an EU Blue Card application may take up to 90 days. Unlike the knowledge migrant scheme, the EU blue card does offer the opportunity to relocate to other EU member countries.

The Netherlands also has in place tax incentive schemes to attract highly skilled immigrants. In particular, since 2001, Dutch employers have been able to reimburse 30 per cent of the taxable base of the migrant’s wages as a tax free reimbursement for extraterritorial expenses, for up to eight years after first entering the country.

Italy

Italy has a long history as a source of emigrants, and until 1986 immigration policy has been based on public order legislation dating back to 1931, which left many important issues to administrative discretion. In 1990 the Martelli law introduced a provision for a quota system to limit the inflow of immigrant workers from outside the EU, which *did not* explicitly target highly skilled workers. The quota system is mainly employer driven, and a labour market test requires the employer to list the job vacancy through the Public Employment Service. This provision is *pro-forma* though, as no application has ever been rejected due to a successful referral by the Public Employment System (Chaloff and Lemaitre, 2009). Work visas are initially issued for a limited period (two years in the presence of an openended contract), but they can be renewed and converted into a residence permit after five years of legal stay.

The quota system grants privileged access to citizens from countries which have signed an immigration agreement with the Italian government. The yearly *Decreto Flussi* (Flow Decree) determines the current target, depending on domestic labour market conditions. For instance, up to 52,080 workers from these countries were to be admitted to Italy under the 2010–11 legislation, with no

Table 6. The Danish Green Card, 2013

	Maximum no. of points
Educational Level	105
Degree	As a minimum have the equivalent of a Danish bachelor degree. 80 for PhD
Bonus points if graduated from an internationally recognised university	Top 400: 5 Top 200: 10 Top 100: 15
Bonus points if qualified in a field where Denmark is currently experiencing a shortage of qualified professionals	10
Language skills	30
Work experience	15
Adaptability	15
Age	15
General skilled immigration pass mark	100

Source: New to Denmark, the official portal for foreigners and integration (https://www.nyidanmark.dk/en-us/coming_to_dk/work/greencard-scheme/greencard-scheme.htm). Pass mark denotes the number of points which are required for admission.

restriction concerning their sector of employment. An additional 30,000 foreign migrants could be admitted, originating in other countries with whom Italy does not have an agreement on immigration, but could only be employed as *domestic helpers* or *care workers*. According to the 2010–11 Decree, up to 11,000 other permits could also be issued to convert other visas (initially granted for study, training, seasonal work) to regular work permits. Interestingly, since 1998, a small group of skilled workers, including company managers, university professors, maritime workers, journalists and nurses have been granted work permits outside the quota system (Neidhardt, 2013), but overall the Italian quota system did not consistently target highly skilled workers deemed to be in short supply within Italy, and poor enforcement of the existing legal framework has led to the introduction of multiple legalisation programmes over the years (see Casarico, Facchini and Frattini, 2012).

An important policy change is represented by the reception in 2012 of the EU Blue Card initiative. Effective from 8 August, 2012, highly skilled non-EU citizens can be admitted outside the quota system on the basis of an employer-driven admission scheme. The main requirements are that foreign migrants must have completed at least a three-year bachelor’s degree relevant to the job for which they apply and have a binding employment contract in which they are offered a minimum salary above €24.789,00.³⁵ After five years of residence as a Blue Card holder (in any EU country, with at least two continuous years in Italy), a long-term EC resident permit can be issued.

The overall policy has thus become more oriented towards the admission of highly skilled foreign workers, but it seems to have been more the result of a EU wide initiative than the end point of a process through which foreign talents have been sought by domestic employers.

Spain

Like Italy, Spain has been for most of the past century a country of emigration (OECD, 2003a), and Spanish workers supplied much of the manpower recruited by Northern European countries’ guest worker programmes. In fact, between 1961 and 1974, about 100,000 Spanish workers emigrated every year. The fall of Franco’s authoritarian regime, the entry of the country into the European Union, and the subsequent rapid growth experienced in the 1980s and 1990s have turned Spain into an attractive destination for foreign nationals, coming from both Latin America and North Africa. The first piece of legislation introduced to regulate foreign immigrant flows, the Foreigners Law of 1985,

was the result of Spain’s need to align its policies to those of the EC bodies, rather than being a policy response to growing immigration pressure. According to this framework – known as the general regime – the entry of a labour migrant was based on an employer request and the admission was left essentially to administrative discretion (Bruquetas-Callejo *et al.*, 2008). A key discriminator was a labour market test whose criteria were only vaguely defined.

