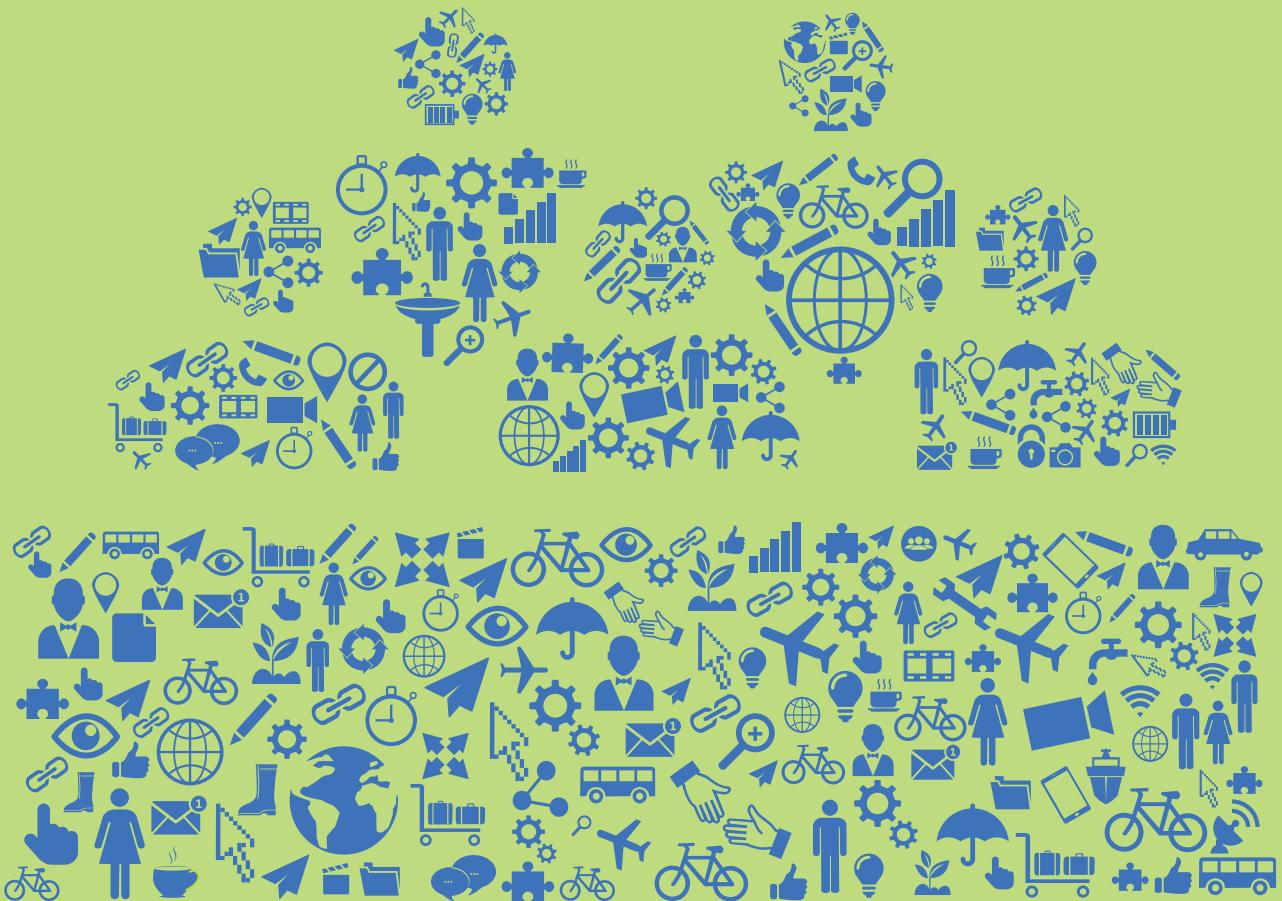


# LABOUR MIGRATION AND FLEXIBILITY OF REGULATION FOR EMPLOYING NON-EU NATIONALS



© Lithuanian Free Market Institute, 2018

This report was prepared by the Lithuanian Free Market Institute in cooperation with the Institute of Market Economics (Bulgaria), the Center for Economic and Market Analyses (the Czech Republic), the Center for Free Economic Thought at the Estonian Business School (Estonia), the Civil Development Forum (Poland) and the Institute of Economic and Social Studies (Slovakia).



**IME**  
Institute for Market Economics



Estonian  
Business  
School  
**ESB30**

**FOR** INESS  
FORUM OBYWATELSKIEGO ROZWOJU

This publication was made possible through the support of a grant from the Rising Tide Foundation. The opinions expressed in this publication are those of the author(s) and do not necessarily reflect the views of the Rising Tide Foundation.



# Content

**Executive summary / 4**

- 1. Introduction / 4**
- 2. The economic effects of migration / 5**
  - 2.1. Impact on labour market / 5**
  - 2.2. Impact on public finance / 6**
  - 2.3. Impact on wages and employment / 7**
- 3. Quantitative implications of the employment of non-EU nationals in CEE and other countries / 8**
  - 3.1. Disequilibrium in labour force / 8**
  - 3.2. Labour force replacement / 8**
  - 3.3. Unemployment rates / 10**
- 4. Regulation of hiring non-EU nationals: qualitative implications for employment / 12**
  - 4.1. Immigration policy: approaches to identifying and managing labour demand / 12**
  - 4.2. Legislative standards and criteria for admission and hiring of non-EU nationals / 14**
- 5. Conclusions and recommendations / 18**

**Annex / 21**

# Executive summary

Economic migrants rarely displace local labour force. Immigrants are more likely to complement existing labour force creating opportunities for growth and bringing needed skills.

Foreign workers reduce imbalances in local economies by filling in the demand for workers that a local economy cannot provide or by taking up jobs that local workers do want to pursue.

Immigrant workers take up lower paying jobs or receive lower pay compared to local workforce but this is the result of institutional and informal barriers to entry rather than evidence of wage-dumping.

Immigration of highly skilled labour creates less political backlash and makes immigration politically less unattractive. It would be unreasonable to allow immigration of only highly skilled labour, especially if the economy creates demand for a multitude of qualifications and professions.

Europeans tend to overestimate the proportion of immigrants in their countries. In 19 EU Member States, public opinion overestimates the population of immigrants by at least a factor of two. That could provide some explanation why immigration results in political backlash despite its minor economic impact.

Although migration is not the only solution to Europe's economic problems, it could be a partial response to labour and skills shortages in the market.

There is no correlation between unemployment rates and the number of non-EU nationals in different Member States. Even more, changes in the number of permits issued for remunerated activity are not followed by respective changes in unemployment. All this suggests that employment of non-EU nationals plays no significant role in unemployment figures of EU Member States.

Certain Central and Eastern European countries are losing labour force and failing to replace it with workers from non-EU countries. These countries should consider admitting more labour force from non-EU countries or they risk facing economic challenges in the long term.

Non-EU nationals have the right to work in EU Member States only when they meet the requirements laid down by EU directives and national legislation shaping national migration policies and access to labour markets. The regulation of the admission and hiring of non-EU nationals is too burdensome and economically ineffective and calls for the optimization of current processes.

## 1. Introduction

**M**igration issues create discussions not only in the areas of culture and nationality but in economics, politics and national security as well. Immigration from outside the EU is perceived as a problem by significant portions of voters in EU Member States (see Infographics Annex). On the one hand, it is often assumed that immigrants cause economic disturbances, on the other hand, they are seen as the driving force of the most dynamic sectors of the economy. Moreover, political opposition to immigration can arise even when the economic impact of immigration is overwhelmingly positive (Tabellini, 2018). Just like the migration inside the country, immigration from outside can lead to short-term economic disruptions even though it brings broad long-term benefits and allows many sectors to remain internationally competitive. While most migration is not directly driven by economic incentives, this report will focus on economic migration and discuss the economic consequences of migration.

Some researchers argue that immigrants focus on economic sectors with jobs avoided by locals, low-skilled jobs and sectors experiencing seasonal labour shortages. However, other segments are strongly dependent on the labour

supply of immigrants as well. Without migrant employees, such sectors would probably be forced to reduce the amount of labour used in their host country, e.g. automatize their production methods or move their activities overseas. Other fast growing sectors, e.g. IT, experience long-term shortages of labour that cannot be mitigated by the supply of qualified labour from domestic education systems (Münz et. al., 2006). This indicates that immigrants contribute to labour market efficiency and long-term economic growth (Somerville and Sumption, 2009).

In recent years the number of foreigners who are coming to the EU as seasonal workers, posted workers, arriving as trainees or highly qualified workers, are seconded to work or transferred within the company, are working under a particular fast-track scheme (recruited in a facilitated manner), etc. is increasing. The free movement of workers is one of the fundamental freedoms of the EU. However, non-EU nationals<sup>1</sup> may work in the EU only when they meet the eligibility requirements (e.g., annual entry quotas, labour market testing, labour market access for a particular employer or profession). Many of such requirements were transposed from a number of EU directives, but they

<sup>1</sup> Any person who is not a citizen of the EU.

have not yielded identical results in all EU Member States. Different migration policies have led to a wide variety of administrative procedures for hiring non-EU nationals. Nevertheless, non-EU nationals usually have to deal with extensive requirements and paperwork in order to meet EU labour regulations. This potentially contradicts the principle of flexibility in labour regulation, which should concentrate on few mandatory rules and establish common open-ended standards instead.

This report presents an overview of the economic effects of migration and implications of employing non-EU nationals. It provides a cross-country<sup>2</sup> legislative and policy analysis<sup>3</sup> on the flexibility of hiring of non-EU nationals in Lithuania, Estonia, Poland, Slovakia, Bulgaria and the Czech Republic as well as Denmark and Switzerland. For comparative purposes, only general requirements and procedures for hiring non-EU nationals are discussed and compared.

## 2. The economic effects of migration

Most empirical studies conclude that immigration effects are usually minor (Borjas, 1994; Friedberg and Hunt, 1995; Kerr and Kerr, 2011; Longhi et. al., 2010; Münz et. al, 2006; Peri, 2014). Some scholars point out positive impacts while others find negative or no influence. As noted by Böhme and Kups (2017, p.52, p.11), there is a “slightly negative impact on low-skilled native workers and prior immigrant cohorts” or “negative impact on the employment prospects of native workers”. Others claim that “immigrants increase labour market flexibility by their higher dynamics in labour market transitions and greater involvement in more precarious and atypical forms of employment (Employment in Europe, 2008). According to OECD (2014), immigration significantly contributes to labour-market flexibility and notably so in Europe. While research provides no clear consensus on the effects of immigration at the micro or personal level, there is a general consensus that immigration affects the economy of the host country. Labour immigration could play a key role not only in addressing demographic challenges, but also in economic development. In debates concerning immigration of non-EU employees, questions on whether they displace local workforce and cause dumping of wages are amongst the most frequently discussed. However, such considerations should not be decisive in estimating the economic impact of immigrants, especially when the effects are not so obvious.

### 2.1. Impact on labour markets

Developed countries increasingly face demographic challenges as their populations are getting older and labour force is shrinking. The International Organization for Migration (2016, p.2) points out a continuous decline in working age population and the resulting labour shortages and skill mismatches. Eurostat population projections forecast a loss of about 19 million in labour supply in the EU between 2023 and 2060. Immigration of workers could be a remedy for this problem as it increases labour supply, raises the potential output of the economy and allows faster economic growth.

There are concerns that immigrants would displace local labour force, while the economy could lag or fail to create new jobs and lead to unemployment. However, some researchers suggest that these concerns about immigrants “have failed to hold up when assessed empirically” (Murphy, 2017). Moreover, immigration provides a heterogeneous labour force with varying degrees of skills and accordingly expectations of income. It would be incorrect to pigeonhole all immigrants as cheap and unqualified labour.

Empirically it is shown that “immigrants can increase the overall efficiency of the economy by bringing new skills, stimulating efficient specialization, and encouraging firm creation” (Peri 2014, p.6). In fact, the supply of qualified labour can lead to economic growth and creation of new jobs. Some researchers observe that companies, faced with larger availability of employees, realize higher returns in capital and are more motivated to invest to generate larger profits (Clements et. al., 2015). Companies do not necessarily lay off local employees due to the workforce influx from abroad.

Others conclude that “immigration’s positive effects far outweigh any negative impact. Migrants choose locations with available jobs and fill labour shortages. Whether high- or low-skilled, migrants rarely directly substitute native workers. Instead, migrants often complement local workforce or accept jobs that local people do not want or cannot do” (Constant, 2014 p.1). This view suggests that rather than taking jobs away, immigrant labour fills vacant jobs or facilitates the creation of new jobs. In addition, immigrant workers can reduce imbalances in the host economy. On the one end of the spectrum immigrants fill important niches in fast-growing industries where demand for specific qualified labour cannot be met by local resources. On the other end of the spectrum migrants are employed in sectors unattractive for local employees. In this way immigration improves the allocation of labour and addresses particular imbalances in different industries (OECD 2014; Borjas 2001). Immigrants are able to fill jobs for which there is a shortage of local workers. As noted by researchers, “this could potentially boost per capita income and economic growth” as well as keep markets working efficiently (Böhme and Kups, 2017 p. 29). Other researchers add that in the context of migration,

<sup>2</sup> The Czech Republic, the Slovak Republic, Bulgaria, Poland, Lithuania and Estonia (CEE) as competitors for investments, Denmark and Switzerland as highly productive European countries. Also, Denmark for its flexible labour regulation and *flexicurity* model. Switzerland for its highly integrated economy and tailor-made policies based on bilateral and sectoral agreements with the EU as part of a single market of the EU and EEA, but neither a EU or EEA country.

