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JUNE 2017

Managing migration in a way that supports labour market success

What can we learn from the experiences
of recruiters and employers in Norway,
Switzerland, Canada and Australia?



Recruitment &
Employment
Confederation



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INTRODUCTION

1.1 CONTEXT FOR THIS PAPER

In light of the EU referendum result on 23 June 2016, the UK has to decide on its new relationship with the EU and the wider world in regards to both trade and immigration.

The government has not yet decided on its preferred immigration policy once the UK leaves the EU. Changes could have a significant impact on the UK labour market, British business and the recruitment industry. Although the government has made it clear that the intention is not to adopt an 'off-the-shelf' model, understanding how it works in practice elsewhere will help ensure that we are asking ourselves the right questions and have some evidence base when developing a bespoke migration solution for the UK. In that context, this paper reviews the models used by some of the countries that have been mentioned in the debate about immigration: Norway, Switzerland, Canada and Australia.

The following exploratory questions were posed to labour experts in those countries:

- How does your country's immigration policy address labour market needs?
- What attempts, if any, are made to attract migrants to specific sectors and/or geographic areas?
- What is public opinion regarding migration/migrants in your country? What are the policy levers the government can use on employment issues?
- Where do recruiters, their clients and candidates fit into the picture – does the immigration model support labour market growth and development? How do recruiters in your country represent their interests, in relation to immigration, to government?

We also spoke to UK legal experts to try to understand what they feel could happen to the migration system as the Brexit negotiations proceed, particularly if the negotiations are not concluded within the two-year window commonly assumed, and how this could impact business.

We took the opportunity to ask the contributors to this report other questions regarding their relationship with the EU, including the relevance of EU regulations and European Court of Justice rulings that pertain to the labour market. Those contributions are not included in this report but can be shared if of interest to the reader.

This paper does not endorse one model over another, but sets out some of the perceived advantages and limitations of the models that are currently used, from the perspective of the experts to whom we spoke.

Given that this is not an exhaustive study of the immigration models in place, but instead a snapshot of just some of the issues raised, this paper is presented to help pose the right questions about where next for UK immigration policy. The paper sets out a short description of the most relevant immigration policies and highlights some of the benefits and restrictions of the policy in question.



1.2 WHY THIS MATTERS TO THE UK LABOUR MARKET

The UK has one of the strongest labour markets in the world. We have an unemployment rate of 4.9% and 559,000 more people in work today than this time last year.¹ 2.7 million jobs have been created² and job vacancy rates have been growing monthly since the height of the recession in 2010.³ In this context, employers have reported that finding people to do the jobs currently available is getting harder.⁴

Similarly, for many UK businesses, their potential to grow lies not just in the opportunities to trade and do business overseas, but also in their ability to attract foreign investment. There are some natural advantages to working in the UK – English remains the first language of business, the economy is mature, with a regulatory framework and taxation system which, while not perfect by any means, is seen to enable business development.

In the last year, it is estimated that net annual EU migration to the UK stood at 180,000, with the majority stating that they come for work.⁵ It was widely reported during the EU referendum campaign that there were a total of 3.2 million EU citizens living and working in the UK in 2015. At the same time, 1.2 million UK citizens live elsewhere in the EU.⁶

The immigration system chosen by the government will not only have direct political and social consequences, but will also impact on how businesses hire and seek to grow in the future.

1.3 METHODOLOGY AND STRUCTURE OF THIS REPORT

This paper is based on desk research and interviews with the following people:

- Christian Bendiksen, Solicitor, Brækhus Dege (Norway)
- Steven Bostock, Partner, Mishcon de Reya LLP (UK)
- Charles Cameron, CEO, Recruitment and Consulting Services Association (Australia)
- Alan Chanesman, Founder, Principal Partner and CEO, Lipman James (Australia)
- Jan Ole Gudmundsen, Senior Adviser, Ministry of Foreign Affairs, Norway
- Even Hagelien, Director, Norwegian Federation of Service Industries (Norway)
- Birgitte Stenberg Kravik, Lawyer, Norwegian Federation of Service Industries (Norway)
- Liselotte Lunde, Political Adviser at the Parliament for the Liberal Party (Norway)
- Brendan McAleese, Solicitor, Brabners LLP (UK)
- Henrik Munthe, Attorney-at-law, Norwegian Federation of Service Industries (Norway)
- Sigbjorn S. Mygland, Executive Director / Lawyer, Norwegian Federation of Service Industries (Norway)
- Tore Myhre, Director, International Relations and Politics, Norwegian Federation of Service Industries (Norway)
- Dr Marius Osterfeld, Economist, SwissStaffing (Switzerland)

1 ONS. (2016) *UK Labour Market: September 2016*. London: Office for National Statistics.

2 Ibid.

3 IHS Markit / REC. (2016) *Report on Jobs* (monthly, latest report published 8 September 2016).

4 Ibid. See also: CBI / Accenture. (2015) *The Path Ahead: CBI/Accenture Employment Trends Survey 2015*. London: CBI; and UKCES. (2016) *Employer Skills Survey 2015: UK results*. Evidence Report 97. May. London: UKCES.

5 Full Fact. (2016). *EU Immigration to the UK*. Blog post, 25 August. Available at: <https://fullfact.org/immigration/eu-migration-and-uk/>

6 Ibid.



- Mari Owren, Assistant Director, International Relations and European Affairs, Norwegian Federation of Service Industries (Norway)
- Ian Robinson, Partner, Fragomen Global LLP (UK)
- Andy Robling, Vice President Client Development, Canada at Hays (Canada)
- Henrique Schneider, Chief Economist, Swiss Federation of Small and Medium Enterprises (Switzerland)

We would like to take this opportunity to thank each of the contributors for their time and insight. We would also like to thank our colleagues in Norway for giving their time so generously during our two-day visit to Oslo in August 2016.

The report has then been broken down into chapters: we first consider the countries within Europe (Norway and Switzerland) before looking at the systems in Australia and Canada. We conclude with a section on how the UK business and legal community has responded since the EU referendum result, and how they are preparing for what comes next.

1.4 SUMMARY

The immigration policies of the countries in focus have been established in the last few decades and are still evolving. None of the countries have static policies, but instead they are modified to better meet labour market needs and to better align to public sentiment. Whatever immigration model is developed in the UK, it must be fluid and open for regular review.

There are clear distinctions between countries that have opted for a quota (primarily Switzerland) and those that opt for a points-based system which does not explicitly suggest a cap on the numbers (for example Canada and Australia's programmes for temporary workers). Where bilateral agreements are in place with the EU and in regards to immigration policy, there can be both a positive (for example Norway) and negative (for example Switzerland) interpretation of these arrangements and their impact on the labour market.

In addition, some of the immigration policies rely more on programmes for permanent permits for foreign workers (Canada), while others have a preference for using temporary work permits to access foreign workers who can then go on to apply for permanent permits once they have spent some time in the country (Switzerland, Norway and Australia). This will be a result of their historical and political context.

By looking at these other models and their criteria for a successful labour market, we can learn from them before trialling our own approach in the UK and embarking on the negotiations to leave the EU. This will help us to pose useful questions about how the UK's immigration policy can best be developed and the trade-offs involved.

Such questions could include the following:

- How effective is the policy in meeting (a) long-term and (b) short-term labour market needs? Is a differentiated approach needed to achieve the long-term and short-term goals?
- How responsive is the policy to (a) sectoral and (b) regional requirements? Does there need to be an occupational, as well as a sectoral, focus to ensure immigration policy is nuanced enough?
- Is the system cost-effective, fast, open and transparent for both employers and applicants?
- How does policy address skill deficits among workers in the host countries and how does the immigration system align with the broader industrial and skills policy being developed?
- Does the policy facilitate economic and cultural integration of foreign workers within the host country?



These are just some of the questions that need to be considered to help reassure individuals and businesses that their concerns, no matter what their political allegiance, are being taken seriously.

1.5 OVERVIEW OF DIFFERENT PROGRAMMES

Below is an overview of the different programmes that are described in this paper.

	Section 2: Norway	Section 3: Switzerland	Section 4: Australia	Section 5: Canada
European Union and EFTA nationals	Free movement for EU member states and part of Schengen	Free movement for EU member states and part of Schengen 2014 referendum to introduce a quota. To be agreed with the EU by February 2017.	No preferential treatment	No preferential treatment
Foreign nationals	Residence permits (previously called a work permit) required, with some exceptions for highly skilled workers (those with tertiary education and/or professional qualifications) in short supply	Quota-based system for temporary and permanent migrants	Need to fulfil basic requirements (health, age, language, nominated assessment, skills and character assessment) plus specific points-based system for the following: <ul style="list-style-type: none"> • Temporary Work (Skilled) (subclass 457) visa • labour agreement • Employer Nomination Scheme • Regional Sponsored Migration Scheme • permanent residence programme (quota system) 	Points-based system <ul style="list-style-type: none"> • Federal Skilled Worker Program (FSWP) • Federal Skilled Trades Program (FSTP) • Canadian Experience Class (CEC) • Temporary Foreign Worker Programme • International Mobility Programme



1.6 EUROPEAN ECONOMIC AREA (EEA) AND EUROPEAN FREE TRADE ASSOCIATION (EFTA)

The main agreements governing external trade in Norway are the EEA and the EFTA. Switzerland is only a participant of the EFTA. (Both countries are inside the Schengen area.) It is therefore useful to include a brief description of the two agreements before discussion on how they have been implemented within Norway and Switzerland.

EEA

The EEA has 31 members and is formed of all EU countries as well as Norway, Liechtenstein and Iceland (three of the four EFTA countries). The area was brought into force by an agreement on 1 January 1994. The EEA legislation covers free movement of goods, persons and capital, as well as equal rights and obligations within the internal market for citizens and economic operators in the EEA. The market established by the EEA is referred to as the 'internal market'. As is also true in the EU, third-party country migration is not covered, so EEA members can make their own arrangements and set their own limits and conditions for migration from countries outside the EU.

The EEA is bound by participation in the internal market and its four freedoms: free movement of goods, persons, capital and services. Key areas that fall within the remit of the EU's single market but not covered by the EEA's internal market include: agriculture, fisheries, customs union, trade policy, foreign and security policy, justice and home affairs, and the euro. EU rules relating to areas relevant to the EEA need to be incorporated into the EEA via the EEA joint committee, comprising representatives from the EEA and the EFTA (the 'two-pillar system'). Part of that agreement is that there has to be legal homogeneity across the EEA so any disputes arising from EFTA members are handled by the EFTA court.

