



Growing Inequality:
a Novel Integration of
transformations research

Migration in the European Union: nexus to inequality and skills

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GI-NI contributes to an inclusive Europe of shared prosperity by providing a better understanding of the changes and joint impact of three major transformations: technological progress, globalisation and migration; and offering policy and governance solutions to better equip citizens and companies for future challenges, securing more equal opportunities and outcomes. The project team uses a multidisciplinary research approach with international stakeholder engagement throughout the project.

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Migration is an increasingly significant phenomenon that presents an opportunity for the EU to tackle two key future challenges: an ageing population and skills shortages. Despite the difficulties politicians face in dispelling concerns about migrants being perceived as a threat by certain segments of the local population, it is crucial to recognise the valuable human capital that migrants bring, which can effectively address these pressing challenges in our EU societies.

The **GI-NI project** seeks to understand how inequality serves as a driving force behind many migration-related problems. Addressing inequality should be a policy priority as it directly impacts the successful integration of migrants. The project has not only examined the global situation with migrants but has also identified several mechanisms that hinder the integration of migrants who are already in the EU.



Key points

One notable finding of the project is that, contrary to expectations, income inequality within migrant countries discourages emigration. This situation leads to missed economic development opportunities for both the origin and destination countries. Additionally, the project highlights that foreign-born workers, particularly women, encounter specific employment entry barriers that result in occupational segregation, deskilling, and over-qualification, thereby exacerbating inequality levels within the labour market. Previous EU policy frameworks have not comprehensively addressed the complexities of migration. In response, GI-NI puts forward a set of recommendations for a common European policy approach that:

- Integrates a gender perspective,
- Promotes collaboration between different stakeholders to eliminate barriers faced by migrants, and
- Enhances equality in labour markets across all member states.

To achieve these objectives, it is essential to provide support to immigrants by facilitating the recognition of qualifications and enabling access to new skills. Likewise, support should be extended to employers and organisations to foster an inclusive culture that embraces diversity and equality. By implementing these measures, we can create a more inclusive and prosperous society for all.

Context: migration, inequality and skills

Human mobility is a longstanding phenomenon that affects every country in the world. Migration can take various forms, including internal or international, permanent or temporary, and voluntary or forced (e.g., refugees). Economic, social, political, or environmental factors in the country of origin or destination can prompt individuals to seek new geographic locations. According to the United Nations, approximately 281 million people were living outside their countries of birth in 2020, accounting for about 3.6% of the global population of 7.795 billion. The European Union has also experienced significant movement, with Eurostat reporting an increase in the number of third-country nationals over the past decades, surpassing 23 million in 2021, which accounts for 5.3% of the total population. Of these, slightly over half are women (51.05%). The conflict in Ukraine alone has displaced over 8 million refugees across Europe, with 4.8 million registered under the temporary protection system adopted by the EU. However, while migration flows due to armed conflict have surged recently, the majority of individuals migrating to other countries do so for reasons such as work, studies, family reunification, or natural disasters. The GI-NI project focuses on various aspects of legal international migration and its connection to inequality and skills, yielding the following findings:

1.

Inequality discourages international emigration

Income inequality in third countries within the EU acts as a barrier to potential emigration. However, factors such as migration networks, strong work ethics, education, and income cushion partially mitigate this negative effect. Addressing this challenge requires a multifaceted approach involving policymakers in both origin and destination countries, relevant international organisations, migrant diasporas, and NGOs. Failure to address this issue results in missed economic development opportunities for both origin and destination countries.

2.

Migration is needed to solve skill shortages and issues with an ageing population

Certain European countries face job vacancies that exceed the number of job seekers in specific sectors, such as personal services, healthcare, management, teaching, and electrical and electronic trades. The GI-NI project demonstrates that migration plays a crucial role in alleviating skill shortages in Western European countries. To effectively address this problem, a well-functioning system is needed to identify skill gaps promptly, along with flexible migration policies tailored to the underlying reasons for those shortages. Given Europe's ageing population and low birth rates, immigrants can contribute to replenishing the labour force, albeit not completely eliminating the challenge.