<sup>3</sup> Descriptive and comparative methods, as well as statistical data analysis, are aimed at highlighting key differences and similarities of regulation in Lithuania, Estonia, Poland, Bulgaria, Slovakia and the Czech Republic. Labour regulation in Denmark and Switzerland is analysed as case studies.

especially to more developed countries, highly-skilled workforce are becoming increasingly important due to the effects of their migration beyond the labour market, for example consumption-side effects (Nathan, 2014).

Increased immigration can help ease labour market bottlenecks. Immigration from third countries can respond to specific labour shortages in the EU (Employment in Europe, 2008). Highly regulated labour markets create situations when local labour markets do not provide an optimal number of employees in a specific occupation (OECD/European Union, 2014). Non-EU nationals may perfectly compensate a problem of labour shortage and especially the lack of high-skilled labour. Migrants usually tend to take jobs, which are not wanted by locals due to the nature of the job or for salary reasons (OECD, 2014). Moreover, in host countries, migrants do not only fill labour shortages, but also contribute in terms of taxes and social security contributions.

Even if the host country receives an influx of labour, companies can adjust to this change and utilize the new resource. Local companies adjust to immigration inflows by changing production technologies, so that they use more of the skills that become more abundant on the labour market. For instance, the inflow of low skilled immigrants prompts companies to adopt more labour-intensive technologies. This raises the productivity of local and immigrant low-skilled workers, limiting the negative impact of immigration on wages (Lewis, 2011). Furthermore, immigration enables more specialization, thus improving productivity. One aspect of this is occupational upgrading. Local workers adjust to immigration inflows by adjusting their skills, education and tasks performed. As their comparative advantage usually lies in better communication and managerial skills, they tend to move to better paid jobs (Peri and Sparber, 2009). All in all this tends to show that a lump sum of labour fallacy does resemble a fallacy. Economies do not have a fixed amount of jobs, companies can adapt, and extra labour is a boon for economy.

Finally, the benefits of labour immigration are illustrated by the fact that most European countries have put in place policies aiming to attract high-skilled workers. This creates hubs of global talent (brain drain coming up as an issue) because some countries are just more attractive than others. While immigration policies aimed at attracting only highly-skilled labour meet less opposition, some researchers suggest that other groups of immigrants should not be neglected. For labour markets to function, both high-skilled as well as low-skilled workers are needed. Small country efforts to attract global talent might backfire, because the real gaps exist in lower skill levels. For instance, if a country needs metalworkers, restricting immigration to IT engineers might not be the best policy.

Labour market policy with all its instruments affects the economy's response to immigration. More flexible labour markets tend to attract more immigrant workers than more regulated labour markets. Employment protection legislation, labour taxation and minimum wage policies are set considering domestic medium-skilled workers. Thus for

lower-skilled immigrants, who may face a language barrier and possess less relevant education and work experience, these barriers often prove much more difficult to overcome. In countries with rigid labour markets this leads to high unemployment rates among refugees (e.g. Sweden). In others it forces non-EU nationals into the informal economy (e.g. Poland).

*Immigration allows faster economic growth. Companies usually do not lay off local employees due to the supply of workforce from abroad. Instead of substituting local workers, immigrants often complement the local workforce. Immigrant labour fills important gaps in fast-growing sectors of the economy or those sectors which are unattractive to local employees or do not offer good career prospects. Immigrants increase labour market flexibility by their higher dynamics in labour market transitions.*

## 2.2. Impact on public finance

Policy makers and public opinion are often concerned about the impact immigrants may have on public budgets and whether they "overuse" public services. The fear exists that immigration might lead to future tax increases or that the native-born population might have less access to public services because of immigrants (OECD/ILO 2018). Most studies however suggest that the financial impact of immigration is relatively small. Some researchers estimate a magnitude of ±1 percent of GDP (Batsaikhan et. al., 2018<sup>4</sup>). OECD evaluates that the short-term impact of immigrants on public finance is not essentially different from that of the native population (OECD, 2013). Even based on purely economic logic, more employees increase aggregate GDP thus lowering the share of previous public debt to GDP. Other researchers find that "immigration significantly increases GDP per capita in advanced economies and that both high- and low-skilled migrants can raise labour productivity (Jaumotte et. al., 2016). This is probably best concluded by the notion that immigrants are thus neither a burden to the public purse nor are they a remedy for addressing fiscal challenges (Stuchlik and Poptcheva, 2015, p.6). Besides, there is evidence that seasonal workers do not represent a big burden for public services because they do not bring their families with them (Batsaikhan et. al., 2018).

Some researchers distinguish between different types of migrants and recognize that economic migrants do not drain public budgets. Hanson (2008) asserts that the more skilled the migrant inflow, the more likely the positive fiscal consequences for the host country. Moreover, OECD and ILO (2018, p.166) recognize that "the positive impact on public budgets tends to be higher when a larger share of the foreign-born is labour immigrants rather than humanitarian immigrants, when they are younger and when they have high employment rates". Age is one of the key factors while considering differences of the immigration impact on

<sup>4</sup> <http://workpermit.com/news/migration-economically-neutral-says-oecd-report-20140523>

the fiscal position, the younger adult immigrants are, the more positive their direct fiscal contribution (OECD, 2013). Young people gain the benefits of migrating over a longer horizon. In the long-term a rejuvenating effect on local population appears: immigrants tend to be younger than native population and may have more children. Eventually it dissipates, but as long as it lasts it limits the strain on public finance from old age dependency. This could make switching to funded social security systems (backed by actual financial assets) easier (Clements et. al., 2015).

Some researchers further argue that due to heterogeneity of immigrant population, the positive contribution of some highly educated, skilled and talented immigrants with a suitable job is largely or entirely offset by the limited or negative contribution of others (Rowthorne, 2008). However, others conclude that in most countries migrant workers contribute more in taxes and social contributions than they receive in individual benefits. As OECD and ILO (2018, p. 176) notice, greater concentration of immigrant workers in different productivity sectors boosts their contributions to public finances, particularly through income tax payments.

*Labour immigrants contribute in terms of taxes and social security contributions. They are neither a strain on the public purse nor a remedy for addressing fiscal challenges.*

### 2.3. Impact on wages and employment

Empirical evidence points out both positive and negative effects of immigration on the employment and wages of local workers. The effects are usually minor or virtually non-existent. Economic immigrants are absorbed by the host economy through a series of adjustments by companies and other employees.

As studies report, the impact of immigration on wages and employment depend on the skills of migrants and native employees and the host economy's adjustment to immigration. It would be an unfair generalization to assume that immigration reduces wages. A more precise examination shows that the mix of skills possessed by immigrants will influence the magnitude and even the direction of wage and employment impacts (National Academies of Sciences, Engineering and Medicine, 2017). Of course in certain cases immigrants can be over-represented at lower paying jobs. But this is not necessarily due to their lack of skills. Researchers Reitz (2007) and Bakker et al. (2016) draw attention to "immigrant entry effect", i.e. migrants are most likely to start at lower levels than local workforce due to the lack of experience in the host country, language proficiency and problematic recognition of their home country credentials. This would suggest that if some immigrants choose lower paying jobs, that is due to barriers to entry.

In estimating the effects on wages it is important to distinguish whether and how migrants compete with local

labour force. Researchers conclude that immigrants are not competitive in many types of jobs and are not direct substitutes for local workers (Somerville and Sumption, 2009). On a positive note, others suggest that immigrants and local workers can complement and benefit each other (Ottaviano and Peri, 2012). If immigrants and locals have identical skills and are perfect substitutes, extra labour supply through immigration can theoretically lead to slower wage growth, or slower decrease in unemployment in the short-term. On the other hand, an influx of immigrant workers that complement native employees when other matters are equal increases the productivity of local workers and raises their wages (Employment in Europe, 2008; Brauw, 2017). This is also supported by Münz et. al. (2006, p.35) who conclude that "the key issue is whether and to what extent foreign workers complement native workers or rather compete with them".

Others (e.g. Peri, 2014) go even further claiming that short-term wage effects of immigrants are close to zero and in the long term immigrants may contribute to productivity and wage growth. In this view immigration drives wage growth rather than suppressing it.

Another important distinction comes from a different time perspective. For both wages and employment, short-term effects of immigration differ from long-term effects. In terms of general employment, a relative slow-down in wage and employment growth for those with skills similar to those of migrants in the short run can be offset by rising wages and employment in the long run. Besides, as Peri (2014) says, the positive wage effects of immigration are weaker in countries with rigid labour markets, which may even experience some negative employment effects. More flexible economies better absorb immigrants without increases in unemployment.

Yet others consider that immigration of labour can cause adverse effects. Many hold belief that immigrants do not only depress wages, but displace job opportunities for native labour force in industrial countries. "There will always be some competition between immigrant and native workers with the same skills. Labour market flexibility determines how much" (Constant 2014, p. 4). It is worth noting that it is possible to affect this process with a number of instruments such as labour laws, minimum wage laws or labour unions. All this leads to more and stricter regulation.

However, a sobering generalization is provided by researchers who remind that there are distributional effects why some employees do better than others and that other factors affect wages and employment much more than immigration (Somerville and Sumption, 2009). In other words, even if immigration were a factor in wages and employment, one should not forget all other drivers that play a far bigger part than immigration.

*Immigrants are usually absorbed by the host economy. The impact of immigration on wages and employment depends on the skills of migrants and local employees and the host economy's adjustment to immigration.*

### 3. Quantitative implications of the employment of non-EU nationals in CEE and other countries

#### 3.1. Disequilibrium in labour force

**E**uropean economies face long-term economic challenges as the population is ageing and migration flows are changing accordingly. Countries with ageing population and increased emigration will experience labour supply problems in the near future. Rapid technological development and increasing demand for certain skills will affect the categories of occupations required on the labour market. Managing labour migration according to economic needs could be a way to respond to such challenges. Although migration is not necessarily a solution to economic problems in Europe, it could be a partial response to labour and skills shortages on the market. That shows why it is important to take into account the flow of emigration and immigration in relation to the number of population in each country.

In 2017 approximately 37 million individuals born outside the EU resided in the EU, making around 7 percent of its total population (European Commission, 2018). Based on Eurostat data across European countries, in 2016 the highest emigration was from Lithuania and the highest immigration – to Luxembourg and Sweden (see Chart 1).

**Chart 1.** The ratio of net migration (plus statistical adjustment) and population, 2016



Source: Eurostat

High living standards might have been one of the drivers of immigration to Luxembourg and Sweden. Policy, however, also seems to play an important part. For over 50 years Luxembourg has been a country of immigration whose nature is essentially economic, and access to its labour market is a

central aspect of immigration policy (Elvinger and Hoffmann, 2016). Sweden pursued a demand-driven approach to immigration of non-EU nationals for employment purposes. As researchers explain: "With the 2008 reform, the previous agency-based labour market test was phased out. Since then, the overall point of departure has been that it is the individual employer who best knows the recruitment needs of his or her business. The possibility to recruit foreign workers has been significantly facilitated. Provided that the working conditions are in line with Swedish collective agreements or established practice and that certain additional conditions are met, the employer can in principle recruit anyone, regardless of nationality or profession. The existing rules also provide opportunities for migrants to get a permanent residence status after four years of stay with a work permit in Sweden" (EMN, 2017).

If Sweden and Luxembourg are examples of attracting labour, on the other side of the spectrum, new Member States are experiencing a loss of labour force due to emigration. Negative migration was observed in Lithuania and Bulgaria from 2012 to 2016, in Poland from 2012 to 2015 and in Estonia from 2012 to 2014 (see Chart 2). On the one hand, emigration of the unemployed can reduce the pressure on the labour market, but on the other hand, it has already created imbalances that are mainly manifested in labour shortages, lower productivity growth, etc. Reducing emigration and boosting immigration could strengthen these economies.

#### 3.2. Labour force replacement

**L**abour immigration is often caused by labour demand that cannot be met by the local labour force. Therefore, immigration of non-EU nationals could be seen as a remedy.

The Migration Replacement Rate (MRR), a ratio of the number of individuals holding first permits for remunerated activity (highly skilled workers, researches, seasonal workers, EU Blue Card workers and others) to emigration, indicates what approximate part of emigrated locals, including labour force, is replaced by immigrants from third countries.