EFTA

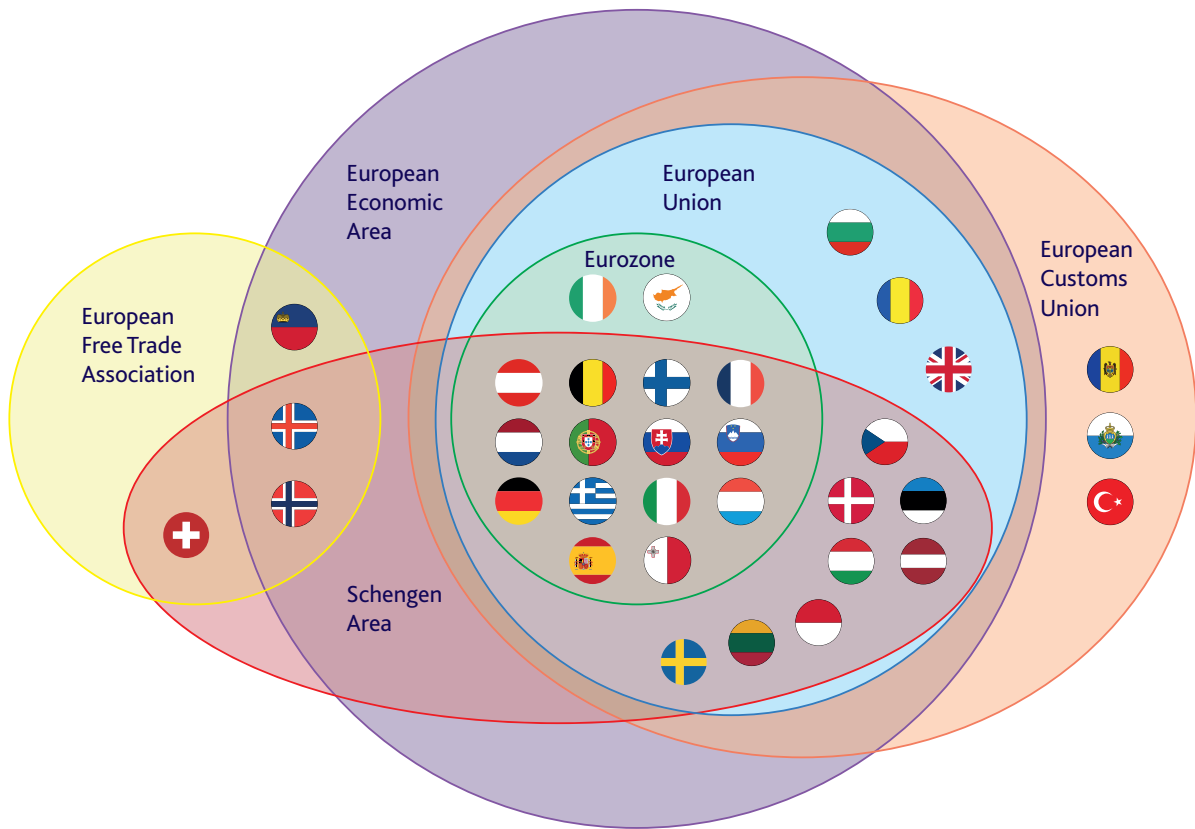
The EFTA has four members: Liechtenstein, Switzerland, Iceland and Norway. All EFTA members also belong to the EEA, apart from Switzerland. The EFTA was founded by the Stockholm Convention in 1960 and was seen as a counterweight to what was viewed as a politically driven European Economic Community. The aims of the EFTA are to promote free trade and economic integration to benefit its member states.

Member states of the EFTA do not have a right of access to the EU single market, and therefore individual states, for instance Switzerland, have had to establish individual agreements with the EU, which is managed by 15 committees.

The EFTA court is the supranational judiciary body which focuses on interpretation and application of the EEA agreement. The EFTA court has a similar function as the European Court of Justice (ECJ) does for the EU and generally follows the ECJ's rulings.

Figure 1 illustrates the interplay between the different agreements that regulate trade and trade-related activities in Europe.

Figure 1: Who is in the EU, EEA, EFTA and Schengen?





2. NORWAY

2.1 BACKGROUND INFORMATION

In 1994, Norway voted in a referendum not to join the EU. The 52% 'no' vote came as a surprise to the political elite. 'No' voters tended to be mainly rural and older people and, from a political perspective, support for the 'no' vote came from the left wing and unions representing agrarian interests. The fear was that the EU would undermine Norway's social agenda and lead to 'social dumping'. Trade unions suggested Norway should not allow free movement of people.

As part of the decision not to join the EU, Norway secured important exclusions from EU regulations – most notably for them, around agriculture and fisheries and trade policy.

2.2 HOW DOES IMMIGRATION WORK IN NORWAY?

Norway's membership of the Schengen area is a bilateral agreement with the EU. Norway joined Schengen so citizens didn't have to show passports to get into Sweden, something they hadn't had to do since 1950.

Immigration to Norway is in the tens of thousands: in 2016, 49,000 people with non-Nordic citizenship immigrated to Norway, a country with a population of 5.2 million. In 2015, those immigrating for work totalled 18,000, a decrease of 16% compared with 2014. Labour immigrants from Poland made up the largest group, with 5,200. Lithuanian labour immigrants were next, with 2,500.

Migrants from outside the EEA are often highly skilled professionals. Norway's shortfall in engineers means that engineers from the Indian sub-continent are given work / resident permits. Lower-skilled workers will not get such permits.

Nordic nationals

- Nordic nationals (that is, citizens of Sweden, Denmark, Iceland or Finland) do not need a residence permit to live in Norway.
- Nordic nationals who plan to live in Norway for more than six months must go to a tax office for an ID and must notify the authorities of their change of address no later than eight days after they arrive.

Non-Nordic EU/EFTA nationals^{7,8,9}

- Norway is a member of the EEA, so EU/EFTA nationals are covered under the free movement of people.¹⁰
- EU and EFTA nationals have the same right to live and work in Norway as any other EEA national – this includes employees, self-employed, students, pensioners, people with their own funds, and people not in paid employment (though registration schemes will differ).
- EU/EFTA nationals must register with the police if they intend to stay for more than three months.
- Those intending to stay for more than six months will be issued with a national ID number and those intending

7 Norwegian Ministry of Foreign Affairs. (2011) *Norway and the EU: Partners for Europe*. Available at: http://www.norway.gr/PageFiles/411711/NorwayandtheEU_2011.pdf

8 <http://www.skatteetaten.no/en/International-pages/Felles-innhold-benytttes-i-flere-malgrupper/Articles/Norwegian-national-ID-numbers/>

9 <https://www.udi.no/en/want-to-apply/work-immigration/duty-to-report-for-job-seekers-who-are-eueea-nationals/>

10 Differences between being an EU member and a non-EU EEA member (as far as the rights of citizens are concerned) relate to issues that aren't directly related to immigration and employment (for example common agricultural and fishing policies, EU customs union, common foreign and security policies, European Court of Justice and European Commission directives).



to stay for less than six months will be issued with a temporary number. This number is essential for working in Norway, as well as other activities such as identifying yourself to the authorities and registering for a bank account.

- Jobseekers from EEA countries are entitled to stay in the country for up to six months – they must report to the police and register as a jobseeker no later than three months after their arrival.
- Once a jobseeker gets a job, they must register as an EEA national (see above).
- If a jobseeker fails to find a job, they must leave Norway but are then entitled to return for another period of up to six months after they leave.

Non-EU/EFTA nationals

All non-EU/EFTA nationals who intend to work in Norway for more than three months require residence permits, as do some that will be working for less than three months. There is a system of residence permits for work purposes covering numerous different personal circumstances, including skilled workers, seasonal workers and jobseekers, among others.

Residence permits for skilled workers who are working for a Norwegian company are offered for one to three years at a time. Applicants must have a concrete job offer from a specific employer that is at least 0.8 full-time equivalent (FTE). The job must require certain qualifications which the applicant must hold, such as university degrees, higher-level vocational qualifications of at least three years in length, and special qualifications gained through work experience equivalent to high-level vocational training. Families of people with a skilled workers residence permit are usually able to apply to come and live in Norway. After three years on one of these residence permits, a person can apply for Norwegian citizenship.¹¹

Residence permits for seasonal work can also be granted to non-EU/EFTA nationals. Seasonal residence permits allow workers to stay in Norway for up to six months. A person cannot stay in Norway for more than six months in any twelve-month period if they are on a seasonal work residence permit. Applicants must have a concrete job offer with pay and working conditions no worse than is normal for Norway. Applicants must also meet the Norwegian government's definition of seasonal work, which includes professions such as forestry, agriculture and the leisure industry but excludes carpentry and other trades.¹²

Jobseekers from outside of the EEA/EFTA are typically not eligible to apply to live in Norway. One exception is for those that have recently graduated in Norway who may be granted a residence permit for a maximum of one year. Another is for jobseekers from one of the 60 non-EEA countries that have an agreement for visa-free visits with Norway. Citizens of these countries can apply for a skilled jobseeker residence permit that lasts for six months. They are only permitted to look for skilled work and must possess relevant qualifications. If the holder does not find work within the six months of their permit, they must live outside Norway for a year before reapplying for the same permit again.¹³

11 <https://www.udi.no/en/want-to-apply/work-immigration/skilled-workers/>

12 <https://www.udi.no/en/want-to-apply/work-immigration/seasonal-workers/>

13 <https://www.udi.no/en/want-to-apply/work-immigration/job-seekers/>

**Table 1: Non-Nordic immigrants to Norway by reason for immigration, 1 January 2016**

	2015	Change in per cent		Total immigration since 1990
		2014 - 2015	2005 - 2015	
Total	49,043	-1.9	104.7	737,588
Labour	18,010	-15.9	180.0	248,216
Family	16,580	2.0	58.5	266,749
Refuge	9,221	31.2	134.3	141,312
Education	4,950	-1.45	63.2	76,794
Other	246	-1.2	141.2	3,762
Unknown	36	.	.	755

Labour was the reason for immigration for 37% of non-Nordic immigrants in 2015, and one third were family immigrants. Nineteen per cent were refugees and 10% were students. Poles were still the largest group among labour and family immigrants that immigrated in 2015, while Syrians constituted the largest group of refugees last year. Among those who immigrated because of education or cultural exchange, many were from the Philippines. Statistics Norway¹⁴

2.3 HOW IS MIGRATION PERCEIVED?

During the Agency Workers Directive (AWD) debate in Norway, trade unions campaigned around concerns about migration and a fear of 'social dumping'. (The AWD was an EU directive which essentially enshrined the principle of equal treatment for agency workers while calling on national governments to review restrictions on agency work.)

The government conducts information campaigns targeted at non-EU migrants, to try and attract them to come and work in Norway – primarily focused on attracting people with skills in IT and engineering.

