



No. 24/December 2024

„ EU ` s Labour Dilemma: Finding Balance between Local and Migrant Workers “

A Conference of EMN Estonia and IOM Estonia¹

Overview and Conclusions

Introduction

Labour migration of third-country nationals has become a key issue in EU migration policy, impacting economic development and competitiveness. While labour migration has grown in many EU countries, the demand for skilled workers continues to rise, driven by an aging population, technological advancements, and the green transition. As similar trends affect most Member States, intra-EU mobility alone cannot meet the demand, making an additional workforce from third countries essential. In addition, Ukrainian refugees in EU member states represent a valuable workforce with significant potential making it important to acknowledge their qualifications and provide targeted upskilling.

The joint conference by EMN Estonia and IOM Estonia addressed labour shortages in the EU, providing a platform for Member States to share challenges, good practices, and success stories. The conference featured three main sessions and a moderated discussion on labour migration dilemma between local and migrant workers in Estonia. The first session provided the broad perspectives of IOM and also European Commission on labour market movements, narrowing down to ongoing labour shortages within the EU. The second session examined how different EU Member States are addressing labour market shortages through foreign labour policies and national strategies. The third session concentrated on examples of talent and skills mobility partnerships.

Introductory speeches:

Kari Käsper (Head of Office at IOM Estonia) opened the conference with a warm welcome to all attendees, setting the tone for the discussions and emphasizing the importance of addressing labour shortages in the EU.

¹ EMN Estonia and IOM Estonia joint Conference took place as an in-person event at the Mövenpick Hotel in Tallinn on the 5th of December 2024. Video recording of the conference is available at EMN Estonia ` s website.



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Joosep Kaasik (Deputy secretary general for Internal Security at the Ministry of the Interior) sent a video greeting, offering his insights and support for the conference discussions on addressing labour shortages in the EU. He started by highlighting the critical issue of labor shortages, noting that many countries have reached a juncture requiring significant decisions, at both national and EU levels, to address the challenge. While upskilling and reskilling initiatives are widely used to maximize domestic workforce potential, he emphasized that these measures alone are insufficient in the long term. Instead, he advocated for a dual strategy that combines mobilizing the domestic workforce with actively recruiting talent from abroad. He also underscored the importance of cooperation with third countries, the mutual benefits of such partnerships, and the role of public opinion in shaping and supporting these efforts.

Hando Sutter (Managing Director of Estonian Employers' Confederation) began by introducing the Estonian Employers' Confederation, which represents approximately 2,000 members that collectively provide jobs for around 250,000 people. He highlighted Estonia's aging population as a pressing issue, referencing the country's record-low birth rate in 2024 and its inevitable impact on worsening labor shortages over time. Sutter also warned that labor shortages in certain sectors could deter potential investments, which might be redirected to other countries, further impacting Estonia's economy.

He emphasized that both employers and the government must first assess the actual labor needs and then implement strategic measures to address them. Sutter also stressed the importance of integration as a key component of successful labor migration.

Session I: Understanding current labour market situation

First session welcomed representatives from IOM, European Commission, European Policy Centre and Estonian Qualifications Authority who shared their insights and contributions to addressing the topic.

Elizabeth Warn (Head of Labour Mobility Division at IOM) delivered a keynote speech addressing the EU's labor market challenges and also situating them within a global context. She highlighted the growing demand for skilled workers, particularly in critical sectors such as healthcare, ICT, construction, and education, driven by global talent gaps and Europe's aging population. Citing alarming statistics from recent reports, Warn revealed that 87% of companies globally face skill gaps, and 75% of employers struggle to find talent. These shortages are compounded by demographic challenges like aging populations, further straining labor markets.



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Warn emphasized the critical role of migrants in addressing these workforce gaps, noting that while they comprise only 3.6% of the global population, they are often employed in essential sectors, making significant contributions to the global economy. However, their integration requires comprehensive strategies, including language training, housing, and recognition of qualifications.

The presentation highlighted the importance of reskilling and upskilling for both migrants and local workers, especially in light of global trends like the green transition, which could create millions of new jobs. A case study on Ukrainian refugees showcased the potential for successful employment integration despite challenges, underscoring the need for long-term, sustainable policies. Warn concluded by stressing that migration, combined with effective workforce development, is essential for economic resilience and social cohesion in the EU.

Clemence Ghighi (head of sector Talent Pathways, Legal Pathways and Integration Unit at DG HOME) gave an overview of the labour shortages in the EU and their underlying causes. Ghighi highlighted the measures taken at the EU level to address these shortages, including the action plan to tackle labour and skills shortages, recommendations for recognition of qualifications, legislative changes to directives, and the adoption of the Skills and Talent Package and the Skills and Mobility Package. From the operational side she emphasized two key initiatives: the EU Talent Pool and Talent Partnerships.

Anastasia Karatzas (Policy Analyst in the European Migration and Diversity Programme) introduced the study on best practices that support the labor market inclusion of Ukrainian refugees in the EU. The study covers multiple stages of the employment journey, including job-seeking processes, access to education and training opportunities, recognition of qualifications, skills validation, and job matching. She also shared preliminary reflections on what the research has revealed about these best practices and their effectiveness addressing labour market needs in the EU, as well as how these efforts align with Ukraine's recovery and reconstruction priorities, and the aspirations of Ukrainians to return home when it becomes safe to do so.