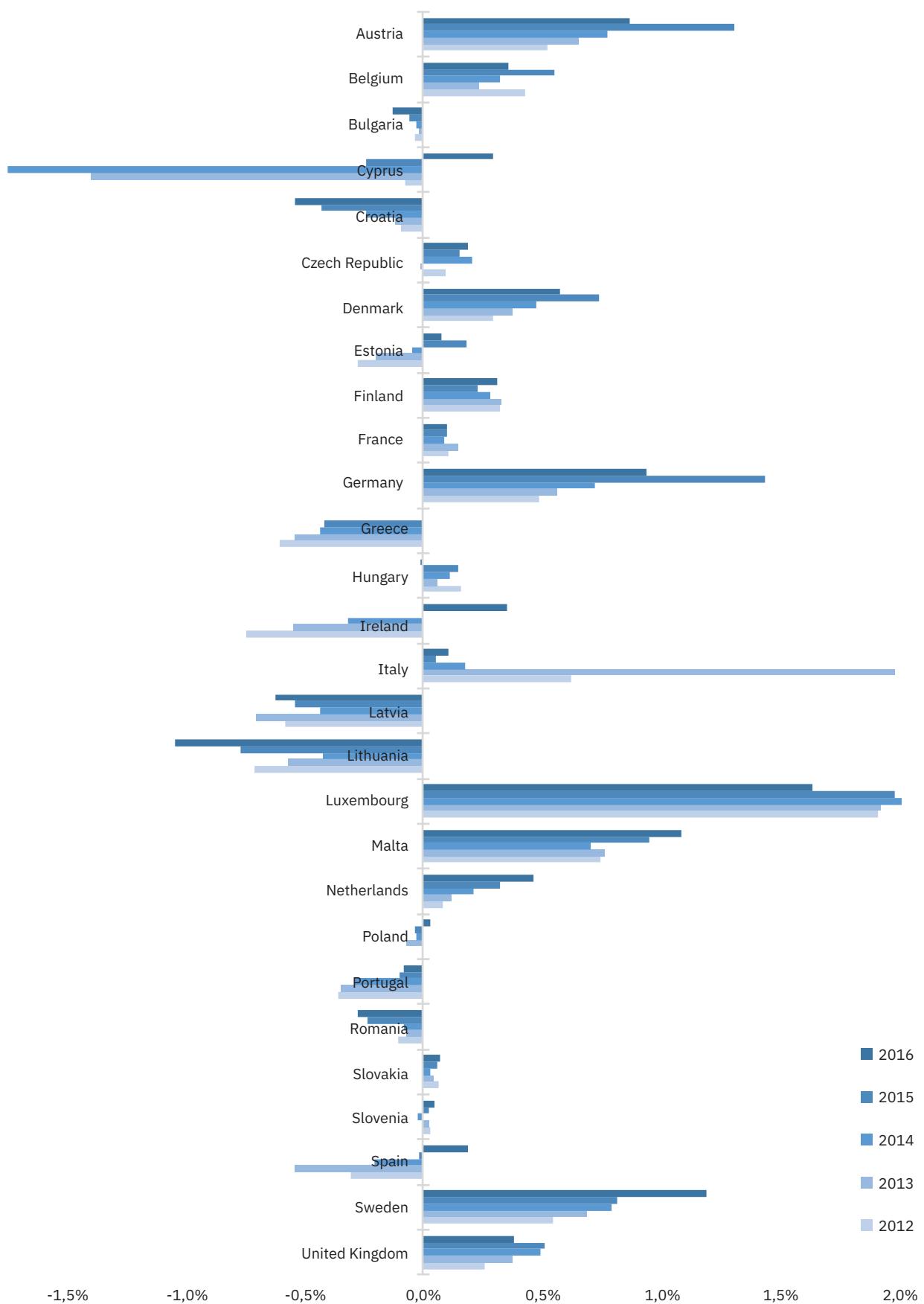
Eurostat data (see Chart 3) show that in 2015 the MRR value exceeded 20 percent only in ten EU countries while the median MRR was 9.9 percent<sup>5</sup>. This means that on average countries replace one in ten emigrants with third country workers.

Only in a couple of Member States the replacement rate in 2015 was equal or exceeded 80 percent and grew since 2012 (e.g. Czech Republic and Poland). In Bulgaria the replacement rate varied from 2 percent in 2012 to 7.7 percent in 2015, in Estonia from 9.6 percent to 9.8 percent, and in Lithuania from 5.3 percent in 2012 to 6.3 percent in 2015.

If we cross-correlate MRR and net migration (see Chart 4), it is noticeable that some countries with high emigration and low MRR (e. g. Lithuania and Bulgaria) encounter labour shortages which may result in negative economic consequences, e.g. lower growth.

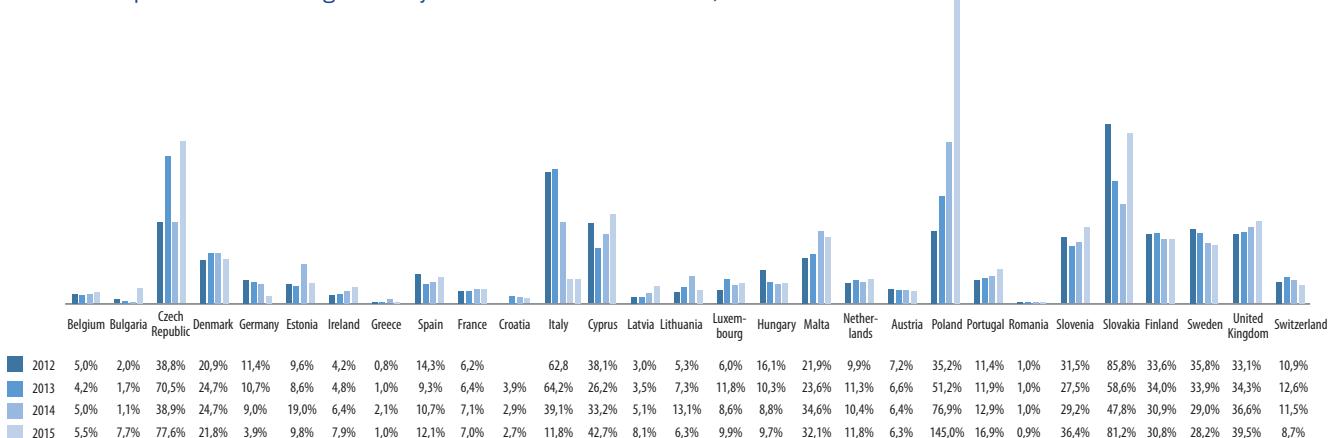
<sup>5</sup> 11.3 percent median of MRR if counting on the basis of net migration rate. However, trends of migration replacement, whether counting on emigration data or net migration, are the same. So the MRR calculations are based on emigration data.

**Chart 2.** The ratio of net migration plus statistical adjustment and population, 2012–2016



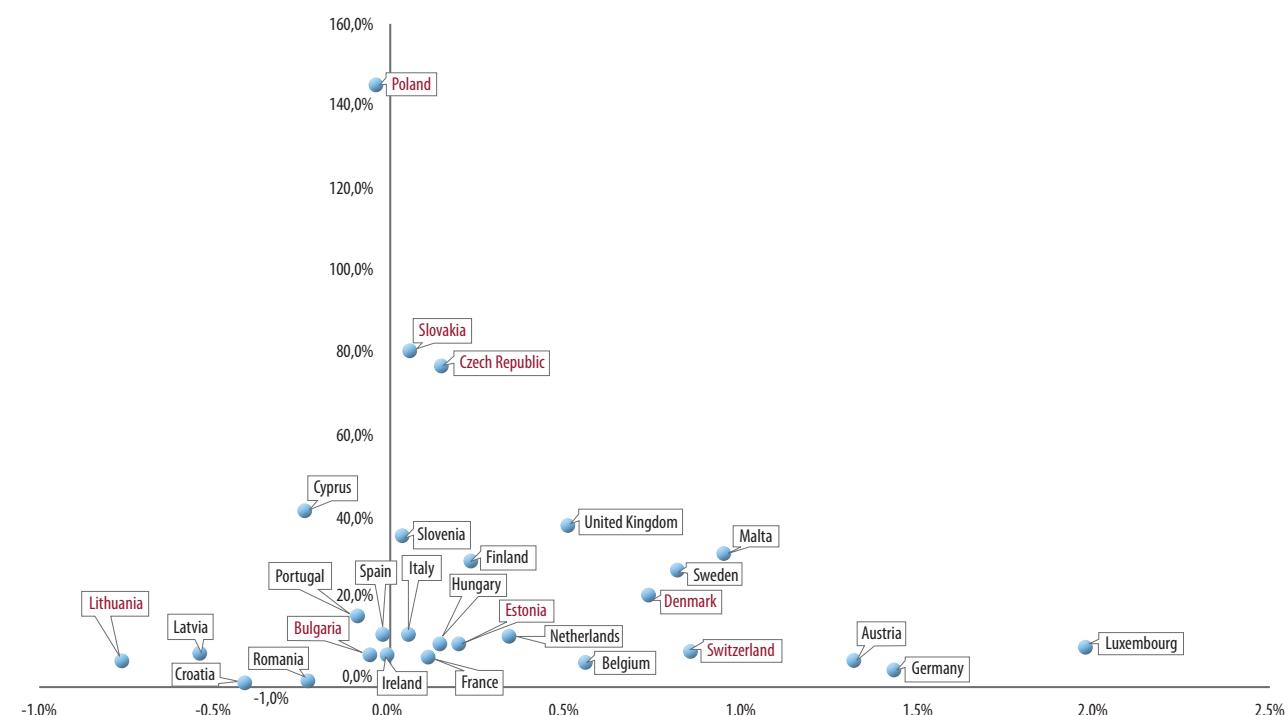
Source: Eurostat

**Chart 3.** Replacement of emigration by non-EU national workers<sup>6</sup>, 2012–2015



Source: Eurostat

**Chart 4.** Net migration and population (horizontal axis) and replacement of emigration by non-EU nationals (vertical axis), 2015



Source: Eurostat

### 3.3. Unemployment rates

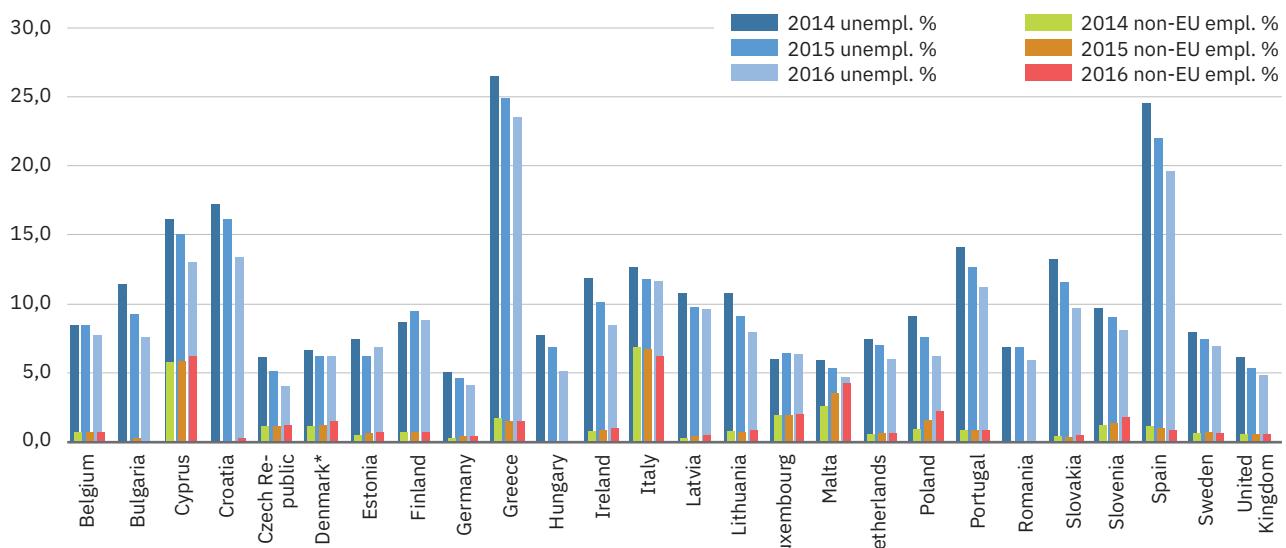
One of the arguments against labour migration is that immigrants take away jobs from locals and thus create unemployment. While theoretical refutation of this arguments is given in part 2, empirical evidence should be considered. Eurostat data on the employment of non-EU nationals, i.e. people holding valid permits for remunerated activity reasons, and the unemployment rate in the EU Member State (see Chart 5

and Chart 6) show no correlation between unemployment and work permits for non-EU nationals. Therefore, countries with more immigrant labour do not demonstrate higher unemployment.

Moreover, a glimpse into the dynamics of unemployment suggests the same. The decrease or increase in the unemployment rate is not caused by an increase or decrease in the number of work permits issued. More work permits for non-EU nationals do not lead to higher unemployment (and vice versa). Besides, some

<sup>6</sup> The number of people holding first permits for remunerated activity reasons. Note that in this report based on available Eurostat data the term “employed non-EU national” refers to the number of people holding residence permits for remunerated activity reasons. For research purposes our premises are more theoretical as there might be plenty of various cases, so we do not question how many permits a person holds or how long he or she has worked.