Along with the general regime, a new channel of entry was established in 1993 with the introduction of an immigration quota for which no individual labour market test had to be performed. The latter was replaced by the government’s identification, on a yearly basis, of those sectors/occupations with labour shortages and by the determination of the overall number of work permits to be issued. Importantly, the permits issued under the contingent system were not flexible, i.e. they typically did not allow migrants to change sector or region of employment, and the total yearly quota was kept very low, fluctuating between 20–40 thousand permits per year. The very strict official policy stance ended up favouring irregular immigration, which became a structural feature of the Spanish immigration regime.

The return of the Socialist party to power in 2005 marked the reintroduction of the general regime, with the purpose of allowing more flexibility for employers, even if the overall quota depended on an assessment of labour market needs. To this end, a Special Catalogue of Vacant Jobs was created. The Catalogue listed all occupations for which vacancies were available and which were not filled either by Spaniards, EU nationals or already present third-country nationals. This measure simplified the working of the General Regime, avoiding the need for each employer to publish job offers (IOM, 2012). Under the general regime 120,324 initial work and residence permits were issued in 2006, 178,340 in 2007, but only 17,000 in 2010. The catalogue contained 488 occupations in 2008, but only 50 in the first semester of 2011 (IOM, 2012). The number of jobs in the catalogue has progressively declined to a limited number of occupations, requiring mainly medium and high skill workers (Lopez-Sala, 2013). Like Italy, Spain also entered into a series of bilateral immigration agreements, linked to the quota system, to facilitate and control the recruitment of workers in a series of countries of origin. Migrants from those countries receive priority in the allocation of work permits (IOM, 2010).

While the quota system could have been used to introduce selective immigration policies, its actual effects have been

Table 8. Government policy on highly skilled immigrants by income group, 2007

Income group	Lower	Policy on highly skilled workers			Total
		Maintain	Raise	No intervfvention	
High income countries	2	18	20	5	45
	4.44	40	44.44	11.11	100
Upper middle income countries	1	24	9	2	36
	2.78	66.67	25	5.56	100
Lower middle income countries	2	29	4	2	37
	5.41	78.38	10.81	5.41	100
Low income countries	0	13	3	9	25
	0	52	12	36	100
All countries	5	84	36	18	143
	3.5	58.74	25.17	12.59	100

Source: Facchini and Mayda (2010). The table presents frequencies and row percentages by income, size of migration inflow and size of migration rate. Policy on highly skilled workers is the government’s policy on the migration of highly skilled workers. The possible values of policy on highly skilled workers are: the government has policies in place to lower, maintain, raise the migration of highly skilled workers, the government does not intervene with regard to the migration of highly skilled workers (or it is not known whether the government intervenes...). Data for migration is for 2005. The migration rate is defined as the migration inflow divided by the population of the destination country.

rather limited (Bruquetas-Callejo *et al.*, 2008) because of a widespread lack of enforcement. The result has been the creation of large stocks of irregular migrants, which have periodically benefitted from large regularisation programmes. In other words, through much of the immigration boom years the official Spanish government policies have only played a very limited role in shaping the current composition of the immigrant population.

Altogether, some EU member states have started to reform their immigration policies both to increase the number of foreign workers and to attract more highly skilled workers.

In 2007, the government recognised the need to attract skilled workers from abroad. To that end it created the *Unidad de Grandes Empresas* (UGE – Large Companies Unit) to manage the flows of skilled workers under a fast-track procedure. This office handles authorisations and residence permits for business executives, hi-tech workers, scientists, university professors etc. (Finotelli, 2014).