Silja Lassur (OSKA Research Manager) introduced OSKA as the Estonia's labor and skills forecasting system, designed to assess workforce needs across various sectors and guide strategies to address labor shortages. The presentation highlighted the role of OSKA's studies, which provide insights into current and future labor market demands. These studies emphasize areas of workforce shortages, with projections revealing the sectors most impacted by skill gaps. She also provided a brief overview of an upcoming study focused on the demand for foreign labor.



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Session II: National strategies and effective labour policies

The second session began with an overview of an EMN Inform, highlighting new approaches to attracting foreign talent to the EU. This was followed by presentations from representatives of the Czech Republic and Ireland, sharing their national strategies and experiences.

Nicoletta Enria (Senior Consultant in Public Policy at ICF) presented the EMN inform which provides an overview of new and/or innovative initiatives pursued by EMN Member Countries and selected non-EMN OECD countries to attract foreign talent from January 2021 to March 2024. The study explored high value-added economic sectors prioritized by EMN Member Countries; specific programmes and initiatives to attract foreign talent, including the ones supported by EU funding and other forms of national support measures in recruiting foreign talent. They also examined whether and how EMN Member Countries monitor the effectiveness of these initiatives, and challenges faced in attracting foreign talent, such as administrative complexities, qualification recognition, and integration barriers.

Petra Silovská (Head of the Foreign Employment Department at the Ministry of Labor and Social Affairs of Czech Republic) made a presentation that highlighted the challenges Czech Republic faces in attracting foreign workers due to low wages and restrictive work permit durations. Government migration projects launched in 2019 aimed to address labor shortages through fast-track procedures for qualified workers, but they lacked legal enforcement and relied on employer credibility checks and country-specific quotas. A new proposed reform includes a national register of verified employers and a multicriteria point-based system to prioritize strategic occupations and qualified workers. However, the government did not approve the system due to disagreements over extending work permits and fast-track processing.

Fatima Aydin (Senior Manager at Fragomen) examined Ireland's labor market and its immigration system in her presentation, focusing on the role of immigration in addressing workforce shortages. She discussed key sectors facing workforce shortages, the vital role of immigration in addressing these gaps, and changes made to the Critical Skills Occupation List. She also introduced the Talent Beyond Boundaries programme which helps to connect skilled refugees with employment opportunities. These labour mobility pathways for refugees result in a "win-win-win" situation by addressing labor needs in destination countries and alleviating employers' workforce needs, while also offering displaced professionals security and self-sufficiency.



Session III: Meeting labour market needs via targeted mobility schemes with third countries

The third part focused on targeted skills and talent mobility schemes/partnerships that EU Member States have implemented in collaboration with third countries. Italy, Finland, and France shared their exemplary practices and experiences

Dr. Elisa Filippetti (Ministry of Labour and Social Policies of Italy) joined the conference online and focused on Italy's strategies to address labor market needs through targeted mobility schemes with third countries in her presentation. She explained the main regulations regarding entry and stay in Italy for work purposes. The „Flow Decree“ 2023-2025 establishes annual quotas for labor migration to meet sectoral demands. Over three years, Italy plans to admit 452,000 foreign workers, with significant allocations for sectors such as construction, transportation, telecommunications, and tourism. Seasonal work represents the largest share of these quotas, reflecting its critical role in the Italian economy. Filippetti highlighted vocational and civic-linguistic training programs that prepare foreign workers before arrival, allowing those who complete these programs in their countries of origin to enter Italy outside the quotas established by the Flow Decree.

Katri Niskanen (Team Leader of Labour Migration and Integration Unit at the Ministry of Economic Affairs and Employment of Finland) introduced Finland's comprehensive Talent Boost Programme 2023-2027 consisting of three main pillars: country brand and talent attraction; swift and safe residence permit procedures and talent retention. Measures against labour exploitation are also being implemented. She added that the programme has been transferred from a very liberal government to a much more conservative government in terms of immigration but this wide approach has helped to continue with the work. Niskanen also introduced different third-country partnerships, acknowledging that while progress has been made, the country is still in the early stages of developing these collaborations.

Marianne Vantini (Head of the Division for student immigration and regulated professions at the Ministry of the Interior of France) made a presentation to introduce targeted mobility schemes with third countries. She explained that France has made longstanding efforts to attract talent, particularly through initiatives like the "Chosen Immigration" policy introduced in 2006. The presentation showcased an overview of main trends and key drivers of migration flows in France. She also introduced various mobility schemes, highlighting the Talent Programme, which has already made a significant impact.



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Moderated discussion on labour migration dilemma in Estonia: Finding Balance between Local and Migrant Workers

Killu Vantsi (Ministry of the Interior) moderated a discussion between **Ulla Saar** (Ministry of Economic Affairs and Communications), **Berk Erdem** (ESTDEV), **Jaan-Hendrik Toomel** (Estonian Trade Union Confederation) and **Merilin Ednasevski** (ABB) where they discussed the biggest challenges and potential solutions to overcome the labour shortages Estonia is facing currently and in the future.



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The European Migration Network (EMN), established by the Council of the European Union in 2008 and coordinated by the European Commission, is a network for information collection and exchange on migration and asylum issues, comprised of National Contact Points and national networks of relevant stakeholder organisations. The EMN plays a key role in providing up-to-date, objective, reliable and comparable information on migration and asylum topics to policy makers (at EU and Member State level) and the general public.

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