Employers also sometimes seek to proactively recruit from overseas. For instance, Norwegian staffing agencies have offices set up in Sweden to recruit Swedish nurses to make up for a skills shortage at home. Swedes are prepared to come because the rates of pay for nurses in Norway are traditionally better than in Sweden. The skills shortage is caused by factors similar to those experienced in the UK, namely: not enough nurses are trained; some who complete training do not stay in the job because private sector pay rates are more attractive; many nurses are women and want to reduce their hours after having children; and night shifts mean jobs don't offer a good work-life balance. Nursing unions prioritise collective labour agreements (CLAs) and would oppose attempts to address the pay issue via increments or performance-related pay and it would be very expensive to lift pay for the whole nursing workforce.

In construction, Polish builders coming to Norway has mostly been seen as positive, particularly as it is accepted that domestic workers may not want to work on sites during the harsh Norwegian winters. However, recently unions have charged the recruitment industry with undermining the building trade for Norwegian construction workers. The Confederation of Norwegian Enterprise, in Norwegian *Næringslivets Hovedorganisasjon (NHO)*, refutes this claim and says that the Norwegian builders themselves do not support their own trade bodies' attacks on the agency sector.

Participants in our discussions spoke about how important migration is to Norway: 'without a Polish builder, there is no one to fix your house.' Many felt this is because the Norwegian economy is strong, Norwegians have high

¹⁴ <https://www.ssb.no/en/befolkning/statistikker/innvgrunn>



expectations from work and for their salaries, and migrants will do the work at prices that locals will not. This is not seen as problematic.

Relationship with the EU

Opposition to ceding sovereignty to the EU was a major factor in the 1994 referendum and, as the constitution doesn't allow Norway to cede powers to an agency it doesn't belong to, this was a means of leaving formal sovereignty intact: Norway is not actually bound by EU directives, instead it adheres to EEA regulation and EFTA court rulings, although in practice it does not diverge from the EU and ECJ rules on the topics that are relevant to the EEA.

During implementation of regulations Norway may seek derogations, but both requesting and receiving such exceptions is extremely rare: out of 11,000 legal acts, Norway has derogation from 56. These include rules related to fish oil in supplements and the angle of the curve in tunnels. None are on issues with major political implications.

The EEA agreement was seen as a way of reducing red tape at the time, but in reality the handbook for EU member states is half the length of the one for EEA partners. While agriculture and fisheries are outside the scope, food safety is part of the EEA – and opens the door to Norway having to implement policy affecting agriculture in order to trade (for example around methods of sheep-rearing). Lawyers at the NHO, the Norwegian equivalent of the UK's CBI, commented that 99% of EEA legislation is relevant to Norway and necessary to transpose into Norwegian law.



If you think that choosing the EEA over full EU membership would lead to a bonfire of red tape – that really wouldn't happen!

BIRGITTE STENBERG KRAVIK, NHO SERVICES

Responsibility for EEA membership sits with the Norwegian Department for Foreign Affairs, which then liaises with relevant departments on an issue-by-issue basis. Norway has no decision-making powers within the EU and must rely on its ability to shape decisions before they are taken. This is referred to as its 'democratic deficit'. Norway influences discussion and debates in Brussels by engaging with the main EU member domestic governments – France, Germany, Denmark, and so on. Close relationships with other Nordic countries in particular help Norway to have influence in the EU.

For the most part, Norwegians see their engagement with the EU as far more effective than that of Switzerland – where a negotiation and possible referendums need to take place before implementation of significant new directives, for example on the posting of workers.

Not participating in the EU means there is limited EU knowledge among Norwegian civil servants and ambassadors about the goings-on within Brussels behind doors closed to their government officials. Consequently, business groups such as the NHO, because of their links with stakeholders across the continent, have become essential for informing government.

These informal channels are also important for influence because of the simple fact that the government changes every four years, which means it struggles to build deep relationships to help towards 'decision-shaping' in Brussels.



Labour market

Unemployment is currently 4.8% in Norway (May–July 2016). This is the highest it has been in ten years and reflects a recent upward trend – it was just over 3% in 2014. There are 2.6 million people in work, an employment rate of 67.4%.¹⁵

Despite not being involved in their development, Norwegian business bodies do not believe that implementing employment policy deriving from the EU is a problem. They believe that their domestic standards are already so high that in reality it requires little change, and that the EU actually looks to copy their laws.

In Norway employers are only permitted to hire agency staff for temporary projects or jobs. Temporary workers are employed permanently but not paid if not on assignments.

Norway has 25,000 agency workers out on assignment on any given day, approximately 1% of the working population (compared with the REC's estimate of 1.2 million in the UK, which is equivalent to 3% of the working population). Agency workers tend to be on assignment for just three to four months at a time and generally go on to get permanent work. In the UK in 2014/15, 64% of agency worker and contractor assignments secured via agencies were for 16 weeks or longer (though only 4% were for a year or more).¹⁶ However, it's thought quite possible that the restrictions on the use of agency workers are not strictly enforced all of the time, though there is no data to illustrate to what extent this might be happening.

There is no minimum wage in Norway but it does have collective labour agreements which, as well as covering all of the public sector and over half of the private sector, are specifically extended to areas of the labour market where there are high proportions of foreign workers and the government is worried about 'social dumping'.¹⁷



The Norwegian government has defined social dumping as the act of offering foreign workers wages and other conditions which are unacceptably low compared to what Norwegian workers normally get, or when other conditions like working hours, living quarters and working environments don't live up to existing rules or the expected standard.

BJÖRN LINDAHL, NORDIC LABOUR JOURNAL¹⁸

Politics

Sovereignty and self-determination were the big factors in both of the Norwegian referendums on EU membership in 1972 and 1994, having only gained independence from Sweden in 1905. But all sides understood the need for business to be a member of the single market. Membership of the EEA was seen as a good way to compromise – a temporary compromise that has never been progressed further.

In public debate all parties, including the media, treat Schengen, refugees and economic migration as distinct issues and do not conflate them.

¹⁵ <https://www.ssb.no/en/arbeid-og-lonn/statistikker/akumnd/maaned/2016-08-24>

¹⁶ REC. (2015) *Recruitment Industry Trends Survey 2014/15*. November. London: REC.

¹⁷ <http://www.worker-participation.eu/National-Industrial-Relations/Countries/Norway/Collective-Bargaining>

¹⁸ <http://www.nordiclabourjournal.org/i-fokus/in-focus-2013/social-dumping/article.2013-04-15.4323513408>



Our press aren't as anti-EU as yours.

TORE MYRHE, DIRECTOR OF INTERNATIONAL RELATIONS AND POLITICS, NHO

There is some discussion about child benefits being sent back to migrants' home countries, but the debate is not about any perceived strain on public services or housing. Those concerns do arise around non-EU/EEA migrants, though. The business body representatives we spoke with in Norway insisted that there is generally no perception that migrants take jobs from Norwegian workers. Perhaps counterintuitively, the discrepancy in pay between native workers and immigrants in some sectors is what makes Norwegian workers feel that Poles, for instance, are not a threat: their wages are too low for Norwegians to feel they are competing with them.



Everyone knows that Polish workers benefit the economy. People accept that.

JAN OLE GUDMUNDSEN, SENIOR ADVISER, MINISTRY OF FOREIGN AFFAIRS

Considering why there is less negativity towards immigrants in relation to impact on employment, wages and public services in Norway compared with in the UK, the NHO felt that differing government responses to the global economic crisis could have played a part. The Norwegian government has not cut benefits since the global financial crisis and is able to increase benefits without raising taxes because they have sufficient funds from oil reserves. Further, the Norwegian average wage is higher than in the UK,¹⁹ and the span of wages – from lowest to highest earners – is smaller.



We don't have so many people who feel left behind.

JAN OLE GUDMUNDSEN, SENIOR ADVISER, MINISTRY OF FOREIGN AFFAIRS

2.4 NORWAY'S VIEW ON OPTIONS FOR THE UK

The Norwegian Ministry of Foreign Affairs had already formed its own Brexit unit in August 2016 to address the impact that the referendum result will have on their country and its relationship with the EU. They have been contacted by the UK's embassy in Norway, other embassies and the British press, who are interested in learning about the Norway model.

When the UK leaves the EU, Norway will lose both a like-minded ally and a contact within Brussels. When the Norwegian government and its business community want to lobby on a specific issue, they often turn to their British counterparts to help – for instance, around topics where they know there is a shared, economically liberal outlook, such as reducing red tape. As a country that generally seeks market-based solutions, Norway is disappointed about the prospect of the UK's exit reducing the number of EU members with that attitude.

Norway feels it is the 'superpower' of the EEA and that, were the UK to join, it would dominate the group and Norway would then have less relative power. There is also concern that in the EEA the UK would exercise its 'right

¹⁹ Average (gross) monthly earnings, excluding overtime pay, were NOK43,400 in the third quarter of 2015, equivalent to £3,980 at the current exchange rate. <https://ssb.no/en/arbeid-og-lonn/statistikker/lonnansatt>

to reserve²⁰ more often (Norway has never actually exercised its 'right to reserve'), which would result in the suspension of parts of the EEA agreement – which Norway doesn't want to happen.



We don't want you in the EEA; you'll delay implementation of things by having long internal UK debates about everything.

LISELOTTE LUNDE, POLITICAL ADVISER, LIBERAL PARTY

On the other hand, the UK being outside the EU may present an opportunity for Norway to partner with the UK for decision-shaping. The expectation is that Westminster will be able to apply greater resources to this task than Norway is currently able to do. However, this would rely on the UK remaining in the single market.

No one we spoke to expects the UK to be able to secure any kind of opt-out from the free movement of people. Politically, it is clear that any concessions on free movement for the UK would open that debate in other countries – and this is unwanted, both by the Norwegians and, they feel, by other EU governments.

Lisalotte Lunde of the Norwegian Liberal Party (Venstre), which holds 9 out of 169 seats in the Storting, outlined what she sees as the arguments on both sides of the UK joining Norway in the EEA that the British should now be weighing up:

Norwegian Liberal Party perspective on pros and cons of EEA membership as a choice for the UK

Benefits	Drawbacks
Right to sit in and comment on some committees	No vote
Member of the single market	No limit on freedom of movement
UK citizens maintain right to live and work across the EU	It costs the same as EU membership
No commitment to work towards 'ever closer union'	It could damage the UK's financial sector

Key points raised by business organisations in Norway:

- In Norway's strong economy, migrant workers are less of a political issue; though in industries that are declining, workers are more sensitive to the presence of migrant workers.
- Migrant workers are not perceived as a problem by native workers if (a) the native workers are confident their own wages will not be affected by migrant workers accepting lower-paid jobs, (b) migrant workers are doing jobs that native workers would not want to do themselves, and (c) funding for public services is perceived to be sufficient.
- National debates about immigration are politically easier when the different causes – such as refugees and migrant workers – are discussed separately.
- Even in a country where sovereignty was a key determining factor in deciding whether or not to join the EU, it was deemed a step too far to require passport controls at the border with a neighbouring country with strong historical ties and no language barrier.
- Skills shortages mirror those in the UK and across Europe – engineering, healthcare, IT – meaning demand for these skills is not limited by a country's membership of any particular customs union or free trade area.