In 2011, the country implemented the EU Blue Card initiative.³⁶ Interestingly, the Large Companies Unit continues to exist even after the implementation of the Blue Card. The procedure for recruitment through the unit is faster than the normal procedure, and it continues to be the most important channel for recruiting the high skilled.³⁷ From 2007–10 the applications submitted to the Large Companies Unit were 1,870 for 2007, 3,321 for 2008, 2,218 for 2009 and 2,114 for 2010 (Finotelli, 2014).

6. Policies to attract highly skilled immigrants: evidence based on UN data

Our discussion so far suggests a broad tendency towards the adoption of more skill-selective migration policies throughout most advanced destination countries. This evidence is confirmed when we look at recent, comprehensive cross-country survey data. Since 1974 the United Nations has asked government officials for their views on the overall level of immigration in their country and for information concerning policies towards immigration which they implement. An additional question was introduced in 2007, with a specific focus on governments’ policies towards highly skilled workers, suggesting growing interest around the globe in policies to attract highly skilled workers. Table 8, based on Facchini and Mayda (2010), reports the answer to this question, grouped by each country’s income level.

In 2007, officials in only five destinations (Bhutan, Botswana, Jordan, Saudi Arabia and the United Arab Emirates) reported that they had policies in place to reduce the arrival of highly skilled workers. Most of the countries in the sample (59 per cent) state instead that the government’s goal is to retain the same level of high-skilled migration, and this attitude is particularly widespread among low and middle-income countries. On the other hand, among the high income countries considered in the study, a race to attract global talents appears to have begun. Almost half of the officials based in these countries (44.4 per cent) report that they now have policies in place to increase the arrival of highly

skilled foreign workers. Understanding the implications of these policies for both destination and source countries is one of the important challenges faced by researchers working on migration today.

7. Conclusions

In this paper we have reviewed some of the policies put in place by the main Western destination countries to attract highly skilled migrants. We have identified two broad sets of instruments. On the one hand, *migrant-driven schemes* typically do not require a job offer, and instead lead to the identification of the migrant to be admitted on the basis of a set of characteristics chosen by the policymaker. On the other hand, *employer-driven schemes* typically require the migrant to meet a set of minimum skill requirements and, crucially, to have a job offer before a work visa can be issued. While many countries have in place complex migration policy systems with features of both employer- and migrant-driven schemes, three traditional destinations have made the latter a prominent feature of their policies: Australia, Canada and New Zealand. Most other countries, including the United States, are instead using systems in which employer-driven frameworks play a key role.

Even if selection on the basis of skill requirements involves only a small proportion of the total number of migrants admitted by Western destination countries, there is some evidence suggesting that migrant-driven schemes have been successful in increasing the skill level of the average migrant (Aydemir and Borjas, 2007; Aydemir, 2011).

The evidence on employer-driven schemes is less clear cut. On the one hand, several countries have been successful in using these frameworks to retain the best and brightest foreign graduates of their universities. The US H1-B scheme is a leading example, and recent research has highlighted the important role played by foreign immigrants admitted through this programme in fostering innovation activity in the US (Kerr and Lincoln, 2010). As for other destinations that have been traditionally less successful in attracting foreign students, such as some of the continental European countries, the employer-driven model has been shown to have important limits. In particular, in our view the lack of understanding of the cultural and socio-economic conditions of many European destination countries explains the limited willingness of highly skilled foreigners to relocate there – and a typical example of this type of difficulty is represented by the only partial success of the German Green Card programme of the early 2000s.

For this reason, we see favourably those initiatives that aim at reducing the cost to migrate for skilled workers even in employer-driven schemes. An interesting model is represented by the Dutch framework with its orientation year for highly-educated persons, which allows recent graduates of foreign universities to come to the country to look for a highly skilled occupation. Similar schemes have also been introduced in France and Germany. While they have the potential to enhance the attractiveness of the countries to foreign skilled workers it is too early to assess their actual impact.

