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SKILLS DECOUPLING IN EUROPEAN LABOUR MIGRATION POLICY

The reasons behind the race for talent. A comparative policy analysis.

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Acknowledgements

This dissertation has been a loyal companion to me for the past four years. It has witnessed three cities, four houses, and an uncountable number of desks.

It came to life in my first year of the PhD programme at the University of Milan, during the methodological courses that forced me to think of the right questions and of the appropriate ways to find answers. It took its shape in the corridors of DG HOME, where I was a trainee, working for the same institutions I was trying to study. It continued to grow – admittedly, more slowly – at ICF, where, as consultant for the EU institutions, I had the chance to expand my knowledge of migration policy and to see how a legislative proposal comes together. It then moved to Paris, at the OECD, where, as policy analyst, I had the chance to meet with sophisticated engineers of labour migration policy. Finally, it found its way back to Milan, where, as consultant at EY, I am trying to make the most out of this journey.

It has been a great challenge - but eventually this companionship has become ripe enough to come to an end. Several persons deserve a 'thank you' for this, for sharing their views and knowledge, for supporting me in the most discouraging moments, or simply for expressing their enthusiasm.

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1. Introduction

"We want the brightest and best students in the world to choose our universities […] We want the brightest and best innovators and entrepreneurs to choose Britain as the best place to start their next businesses… We're rolling out the red carpet to those whose hard work and investment will create new […] jobs. Because we're in a global race for our economic future. And the right immigration is not just good for Britain – it's essential […] that means ensuring that those who do come here are the brightest and the best, the people we really need, with the skills and entrepreneurial talent to help create the British jobs and growth that will help us to win in the global race."[1]

These words were pronounced by the British Prime Minister David Cameron, in a major immigration speech delivered in March 2015. Remarkably, besides the red carpet, fences were also raising, as in the same speech David Cameron was announcing that its party had a "clear aspiration to reduce net migration further to just tens of thousands over the coming years". Attracting the most wanted migrants – "the best and the brightest" – and curbing unwanted migration ('immigration subie'[2] in the formula used on the other side of the Channel) is an objective shared by many governments in OECD countries. In 2008, the OECD conceptualised "the global competition for talent"[3] to refer to the global mobility of highly skilled workers and the policies put in place by countries to be more attractive to this global mobile élite. This élite is composed of students and researchers, especially in STEM fields, investors, entrepreneurs, especially innovative ones and start-uppers, and highly skilled workers in general.

1.1 Setting the context

1.1.1 The global competition for talent

It is easy to see how EU countries have engaged in this global competition for talent. In 2007, Spain set up a fast track procedure to attract highly qualified workers;[4] and it continued its efforts to facilitate migration of highly skilled workers throughout the economic downturn, with the 2013 law on internationalisation of companies; and more recently it started the implementation of the 'Rising Start up Pilot Project', to attract foreign projects to Spain and to make migration easier. Similarly, Italy has introduced its Start Up Visa for foreign innovative start up entrepreneurs in 2014, and three years later it introduced the Investor Visa, after having made easier for employers to hire foreign high skilled workers though memorandum of

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[1] David Cameron, Immigration Speech, March 2015, available at https://www.gov.uk/government/speeches/david-camerons-immigration-speech.

[2] Nicholas Sarkozy, serving as French Minister of Interior, reformed its immigration policy in 2006 following the slogan to pursue *immigration choisie*, vis-à-vis *immigration subie*.

[3] OECD 2008.