20 Sometimes, incorrectly, referred to as a 'veto' over EEA adoption of regulations.



3. SWITZERLAND

3.1 BACKGROUND INFORMATION: HOW THE MIGRATION SYSTEM WORKS IN SWITZERLAND

EU and EFTA member states

A citizen from an EU or EFTA member country can participate in the Swiss labour market under freedom of movement. Currently, a resident from an EU or EFTA member state can access the Swiss labour market irrespective of whether they have a job offer or specific qualifications. Switzerland joined the Schengen border-free area in 2008.

An EU/EFTA national can be issued with a permit and stay in Switzerland for up to a year without a job, so long as they provide evidence that they are actively looking for a job. As a starting point, EU/EFTA nationals are entitled to stay in Switzerland for three months. They can extend their stay with a special short-term permit, up to six months in the first instance and up to a year if registered at a regional employment centre, which is a public service akin to Jobcentre Plus.

Bulgarian and Romanian nationals were subject to a limited quota system which restricted the number of residence and short-term permits they were issued with. This applied until 31 May 2016.



EU migrants are not regulated at all. They can come in and out and we don't regulate them. In principle it is no problem to get a permit for EU migrants. The permit is granted almost automatically.

**HENRIQUE SCHNEIDER, CHIEF ECONOMIST,
SWISS FEDERATION OF SMALL AND MEDIUM ENTERPRISES**

The unemployment rate (by the ILO definition) in Switzerland is 4.5%.²¹ In terms of skill shortages, in the 2015 Manpower survey, 41% of employers stated that they were struggling to find workers with the right skills. In total, half of employers (50%) stated that they could not find workers with the right technical skills, up from 36% the previous year.²²

Nonetheless, as Table 2 shows, the proportion of foreign workers that fall within 'professions and upper management' or 'supreme management' has largely remained the same in the years between 2011 and 2015. In fact, only 'unskilled workers and employees' has fallen, from 18.5% in 2011 to 15.4% in 2015.

²¹ <http://www.bfs.admin.ch/bfs/portal/en/index/themen/03/03/blank/key/erwerbslose0/struktur.html>

²² <https://www.manpower.ch/en/press-room/talent-shortage/>

**Table 2: Distribution of foreign workers in Switzerland across skill/management levels**

Proportion of foreigners (%)	2011	2012	2013	2014	2015
Supreme management	2.4	2.1	2.1	2.0	2.0
Free and equivalent professions	1.7	1.7	2.1	2.1	2.1
Other self	5.7	6.5	6.0	5.8	5.0
Professions and upper management	19.6	20.5	21.9	22.8	23.7
Intermediate professions	23.7	23.0	23.0	23.7	24.3
Qualified non-manual occupations	15.7	15.9	15.3	15.1	15.1
Skilled manual occupations	8.8	8.6	8.5	8.5	8.3
Unskilled workers and employees	18.5	18.3	17.0	15.7	15.4
Apprentices	3.6	3.7	4.1	4.0	3.9
Not divisible	0.3	0.3	0.2	0.3	0.3
Total	100	100	100	100	100

Referendum in 2014

In Switzerland, any law or legislative act of parliament can be contested in the event that within 100 days 50,000 eligible voters sign a request for a referendum. A simple majority is sufficient to accept or reject a law or legislative act. A referendum can be held if a minimum of 8 out of Switzerland's 26 cantons request it.

Before the referendum in 2014, several referendums were called which set out to limit immigration, all of which were unsuccessful in eliciting a sufficient proportion of votes to pass. In 1988, there was a vote 'for the limitation of immigration' (aiming for a 'one in, one out' system for permanent foreign residents and limitations on temporary permit numbers).²³ Twelve years later, in 2000, there was a referendum 'for regulation of immigration' (aiming to limit the number of foreign nationals in the resident Swiss population to 18%).

In 2012, there was a referendum to 'stop overpopulation – to secure the natural foundations of life' (aiming to limit population growth due to immigration to an average of 0.2% over a three-year period and fund family planning initiatives abroad).²⁴

Before the referendum in 2014, a safeguard clause existed. The clause allowed the reintroduction of quotas (which were relaxed after the transitional period for free movement of travel of EU nationals) up until May 2014. In the case of Bulgarian and Romanian nationals, the transitional period is in place until 2019.

On 9 February 2014, a referendum posed the question, 'Do you accept the federal popular initiative "against mass immigration"?' This time just over half of the Swiss voting population (50.33%) voted 'yes'. This led to a change in the constitution, which has yet to be operationalised into the Swiss legal framework. A fundamental consequence of the referendum is that the repeal of free movement of people automatically results in the lapse of the bilateral agreement between the EU and Switzerland, unless a compromise is reached. The question of the quota has to be resolved by February 2017.²⁵

23 <https://www.admin.ch/ch/d/pore/va/19881204/det355.html>

24 <https://www.admin.ch/ch/d/pore/va/20000924/det467.html>

25 <https://www.admin.ch/ch/d/pore/va/20141130/det588.html>



One possible outcome will be that the EU and the EFTA will become subject to the same restrictions as third-state nationals (see 'Third-state nationals' below).

“ The thing that Europeans didn't understand is that the referendum wasn't about xenophobia. Swiss people just have a desire to be alone; it was felt that there were just too many people in the country. There was a general sense that there are too many people living here. This was the only logical thing to do.

Switzerland has demonstrated that it can integrate people without problem. We have the highest rate of foreigners in Switzerland: about 27%²⁶ of the population is foreign born.

HENRIQUE SCHNEIDER, CHIEF ECONOMIST, SWISS FEDERATION OF SMALL AND MEDIUM ENTERPRISES

There are a number of proposals on how the constitutional change will be operationalised. What is almost certain is that EU migrants will be subject to a quota-based system. The two main proposals suggest a tightening on the burden of proof for employers to show that no suitable domestic candidate exists, and that EU nationals will have to show that they have a job on arrival.

As of September 2016, the Swiss government has proposed a solution of 'locals first for jobs' which would give residents, including EU nationals with residence permits, first preference on jobs. It also requires jobs to be advertised in Switzerland first but does not set a fixed cap on EU migration.

According to Henrique Schneider from the Federation of Small Businesses, Switzerland could introduce a quota-based system, but it will remain flexible, such that employers can still access EU high-skilled workers. Alternatively, a strict quota system could be put in place which will annually reduce the numbers of EU workers permitted to work. These proposals are due to be discussed in the Swiss Parliament in late September 2016.

“ We have seen a change in the number of migrants since the decision in the referendum. There is a claim in the media that it is difficult to attract them now. But it is difficult to identify causality – the German economy is stronger now and the Swiss economy is going through some troubles.

Migration has fallen about 20% since last year.²⁷ There is a fall in migrants coming from the neighbouring countries and those that are highly qualified. The share of unqualified workers has increased.

DR MARIUS OSTERFELD, ECONOMIST, SWISSSTAFFING

At the same time, it is important to recognise that the referendum outcome in Switzerland caused some consternation in the EU, with EU diplomat Maciej Popowski stating in 2015 that a new referendum is 'inevitable, probably at the end of 2016'.²⁸

26 The foreign permanent and non-permanent resident population as a percentage of total permanent population is 25.8%. The foreign permanent and non-permanent resident population is 2,145,200: <http://www.bfs.admin.ch/bfs/portal/en/index/themen/01/07/blank/key/01/02.html>. The total permanent population is 8,327,100: <http://www.bfs.admin.ch/bfs/portal/en/index/themen/01/02/blank/key/bevoelkerungsstand.html>

27 The proportion of non-permanent foreign nationals from the EU28 that work in trade and industry fell by 19.9% between June 2015 and June 2016; the proportion from the EU17 countries in this sector fell by 15.2%, and from the EU8 countries it fell by 47.2%. <https://www.sem.admin.ch/dam/data/sem/publiservice/statistik/auslaenderstatistik/monitor/2016/statistik-zuwanderung-2016-06-q2-f.pdf>

28 <https://euobserver.com/institutional/128281>



The EU and ECJ

Switzerland has never been part of the European Union and is therefore not compelled to adhere to EU legislation or ECJ judgments. In fact, with regard to EU labour regulation, Switzerland has a different set of rules. As Henrique Schneider pointed out: 'We don't have paternity leave, we have a shorter maternity leave. Our labour safety standards are self-regulatory. There is no oversight. We want to keep it as flexible as possible.'

Third-state nationals



We have free movement of EU workers. The government has become much stricter with migrants from third countries; the government is aware that they can limit the numbers here and have said 'there we can do something'.

DR MARIUS OSTERFELD, ECONOMIST, SWISSSTAFFING

A third-state national can only access the labour market with a visa. An employer must satisfy the requirement that they have taken intensive efforts and are not able to find a suitable candidate who is a Swiss national, a foreign national who is a permanent or long-term resident, or from an EU or EFTA member state.

A third-state national must have a work contract and the necessary work permit before they arrive in the country. A third-state national is granted a work permit if:

- It is considered in the general economic interest.
- The established quotas have not been used in that year.
- There is no one with equivalent qualifications in Switzerland or in an EU/EFTA member state.
- They are managers, specialists or other qualified workers. This is primarily people who are holders of higher education qualifications and who have specific technical expertise and professional experience.
- They can demonstrate they are able to adjust to a new occupational and social environment, which will account for factors such as language skills and age.
- Salary and working conditions are equal to those that apply to Swiss nationals.

Table A1 in the appendix sets out the steps required for a third-state national to access the Swiss labour market.

Switzerland's Federal Council set out the quotas for third-state citizens, which are divided between each canton based on their needs. In 2016, the Council opted to maintain the same level of quotas as 2015, which represented a decrease when compared with 2014.