More time is also needed to evaluate the effectiveness of other attempts to improve employer-driven schemes – like the EU Blue Card initiative. Some scepticism is warranted. While the measure was introduced to make the EU more attractive to skilled migrants by opening up the entire EU labour market, the implementation of this initiative by each member state has led to multiple practical obstacles to the relocation of third country nationals. In fact, even after the conclusion of the required initial eighteen months period of permanence in a EU country, a skilled worker who wants to move to another member state still has to go through a complex bureaucratic process, in which the migration authorities of the new destination have ample discretionary power in the issuance of the permit. As a result, access to the broader EU labour market beyond the initial country is likely to remain rather limited.

NOTES

1 “European Commission launches new push for ‘Blue Card’”, *Der Spiegel*, 7 November, 2007, p. 1–2.
2 See Boeri *et al.* (2012) for a comprehensive assessment of skilled migration.
3 For an interesting example of how complex procedures to recognise foreign degrees might result in significant barriers to the migration of medical professionals, see Glied and Sarkar (2009). For an overview of the portability of pension and health care benefits, see Holzmann *et al.* (2005).
4 Interestingly, skill-selective policies have been introduced mainly following the elimination of explicitly discriminatory policies based on the immigrant’s country of origin in the early to mid-1960s.
5 For an interesting classification and analysis of immigration policies from a rights-based perspective, see the recent work by Ruhs (2011, 2013).
6 See Czaika and De Haas (2013) and De Haas and Czaika (2013) for a useful conceptual framework to measure immigration policy effectiveness.
7 Large numbers of individuals also go abroad to study. Since typically students are considered as temporary migrants, we do not discuss them here. According to OECD (2013) approximately one quarter of the foreign students stay in the host country beyond the time needed to complete their degree. For more details, see OECD (2013).
8 OECD’s ‘permanent inflows of migrants’ include migrants

with permission to stay permanently, as well as migrants on temporary but renewable residence permits that can lead to settlement. The definition excludes temporary migrants whose residence permits cannot be renewed or only renewed under limited circumstances. It also excludes international students, even if they stay for more than one year in the host country (Vargas-Silva, 2014). It should be noted that in many countries highly skilled migrant workers admitted with temporary work visas would not be considered as permanent migrants as their residence permits cannot be renewed or can be renewed only for a limited period. An example is represented by intra-company transfers. We stick to the OECD definition for the sake of comparability across countries. See also Lemaitre *et al.* (2007).
9 Note that some of the existing skilled migration programmes automatically include sponsorship of family members.
10 An interesting proposal for the construction of an optimal points-based system has been recently put forward by McHale and Rogers (2009).
11 In April 2014 the Canadian government announced a revision of its skilled selective migration policy, which will be implemented starting in 2015. Generally speaking, it will contain elements of the framework currently deployed by Australia and New Zealand, envisioning a two-step process. In the first step applicants will express their interest in coming to Canada, while in the second the best qualified migrants will be invited to apply for permanent residency. As of May 2014, details on the new system have not yet been made available. For more information see <http://www.cic.gc.ca/english/department/acts-regulations/forward-regulatory-plan/irpr-eoi.asp>.
12 See <http://www.immi.gov.au/media/statistics/statistical-info/visa-grants/migrant.htm>.
13 <http://www.immi.gov.au/skilled/general-skilled-migration/pdf/csol.pdf>.
14 http://www.immi.gov.au/media/fact-sheets/24apriority_skilled.htm.
15 Before 1987, immigration was subject to both an occupational priority list (OPL) and to a preferred country list. An OPL has existed since the mid-1960s. After 1976, employment from non-traditional countries has been possible under certain specific conditions (Winkelmann, 1999).
16 The General Category was replaced by the General Skill Category in 1995 (NZ Parliamentary Library, 2008).
17 A second important potential channel of entry for skilled workers is represented by the F1 visa category, which is used by foreign students acquiring a higher education in the US. This visa category allows the students to complete a post-graduation period of optional practical training.
18 The actual number changed several times at the end of the 1990s. Several exceptions apply to this cap. In particular, as of 2013, up to 20,000 foreign nationals holding a master’s or higher degree from US universities are exempted from the cap on H-1B visas. In addition, excluded from the ceiling are all H-1B non-immigrants who work at universities, non-profit research facilities associated with universities or government research facilities. For more information on the recent history of the H1B program, see Congressional Research Service (2006).
19 During the past decade only 15 per cent of the legal permanent residency permits issued each year have been employment-based. The vast majority was instead issued to family-based migrants (Mukhopadhyay and Oxborrow, 2012).
20 Note that H2A, H2B and H3 visa holders cannot apply to change their status to permanent resident.