**Chart 5. The ratio of employed non-EU nationals with active population and unemployment of active population, 2014–2016**

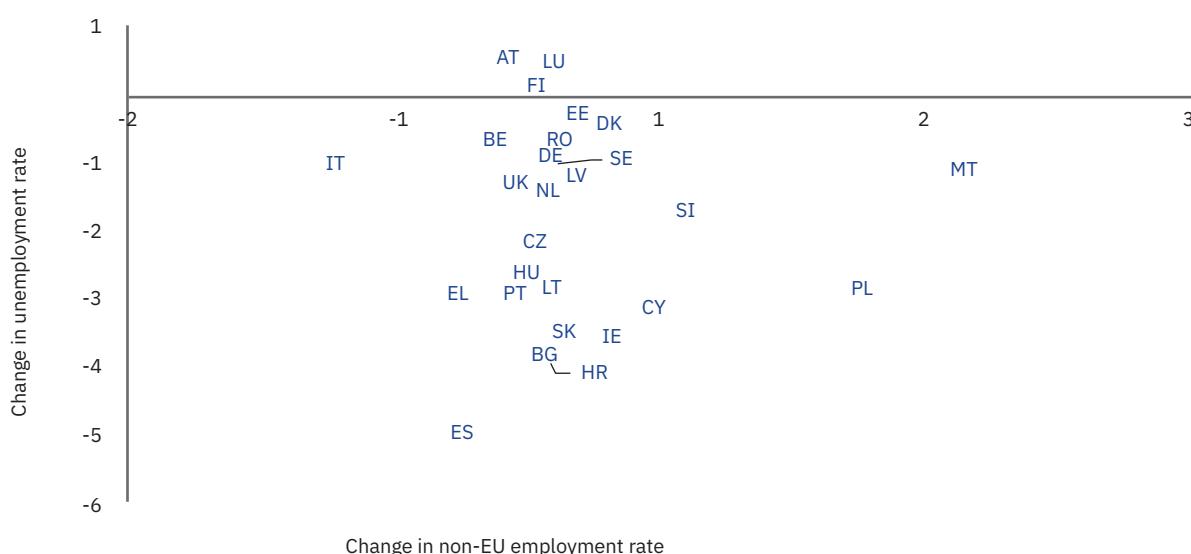


Source: Eurostat

\* Source: jobindsats.dk

NOTE: Eurostat data may underestimate the number of non-EU workers in some Member States (e.g. Poland), especially as many are reported to work informally and the number of work permits does not provide any reliable measure.

**Chart 6. Change in the unemployment rate and in the employment of non-EU nationals, 2014–2016**

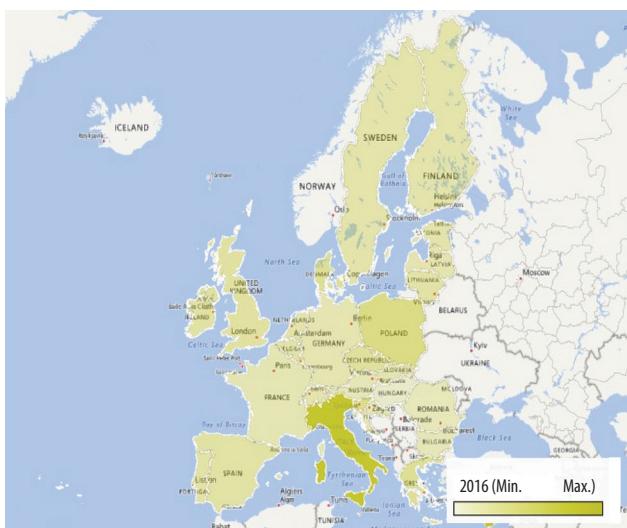


countries have both a high unemployment rate and labour shortages.

According to Eurostat, in 2016 non-EU nationals accounted for approximately 3.6 percent of the total labour force in the EU (active population). Italy (6.2 percent), Cyprus (6.2 percent) and Malta (4.1 percent) had the highest number of employed non-EU nationals (see Chart 7).

In 2016 the proportion of non-EU to local workers was significantly lower in Central and Eastern European countries, including Bulgaria (0.09 percent of all labour force), the Czech Republic (1.4 percent), Slovakia (0.4 percent), Poland (2.1 percent), Lithuania (0.8 percent) and Estonia (0.6 percent).

**Chart 7. The ratio of employed non-EU nationals to active population, 2016**



Source: Eurostat<sup>7</sup>

In some countries, e.g. Denmark, Estonia and Poland, employment of non-EU nationals has been gradually increasing, while in other countries, e.g. Greece and Italy, it has been decreasing. Yet in other countries, e.g. the Czech Republic, Lithuania and Switzerland, it has remained more or less the same (see Chart 8). This raises the question of what determines such differences in the number of employed non-EU nationals. Is it the attractiveness of certain countries because of labour possibilities, the consequences of migration policy, or a reflection of the burden caused by legal requirements and lengthy or burdensome procedures of employment of non-EU nationals?

## 4. Regulation of hiring non-EU nationals: qualitative implications for employment

Regulation is arguably one of the drivers of migration and employment of non-EU nationals. The following will provide an overview and comparative analysis of the legal rules and policies applicable to the employment of non-EU nationals in Estonia, Lithuania, Poland, Slovakia, the Czech Republic, Bulgaria, Denmark and Switzerland<sup>8</sup>. Only general national rules and procedures that apply to non-EU nationals are explored.

EU directives provide general rules for hiring of non-EU nationals while leaving significant areas of discretion to each Member State and therefore to their national laws in shaping migration policy or access to the national labour market.

Each Member State can limit or stimulate labour migration and employment of non-EU nationals according to their national policies and priorities, thus creating differences in rules and practices across Member States.

It is worth noting that Europeans tend to overestimate the proportion of immigrants in their countries 2.3 times at the EU level (European Commission, 2018). In 19 EU Member States, the estimated proportion of the population who are immigrants is at least twice the size of the actual proportion of immigrants (see Chart 9). That explains why immigration creates such a disproportional political backlash despite its minor economic impact.

### 4.1. Immigration policy: approaches to identifying and managing labour demand

Different Member States have different approaches to economic immigration of non-EU nationals and EEA/EFTA citizens, namely: occupation lists (e.g. Lithuania, Poland, Bulgaria), analysis of employer needs (e.g. Bulgaria, Estonia, Lithuania, Poland, Bulgaria) and quotas or limits (e.g. Estonia). Those three approaches refer to different groups of workers from third countries.

**Occupation lists** are usually composed of specific “bottleneck” positions. Such lists are employed to create fast-track schemes that allow employers to hire non-EU nationals without obtaining work permits. For instance, Lithuania uses a list of needed occupations for non-EU nationals and does not require a work permit for foreign workers with listed professions. Although there is no general occupation list in Poland, voivods may determine lists of occupations with labour shortages. A simplified procedure applies to these occupations without the obligation to possess a work permit.

**Analysis of labour needs** is the procedure used to determine what job openings cannot be filled by local workforce. Conversely such analysis can serve as a “proof” for employers that their job openings cannot be met by locals and therefore can justify hiring of non-EU nationals. Different from other approaches, it is based on the principle of demand which cannot be met by the local labour force. Such analysis allows the assessment of the labour market situation in each individual case for each non-EU national and for each individual job. The analysis of labour needs implies that a foreigner may be hired only if the proposed job cannot be filled by a certain country resident or EU national.

**Quotas or limits** set quantitative restrictions on specific groups of migrant workers or apply to the overall number of migrants. In Estonia the annual immigration quota for non-EU nationals is set not to exceed 0.1 per cent of the permanent population<sup>9</sup>. In Switzerland<sup>10</sup> quotas for non-EU

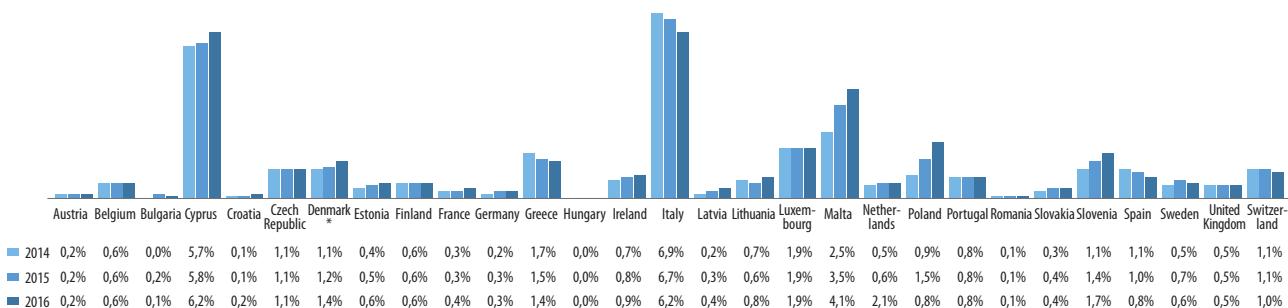
<sup>7</sup> The ratio of the number of persons holding all valid permits for remunerated activity on 31/12/2016 to employed active population.

<sup>8</sup> Relations between Switzerland and the EU are based on mutual agreements, stipulating the same degree of integration.

<sup>9</sup> The immigration quota shall be established by a regulation of the Government. Within the limits of the immigration quota, the minister responsible for the area may, by a ruling, establish a distribution of the immigration quota according to the grounds for application and the basis for the issue of a residence permit, as well as the temporal distribution within a year.

<sup>10</sup> <https://blog.kpmg.ch/swiss-immigration-recent-developments-outlook-2018/>

**Chart 8. The ratio of employed non-EU nationals to active population, 2014–2016**



Source: Eurostat

\* Source: jobindsats.dk

nationals are based on local contracts and on assignments; additionally, there are limits set on the overall admission of foreign workers established by the central government, e.g. 8,000 per year for non-EU/EFTA (based on 2018 data).

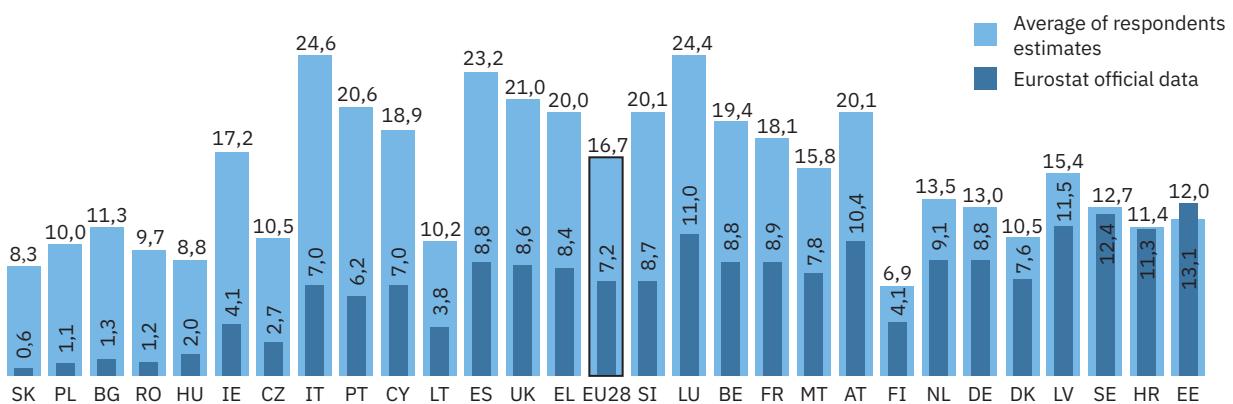
On the one hand, these policies regulate, facilitate and organize the admission of economic migrants and their access to the national labour market. On the other hand, they should control and limit immigration of non-EU nationals in general.

In addition, there are many detailed conditions for admission and hiring embedded in national laws, such as criteria on health, citizenship or national origin, investments, etc., or other standards (on lodging, remuneration, etc.) which varies from country to country (see Table 2). Some of them could be considered as obstacles, hindering access to labour markets (e.g. limitations related to remuneration or minimum wage requirements). Besides, specific laws, rules and procedures explicitly regulate the employment of non-EU nationals, e.g. a labour market assessment, which considers the availability of qualified workers among nationals first.

**Table 2. Approaches used to identify demand for labour and manage immigration from non-EU countries**

	Occupation list	Labour needs analysis	Quota / limit setting
Austria	X	X	X
Belgium	X	X	
Bulgaria	X	X	
Czech Republic		X	
Estonia		X	X
Finland	X		
France	X		
Germany	X	X	
Hungary		X	X
Ireland		X	
Italy		X	X
Latvia	X		
Lithuania	X	X	

**Chart 9. The proportion of immigrants to the total population (average, %)**



Source: Special Eurobarometer 469, European Commission, 2018

	Occupation list	Labour needs analysis	Quota / limit setting
Malta		X	
Netherlands		X	
Poland	X	X	
Portugal			X
Slovakia		X	
Slovenia		X	X
Spain	X	X	
Sweden		X	
UK	X		X

Source: The application of quotas in EU Member States as a measure for managing labour migration from third countries, EMN Inform, 2014. EMN Synthesis Report: Satisfying Labour Demand through Migration, 2011.

## 4.2. Legislative standards and criteria for admission and hiring of non-EU nationals

Legal requirements make hiring of non-EU nationals is much more complicated than hiring a worker from the EU Member State, who can simply transfer to another EU country and work there without obtaining any permit.