From 1 January to 31 December 2016, the Federal Council made 2,500 work authorisations for long-term (valid for up to five years) 'B permits' and 4,000 work authorisations for short-term (three to twelve months) 'L permits'. B permits can be extended for five more years as long as the worker has an employment contract. Each of the 26 cantons is then apportioned a set number of permits, with Zurich, Bern and Vaud receiving the most.²⁹

²⁹ www.santaferelo.com/news-and-blog/Switzerland-Immigration-Update-Swiss-Federal-Council-sets-quotas-for-third-country-citizens-and-EU-seconded-employees-for-2016



3.2 HOW EFFECTIVE IS THE QUOTA-BASED SYSTEM?

The tightening of the quota system is clearly having an impact on the number of permits issued. A blog on the Deloitte website notes the following:

“ Due to the reduction of quotas and the upcoming changes to the immigration law based on the Mass Immigration Initiative, we have observed that in many cases Swiss authorities have become stricter when reviewing work permit applications. As a consequence, work permit applications for profiles that have been approved in 2014 might have a lower approval rate with the authorities in 2015. A common rejection reason is the lack of economic relevance for the Swiss market.

Work permit applications have a much higher success rate for highly qualified employees with a very specific skillset. We have noticed that for employees on lower salaries it is becoming increasingly challenging to obtain a work permit.

As a consequence, Deloitte recommends that employers should plan and initiate assignments two to three months in advance, use short-term permits (120-day or four-month permits), which are not subject to quotas, and evaluate the chance of a successful application before proceeding with a request.³⁰

However, for other organisations, the quota system is sufficiently flexible to respond to need, particularly in sectors with skills shortages such as life sciences and manufacturing:

“ As it is now, it is pretty good. It is flexible enough to absorb EU migrants. They tend to be cheaper than the Swiss workforce. There are some sectors – for instance we have a shortage of particular types of technicians – where there is no domestic labour market. Therefore they need EU people.

For third-state nationals there is a sense that if you want to bring people from other countries, you should be offering a package to come here. The quota system only reproduces – takes the reality and produces it on a regulatory level. The quotas are based on past experience.

We work pretty well with this system. From our employer point of view, it allows us to bring people that we need. Pharmaceutical, food processing, cement industry, the plastics industry – they need people from outside. From the employee perspective, the system can create friction. We not only import high skilled; we have an influx of skilled people who are not too comparable with our [Swiss] skill. We import them because they are cheaper. This strata of people, we can see that this import generates downward pressure on wages.

DR MARIUS OSTERFELD, ECONOMIST, SWISSSTAFFING

³⁰ <http://blogs.deloitte.ch/tax/2016/03/swiss-immigration-challenges-for-business-travellers-what-you-should-know.html>



Key points raised by business organisations in Switzerland:

- The number of permits issued has tightened in recent years, even before the referendum result, which has yet to be put into law.
- Following the referendum result, the number of permits issued will most likely tighten further as a clear response to public and political perceptions of migration.
- Businesses are now being advised to plan further ahead if they need to recruit from overseas or to use short-term / temporary permits, which are not subject to the same quotas.
- Despite this, business groups are happy with the system. They feel it provides enough flexibility to bring in the skills that are not available in the domestic labour market.
- The sectors where this international need is felt to be particularly high are life sciences and manufacturing.
- But while businesses are comfortable with the system, individuals are not always as happy. It is acknowledged that international labour could be recruited more cheaply and this can cause friction.



4. AUSTRALIA

We acknowledge that the adoption of an Australian points-based system has already been discounted by the UK government. However, some of the specific immigration measures in place and the feedback from business representatives can still be instructive as we develop a bespoke solution for the UK labour market.

4.1 BACKGROUND INFORMATION: HOW THE MIGRATION SYSTEM WORKS IN AUSTRALIA

Temporary Work (Skilled) (subclass 457) visa

A central feature of the Australian immigration system is the Temporary Work (Skilled) (subclass 457) visa, more generally referred to as the 457 visa. The aim of this programme is to:

- manage a demand-driven skilled migration programme
- support foreign investment and trade through relocation of workers of multinationals, and
- encourage businesses to bring in skilled workers.

The 457 visa was introduced in 1996.

Employers can sponsor a skilled worker from overseas when they are unable to find a domestic worker. Overseas businesses seeking to relocate to Australia can also transfer their workers.

A 457 visa is valid for four years. A worker can reapply for a temporary visa at the end of the four years or start an application for a permanent visa on arrival in Australia.

The occupations that are covered by 457 visas are listed in the Australia and New Zealand Skilled Occupation (ANZSCO) list, which is published by the Australian Bureau of Statistics. The occupations take account of skill level, qualifications and training. The listed occupations are reviewed annually, with this year's list published on 1 July 2016.

Listed occupations are generally broad, which can mean that it is difficult to filter out low-skilled applicants. An income threshold therefore indicates that a role is suitably skilled to qualify for the 457.



It goes down to hairdressers, cooks and chefs and then up to GPs. There has to be an identifiable agreement. You have to prove that there is a gap in the market.

ALAN CHANESMAN, FOUNDER, PRINCIPAL PARTNER AND CEO, LIPMAN JAMES

The threshold should not impact on market rate of pay but is a signal that the position is a skilled position.

Table 3 compares the number of applications received in the last two years.

**Table 3: Applications to 457 visa scheme, Australia³¹**

	2014–15 at 31 March 2015	2015–16 at 31 March 2016	% difference
Primary applications lodged	40,870	40,100	-1.9%
Primary applications granted	38,130	33,340	-12.6%
Primary visa holders in Australia	106,750	97,770	-9.2%

In March 2016, the top three occupations for which a 457 visa was awarded were:

1. cook (5.3%)
2. developer programmer (4.3%)
3. café or restaurant manager (4%).

The top three citizenship countries were India (24.9%), the UK (17.2%) and China 6.2%.



The 457 visa is the only legitimate working visa. The overarching position is that this programme is seriously geared to skilled provision. Eighty-five per cent of foreign workers would come through this route.

The assumption is that they will transition to permanent residency. It is structured in a way that either you remain with your original employer for two years and then you apply for residency after two years, or someone who does not want to wait to two years can submit an application for permanent residency if they fulfil other criteria, such as language.

ALAN CHANESMAN, FOUNDER, PRINCIPAL PARTNER AND CEO, LIPMAN JAMES

The system in Australia is still evolving. As recently as 10 September 2016, changes were being made to the points-based system, awarding five extra points for students from Australian institutions with a doctorate or master's in science, technology, engineering and mathematics, or information and communication technology.³² On 12 September, the Productivity Commission, which provides independent research and advice to the Australian government, recommended that future policy should prioritise younger, skilled, English-speaking migrants and thereby 'raise the bar' in terms of the entry requirements for permanent migrants. The report specifically recommends better integration of migrants and that there is an independent review into the employer training requirements under 457 visas by 2020.³³

³¹ <https://www.border.gov.au/ReportsandPublications/Documents/statistics/457-quarterly-report-2016-03-31.pdf>

³² <http://migrationblog.border.gov.au/>

³³ www.pc.gov.au/inquiries/completed/migrant-intake/report



Other routes to access foreign labour

Labour agreement

A labour agreement is a formal arrangement between an Australian employer or industry association, the Australian government and the Department of Employer and Workplace Relations. It provides an arrangement for employers and sectors with specific skill shortages and sets out the prerequisite skills, qualifications and language level that workers must satisfy. The candidate does not need to satisfy the points-based system, but does have to meet the basic skills requirements for skilled migration.



There was discussion for a route for semi-skilled and sub-skilled. They dropped this idea when they had the labour agreement.

ALAN CHANESMAN, FOUNDER, PRINCIPAL PARTNER AND CEO, LIPMAN JAMES

Regional Sponsored Migration Scheme

This is a permanent residence visa programme for skilled migrants who intend to work in specific regional areas of Australia. Eligibility is based on the following criteria:

- nomination by an employer for a job in regional Australia (excludes the Gold Coast, Brisbane, Newcastle, Sydney, Woollongong and Melbourne)
- below the age of 50, unless exemption applies
- meets skills, qualification and English language requirements.

Permanent residence programme

This year, 190,000 permanent residence places were available (for the year 2015–16). The number of allocated places is reviewed on an annual basis. The Department for Immigration and Border Protection website states that the cap is set following consultation, which takes account of 'community views, economic and labour force forecasts, international research, net overseas migration and is informed by economic and fiscal modelling'.³⁴

For more details on Australia's permanent residence programme, please see the [appendix](#).

4.2 HOW EFFECTIVE IS THE ECONOMIC MIGRATION SYSTEM (457 VISA)?

The 457 visa has changed since its inception in 1996. For instance, in July 2013, a review resulted in a tightening of the language requirements, the employer having to demonstrate that they have a vacancy and commit to training local workers. In 2013–14, the number of grants issued fell by 22%.

The report Filling the Gaps: Findings from the 2012 survey of subclass 457 employers and employees (2012) identified strengths and limitations of the 457 visa:

- Applicants for the 457 are typically young and had a higher level of English proficiency than required to qualify for the visa.
- Visa holders had a high income. As of May 2012, the median gross annual income was \$77,000 (£43,434) per annum and 43% earned more than \$80,000 (£45,126).

³⁴ <http://www.border.gov.au/about/corporate/information/fact-sheets/20planning>



- The 457 programme was increasingly used as a vehicle for permanent residence, with 72% of visa holders intending to submit an application for permanent residence.
- The majority (86%) of visa holders were satisfied with the programme.
- But 14% stated that they had not been provided with the same rights and benefits available to Australians.
- Other issues identified included allowing visa holders to work for more than one employer and to terminate their contract with sponsors that mistreat them.
- In terms of employer feedback, the survey found that:
 - The majority of sponsors (59%) were small or medium-sized companies (fewer than 50 employees).
 - Approximately half of sponsors employ only one 457 visa holder, and 63% had a workforce comprising less than 10% of 457 visa holders.
 - 28% of employers felt that 457 visa holders were of a higher standard when compared with their Australian employees.
 - 98% of those employers surveyed stated they were satisfied with the 457 visa.
 - But 20% felt that the process was too long, and 20% stated that the process was too complex. In addition, 12% suggested that the process should be simplified and 10% stated that the process should be faster.

The last point chimes with some of the concerns raised by our interviewees:

“ Business has no choice but to participate, even if it is a cost to the business. The cost of employing someone from overseas is calculated at 30% above the domestic source. This is all very well for businesses that are flushed with funds or geared to the international market. But a garage in a town, who can't get an apprentice? Most people can't access this cost.

The number of businesses that use the system is very small because of the admin costs and the labour costs. It affects the products we produce and how competitive we are.

If you put in an application for a 457 it takes months and months.

ALAN CHANESMAN, FOUNDER, PRINCIPAL PARTNER AND CEO, LIPMAN JAMES

“ There would be a lot more demand for foreign labour if there was a removal of bureaucracy. The rules are there to avoid the stress of being lazy and dependent on foreign labour. But this slows our rate of growth to respond in a global economic environment.