[4] Unit of Large Companies, which includes since 2011 also Strategic Groups.

understanding signed between employers and the administration. In France, Nicholas Sarkozy, in the capacity of Ministry of Interior, launched the concept of 'immigration choisie' vis-à-vis 'immigration subie', and introduced an immigration law with a specific permit for talented individuals, the 'carte de séjour compétences et talents'. Pursuing the same objective of making France more attractive to highly skilled workers, in 2016 the government introduced the 'passport talent', a multi-annual permit for talented individuals, including entrepreneurs participating in the brand-new dedicated start up programme, La France Tech. Germany introduced its first Green Card for highly skilled IT workers back in 2001. Since then, it has continued its efforts to make the country more attractive to highly skilled workers, launching also a comprehensive web-portal, 'Make it in Germany', dedicated to qualified professionals wishing to relocate to Germany. Czech Republic has also experimented ways to make the country more attractive to qualified workers, first in 2003 with the point-based pilot project called 'The Active Selection of Qualified Foreign Workers', and then with a fully-fledged scheme, the Green Card. Similarly, the United Kingdom introduced its point-based 'Highly-Skilled Migrants Programme' in 2002, that granted skilled migrants a preferential migration channel. In 2008, Denmark introduced the Green Card, a job-free permit for highly skilled workers.

Following the imperative of attracting highly skilled workers, the EU itself has tried to contribute to making the Union more attracting, by presenting in 2007 a Directive for the admission of highly skilled workers, the Blue Card Directive (adopted in 2009). The directive is currently[5] under review, with the proposal presenting a more attractive scheme than the original Blue Card. The Commission is also considering the possibility to introduce an EU Start Up Visa to attract innovative entrepreneurs, and a pool of talent or an expression of interest system to better manage migration.[6]

The competition for talent goes beyond the EU (Chaloff and Lemaître 2009), with more recently countries like Japan and Turkey (OECD 2017) introducing facilitations for highly skilled workers. Czeika and Parsons (2015) report that the share of policymakers in UN member states that declared an explicit interest in attracting foreign talent or retaining native talent increased by 50%, from 2005 to 2013. Currently, the OECD is building an index to capture country attractiveness to highly skilled migrants.

These developments provide ground for a convergence hypothesis in migration policy scholarship. According to the convergence hypothesis, "industrialised labour-importing countries are becoming increasingly similar in terms of policy instruments, efficacy, and public restrictions to immigration" (Hercog and Wiesbrock 2016, on the basis of Cornelius, Martin and Hollifield 1995). This trend may be due to several factors, like the economic competition and the

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[5] April 2018.

[6] Commission, 2016. Towards a reform of the Common European Asylum System And enhancing legal avenues to Europe, COM(2016) 197 final. The feasibility assessment of an EU Expression of Interest system is being carried out by the OECD, with the final report expected to be published in June 2018.

more and more globalised labour market (Sassen 1999), to global governance and the pressure from supra-national institutions (Meyers 2002), or 'mimetic isomorphism', as a strategy to legitimise political decisions (Finotelli and Kolb, drawing the concept from Di Maggio and Powell 1983). Yet, the existence of convergence is not disputed.

EU countries are converging towards a more general tendency, common to OECD countries, of selective migration policy (Ruhs 2013, Menz 2009, Menz and Caviedes 2010, Duncan 2012, Boeri et al. 2012, Bhagwati and Hanson 2009, Koslowski 2014, Holtslag, Kremer and Schrijvers 2013, Paul 2015). This stage of convergence is generally called 'managed migration approach'. To put this stage into perspective, it is worth to mention how the development of migration policy has been articulated in Europe. Okólski (2012:33), following Messina (2007), divides migration in Europe into four stages (see also de Haas et al. 2018):

i. the post war-adjusted migration, taking place between 1945 and 1947, characterised by return migration and politically and ethnically motivated displacements;

ii. the active labour recruitment period, until mid-70s, conducted within bilateral agreements under guest workers or other type of programmes, and seeing European countries as both origin and destination countries;

iii. migration of the onset of 'new globalisation' (1974-1988), where in Western European countries active formal labour recruitment ended, following the economic recession and changed political circumstances, and secondary movements of family migrants replaced movement of workers in Western European countries, while Southern European countries started to move towards a net immigration scenario;

iv. post-communist migration (1989-2004), registering high inflows of asylum seekers as well as undocumented migrants in Western and Southern European countries, while registering emigration (within and outside the region) in Central-Eastern European countries.