In addition to different approaches to migration, each country has its own detailed procedures and requirements that must be followed. Hiring of non-EU workers in Estonia, Lithuania, Poland, Bulgaria, Slovakia or the Czech Republic requires a huge amount of paperwork which should be completed by non-EU nationals and their employers (see Annex, Table 2). Besides, there are state fees imposed on third country workers and their employers for visas and other documentation (see Annex, Table 3). All the paperwork and paperwork-related costs as well as additional fees might become substantial and in some cases pose obstacles for the recruitment of non-EU nationals.

Table 3 provides a more detailed description of the requirements and criteria that a prospective worker from a non-EU country has to meet. A set of these criteria makes it possible to evaluate the flexibility of the immigration system of each country examined.

**Labour needs analysis** is used to assess a shortage of national applicants, i.e. the need for foreign labour in Estonia, Lithuania, Poland, Slovakia, the Czech Republic and Bulgaria. Even in Switzerland for non-EU/EFTA workers the employer must show an attempt<sup>11</sup> to look for a Swiss or European before asking for an authorization.

In Lithuania such analysis involves an employer registering a vacancy in the territorial Lithuanian Labour Exchange, and if no candidate from EU Member State is found within 14 days, the employer may submit an application to employ

a non-EU national. Bulgaria applies a similar approach, however, there is no specific requirement in terms of the number of days an employer has to search for a Bulgarian or EU national to fill the vacancy.

In Estonia and the Czech Republic non-EU nationals may be hired under a similar condition – when there is a lack of skilled national applicants. In Estonia it is required to receive a permission from the Unemployment Insurance Board, which checks whether there are no national applicants and whether there is an actual need for a foreign worker to fill the position. There is no specific requirement in terms of the number of days an employer has to search for a citizen or EU national to fill the vacancy.

In the Czech Republic after opening a position an employer has to keep it available for 30 days before hiring a foreign worker (or 60 days when there is a significant unemployment of national workers).

In Poland a labour market test<sup>12</sup> is a procedure for gathering information on Polish or EU nationals who could be employed in a given position. A foreigner may be granted a work permit for a specific employer in Poland only if there are no candidates who meet the job requirements among the job seekers registered at the labour office.

Non-EU nationals coming to the EU for employment are usually required by law to apply for a **work permit**. Member States differ on whether a **residence permit** is issued in addition to a work permit, and/or whether residence and work permits are issued jointly. Permit quotas are established in some countries. Some Member States have provisions outlining certain groups of foreigners who may be exempted from the obligation to obtain a work permit or for whom admission procedures are facilitated.

Besides permits, non-EU nationals are also obligated to have a **visa (Schengen or National)** unless visa-free regimes applies. In some countries (e.g. Bulgaria, Poland, Denmark<sup>13</sup> and Switzerland) an employment visa could be granted at the request of employers, while in other countries (e.g. Estonia<sup>14</sup>, Lithuania, the Czech Republic and Slovakia), individuals must request a visa.

Labour immigration rules and procedures relevant for hiring non-EU nationals differ in the EU and non-EU countries:

- › In Lithuania, a work permit, which is administered on the basis of labour needs analysis, may be issued with a residence permit and vice versa. A temporary residence permit gives the right to live and work. A labour contract may be concluded only with a foreigner who has a work permit, except for cases specified in law. A national multiple-entry visa is required to work as an employee under labour agreement, while seasonal workers coming for 90 days and less may apply for a Schengen visa.
- › In Estonia, a separate work permit<sup>15</sup> is not issued. Foreign workers must hold a valid visa if coming from outside

<sup>11</sup> They have to show to have advertised in a relevant outlet such as a national newspaper or a European online job search platform.

<sup>12</sup> <http://www.migrant.info.pl/labour-market-test-3125.html>

<sup>13</sup> A fast track scheme for certified employers is applied. It allows certified employers to hire non-EU nationals without having to wait for a work permit. They can be hiring and applying for visas simultaneously. Normally it takes one to two months to get a permit, but certified companies may hire immediately.

<sup>14</sup> An individual is responsible for applying for a visa to come to Estonia (D-Visa). The employer is responsible for registering short term employment, which may serve as proof of the purpose of a trip which is sometimes required for a visa application.

<sup>15</sup> As of 01.09.2013

**Table 3.** National statutory requirements, criteria and standards applicable to the admission and hiring of non-EU nationals

	Lithuania	Estonia	Poland	Czech Republic	Slovakia	Bulgaria	Denmark	Switzerland
Health	no	yes	no	yes	yes	yes	no	no
Citizenship/ National origin	yes	no	yes	no	no	yes	yes	yes
Specific skills or skills levels	yes	yes	yes	yes	yes	yes	yes	yes
Investments	yes	yes	yes	no	no	no	no	no
Remuneration	yes	yes	yes	yes	yes	yes	yes	no
Must offer to foreign workers a wage no less than that offered to nationals	yes	yes	yes	no	no	yes	yes	Yes
Lodging	yes	yes	yes	yes	yes	yes	no	no
Visa requirements	yes	yes	yes	yes	yes	yes	no	no
Residence permit	yes	yes	yes	yes	yes	yes	no	no
Work permit	yes	no	yes	yes	yes	yes	yes	yes
Lack of skilled national applicants after announcing a job offer	yes	yes	yes	yes	yes	yes	yes	yes
Others	no	Immigration quota based on permanent population	no	no	no	no	If third country nationals receive 55,000 euros in remuneration per year, there are no requirements	Quotas non-EU nationals

Note: In order to provide a comprehensive picture of the possible impact of the admission and hiring regulation of non-EU nationals on the labour market, please see Table 1 in Annex with key labour market indicators by country.

- the EU in order to be employed. Immigration and permanent residency quotas apply for labour migration and are mostly distributed to non-EU nationals applying for residence permits due to the purpose of employment.
- › In Poland, a residence permit is required only for non-EU nationals. There are temporary residence permits and permanent residence permits. Non-EU nationals are obliged to have a work permit or a temporary residence and a work permit. It is not possible to receive a work permit without proof of lodging (there are no special requirements on lodging). Some non-EU residents should have a visa.
  - › In the Czech Republic, non-EU nationals must obtain a work permit and a long-term visa for the purpose of employment. Work permits are bound to specific job offers and get revoked in cases of dismissal. The requirements for a visa or a residence permit depend on the country of origin. A proof of lodging is required when applying for a visa.
  - › In Slovakia, when a non-EU national obtains a permanent residence permit, a work permit is no longer required; a visa requirement is based on nationality. Visas are not bound to specific job offers. A residence permit is issued only if the Slovak Job Agency provides a document proving that the job offer was not accepted by a local applicant.

- › In Bulgaria, work permits are issued for a 12-month period with a possibility of extension. Freelancers, scientists and students (working up to 20 hours per week, up to 6 months per year, in relation to the type of education) should also receive a work permit. However, work permits are not required for workers posted to Bulgaria for up to 12 months. Seasonal workers may work under a short-term visa. A valid visa is required for all third country workers.
- › In Switzerland, national laws for hiring of foreign workers impose a requirement to obtain a work permit. In Denmark, non-EU nationals may obtain a work permit if they have a specific degree (bachelor or graduate) or earn at least €55,000 per year.

**Citizenship/national origin** as one of the requirements for issuance of a work permit is stipulated in the national laws of Lithuania<sup>16</sup>, Poland<sup>17</sup>, Denmark, and Switzerland. The nationality requirement applies in Bulgaria:

- › Foreigners who have at least one Bulgarian parent gain easier access and can receive, for instance, a permanent residence permit easier.
- › If a person is not of Bulgarian origin, he or she has to meet at least one additional criterion in order to receive the same treatment (a permanent residence permit) as people of Bulgarian origin. They either have to reside in the country, or be a parent of a Bulgarian citizen and

<sup>16</sup> Citizens of EU Member States and their family members who intend to work in the Republic of Lithuania do not need to obtain a work permit. All other foreigners must obtain a work permit with some exceptions (Law on the Legal Status of Foreigners, article 57 and article 58).

<sup>17</sup> EU, EEA and Swiss citizens are employed without a work permit. Non-EU nationals are obliged to have a work permit or a temporary residence and work permit. Exemptions apply to third country citizens (e.g. foreigners with refugee status, permanent residence permit, humanitarian residence permit).

provide adequate child support of a Bulgarian citizen. Otherwise a person is considered a “foreigner” subject to additional regulation.

Criteria on **health** for the admission of non-EU nationals apply in the Czech Republic, Estonia and Bulgaria:

- › in Estonia, health insurance is required to receive a temporary residence permit (besides qualifications, training, work experience, necessary professional skills and knowledge required for a certain position).
- › Bulgaria requires just health insurance. If a worker wants to apply for an extended residence permit, he or she has to have mandatory health insurance. However, issuing of a visa or entry permit may be refused to any foreigner who is presumed to spread a communicable disease, or suffers from a disease which, according to the criteria of the Ministry of Health or of the World Health Organization, poses a risk to public health, or does not hold a vaccination certificate, or arrives from an area with a complicated epidemic or epizootic situation.

**Specific skills or skill levels** as a requirement are embedded in national law of all countries: EU Blue card (in Estonia, Lithuania, Poland, Slovakia, the Czech Republic and Bulgaria) is issued only for highly-qualified workers; this makes immigration regulations more flexible.

- › In Lithuania a work permit for a foreigner may be issued if: there is no Lithuanian specialist that could meet the qualification requirements of the employer; there is no suitable employee for seasonal work; if he/she arrives to work as a teacher or to carry out research and/or experimental (social, cultural) advancement work as a researcher; is a foreigner whose profession is included in the shortage list of professions according to the type of economic activity; or is a foreigner who takes a qualified job in those sectors of economic activity which lack certain occupations and which are not found among the local labour force.
- › In Estonia foreign workers must have necessary professional skills and knowledge to assume a position. The regulation also defines highly-skilled specialists. Workers who would work in startup enterprises are exempted from the overall quota for immigrants to Estonia as well as from receiving a permission from the Unemployment Insurance Fund.
- › In Denmark a bachelor or graduate degree is required for most non-EU nationals.
- › In Switzerland there are requirements for non-EU/EFTA specialists. Also, the employer must show an attempt to look for a Swiss or European worker and make the case that they need a person outside the EU/EFTA for their skills.

Criteria on **investments** are stipulated in the national laws of Lithuania, Poland and Estonia:

- › In Lithuania foreigners are exempted from the obligation to obtain a work permit if they contribute to the country's economic and social development, i.e. arrive to Lithuania to perform lawful activities and are participants in certain companies<sup>18</sup>; or are the head of a company which undertakes to perform activities specified in the founding documents in the Republic of Lithuania, whose private capital (in case of a non-public company or non-public limited company) is at least 28,000 Eur, and the arrival purpose is to work in that company.
- › In Poland foreigners are allowed to establish only limited partnerships, limited joint-stock partnerships, private limited companies and stock-offering companies.
- › In Estonia admission can be granted on the basis of investments. There is a temporary residence permit issued to a large investor<sup>19</sup> for enterprise investment in business of public interest and with significant contribution to the development of the Estonian economy.

Non-EU nationals also have the right (or an obligation) to be treated on par with EU nationals regarding conditions of work and wages.

The **remuneration** criterion stipulates that non-EU nationals must be paid the same as citizens of EU Member States for the same work. Accordingly, employers in all countries<sup>20</sup> are required to offer the same pay for local and foreign workers<sup>21</sup>. For example, in Lithuania and Poland a non-EU national must be paid at least a national minimum wage. For a foreign worker in Estonia, the salary has to be at least equal to the average gross monthly salary. Yet, there are multiple exceptions to the rules of remuneration applicable to research and teaching jobs, religious positions, athletes, etc. In Bulgaria conditions should be “comparable” to those of Bulgarian workers. In Denmark remuneration should be on the level of Danish workers in similar positions.

In all countries – Lithuania, Poland, Slovakia, the Czech Republic and Bulgaria, Denmark and Switzerland (but not Estonia), non-EU nationals must be paid no less than native citizens for comparable jobs with some differences:

- › In the Czech Republic, Lithuania, Poland and Slovakia the same rates of minimum wages are applicable to citizens and non-EU nationals. Ensuring the same level of remuneration provides for the equal treatment of non-EU nationals while preventing wage-dumping and undercutting salary levels of national workers.
- › In Estonia there is a requirement to pay foreign workers at least the national average gross salary.
- › In Bulgaria employers cannot pay less than the average in a given occupation. Blue card workers should be

<sup>18</sup> Companies which carry out the activities specified in the founding documents in Lithuania, whose equity (in the case of a non-public company or non-public limited company, assets) are at least 28,000 Eur of which at least 14,000 Eur are funds or other assets invested by a foreigner.

<sup>19</sup> A large investor is a foreigner who has made a direct investment in the amount of at least 1,000,000 Eur into a company, registered in the Estonian Commercial Register, investing primarily into the Estonian economy, or has made an investment into an investment fund, which, pursuant to its investment policy, invests the resources of the fund primarily into the companies entered into the Estonian Commercial register.

<sup>20</sup> Estonia, Lithuania, Poland, Bulgaria, Czech Republic, Slovakia, Denmark and Switzerland

<sup>21</sup> Remuneration rates are also ensured by law and for highly qualified non-EU national workers (e.g. EU Blue Card holders).