**CHARLES CAMERON, RECRUITMENT & CONSULTING SERVICES ASSOCIATION
AUSTRALIA AND NEW ZEALAND**

The interviewees also felt that political considerations heavily influence the design of the 457 visa, to the detriment of meeting the labour needs of the country. There is some concern that the political desire to reduce the number of foreign workers has shaped the way in which Australia's policy is implemented.



“ We are a relatively small connected economy, we are reliant on a number of factors. The number of positions available far outweighs the labour force. Our wages system is lower, it is much more attractive to go to Canada or the US, particularly in IT and engineering. We have a challenge attracting migrants. You would [have] normally made the migration programme easier, but it's one of the toughest in the world. It is easier to get a [US] green card.

ALAN CHANESMAN, FOUNDER, PRINCIPAL PARTNER AND CEO, LIPMAN JAMES

“ Each government has tinkered with the visa system, following a government review, and they have never made it easier.

CHARLES CAMERON, CEO, RECRUITMENT AND CONSULTING SERVICES ASSOCIATION

“ They are keen to stress that the Australian points-based system is not capped and this is right on the face of it. But they are ramping up the requirements so much that they control the numbers by setting the requirements as high as they can.

If I was designing a skilled migration process from scratch, the model I would use is New Zealand. They have come to terms with migration for economic success – bringing economic migrants to the country to develop other industries away from dairy.

ALAN CHANESMAN, FOUNDER, PRINCIPAL PARTNER AND CEO, LIPMAN JAMES

The interviewees also mentioned rural discrepancies, given that it is often easier to encourage applicants to the metropolitan areas.

“ We live in a big country with the population living around our borders. Where it affects the labour market the greatest is in the rural needs. If there is one area [where] we need more people ... it is rural Australia.

ALAN CHANESMAN, FOUNDER, PRINCIPAL PARTNER AND CEO, LIPMAN JAMES



Key points raised by business organisations in Australia:

- The migration system and associated policy in Australia is felt to be unduly strict. This has come about as a direct result of the public and political perception of migration.
- The public / political perception of migration is not felt to necessarily align with the perceived needs of business and the labour market.
- The rigidity of the system leads to a sense of it being bureaucratic and costly.
- This, alongside the lower wage rates nationally in comparison with other English-speaking countries, means businesses believe Australia is not viewed as an attractive destination by migrants.
- Like many other countries, Australia looks to its nearest neighbours and international competitors to see if there is anything they can learn from other systems. In their case, the business groups view the grass as being much greener in New Zealand and, surprisingly perhaps, in the USA.



5. CANADA

5.1 BACKGROUND INFORMATION: HOW THE MIGRATION SYSTEM WORKS IN CANADA

Permanent residence programmes

Canada uses two main mechanisms to grant permanent residence: the Family Class and the Economic Class. In the Economic Class – the programme for skilled migration – applicants are assigned points for factors such as age, education, language proficiency and work experience. The educational requirements are low, but additional points are awarded where an applicant has qualifications.

The following programmes fall within the Economic Class:

- Federal Skilled Worker Program (FSWP): more than 80% of all admissions fall within this programme, which is designed to attract high-skilled workers; the FSWP is capped
- Federal Skilled Trades Program (FSTP)
- Canadian Experience Class (CEC).

In March 2016, the Canadian government announced a target of between 280,000 and 305,000 new permanent residents, of which 160,600 were classed as 'economic'.³⁵

A centralised online application system, called Express Entry, has been in place for all permanent residence applications since 2015. All applicants use this online platform and they are filtered out if they are not eligible for one of the three programmes above. Those that are eligible are entered into the pool of candidates, where they are then ranked. Those that are ranked above a specific threshold are then granted an 'Invitation to Apply', in which they have 60 days to apply for one of the three programmes.

The Express Entry system allows the most appropriate applicants to be pooled and have faster processing times, with the target of processing 80% of applications within six months.

Temporary residence programmes

There are two routes for temporary residence for skilled workers. The first route is the Temporary Foreign Worker Program (TFWP), which has both a high-wage and a low-wage stream. The majority of applicants are in the low-wage stream. Applicants must have a job offer and a positive Labour Market Impact Assessment (LMIA).

For those applying under the high-wage stream, employers must obtain a positive LMIA to prove that the worker is needed for a particular position. An impact assessment costs an employer CAD1,000 (c. £571) and is valid for six months. In addition, employers must produce a Transition Plan, which will set out how they plan to recruit and train Canadians and how they will support the foreign workers to become permanent residents. A temporary worker will use the impact assessment to support their application for a work permit.

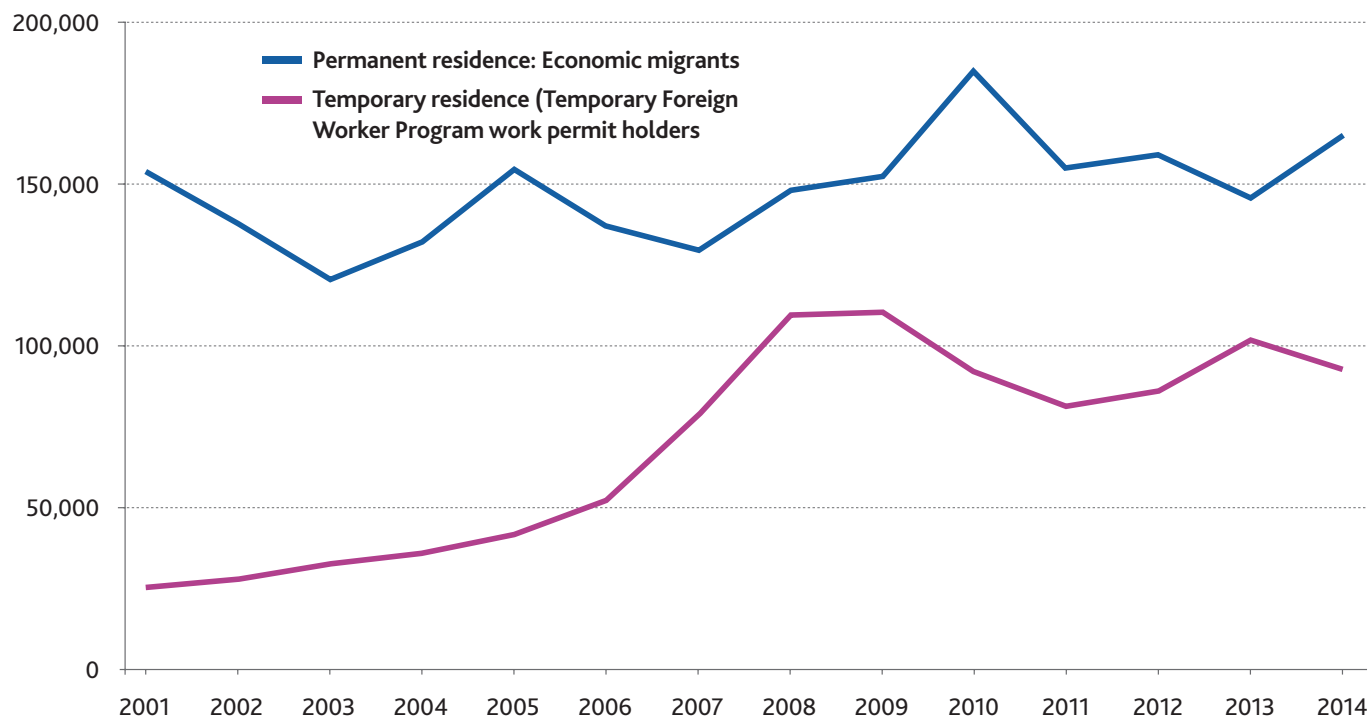
The second route is the International Mobility Program (IMP) (see the appendix).

Figure 2 sets out the change in volume of foreign workers between 2001 and 2014.

³⁵ www.cic.gc.ca/english/department/media/notices/2016-03-08.asp



Figure 2: Number of foreign workers in Canada, 2001–14³⁶



The TFWP allows Canadian employers to hire foreign nationals to fill temporary labour and skill shortages in the event that there are no suitably qualified Canadian citizens or permanent residents. The TFWP is designed to support temporary gaps in the labour market, and therefore foreign workers using this programme are restricted to a four-year period before they have to return to their country of origin.³⁷

Until 2012, temporary foreign workers could be paid 15% less than the average wage paid to domestic workers. Following concerns raised by labour groups that the pay differential would depress wages for all, in 2013 the government stated that temporary foreign workers should be paid minimum wage.

Employment / unemployment rates

As of August 2016, Canada had 60.9% employment and 7.0% unemployment.³⁸ In terms of immigration of permanent residents in 2014 there were 9,645 managerial, 28,225 professional, 22,847 skilled and technical, 6,538 intermediate and clerical, 2,103 elemental and labourers.³⁹ Table 4 sets out the number of temporary residents by skill level, the highest number sitting within intermediate and clerical.

³⁶ www.cic.gc.ca/english/resources/statistics/menu-fact.asp

³⁷ www.cic.gc.ca/english/resources/publications/employers/temp-foreign-worker-program.asp

³⁸ www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss01a-eng.htm

³⁹ www.cic.gc.ca/english/resources/statistics/facts2014/permanent/22.asp


Table 4: Temporary Foreign Worker Program work permit holders by occupational skill level⁴⁰

Occupational skill level	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
O - Managerial	1,840	2,004	2,400	2,851	2,439	2,748	3,000	3,327	2,879	1,565
A - Professionals	18,059	19,426	19,824	18,983	16,779	16,392	12,301	11,300	9,787	6,388
B - Skilled and Technical	14,122	16,011	23,103	28,124	23,428	22,535	27,771	33,202	33,099	19,573
Higher-skilled	33,631	37,174	45,107	49,702	42,410	41,393	42,754	47,592	45,533	27,465
C - Intermediate and Clerical	41,494	46,793	58,617	58,595	52,616	50,421	51,751	49,317	50,573	52,042
D - Elemental and Labourers	1,925	4,029	10,834	20,491	15,986	14,102	17,937	20,639	23,098	15,646
Lower-skilled	43,404	50,810	69,346	78,760	68,318	64,354	69,343	69,610	73,202	67,496
Other occupations	268	442	379	470	383	367	572	523	550	382
Total unique persons	77,131	88,281	114,626	128,384	110,745	105,649	111,833	116,781	117,996	95,086

5.2 HOW EFFECTIVE IS CANADA'S IMMIGRATION POLICY?

Much like elsewhere, Canadian policy is one in evolution. For instance, the TFWP has undergone recent changes. This includes phasing in a cap on the proportion of low-wage foreign employees that any one organisation can bring in – in 2016, the cap was frozen at 20% despite discussion that the cap would be reduced to 10%. The Express Entry system was also modified to speed up the filtering process. But in a report by the C.D. Howe Institute, the authors highlighted some possible unintended consequences:

- It is harder for international students at Canadian universities to become permanent residents.
- It has shifted competition for jobs from temporary foreign workers to new permanent migrants.
- The permanent immigration policy takes a short-term view by prioritising labour market needs as they currently stand, rather than anticipating long-term needs.⁴¹

In terms of the public perception of migration, a report from Focus Canada published in spring 2015⁴² found that:

“ The public continues to believe that immigration is good for the economy, and are more confident than before about the country's ability to manage refugees and potential criminal elements.