3.

Migration leads to labour niches and occupational segregation

Natives and migrants are not equally distributed across occupations, and these disparities are further magnified when considering gender. Migrant women, in particular, face dual discrimination. Migrants tend to concentrate in specific activity sectors aligned with gender norms, such as construction for males and activities related to households and human health for females. This exacerbates the gender gap. Moreover, migrants are overrepresented in certain low and medium-skilled occupations, primarily in sectors like accommodation and food services. In this segmented labour market, migrants, especially women, encounter barriers to entry into high-skill occupations and upward mobility. Consequently, many migrants end up in jobs that do not match their qualifications, resulting in overqualification.

It is crucial to recognise the immense value of educated migrants as valuable human capital, as they enhance the pool of qualified individuals in the labour market and help address skill shortages in high-skill occupations. To leverage this foreign-born human capital effectively, it is essential to implement measures that reduce inequality, tackle the skill shortage issue, and promote migrants' upward mobility, such as improving the recognition of diplomas.

By embracing these findings and implementing targeted policies, policymakers can promote equality, harness the potential of migrants, address skill gaps, and create an inclusive society that maximises the benefits of migration for both origin and destination countries.

Critique of existing policy options

The EU has made efforts to develop migration policies, starting with the Tampere conclusions in 1999, and later the Global Approach to Migration (GAM) in 2005. The GAM introduced a framework for cooperation and dialogue with third countries and was renewed in 2011 as Global Approach to Migration and Mobility (GAMM). However, the emergence of the asylum and migration crisis in 2015 revealed the limitations of these policies, characterised by incomplete agreements, weak monitoring, policy disharmony, and a lack of solidarity and centralised institutions. In response, the European Commission presented the 'New Pact on Asylum and Migration' in 2020, aiming to enhance cooperation with international partners, reinforce external borders, simplify asylum procedures, and establish a more efficient mechanism for solidarity.



While these new policies introduce novel instruments for labour market management, such as the 'EU Talent Pool' and 'EU Talent Partnership,' they primarily focus on recruitment and matching of skills rather than holistic inclusion. Additionally, joint labour migration policies have mostly targeted highly skilled migration (Blue Card Directive), leaving employment policies largely at the discretion of national governments. Developing a common policy framework for migration within the EU is crucial to ensure consistent integration measures across member states.

The context of each member state plays a significant role in migrant integration, encompassing individual attitudes, organisational openness, and institutional factors. The current EU dominant policy paradigm is focused on the controlled and regulated influx, with strong border protection (“Fortress Europe”), instead of inclusivity and benefits. Anti-immigrant attitudes can create barriers to labour market access, and the degree of openness within organisations also affects migrants’ entry and integration. National institutions, both formal (e.g., labour market institutions) and informal (e.g., cultural norms), further influence immigrants’ outcomes. As a result, migrants face varying obstacles depending on the country, highlighting the need for tailored integration policies.

EU member states have adopted different approaches to support migrant employment, ranging from minor services to conditional programmes targeted at specific groups. In the absence of comprehensive EU-level policies, regional and local governments are increasingly involved in labour integration policy design driven by pragmatic problem-solving and a focus on migrants’ daily realities. However, disparities exist in access to employment opportunities due to categorisations based on immigration status, reinforcing stereotypes and resulting in occupational segregation, deskilling, and barriers to upward mobility.

Bureaucratic processes for recognising foreign qualifications are often lengthy, expensive, and unclear, leading to over-qualification and skill underutilisation among migrants. Active labour programmes prioritise rapid job placement rather than long-term employment prospects and progression. The administrative procedures for admitting and employing immigrants can be restrictive and time-consuming, discouraging employers from recruiting them. Inadequate support structures, insufficient training for employment advisors, and a lack of cooperation among government bodies hinder effective assistance for newly arrived migrants.