- remunerated 1.5 times and short-listed specialists – 2 times the average salary.
- › In Slovakia very qualified employees (blue card type job holders) must be paid at least 1.5 of national average wage.
  - › In Lithuania the wage of foreigner cannot be less than the wage which is paid for a resident of Lithuania for the same work at the same company. If there are no such employees, a foreigner's remuneration may not be lower than the national average annual gross monthly wage in a specific economic activity (as calculated by the Lithuanian Department of Statistics). On a certain basis, non-EU nationals who intend to perform as highly qualified workers should be paid no less than 1.5 times the average gross monthly salary calculated by the Department of Statistics or at least three gross wages if the profession is not included in the short-list of professions needed in Lithuania.
  - › In Denmark a statutory requirement on wages depends on the type of job and in Switzerland based on usual local wages – on the sector of the economy as well as location.<sup>22</sup>

A requirement for ***lodging*** is applied only to ***seasonal workers***<sup>23</sup>. Seasonal work<sup>24</sup> is a short-term employment that is expected to occur at certain periods of the year. Seasonality represents a determining factor of this category of work and usually lasts for a short-term period matching seasonal activities. It is linked not only to specific periods of the year, but also to specific sectors of the economy. It is often assumed that such workers could be treated less favorably than permanent employees and should be protected from "unacceptable work conditions" even more. An example of such protection is the requirement to provide accommodation, which is treated as a guarantee for a reasonable standard of living. For instance, in Lithuania during the validity of a work permit for seasonal work, a foreigner must have an adequate living space of at least 7 square meters per adult. Bulgarian employers must provide seasonal workers with "suitable lodging" that meets all safety and health standards, and the rent, which is adequate in comparison to the compensation that the worker receives.

The duration of work permitted for seasonal work ranges from six months (e.g. Slovakia<sup>25</sup> and Lithuania<sup>26</sup>) to nine months (e.g. Poland<sup>27</sup> and Bulgaria<sup>28</sup>). In the Czech Republic and Slovakia temporary residence permit for seasonal works could be issued up to 6 months within the period of 12 months. In Lithuania seasonal work is included in the list of seasonal jobs approved by the Minister of Social Security and Labour. There is also a requirement for accommodation. In Bulgaria seasonal employment can be carried out with short-term visas. However, employers should provide lodging and transport and no more than two employers are allowed to employ the same person. The terms of non-seasonal employment vary depending on the type of qualification and whether the person is of Bulgarian origin (has at least one Bulgarian parent). In Estonia a seasonal worker could stay on the basis of a temporary employment contract concluded with an employer registered in Estonia. However seasonal work is allowed only in specific industries and for specific professions: agriculture, fishery, hospitality, food and non-alcoholic drinks manufacturing.

All countries (Estonia, Lithuania, Poland, Slovakia, the Czech Republic and Bulgaria except for Denmark and Switzerland) apply ***term limitations***, i.e. a maximum term<sup>29</sup>, depending on the kind of work permit, applied for employees from non-EU countries.

- › In Bulgaria the initial period for a single residence and work permit is 12 months and can be extended up to 36 months. The maximum term for internal corporate transfer is up to 12 months for interns and up to 36 months for experts or managers. EU Blue Card<sup>30</sup> workers initially are permitted to stay for 12 months and this term can be extended to up to 48 months.
- › In Lithuania a work permit is issued for up to two years, indicating the job (position) and the company where the non-EU national employee will work. It can be renewed only if it is issued for a period shorter than two years. For a foreigner who comes to work in Lithuania as a trainee, a work permit is issued for a year and can be extended only in exceptional cases. A Blue Card is usually issued for three years. If the duration of labour contract is less

<sup>22</sup> This pertains mostly to sectors with mandatory collective agreement. The list is as follows: [www.seco.admin.ch/seco/de/home/Arbeit/Personenfreizigkeit\\_Arbeitsbeziehungen/Gesamtarbeitsvertraege\\_Normalarbeitsvertraege\\_Gesamtarbeitsvertraege\\_Bund/Allgemeinverbindlich\\_erklaerte\\_Gesamtarbeitsvertraege.html](http://www.seco.admin.ch/seco/de/home/Arbeit/Personenfreizigkeit_Arbeitsbeziehungen/Gesamtarbeitsvertraege_Normalarbeitsvertraege_Gesamtarbeitsvertraege_Bund/Allgemeinverbindlich_erklaerte_Gesamtarbeitsvertraege.html)

<sup>23</sup> Estonia, Lithuania, Poland, Slovakia, the Czech Republic and Bulgaria – distinguish between seasonal and non-seasonal between seasonal and non-seasonal employment of non-EU nationals. That is foremost expressed either in the admission conditions for third-country seasonal workers or through the issuance of permits for a limited period of time. Most of mentioned countries take the latter approach, limiting the number of months that non-EU nationals can stay and work. While keeping the limitation of a maximum number, some countries under conditions by law enable to prolong permits for seasonal work (e.g. Poland, Slovakia, Lithuania). The important issue here is whether a non-EU national can switch to another category of employment without the need to leave a country. This matter is regulated differently. Some countries do not permit seasonal workers to apply in-country for another immigration category (e.g. Bulgaria, Slovakia, Lithuania).

<sup>24</sup> The Directive on Seasonal Workers (2014/36/EU) has the aim to simplify admission rules, which sets out the conditions of entry and residence for non-EU nationals wishing to work in an EU Member State for short periods as seasonal workers, e.g. in agriculture or tourism.

<sup>25</sup> A seasonal work permit can be prolonged only once with a total limit of 90 days.

<sup>26</sup> A separate work permit for seasonal workers. The validity of the work permit for seasonal work up to 6 months may consist of one continuous period or several shorter periods, the total duration of which cannot exceed 6 months in a 12-month period.

<sup>27</sup> It is possible to extend a seasonal work permit twice.

<sup>28</sup> Up to 9 months (with a minimum of 90 days) for seasonal work it is extendable (to the maximum allowed 9 months), but no more than 2 different employers are allowed.

<sup>29</sup> In some cases there are initial terms (i.e. minimum required by law), which can be prolonged, but maximum term limitations usually apply.

<sup>30</sup> The EU Blue Card is the right to reside and to work in EU Member State and to move to another Member State to work as a highly qualified worker. Member States have different periods for the validity of the Blue Card, which may vary between one and four years. The EU Blue Card entitles the holder to enter, re-enter and stay in other Member States, as well as to transit through other Member States in order to exercise these rights.

than 3 years, then a Blue Card is issued for the period of the contract and three additional months.

- › In Poland a work permit is issued initially for a month, but can be extended to 36 months.
- › In Estonia it is allowed to work 270 days within 365 consecutive days unless exceptions apply (such as being employed in research, teaching, being high-skilled top specialist or working for a start-up company). A residence permit for work may be given for up to two years and it may be extended for up to five years at a time. The period of validity of an EU Blue Card cannot exceed two years and three months. It may be extended for up to four years and three months at a time.

## 5. Conclusions and recommendations

**R**ecent policy discussions on employment of non-EU nationals have brought attention to the issue of migration, including speculations that migration can be unfavorable for the receiving economies. However, migrants tend to contribute to national labour markets as they fill gaps in low and high-skilled occupations, address labour market imbalances, pay taxes, and eventually increase economic growth.

Employment of non-EU nationals is a driving force for the most dynamic sectors of economy and labour market efficiency. As countries are faced with labour market short-

ages, they are strongly dependant on extra labour supply. Regulations for employing non-EU nationals and legal procedures for labour immigration are too burdensome, lengthy and costly. That might discourage employers from legal recruiting of non-EU nationals in response to the labour needs and particularly if such needs are temporary. This calls for the optimization of current processes.

The admission systems for labour immigrants should be more flexible and less bureaucratic in order to help to ease bottlenecks and to fulfil long-term employment goals.

Simplifying visa, residence and work permit applications for immigrants and their prospective employers alike could make a country more attractive option for both low- and highly-skilled workforce. For instance, work permits could be changed from a permit regarding work for a particular employer to work permits for a particular country in general; permits could last longer (including seasonal work permits) and renewals could be easier. The permit process could be done entirely via electronic forms as it would make the process a little faster and more transparent.

Revision of requirements of the EU Blue Card Program is very important if it is to fulfil its goals in reducing high-skilled labour shortage. Making Blue Cards easier to acquire may be of particular importance to countries that are net donors of qualified professionals within the EU<sup>31</sup>.

Incentives for non-EU nationals and their employers could be given to create long-term relationships. That could promote productivity and wage growth instead of short-term cost optimization.

### Country specific recommendations for admission and hiring of non-EU nationals

Bulgaria	<ul style="list-style-type: none"><li>› Removing the required declaration on behalf of employers that the transportation of foreign seasonal workers has been accounted for and that they have access to "suitable" lodging would reduce red tape. There is no reason why workers should not be free to organize both of these themselves in line with their own preferences (Chapter II, Section IV, Article(28) of the Labour Migration and Labour Mobility Act).</li><li>› The Employment agency can decline to issue the required documents for the hiring of foreign workers if the employer has released workers in three months in advance. This is too broad a requirement that can have adverse effect both on current and potential employment and that interferes with the efficient supply and demand of labour (Chapter II, Section I, Article 11 of the Labour Migration and Labour Mobility Act).</li><li>› Practice has shown that labour market tests are a blunt administrative tool that only slows down the hiring process. (Revision of Chapter VIII, Article 20 (1) of the Ordinance on the Terms and Rules for Issue, Refusal and Withdrawal of Work-permits for Foreigners in the Republic of Bulgaria).</li><li>› At present visa taxes vary depending on the country of origin and are decided by the local embassy. There is no official register that provides easy access to up to date information regarding visa taxes. This slows down the contractual and administrative process.</li></ul>
Czech Republic	<ul style="list-style-type: none"><li>› Digitalize the whole process.</li><li>› Make websites with relevant information more user friendly.</li><li>› Unify websites to provide a single point of information.</li><li>› Create a single point of contact. Unify contact methods for all parties. This would significantly reduce time that is necessary to get working permit.</li><li>› Make permits last longer and make their renewal easier.</li></ul>
Estonia	<ul style="list-style-type: none"><li>› The official annual quota for hiring non-EU workers is restrictive, especially as it functions on a first-come-first-serve basis and does not necessarily take the needs of the labour market into account. Instead of a fixed blanket quota, a priority occupations/industries list might do a better job matching labour demand and supply.</li><li>› The salary requirement imposed on employers wishing to hire a foreign worker (having to pay 1.5 times the national average gross salary) limits the options local employers have of employing foreigners in lower positions, where they would be very much needed.</li><li>› More fast track schemes (such as the start-up visa) should be introduced for positions that also might not be as attractive but are nevertheless vital for the Estonian economy and society. One example of this would be care workers who are in an even bigger demand as the population ages.</li></ul>

<sup>31</sup> According to Eurostat, the number of issued EU Blue Cards is increasing, but remains relatively low – 21 000 cards issued in 2016. In addition, 85% of all EU Blue Cards issued since the beginning of the programme have been issued by Germany and there are 15 countries with less than 100 EU Blue Cards for the entire 2012–2016 period.