Multiculturalism continues to be seen as one the country's most important symbols, and this view has strengthened since 2010. The most significant ongoing public concern is about immigrants not adopting so-called Canadian values, but this sentiment has diminished in strength since 2012. Moreover, there is now broad consensus that someone born abroad is every bit as likely to be a good citizen as someone born in the country.

⁴⁰ <http://www.cic.gc.ca/english/pdf/2014-Facts-Figures-Temporary.pdf>, p13.

⁴¹ Beine, M., Boadway, R.W. and Coulombe, S. (2016) Moving Parts: Immigration Policy, Internal Migration and Natural Resource Shocks. Commentary No. 446. Toronto: C.D. Howe Institute.

⁴² www.environmentalinstitute.org/uploads/institute-projects/environmental%20institute%20-%20focus%20canada%20spring%202015%20survey%20on%20immigration-multiculturalism%20-%20final%20report%20-%20june%2030-2015.pdf



6. INSIGHTS FROM UK EMPLOYMENT AND MIGRATION LAW EXPERTS

It is also important to think about the context in which any new or updated UK immigration system will be implemented. With this in mind, we took the opportunity to speak with employment and migration legal experts in the UK.

6.1 VIEWS ON THE CURRENT UK MIGRATION SYSTEM

The interviewees gave varying views on the success of the migration system in the UK to date. Some said that if you have the right paperwork and can make the business case for overseas recruitment, it can be a slick process. Anecdotally, some said they feel that the system can be easier to navigate than those in many other countries. At the same time, there can be problems – particularly as the UK rules can appear to change frequently – but this is felt to be more a question of policy developments and politics than process.

“ The Home Office does a good job in managing the processes for businesses. In many respects we have one of the most effective business immigration systems in the world; the problem is it changes too often. It creates a structural uncertainty because business know that sooner or later it will change, sometimes with only a little notice.

IAN ROBINSON, PARTNER, FRAGOMEN

Approving a visa application can appear to be a long and bureaucratic process. The lawyers said it is important to factor in enough time when starting the process and planning the expected start date of the appointee to a role. While a turnaround time of four to six weeks for a sponsorship licence may not seem that long, it can go beyond this, and you also need to factor in time for the Resident Labour Market Test (28 days).

“ It's not easy to come to the UK. There's a disconnect between what people think and the reality.

STEVEN BOSTOCK, PARTNER, MISHCON DE REYA

There are also particular concerns about the recent and mooted policy changes, including the immigration skills surcharge of £1,000 per person per year, increases in the wage thresholds for migrants, the removal of the skills transfer route and a new step where case workers apply subjective tests to applicants.

“ In 2013 the government decided to keep the Tier 1 (Entrepreneur) visa, but suggested that it was being abused by some applicants. So a new requirement was introduced – a 'genuine-ness test'. Now it's possible to meet all the criteria for the visa but still be refused. Approval rates are very low for this visa in China and other parts of the world.

STEVEN BOSTOCK, PARTNER, MISHCON DE REYA

Each of these changes are felt to have made it harder for businesses to recruit non-EEA nationals, throwing up hurdles for people who would have previously met Home Office criteria comfortably. There is an appreciation that, as a first stage, businesses have to exhaust the possibilities among the domestic labour market before hiring from overseas.



Key points raised by evaluations of the Canadian migration system:

- The migration system is still evolving and this makes it difficult to know what the longer-term impact of the system will be on the jobs market.
- The focus of the system has shifted onto permanent economic migrants, rather than temporary.
- By some reports, the recent changes have limited the sectors / regions for which migrants can be recruited.
- A key point is that the system has not been future-proofed and is not adequately looking ahead to the labour market needs in the longer term.

6.2 OUTLOOK FOLLOWING THE EU REFERENDUM

Businesses didn't really plan for the EU referendum result. In a survey of their clients, Fragomen found that only 17 per cent of businesses had prepared a plan for their immigration strategy in the event of the UK voting to leave the EU, and since 23 June, only a quarter (26 percent) of all their clients have developed a plan.⁴³ These figures are so low largely because of the fact that employers are unsure of what they need to do next and they don't know what to prepare for.



Every company feels they should be doing something, but it is still not clear what this is.

IAN ROBINSON, PARTNER, FRAGOMEN

Where businesses are planning their first step, it has often been to reassure: telling staff and customers that nothing has changed, free movement of labour is ongoing and all the existing regulations and laws continue to apply. Where it is appropriate, they can also tell their EU national staff about the available residency permits.



Employers can say rights remain the same. They can also make employees aware of their rights to apply for citizenship, subject to restrictions.

BRENDAN MCALEESE, SOLICITOR, BRABNERS

Lawyers have also been advising their clients to audit their databases to see if they actually know who is an EU national in their workforce. One told us that one client has an employee base of around 20,000, but only 100 were listed as EU nationals – something they know to be incorrect. This is because the database defaulted any employee not listed as non-EEA to the UK setting.

Planning is made more difficult because it is impossible to know what system will be introduced. Most of the interviewees expect the final deal to include an end to free movement of labour. They also referenced the clear steer from the prime minister that a points-based system will not be right for the UK. Their own views on the plusses and minuses for each system include:

⁴³ Fragomen Worldwide (2016), Immigration benchmarking report: Helping business prepare for Brexit



- Each Swiss canton applies their own approach – meaning there is not one single national system; if UK rules were to vary by region, this could present particular challenges to designing a coordinated and coherent system.
- The use of a points-based system can provide businesses and candidates with certainty on whether they meet the requirements, but at the same time, it has been judged to be more supply- than demand-led.
- One expert also characterised our current system as ‘essentially a points-based system’, so wondered what it means that the prime minister suggested that it was not her preferred way forward.
- The American system is felt to be a unique approach which is heavily geared towards getting the green card.
- To some experts, the Norwegian system is largely felt to respond to the particular economic and social circumstances in Norway, with a focus on ensuring exploitation is avoided.

6.3 WHAT HAS TO HAPPEN NEXT?

Clarity for current EU nationals in the UK and UK nationals working in Europe

Many employers have expressed concerns about how they can prepare for what happens to EU nationals currently on staff or their UK workforce based in EU/EEA member states. This is important not just for those migrants who have been living and working this way for some time, but also for EU nationals who may be considering coming to the UK in the near future.



Particularly in terms of recruitment, they [employers] say they are having difficulties now because EU nationals have no guarantee they can stay beyond the negotiations.

BRENDAN MCALEESE, BRABNERS



It feels there is almost a cruelty that people still don't know if they will be able to continue the life they have built in the UK or if they will have to go home.

IAN ROBINSON, FRAGOMEN



At this stage, clarity would be good – starting with the status of EU nationals already in the UK. Any EU citizens currently living here are already wondering ‘what's my future?’ We've had a huge increase in cases of EU nationals applying for permanent residency or British passports.

STEVEN BOSTOCK, PARTNER, MISHCON DE REYA

A new process for EU nationals

To keep pace with labour market needs, there is a sense that there needs to be some reform of the current migration system before it is expanded to encompass EU nationals, rather than just extending existing processes. It can take up to six months for an EU national to be supplied with a residence card from the point of application, and this would be unworkable in the future.

It may be that the Tier 2 visa system (currently for skilled migrants from non-EEA countries) is an appropriate



framework to begin with. But this immediately raises a question about whether the Home Office and government agencies would have the resources to police all future applications from every EU/EEA country coming in through this route. Instead, it may be more feasible to work with lead partners, particularly those who already act as sponsors (for example for migrant interns):

“ What we could do is allow companies to sponsor EU workers and take responsibility that their clients comply with immigration rules. If they do, brilliant; if they don't and they haven't put in place proper controls, they lose their licence – and so it's only a small number who are policed, rather than every company/country.

IAN ROBINSON, FRAGOMEN

Many business bodies and law firms say they have been asked for a date when the new rules may apply and will be seeking as much clarity from government as possible over coming weeks.

If we run out of time for the negotiations, we need to maintain the status quo or factor in enough time to introduce a temporary solution.

No one is comfortable predicting what could happen on immigration if a deal is not stuck within the two-year window for negotiation.

“ No one knows – this hasn't happened before. The UK and EU need to make this work, so I'd be very surprised if we don't get a deal within the two years after Article 50 is invoked. If we don't, the government would have to introduce some transitional measures while the details are ironed out – but this is complete speculation!

STEVEN BOSTOCK, PARTNER, MISHCON DE REYA

The experts we spoke to are clear that there should not be a 'cliff edge' and that, at the very least, businesses would need to be assured of an interim system.

For some, the best option would be to maintain the status quo while the negotiations continue and are concluded – with EU nationals treated just as they are now under the current UK visa and immigration system and as if the UK is still a member of the EU. The worst possible option was judged to be stopping EU nationals coming in entirely or trying to automatically extend parts of the existing system for non-EEA nationals:

“ Don't just pull up the drawbridge or apply Tier 2 visas.

IAN ROBINSON, FRAGOMEN

The experts are equally categorical that the WTO obligations would not enable the permanent economic migration required by the UK labour market either now or in the future. The categories covered by the WTO rules apply only to business visitors, intra-company transferees, and contractual service suppliers. While this may be adequate for short- to mid-term placements, they would not serve for permanent recruitment needs.



There is particular concern that the impact would be felt most by those businesses reliant on lower-skilled migration to fulfil peaks in demand and those looking for permanent appointments to address existing skills shortages in their domestic workforce.

Again, this makes it all the more important to have a contingency plan in place well in advance of the two-year deadline.

“ I’d anticipate that some time-limited arrangement will be agreed prior to that point – whether it is on a piecemeal basis or not. So any EU national can remain and any UK citizens can stay (as is now) – this will be extended so they can get permanent residence or, if not done in time, they will have to leave.

BRENDAN MCALEESE, BRABNERS

Key points raised by UK employment and migration legal experts:

- The migration system we have now is not perfect, but it could be the basis for broader reform to include EU nationals – which would be important rather than starting again from scratch.
- Simply extending the current approach would require significant resource from government and its agencies, and so it will need to be informed and supported by experts in the labour market and migration policy.
- A clear message is that EU nationals living and working in the UK, and UK nationals living and working in Europe, are already facing uncertainty and the sooner this can be addressed, the better.



