SPEAKING POINTS

Ladies and Gentlemen,

It is a real pleasure for me to have the opportunity to address this conference on this topic.

As you know, Migration has always been part of the home affairs portfolio in the European Commission but it has never before been part of the title as well.

It is now.

This is to mark the will of the new Commission to face the challenge of migration <u>as a matter of priority</u>. European countries, like the United States, Canada, and Australia before them, have recently become lands of immigrants. At the same time, emigration, which has characterised Europe for centuries, has not stopped.

However, in recent decades immigration has become a significant factor in European societies and their labour markets. Every day, Europe is confronted to migration challenges with people entering through our borders irregularly to look for protection or for a better life.

But we tend to forget that, around 20 million non-EU nationals live <u>legally</u> in Europe nowadays, which represents about 4% of the total population.

I know that it is difficult to make the case for migration at times of economic crisis and high unemployment levels. It seems to be contradictory, but in fact it is not, as proven by the facts:

Europe is an ageing continent and, without migration, the EU's working age population would decline by <u>15 million this decade alone</u> (2010-2020). There are areas and sectors where there are <u>persisting skills and labour shortages</u>. Recruitment difficulties tend to be most apparent in the health, ICT, engineering and business service sectors.

Well-managed migration, and particularly labour migration, can help Europe to address such challenges and enhance its competitiveness. One of my main priorities during my mandate will be to develop a new European policy on regular migration.

The benefits that common European rules on legal migration can bring to our economy and to our society as a whole are obvious:

Such a policy will help Europe to address existing – and persisting – skills and structural labour shortages and to attract the categories of professionals that it needs. This is not an easy task, given the prevailing negative attitudes in Member States as regards economic migration.

This is why, when developing strategies to maximise the opportunities of legal migration, we should seek the involvement of the business community and social partners.

This is what I intend to do in the near future through the setting up of a <u>Platform</u> that will facilitate a <u>structured dialogue</u> on economic migration with <u>all concerned actors</u>, including small companies. This will help identifying needs and shortages on the European labour market, as well as the best tools to address them swiftly.

Let me be clear. While flexible labour migration policies allowing our economies to address real, structural shortages are essential to sustainable economic growth, they should not be used to instigate unfair wage competition at the expense of native workers.

Therefore, a key element of well-managed labour migration is <u>respect</u> for the rights of the workers, be they migrant or native.

The engagement of economic stakeholders will also be <u>essential</u> in order to change the narrative on migration, which is a pre-requisite for the success and the impact of any policy change in this area.

Skills and labour shortages affect various segments and sectors of the labour market, but Europe has been less attractive than other OECD countries when it comes to highly skilled migrants.

This is where I will start my action: in <u>reviewing what we already have in place at the EU level</u> to attract highly skilled workers (namely, the Blue Card Directive) and in seeing what needs to be changed and improved.

<u>Intra-EU mobility of non-EU nationals</u> – be they workers, students or researchers – is certainly an area where I see the need and the scope for further developing our policies.

A flexible and mobile EU workforce – including both EU nationals and non-EU citizens – can play an important role <u>in absorbing economic shocks</u>, and in helping <u>to fill existing gaps</u> and shortages in the labour market.

When discussing labour migration, let's not forget that the rise of Silicon Valley was made possible by migrants, who established more than half of all start-ups there between 1995 and 2005, creating jobs for migrants and natives alike.

In the EU we have also taken measures to prevent abuses of migrant labour, by imposing sanctions on employers who take advantage of irregular migrants' precarious position.

This should also reduce the incentive for migrants to come to the EU irregularly. We cannot resign ourselves to the existence of a large informal economy relying on employment of irregular migrants. If it grows, it is a sign that our regular migration policy is failing. Occasional regularisation campaigns are an inadequate response. Among others, they create uncertainty for potential migrants, who may consider regularisation as a real, but very unpredictable, admission channel.

Instead, we should focus on creating <u>adequate legal channels</u>. For example, there are currently over 1 million foreign non-EU students at schools and universities in Europe, far more than in any other region of the world. They are not considered labour migrants, though many can and do work. These young people choose to invest their time, money and talents in our universities and our societies. If we are smart about migration, we should welcome these investments, and ensure that these students can continue to build their career in the EU <u>if they wish to do so</u> and therefore facilitate their job-seeking and the possibility to set up a business.

Let's also not forget that migration is about mobility as well. These people tend to move and return permanently or occasionally to their home countries, boosting the economies of their countries of origin as well, transferring know-how and professional skills and creating jobs.

This "cycle" is another stabilization factor in the benefit of Europe's foreign and development policy.

The above mentioned priority is of the key elements of the 2013 Commission proposal on Students and Researchers, currently being negotiated, and I hope that the Directive which will be finally adopted by the European legislator will reflect the level of ambition of the Commission proposal in that respect.

Having said this, we must bear in mind that most migrants from outside the EU come for reasons other than employment.

Family reunification remains the most important category, with a substantial number also being issued visas and permits on grounds of international protection and for humanitarian reasons. They come with their education and skills. It is in the host countries' interest to allow them to contribute to the maximum of their abilities.

Unfortunately, unemployment rates and rates of over-qualification remain stubbornly high among migrants in many European countries.

In its 2013 Migration Outlook, the OECD highlighted <u>the enormous potential</u> of increasing employment rates amongst migrants, in particular of highly-educated migrants and women, in countries with large and long-standing immigrant populations.

Huge gains for our economies could be made if we improved labour market outcomes of migrants.

Labour market integration of legally residing migrants is therefore an area where we will be increasingly working at EU level.

Let me conclude by insisting on another element of my approach: When designing migration polices, we should bear in mind that migrants are not moveable assets responding only to economic incentives.

The success of any migration policy will thus depend on much more than the admission policy set by the destination country.

It pleases me to see that the OECD has managed to reunite around the table ministers with different portfolios and I am looking forward to the results of the work of this conference.

Ladies and Gentlemen, migration is our common, urgent challenge.

I thank you for your attention.