Furthermore, European labour market policies inadequately address training opportunities for migrants, which are crucial for upskilling. While some member states incentivise employer-provided training or offer public vocational education, low-skilled job sectors, where migrants often concentrate, are less likely to invest in training. Accessible and affordable language courses for migrants are also lacking. These entry barriers to occupations and economic sectors contribute to inequality and hinder the integration of migrants in the labour market and society as a whole. Persistent barriers may lead to enduring labour market segmentation processes that impede migrants’ integration based on skills, exacerbating inequality.

To address these challenges, it is imperative to develop comprehensive EU policies that promote inclusivity, streamline recognition of foreign qualifications, simplify administrative procedures, enhance support structures for migrants, and ensure equal access to training opportunities. Cooperation among government bodies and the provision of formal channels for information dissemination are vital to improving the integration process and fostering a more inclusive labour market.

Policy Recommendations and Conclusion

GI-NI proposes several recommendations to mitigate the inequalities issues with migration and migrants:

- 1.** Develop Comprehensive EU Migration Policies: EU-Policymakers should prioritise the development of comprehensive migration policies within the EU framework. These policies should aim to promote inclusivity, streamline recognition of foreign qualifications, simplify administrative procedures, and ensure equal access to employment opportunities and training for migrants.
- 2.** Enhance Cooperation and Solidarity at the EU and national levels: Address the lack of policy harmonisation and weak monitoring by fostering greater cooperation and solidarity among EU member states. Centralised institutions should be established to oversee migration processes and ensure consistent integration measures across countries. Multilevel governance should build on cooperation and coordination among EU, national, regional and local authorities.
- 3.** Promote Holistic Inclusion: Move beyond recruitment-focused approaches and prioritise holistic inclusion of migrants in society. Policies should aim to overcome barriers to integration by addressing anti-immigrant attitudes, promoting openness within organisations, and recognising the influence of national institutions on migrants' outcomes.
- 4.** Tailor Integration Policies: Recognise the importance of the context of each member state in migrant integration and tailor integration policies accordingly. Local and regional governments should be involved in policy design, leveraging their understanding of migrants' day-to-day realities and fostering pragmatic problem-solving. The gender perspective should be included in these policies, as immigrant women are the most vulnerable group among migrants.
- 5.** Streamline Recognition of Foreign Qualifications: Simplify and expedite the bureaucratic processes for recognising foreign qualifications. Establish clear guidelines, reduce costs, and ensure transparency to prevent over-qualification and underutilisation of migrant skills in the labour market.
- 6.** Improve Support Structures: Enhance the effectiveness of support structures for newly arrived migrants, particularly public employment services. Provide adequate training for employment advisors, establish formal channels for accessing information about employment, and promote cooperation among government bodies to better serve the needs of migrants.

Policy Recommendations and Conclusion



7. Address Occupational Segregation and Deskilling: Take proactive measures to address occupational segregation, especially among migrant women, and the deskilling that often occurs in the labour market. Promote equal opportunities for migrants to access high-skill occupations and provide pathways for upward mobility.

8. Foster Employer Engagement: Encourage employers, particularly those in low-skilled job sectors, to invest in training programmes for migrants. Incentivise employers to provide in-house training and ensure the availability of accessible and affordable language courses for migrants.

9. Monitor and Evaluate Policies: Establish mechanisms for monitoring and evaluating the effectiveness of migration and labour market policies. Regularly assess the impact of policies on migrant integration, identify areas for improvement, and make necessary adjustments to achieve desired outcomes.

10. Ensure Long-Term Prospects: Shift the focus of labour market policies from short-term job placement to long-term employment prospects and career progression for migrants. Develop programmes that support migrants in developing their skills and advancing in their chosen professions.

By implementing these recommendations, policymakers can work towards creating an inclusive and equitable labour market that leverages the skills and talents of migrants while addressing skill shortages, reducing inequality, and promoting social cohesion within the EU. All of this in a context in which the EU does not establish a common framework.



Further reading

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This Policy Brief is based on the research of the GI-NI project. For the relevant research, please look at the website of GI-NI: <https://gini-research.org>



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