7. CONCLUSION

Policy decisions made over the coming months will shape the UK jobs market and business environment for a generation. As it prepares for negotiations on the terms by which the UK will leave the EU, the government must show it will support businesses and individuals in the labour market.

The UK has one of the most dynamic labour markets in the world. However, employers from across a wide range of sectors have reported that finding people to do the jobs currently available is getting harder.⁴⁴ Skills shortages weren't caused by the referendum result; sectors across the economy have been struggling to find enough people with the skills and attributes they need for several years. Employers – from the NHS to agriculture, from engineering to construction – could be affected if access to workers is limited.

The opportunities for economic growth also lie in our ability to attract foreign investment. The priority must be to ensure that we are asking ourselves the right questions and have a strong evidence base for choosing the right way forward. Understanding how different immigration models work in practice must feed into these deliberations and will ensure that we create the best possible bespoke solution for the UK.

Our conversations with immigration experts and business bodies from other countries have revealed that no immigration system is perfect. But a number of overarching themes have also emerged, which should be considered when drafting new immigration policy. The list below is not a series of recommendations, but rather a summary of these themes:

- **Flexibility vs certainty** – Migration rules have to be tightened or relaxed as global events, internal economic and social pressures change. Future-proofing the system to reflect medium- to long-term labour market needs, rather than just current and immediate concerns, is the goal. A new model will need to consider how it allows for a variance of the rules, based on UK regional needs.
- **Practicalities and costs** – There will always be a trade-off between time, cost and complexity. Systems which require significant input from employers pass costs onto business, which are ultimately paid by consumers or workers via their paycheques. Employers' cycles for workforce planning are affected by the time it takes to process visas or source candidates from overseas.
- **Immigration models for different needs** – The model must work for niche, highly skilled staff for vacancies in sectors such as IT, engineering and healthcare, as well as for high-volume, low-skilled or unskilled jobs in hospitality, farming and healthcare.
- **It's a global race** – Shortages of skills in sectors such as IT is a challenge the UK shares with many developed and emerging economies. Therefore the relative burden in terms of ease and cost that an immigration system places on overseas candidates impacts on employers' ability to compete for global talent.
- **Making it work for the electorate and businesses** – When it comes to immigration, employer needs and public perceptions do not always align, and yet a government must design a system for both. Introducing border controls that apply to domestic citizens when travelling to a close-neighbour country is controversial.
- **Timing is key** – Businesses often call for clarity and certainty in the face of change and well ahead of the introduction of any new model so they can prepare effectively. If preparing for a new system takes longer than expected, an interim plan is required to ensure no 'cliff edge' (for instance after two years of negotiations).
- **Government's role in preparing business for change is essential** – There needs to be enough resource and

⁴⁴ See IHS Markit / REC. (2016) Report on Jobs (monthly, latest report published 8 September 2016); CBI / Accenture. (2015) The Path Ahead: CBI/Accenture Employment Trends Survey 2015. London: CBI; and UKCES. (2016) Employer Skills Survey 2015: UK results. Evidence Report 97. May. London: UKCES.



interaction between government and users of the system. The process, once implemented, is better received if it is consistent and reliable, allowing everyone to plan so they have predictable start dates for job assignments.

Summary of key messages from other countries and immigration experts

Key points raised by business organisations in Norway

- In Norway's strong economy, migrant workers are less of a political issue; in industries that are declining, workers will be more sensitive to the presence of migrant workers.
- Migrant workers are not perceived as a problem by native workers if (a) the native workers are confident their own wages will not be affected by migrant workers accepting lower-paid jobs, (b) migrant workers are doing jobs that native workers would not want to do themselves, and (c) funding for public services is perceived to be sufficient.
- National debates about immigration are politically easier when the different causes – such as refugees and migrant workers – are discussed separately.
- Even in a country where sovereignty was a key determining factor in deciding whether or not to join the EU, it was deemed a step too far to require passport controls at the border with a neighbouring country with strong historical ties and no language barrier.
- Skills shortages mirror those in the UK and across Europe – engineering, healthcare, IT – meaning demand for these skills is not limited by a country's membership of any particular customs union or free trade area.

Key points raised by business organisations in Switzerland

- The number of permits issued has tightened in recent years, even before the referendum result, which has yet to be put into law.
- Following the referendum result, the number of permits issued will most likely tighten further as a clear response to public and political perceptions of migration.
- Businesses are now being advised to plan further ahead if they need to recruit from overseas or to use short-term / temporary permits, which are not subject to the same quotas.
- Despite this, business groups are happy with the system. They feel it provides enough flexibility to bring in the skills that are not available in the domestic labour market.
- The sectors where this international need is felt to be particularly high are life sciences and manufacturing.
- But while businesses are comfortable with the system, individuals are not always as happy. It is acknowledged that international labour can be recruited more cheaply and this can cause friction.

Key points raised by business organisations in Australia

- The migration system and associated policy in Australia is felt to be unduly strict. This has come about as a direct result of the public and political perception of migration.
- The public / political perception of migration is not felt to necessarily align with the perceived needs of business and the labour market.
- The rigidity of the system leads to a sense of it being bureaucratic and costly.
- This, alongside the lower wage rates nationally in comparison with other English-speaking countries, means businesses believe Australia is not viewed as an attractive destination by migrants.
- Like many other countries, Australia looks to its nearest neighbours and international competitors to see if there is anything they can learn from other systems. In their case, the business groups view the grass as being much greener in New Zealand and, surprisingly perhaps, in the USA.



Key points raised by evaluations of the Canadian migration system

- The migration system is still evolving and this makes it difficult to know what the longer-term impact of the system will be on the jobs market.
- The focus of the system has shifted onto permanent economic migrants, rather than temporary.
- By some reports, the recent changes have limited the sectors / regions for which migrants can be recruited.
- A key point is that the system has not been future-proofed and is not adequately looking ahead to the labour market needs in the longer term.

Key points raised by UK employment and migration legal experts

- The migration system we have now is not perfect, but it could be the basis for broader reform to include EU nationals – which would be important rather than starting again from scratch.
- Simply extending the current approach would require significant resource from government and its agencies, and so it will need to be informed and supported by experts in the labour market and migration policy.
- A clear message is that EU nationals living and working in the UK, and UK nationals living and working in Europe, are already facing uncertainty and the sooner this can be addressed, the better this will be.



APPENDIX

SWITZERLAND

Table A1: Steps required for a third-state national to access the Swiss labour market.⁴⁵

Step	Responsible	What to do?
Application submission	(future) employer	The employer must make sure that all requirements regarding professional qualifications and salary and work conditions are met and clearly show why you qualify. He/she submits the relevant application documents to the cantonal employment service.
Cantonal application screening	Cantonal employment service	Screens applications according to the directives and makes a preliminary decision. Applications approved by the canton need to be submitted to the Federal Office for Migration for final approval.
Federal application screening	Federal Office for Migration	Processes applications according to criteria relevant to the whole of Switzerland. The applicant, employer and both cantonal offices receive a formal written decision from the Migration Office. The decision is subject to a charge, payable by the employer.
Issuance of visa	Cantonal migration authority	Advises the appropriate Swiss diplomatic representation abroad online to issue visa. Applicants are requested to collect their visa at that specific Swiss representation.
Registration	The employee	Registers himself with the residents' registration office not longer than 14 days after his entry into Switzerland. Only then is he allowed to take up his employment.

AUSTRALIA

Permanent residence programme

The composition of the places is made up of the following:

- 128,550 places for skilled migrants, including employer-sponsored, general skilled and business categories
- 57,400 places for family migrants sponsored by immediate family members
- 565 places for special eligibility migrants, who include former permanent residents who have maintained close business, cultural or personal ties with Australia.⁴⁶

It should be noted that approximately 50% of permanent skilled migrants are selected onshore – made up of international graduates of Australian universities (for example in accounting and nursing), and previously temporary foreign workers.⁴⁷

Permanent visas require the applicant to first submit an expression of interest before being invited to apply. The

⁴⁵ https://www.myscience.ch/living/working/third_country_nationals

⁴⁶ <http://migrationblog.border.gov.au/2015/07/09/australias-2015-16-migration-programme/>

⁴⁷ http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/european-agenda-migration/proposal-implementation-package/docs/20160607/directive_conditions_entry_residence_third-country_nationals_highly_skilled_employment_impact_assessment_part_6_en.pdf



two kinds of permanent visas are:

4. The Skilled-Independent Visa (subclass 189), which does not require the applicant to have a sponsor. After submitting their expression of interest, the applicant can apply through SkillSelect and must select a relevant occupation from the Skills Occupation List (SOL). Their skills are then assessed by a relevant authority and they have to meet the criteria of the points-based system.
5. The Skilled-Nominated Visa (subclass 190), which needs the applicant to have a sponsor and be nominated by a state/territory government. As well as having to fulfil the points-based entry qualifications, the applicant's skills are assessed against the chosen Consolidated Sponsored Occupation List (CSOL) occupation by the relevant authority.

Migrants looking for permanent residency can also go through the Employer Nomination Scheme (subclass 186) if sponsored by an employer. Applicants must have three years of work experience in a CSOL profession as well as a skill assessment by the relevant authority.

CANADA

International Mobility Programme (IMP)

Employers can take two routes when hiring temporary foreign workers, which are:

6. The Temporary Foreign Worker Program (TFWP), which requires employers to apply for a Labour Market Impact Assessment (LMIA) and pay the associated fee. The LMIA confirms the need for the temporary worker and that no Canadians are able to fill the position. The TFWP is therefore used to fill temporary labour and skill shortages.
7. The International Mobility Program (IMP), in which employers are exempt from the LMIA process, because the temporary worker would create competitive advantages, or economic or cultural benefits, for Canada and its residents. While employers do not need to pay for the LMIA, they have to pay an employer compliance fee. Additionally, the offer of employment form must go through Citizenship and Immigration Canada (CIC) to allow the foreign national to apply for a work permit.

Canada introduced the IMP system for applications that are LMIA exempt. According to Employment and Social Development Canada:

“ The TFWP will now refer to only those streams under which foreign workers enter Canada at the request of employers following approval through a new Labour Market Impact Assessment (LMIA). The new International Mobility Programs (IMP) will include those streams in which foreign nationals are not subject to an LMIA, and whose primary objective is to advance Canada's broad economic and cultural national interest, rather than filling particular jobs.⁴⁸

48 http://www.edsc.gc.ca/eng/jobs/foreign_workers/reform/index.shtml



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