Estonia	<ul style="list-style-type: none"> <li>› The Ministry of Economic Affairs should have more responsibility and say in the matter of labour immigration in order to better match supply and demand on the labour market. Much of the responsibility on immigration matters lies with the Ministry of Interior (police and border control) which treats immigration more as a security issue than a market issue.</li> <li>› Gaining Estonian citizenship is a very complicated process. Even though nowadays the trend in labour immigration is towards more temporality, and less permanent settling, the option of securing one's status within the country through obtaining citizenship rights should be a more accessible option. Currently the requirements are very restrictive.</li> <li>› Labour immigrants often come as a package deal (with partners and children). Additional effort should be put into incorporating the trailing partners also into the Estonian workforce.</li> <li>› Estonia has been trying to compete in the global race for talent by recently introducing lighter conditions for the so-called 'top specialist' immigrant category to enter the country. This, however, in many of its aspects doubles the already existing EU Blue Card scheme for high-skilled workers.</li> <li>› Engaging the public should be a priority. Immigration induces a lot of fears (be it economic, security, cultural) in uninformed societies, which should be dealt with. There has been quite a lot of animosity towards immigrants in Estonia, which could be avoided if the reasons for allowing certain foreigners to enter would be better explained. This should also be done in the Russian language due to economic fears usually being more prominent amongst former immigrant groups that might fear direct competition from new immigrants.</li> </ul>
Lithuania	<ul style="list-style-type: none"> <li>› Policy towards economic migration should be less restrictive. Labour immigration in Lithuania is inconsiderable. Labour migration policy is based on an <i>ad hoc</i> principle as reaction to certain sporadic issues and focuses on policy specific decisions rather than on economic principles, which is a major weakness. Migration policy should be more aimed at attracting labour force from non-EU countries, procedures should be faster, the administrative and regulatory burden of admission and hiring should be reduced. This could partially mitigate demographic problems and contribute to productivity and overall economic growth.</li> <li>› It is advisable to refrain from the security check prior to recruiting non-EU national workers, and to enable them to commit themselves in writing so that they do not endanger the security of the country. Security checks can be arranged by already hired and working foreigners.</li> <li>› Currently, some non-EU nationals come to work via the list of needed occupations, for seasonal employment or as an employee of legal entity included in the list of approved entities. Such fast track schemes segment the labour market, favor specific industries or even specific enterprises, and deprive certain sectors of economy of labour force. In addition, fast track schemes for certain groups of non-EU nationals are arbitrary and unsustainable. Regardless of initial purpose (to facilitate faster immigration) ultimately they can restrict immigration. In the long run, such lists need to be replaced with less restrictive policy on labour migrants.</li> <li>› For the issuance of temporary residence permit assess the experience over a longer period. The Lithuanian Labour Exchange should assess the experience of the last year of work instead of two years of work (The Republic of Lithuania Law on the Legal Status of Foreigners, Article (44), part 3b).</li> <li>› Residence permits should be issued faster. Currently it takes up to four or up to two months (in urgent cases) to examine applications for temporary residence permit in Lithuania. As an illustration, Estonia<sup>32</sup> residence permits are issued within two months. In Poland<sup>33</sup> decisions to grant a temporary residence permit are issued within a month and no later than two months from the date of submission of documents in particularly complex cases.</li> <li>› Unbind non-EU nationals from their employers. Currently, non-EU nationals can work only for the employer specified in the work permit. Non-EU nationals can only perform job functions specified in a work permit. They are bound to one company and employer, and cannot change jobs. This complicates hiring of non-EU nationals and creates needless administrative burden and higher labour costs. A work permit should be valid for the entire country rather than for a particular employer.</li> <li>› Let non-EU nationals bring their families. Change the rules of general procedure applied for non-EU national workers for bringing their family to Lithuania. Currently, non-EU nationals can bring their family members only after two years of their living in Lithuania, when they have a valid residence permit for at least a year and have the right to permanent residence (The Republic of Lithuania Law on the Legal Status of Foreigners, Article (43), part 6).</li> <li>› Digitalize all services related to the issuance of permits and visas.</li> </ul>
Poland	<ul style="list-style-type: none"> <li>› Transfer responsibility for economic immigration from the Ministry of the Interior and Administration to the Ministry of Family, Labour and Social Policy. Immigration is not a security matter, but a labour market issue.</li> <li>› Create a clear path to citizenship for third-country nationals who work in Poland and pay taxes for a given number of years. The point is to give them and their Polish employers incentives for creating long-term relationships. This will enable productivity and wage growth instead of short-term cost optimization.</li> <li>› Change the character of work permits (type A and B) from a permit regarding work for a particular employer to work in Poland in general. Currently third-country nationals are obliged to seek a new work permit each time that they change their employer. This clogs the system and forces them into informal work arrangements.</li> <li>› Introduce automatic work rights for spouses of third-country nationals who hold work permits. This is particularly important for attracting high productivity workers.</li> <li>› Lengthen seasonal work permits from 9 months to indefinite if third-party national abides by the Polish law. Currently the same third-party nationals often work seasonally in Poland every year and every year they are forced to ask for a new permit.</li> </ul>
Slovakia	<ul style="list-style-type: none"> <li>› Digitalization of the process of issuing residence/work permit.</li> <li>› Digitalization of waiting lists (foreigners police / embassies).</li> <li>› Reduction of fees related to the issue of a residence/work permit (max. V3 average), no fee charged for the issue of a document, if the fee for application was paid.</li> <li>› Reduction of notary approvals and official translations of educational achievements.</li> <li>› Elimination of personal interviews at embassies.</li> <li>› Reduction of specific health check only for relevant cases (no more malaria testing for Japanese).</li> <li>› Elimination of the minimum limit of bank account balance for the purpose of operating a limited company (20,000 Eur)</li> <li>› Elimination of the condition of profitability for the extension of temporary residence for entrepreneurial purposes.</li> <li>› Broader cooperation with consulates/embassies of other countries, especially the Czech Republic which can issue Slovak visa, but cannot accept applications for residence/work permit, these must be currently submitted only at Slovak embassies.</li> <li>› Guaranteed processing of applications at consulates/embassies within 90 days.</li> <li>› Application of the rule that police cannot request data that are available within government registers.</li> </ul>

<sup>32</sup> <https://www2.politsei.ee/en/teenused/residence-permit/tahatjaline-elamisluba/tootamiseks/index.dot>

<sup>33</sup> <http://www.migrant.info.pl/temporary-residence-permit.html>

## References

- OECD (2014 May). Migration Policy debates: <https://www.oecd.org/migration/OECD%20Migration%20Policy%20Debates%20Numero%202.pdf>
- OECD (2013), International Migration Outlook 2013, OECD Publishing: [http://dx.doi.org/10.1787/migr\\_outlook-2013-en](http://dx.doi.org/10.1787/migr_outlook-2013-en)
- Bakker, L., Dagevos, J. & Engbersen, G. (2017). Explaining the refugee gap: a longitudinal study on labour market participation of refugees in the Netherlands, *Journal of Ethnic and Migration Studies*, 43:11, 1775-1791: <https://doi.org/10.1080/1369183X.2016.1251835>
- Reitz, J. 2007. Immigrant Employment Success in Canada, Part I: Individual and Contextual Causes. *Journal of International Migration and Integration* 8: 11–36
- Behbudzada, Z. (December 2017). The flow of economic migrants to Europe: Advantages and Disadvantages: <http://thepoliticon.net/essays/464-the-flow-of-economic-migrants-to-europe-advantages-and-disadvantages.html>
- Jaumotte, F., Koloskova, K., Saxena, S. (2016 October). Impact of Migration on Income Levels in Advanced Economies: <https://www.imf.org/en/Publications/Spillover-Notes/Issues/2016/12/31/Impact-of-Migration-on-Income-Levels-in-Advanced-Economies-44343>
- BORJAS, G. J. (1994). "The Economics of Immigration", *Journal of Economic Literature*, 32(4), p. 1667–1717
- Clements, B., Dybczak, K., Gaspar, V., Gupta, S. and Soto, M. (2015 October). The Fiscal Consequences of Shrinking Populations. International Monetary Fund, SDN/15/21: <https://www.imf.org/external/pubs/ft/sdn/2015/sdn1521.pdf>
- Lewis, E. (2011 May). Immigration, Skill Mix, and Capital Skill Complementarity. *The Quarterly Journal of Economics*, Volume 126, Issue 2, p. 1029–1069: <https://academic.oup.com/qje/article-abstract/126/2/1029/1869919?redirectedFrom=fulltext>
- Friedberg, R.M. and Hunt, J. (1995). "The Impact of Immigrants on Host Country Wages, Employment and Growth", *The Journal of Economic Perspectives*, 9(2), p. 23–44
- Kerr, S.P. and Kerr, W.R. (2011). "Economic Impacts of Immigration: A Survey", NBER Working Paper No. 16736
- Longhi, S., Nijkamp P. and J. Poot, J. (2010). "Joint impacts of immigration on wages and employment: review and meta-analysis", *Journal of Geographical Systems*, 12(4), p. 355–387.
- Münz, R., Straubhaar, T., Vadean, F., Vadean, N. (2006). The Costs and Benefits of European Immigration. Hamburg Institute of International Economics (HWWI) ISSN 1862-4944: [http://www.hwwi.org/fileadmin/hwwi/Publikationen/Research/Report/HWWI\\_Policy\\_Report\\_Nr\\_\\_3.pdf](http://www.hwwi.org/fileadmin/hwwi/Publikationen/Research/Report/HWWI_Policy_Report_Nr__3.pdf)
- Peri, G. (2014 May). Do immigrant workers depress the wages of native workers? *IZA World of labour*
- Peri, G., Sparber, Ch. (2009). Task Specialization, Immigration, and Wages." *American Economic Journal: Applied Economics*, 1 (3): 135-69: <https://www.aeaweb.org/articles?id=10.1257/app.1.3.135>
- Böhme, M.H. and S.Kups, S. (January 2017). The economic effects of labour immigration in developing countries: A literature review. *OECD Development Centre Working Paper No. 335*
- Tabellini, M. (2018). Gifts of the Immigrants, Woes of the Natives: Lessons from the Age of Mass Migration: <http://economics.mit.edu/files/13646>
- International Organization for Migration (2016/1). Policy insights. Inclusion, Growth and Competitiveness: Future of Economic Migration in the EU: <http://eea.iom.int/images/Download/Policy%20Insights%20-%20Economic%20Migration%20in%20the%20EU%20-19052016.pdf>
- Laczko, F. (2001). New directions for migration policy in Europe. Royal Society, Vol. 357(No. 1420), p. 599-608: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1692960/pdf/12028795.pdf>
- Constant, A.F. (2014). Do migrants take the jobs of native workers? *IZA World of labour*: <https://wol.iza.org/uploads/articles/10/pdfs/do-migrants-take-the-jobs-of-native-workers.pdf?v=1>
- Batsaikhan, U., Darvas, Z. and Raposo, I.G. (2018). People on the move: migration and mobility in the European Union: [http://bruegel.org/wp-content/uploads/2018/01/People\\_on\\_the\\_move\\_ONLINE.pdf](http://bruegel.org/wp-content/uploads/2018/01/People_on_the_move_ONLINE.pdf)
- Murphy, R. (2017). Immigration and Its Effect on Economic Freedom: An Empirical Approach: <https://www.cato.org/cato-journal/fall-2017/immigration-its-effect-economic-freedom-empirical-approach>
- Somerwilie, W. and Sumption, M. (March 2009). Immigration and the labour market: theory, evidence and policy
- Employment in Europe 2008. Chapter 2. The labour market situation and the impact of recent third country migrants
- OECD/ EUROPEAN UNION (2014). Matching economic migration with labour market needs in Europe. Policy Brief: file:///C:/Users/LLRI/Downloads/OECD- EC%20Migration%20Policy%20Brief%20Sept2014-EN.pdf
- Stuchlik, A., Poptcheva, E.M. (2015 July). Third-country migration and European labour markets. Integrating foreigners: [https://www.eesc.europa.eu/resources/docs/european-parliament\\_third-country-migration-and-european-labour-markets---integrating-foreigners-briefing-july-2015.pdf](https://www.eesc.europa.eu/resources/docs/european-parliament_third-country-migration-and-european-labour-markets---integrating-foreigners-briefing-july-2015.pdf)
- OECD/ILO (2018), How Immigrants Contribute to Developing Countries' Economies, OECD Publishing, Paris: <http://dx.doi.org/10.1787/9789264288737-en>
- Ottaviano, G., and G. Peri. (2012). "Rethinking the Effects of Immigration on Wages." *Journal of the European Economic Association* 10 (1), p. 152–97: <http://onlinelibrary.wiley.com/doi/10.1111/j.1542-4774.2011.01052.x/abstract>
- Brauw, A. (Fall 2017). Does Immigration Reduce Wages? *Cato Journal*, Vol. 37, No. 3. <https://object.cato.org/sites/cato.org/files/serials/files/cato-journal/2017/9/cato-journal-v37n3-4.pdf>
- National Academies of Sciences, Engineering, and Medicine. (2017). The Economic and Fiscal Consequences of Immigration. Washington, DC. The National Academies Press: <https://www.nap.edu/download/23550>
- Nathan, M. (2014). The wider economic impacts of high-skilled migrants: a survey of the literature for receiving countries. *IZA Journal of Migration* 3:4: <https://doi.org/10.1186/2193-9039-3-4>
- European Migration Network (2011 October). EMN Inform: Satisfying Labour Demand through Migration: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european\\_migration\\_network/reports/docs/emn-studies/labour-demand/Ob\\_emn\\_synthesis\\_report\\_satisfying\\_labour\\_demand\\_final\\_version\\_august2011\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/labour-demand/Ob_emn_synthesis_report_satisfying_labour_demand_final_version_august2011_en.pdf)
- European Commission (2018 April). Special Eurobarometer 469: Integration of immigrants in the European Union. <http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveystatus/instruments/special/surveyy/2169>
- EMN Annual Report on Migration and Asylum 2016 – Sweden. Migrationsverket (Swedish Migration Agency), 2017: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/27a\\_sweden\\_apr2016\\_part2\\_final\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/27a_sweden_apr2016_part2_final_en.pdf)
- Elvinger, P. and Hoffmann, P. (2016). Corporate Immigration Review Luxembourg: <https://www.elvingerhoss.lu/sites/default/files/documents/publications/EHP-Corporate-Immigration-Luxembourg-2016.pdf>
- Legal basis:**
- The Foreigners in the Republic of Bulgaria Act
- The Labour Migration and Labour Mobility Act of Bulgaria
- The Ordinance on the Terms and Rules for Issue, Refusal and Withdrawal of Work-permits for Foreigners in the Republic of Bulgaria
- The Republic of Lithuania Law on the Legal Status of Foreigners (29/04/2004 No. IX-2206, actual edition)
- Ministers of Social Security and Employment order on the description of the authorization for employed foreign policy (27/03/2013. No. A1-133, actual edition)
- The Estonian Aliens Act
- The Estonian Police and Border Guard Board Act and requirements based on the Aliens Act
- Employment Services Act 5/2004 of Slovakia
- The Employment Act and the Act on the Residence of Aliens in the Czech Republic Act No. 262/2006 Coll., Part Three on the Agreement on Out-of-Work Work Act No. 186/2006 Coll., deadlines Act No. 262/2006 Coll., Competition Clause 262
- Ustawa z dnia 20 kwietnia 2004 roku o promocji zatrudnienia i instytucjach rynku pracy (Dz. U. z 2017 r., poz. 1065).
- Ustawa z dnia 12 grudnia 2013 r. o cudzoziemcach (Dz.U. 2013 poz. 1650)
- Ustawa z dnia 2 lipca 2004 r. o swobodzie działalności gospodarczej (Dz.U. 2004 Nr 173 poz. 1807).
- Rozporządzenie Ministra Spraw Wewnętrznych i Administracji z dnia 20 lutego 2009 r. w sprawie przeprowadzenia przez funkcjonariuszy Straży Granicznej kontroli legalności wykonywania pracy przez cudzoziemców, prowadzenia działalności gospodarczej przez cudzoziemców oraz powierzenia wykonywania pracy cudzoziemcowi (Dz.U. 2009 Nr 36 poz. 284)
- Ustawa z dnia 10 października 2002 r. o minimalnym wynagrodzeniu za pracę (Dz.U. 2002 nr 200 poz. 1679). Ustawa z dnia 26 czerwca 1974 r. Kodeks pracy (Dz.U. 1974 nr 24 poz. 141)
- Rozporządzenie Ministra Spraw Zagranicznych z dnia 18 grudnia 2015 r. w sprawie opłat konsularnych (Dz.U. 2015 poz. 2237)
- Bundesgesetz vom 16. Dezember 2005 über die Ausländerinnen und Ausländer (AuG), Verordnung vom 24. Oktober 2007 über Zulassung, Aufenthalt und Erwerbstätigkeit (VZAE)
- The Danish law on foreign workers (udlændingeloven)