21 As argued by Mukhopadhyay and Oxborrow (2012) for the US, restrictions to the ability to change employment are likely to have a substantial negative impact on migrant worker’s wages.
22 It should be noticed that actually most countries do not apply specific quotas for EU BLUE CARD holders.
23 For instance, labour recruitment agreements were signed with Italy (1904, 1906, 1919), Belgium (1906), Poland (1906) and Czechoslovakia (1920).
24 For a more detailed discussion see EMN (2012).
25 In particular, between 1948 and 1962, approximately 500,000 new Commonwealth immigrants entered the United Kingdom (Hansen, 1999).
26 Five sub-categories have been identified: Exceptional talents (world leaders or individual with the potential to be world leaders in their fields), Entrepreneurs, Investors, General, and Graduate Entrepreneurs (i.e. individuals that after graduation from a UK Higher Education Institution want to develop an existing viable business activity). The General category is now closed, while the first and the last are subject to a quota of 1000 and 2000 individuals per year respectively.
27 See Hansen (2011) for further details.
28 Agreements were signed in 1955 with Italy; in 1960 with Spain and Greece; in 1961 with Turkey; in 1964 with Portugal and in 1968 with the former Yugoslavia.
29 The German green card, unlike the similarly named US programme, was a temporary work permit which allowed the foreign worker to be employed in the country for up to five years. It also allowed the worker to bring his family with him.
30 See also <http://focus-migration.hwwi.de/index.php?id=1198&L=1>.
31 The salary should at least correspond to the income threshold of the pension insurance scheme. In 2012, this income threshold was €67,200 a year in Western Germany and €57,600 in Eastern Germany (Laubenthal, 2012).
32 Currently set at having a gross annual salary of not less than DKK 375,000. http://www.nyidanmark.dk/en-us/coming_to_dk/work/pay-limit-scheme.htm.
33 Some individuals are exempt from the civil integration test. This applies for instance to US, Australian, Canadian, Japanese, New Zealand or South Korean citizens.
34 As of 1 January 2012: “A highly skilled migrant is a migrant who comes to the Netherlands to be employed, and has a gross annual income of at least €51,239, or €37,575 if he/she is under 30, or for persons who have graduated in the Netherlands €26,931. This income requirement does not apply if the migrant performs scientific research or is a doctor in training to become a specialist” (<http://english.ind.nl/nieuws/2011/as-of-1-january-2012-new-income-requirements-highly-skilled-migrants-and-highly-educated-migrants.aspx>).
35 The minimum gross income for a foreign worker to qualify under the EU Blue Card initiative cannot fall below three times the threshold needed for exemption from healthcare co-payments.
36 In order to obtain the Blue Card, applicants must hold a university degree from an educational programme that lasted three years or longer. Alternatively, they can prove their qualifications by showing at least five years of professional experience. Moreover, their employer must pay them at least 1.5 times the most recent average gross monthly wage in Spain, as determined by the Spanish Statistical Office. The salary threshold may be reduced to 1.2 times the most recent average gross monthly wage in Spain for jobs which are in particular need of non-EU workers and which belong to ISCO groups 1 and 2.
37 International recruitment through the Large company Unit changed after the introduction of the EU Blue card. Before 2011,

the Unit provided a fast-track procedure for large companies without labour market check. It was open to university graduates with at least one year of work experience. The salary requirement was established according to the Unit's internal criteria. After 2011, the fast-track procedure has been reserved for large companies and medium-sized companies in the information technology, renewable energy, environmental, water, health, bio-pharmacy, biotechnology, aeronautical and aerospace sectors, without labour market check. The recruitment process is opened to high-skilled foreigners with a university degree or five years working experience. Salary depends on the applicant's residence regime (General Regime or Blue Card Regime) (Finotelli, 2014).

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