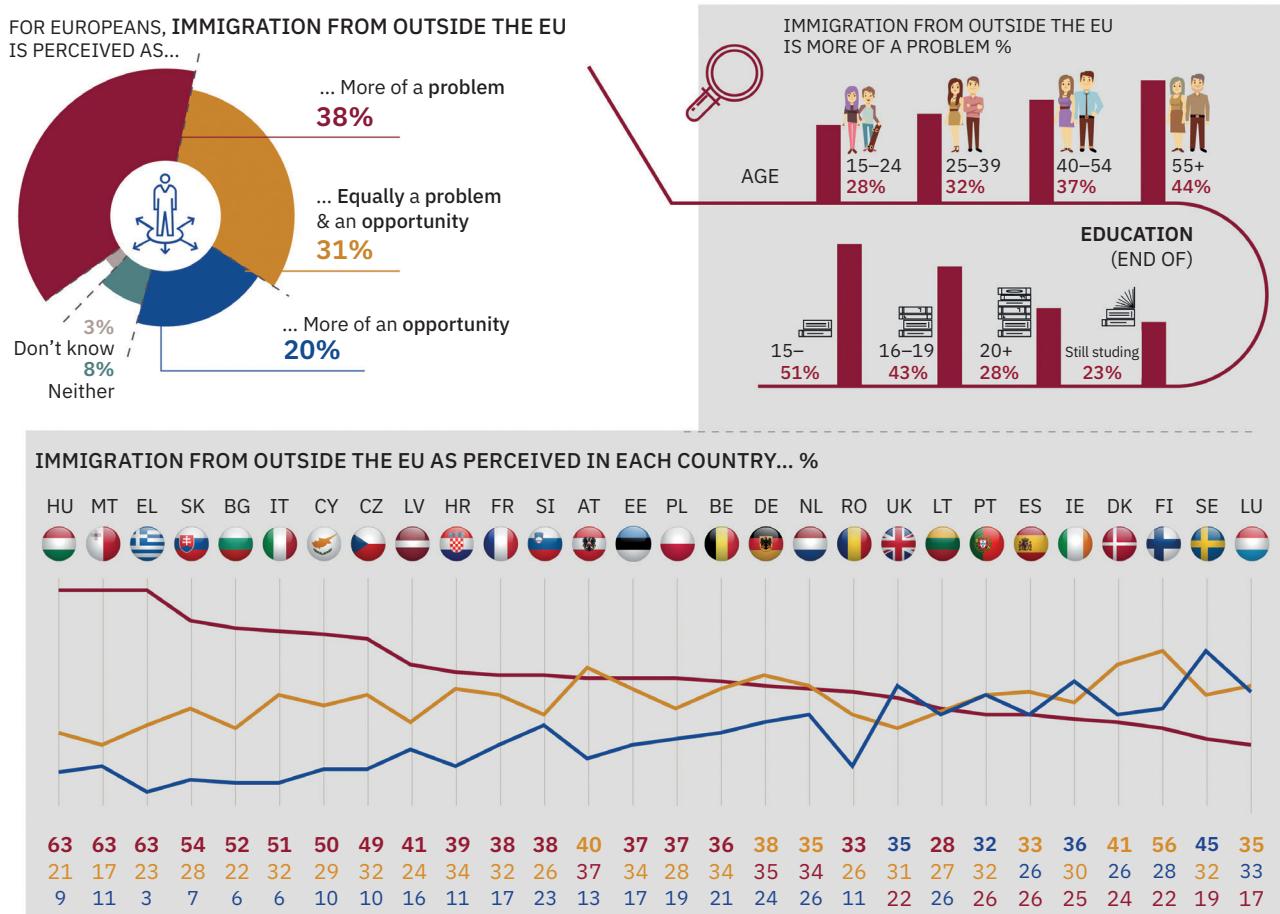
# Annex

**Table 1.** Key labour market indicators, 2016

	Lithuania	Estonia	Poland	Czech Republic	Slovakia	Bulgaria	Denmark	Switzerland
Active population (Percentage of total population)	75.5	77.5	68.8	75.0	71.9	68.7	80.0 (break in time serious)	83.9
Inactive population (from 15-64 years old; percentage of total population)	24.5	22.5	31.2	25.0	28.1	31.3	20.0 (break in time serious)	16.1
Employment rate (Percentage of total population)	69.4	72.1	64.5	72.0	64.9	63.4	74.9 (break in time serious)	79.6
Unemployment rate (Percentage of active population)	7.9	6.8	6.2	4.0	9.7	7.6	6.2	n.d.
Long term unemployment (Annual average, percentage of total population)	3.0	2.1	2.2	1.7	5.8	4.5	1.4 (break in time serious)	1.8
Emigration (number; reporting country)	46,070	9,141	196,384 (estimated, provisional)	6,376	3,674	25,795 (provisional)	15,273	30,565
Immigration (number; non-EU countries (current composition) not reporting country)	5,175	4,182	80,054 (estimated, provisional)	29,902	621 (provisional)	10,610 (provisional)	28,559	37,585
All valid permits by remunerated activities reasons for non-EU nationals; (persons)	11,312	4,060	362,139	59,505	12,045	3,039	n.d.	22,439

Source: Eurostat

**Infographics.** How Europeans perceive immigration from outside the EU (European Commission, 2018)



**Table 2.** Mandatory documents required for foreign workers and the employer before hiring non-EU nationals

	By foreign worker:	By employer:
Bulgaria	<ol style="list-style-type: none"> <li>1. Legalized (officially translated) documents such as diplomas and certificates, proving that the employee possesses necessary skills (incl. a minimum of three years of tertiary education for Blue card workers).</li> <li>2. ID, visas, colored passport photos, etc.</li> </ol>	<ul style="list-style-type: none"> <li>› Fixed-term labour contract containing all necessary clauses.</li> <li>› Proof of existing health insurance, covering all possible risks during the period.</li> <li>› A declaration/reference of the number of current employees in the last 12 months, signed by the chief accountant.</li> <li>› A copy of the registration act of the company that wants to employ a foreign worker.</li> </ul> <p>For seasonal jobs:</p> <ol style="list-style-type: none"> <li>1. Declaration on behalf of the employer that lodging and transportation are accounted for a foreigner.</li> <li>2. Written motivation on behalf of the employer, proving the necessity to employ a foreign worker.</li> <li>3. Copies of the employee's ID card and transportation documents</li> </ol>
Czech Republic	<ol style="list-style-type: none"> <li>1. Visa/Residence permit</li> <li>2. Work permit for non EU citizens</li> </ol>	Not a document per se, but must announce job offers at the local employment office
Denmark	<ol style="list-style-type: none"> <li>1. Passport</li> <li>2. Proof of education (if required)</li> </ol>	1. Employment contract
Estonia	<ol style="list-style-type: none"> <li>1. Official electronic form on the Police and Border Guard Board website</li> <li>2. Photo</li> <li>3. Identification documentation</li> <li>4. Invitation by the employer in Estonia</li> </ol>	<ul style="list-style-type: none"> <li>1. Official electronic form on the Police and Border Guard Board website</li> <li>2. Confirmation of payment of a registration fee</li> <li>3. For employing a top specialist – employer credentials if the company has been registered for less than 12 months</li> <li>4. For temporary agency workers – confirmation of funds</li> </ul> <p>For seasonal workers:</p> <ol style="list-style-type: none"> <li>1. confirmation of arranged lodging,</li> <li>2. fixed-term employment contract,</li> <li>3. health insurance agreement.</li> </ol>
Lithuania	<p>For a national visa or temporary residence permit<sup>34</sup>:</p> <ol style="list-style-type: none"> <li>1. An application form;</li> <li>2. A valid travel document;</li> <li>3. 1 photograph ;</li> <li>4. Documents substantiating the issue of a temporary residence permit;</li> <li>5. A document regarding a sufficient amount of subsistence funds;</li> <li>6. A residence document;</li> <li>7. A certificate regarding (the absence of) a criminal record;</li> <li>8. A document regarding health insurance;</li> <li>9. A list of trips and residence in foreign states.</li> <li>10. An intermediary letter (submitted by electronic means) to the institution, company or organization;</li> <li>11. A document on a required amount of means of subsistence (an actual extract from a bank account or employment contracts).</li> </ol>	<p>The employer is required to apply to the local labour exchange asking to provide a foreigner with a work permit and to register a vacancy.</p> <p>Formalities to be completed to employ a foreigner under a contract of employment, the following documents are needed<sup>35</sup>:</p> <p>Application of a predefined form;</p> <ol style="list-style-type: none"> <li>1. Copy of the passport of a foreign citizen or an equivalent document intended for travelling to a foreign country;</li> <li>2. Copy of a diploma or an equivalent document confirming a person's qualification;</li> <li>3. Copy of a document proving a foreigner's two years professional work experience during the last three years.</li> <li>4. Certificate signed by the employer informing about the need to employ a foreigner, dismissals during 6 months before applying for the issue of a work permit, ect.</li> </ol> <p>An employer, no later than within 2 months from the day the issue of a work permit for a foreigner, must submit the employment contract to the local labour exchange office for approval.</p> <p>For the issue of a work permit for seasonal jobs an employer is required to confirm that a foreigner will have a lodging (7 square meters per person); and a copy of a fixed-term employment contract is required.</p>
Poland	<ol style="list-style-type: none"> <li>1. Visa or residence permit (for visa a visa submission is required).</li> <li>2. Temporary residence permit (a temporary residence submission – a copy of a travel document, 4 photos).</li> <li>3. Work permit (a copy of a travel document and a copy of a job qualification document).</li> </ol>	<p>For a work permit application or a seasonal work permit application:</p> <ol style="list-style-type: none"> <li>1. a copy of employer's ID Card or an excerpt of commercial register or a partnership agreement, depending on the legal form of the company.</li> </ol>

<sup>34</sup> <http://www.migracija.lt/index.php?922714365>

<sup>35</sup> [http://www\\_ldb\\_lt/EN/INFORMATION/SERVICES/Pages/Placementofforeigners.aspx](http://www_ldb_lt/EN/INFORMATION/SERVICES/Pages/Placementofforeigners.aspx)

Slovakia	1. Proof of education 2. Job contract 3. Lodging (in case of ST seasonal work) 4. Health insurance (in case of ST seasonal work) 5. Visa/ Residence permit	1. Confirmation by the employer that they have no payables to employees (all wages paid). 2. Usually a job-test document
Switzerland (ONLY for non EU/ EFTA)	1. Copy of passport 2. Short CV, copies of diplomas and job certificates	1. Standard application form 2. Job description 3. Job contract 4. Proof of search within Switzerland and European databases

**Table 3.** Direct duties applied for foreign workers or their employers while applying for visa or any certificate designated to work before hiring

For example:

- › In Lithuania, the fee for the issue of a work permit for 1 year is 121.64 Eur and for a work permit up to 2 years – 150.60 Eur, for a national visa – 60 Eur, etc.
- › In Slovakia the state fee for temporary residence permit is 165.5 Eur, for a Blue card – the same amount, etc.
- › In Bulgaria for the processing of the documents for the employment of non-EU national workers an employer has to pay 50 Eur, for the issuance and extension of a work permit – 50 Eur.
- › In Poland foreign workers (Ukraine and Russia citizens) for the processing of the visa application have to pay 35 Eur, 60 Eur are charged for citizens of other countries.
- › In Denmark the state fee is 480 Eur.