The current stage is post-enlargement migration in an integrated European migration space, characterised by a managed migration approach. The managed migration approach builds upon the partially failed experience of temporary migration during the active labour recruitment period, the experience of irregular migration and of chain migration (family members mainly). This experience showed the authorities of European countries that migration is hardly stoppable (Joppke 1999), and that to minimise the risks of unwanted migration and maximise the benefits of migration, countries had to take an active management role. The principles to manage migration is ensuring economic competitiveness, grounding admission policy in the labour market needs, and favouring admission of highly skilled workers (Paul 2015). Georg Menz well summarises the migration management approach in the following quote:

"Managed migration reflects the pragmatic realization that in liberal societies

immigration cannot be stopped or reversed (Joppke 1999), yet its core is managerial, economistic, and restrictive, focusing on the potential economic and social contribution by immigrants to host societies. Managing migration entails selecting newcomers based on their skills profile, reminiscent of policy approaches adopted by some of the more established immigration countries, yet this concept entails also more vigorously restricted aspects with respect to unwanted, unsolicited, and undesirable newcomers who seek alternative access path […] The question is not whether governments still can regulate migration flows, but rather what factors shape regulatory attempts at managing migration" (Menz 2009:2-3)

1.1.2 Selective migration policy: an economic rationale

In European countries, managed migration policy responds to three economic needs: offsetting the phenomenon of ageing population, filling skill shortages, and benefiting from a global market of mobile talent. As a consequence of these needs, Europe should attract migrants to ensure sustainable level of its labour force, to fill labour shortages that natives cannot fill, and to be a competitive economy worldwide.

Two quotes taken from the launch event of the OECD-EU report *Recruiting Immigrant Workers: Europe* in 2016 summarises the economic rationale behind managed migration:

"The EU needs to address demographic decline and shortages of specific skills. Talent from outside can help the EU deal with these challenges" – Belinda Pyke, Director for Migration and Mobility – DG Migration and Home Affairs, EU Commission.[7]

"The long-term competitiveness of the EU and its ability to move to a strong and sustainable growth path is at stake […] Skilled migrants can play an important role in addressing labour market shortages, drive innovation and promote productivity growth. Employers in most EU Member States already report more difficulty attracting and retaining talent than those in competing non-EU countries" – Stefano Scarpetta, Director for Employment, Labour and Social Affairs, OECD.

First of all, selective migration is thought of as a means to tackle the phenomenon of ageing population. [8] According to Eurostat's population projection, in the main scenario (projections based on the current migration rate), the European population is expected to decrease after 2050; while the cut-off date is anticipated to 2020 in a 0-net migration scenario.[9] The decline in the population is a consequence of lower birth rate and higher life expectancy. Associated to the decline in population, the old-age dependency ratio is expected to increase

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[7] http://www.oecd.org/migration/europe-is-underachieving-in-the-global-competition-for-talent.htm

[8] https://www.ft.com/content/1643680e-7bab-11e4-b6ab-00144feabdc0, http://www.euronews.com/2016/06/09/migrants-could-help-tackle-eurozone-ageing-population-draghi

[9] The main scenario is based on 'main input dataset'; the zero migration variant is obtained by considering that the component of international net migration equals zero; the reduced migration variant is produced considering that the component of international net migration is reduced by 20%, source: Eurostat, proj_15ndbims.

significantly (Figure 1.1). The participation rate to the labour force will decrease, while the number of people outside the labour market and likely to rely on the pension and healthcare system will increase. The economy as a whole will be affected: some occupations are expected to suffer from severe shortages, because the demand will grow at a faster pace than the supply (like professions in the care sector); others, whose demand is expected to be constant, will simply not find enough labour force available. Migration is only one among many tools to offset the ageing population.[10] Policies to increase the activation rate targeting the inactive population are already in place and for instance consist in extending the retirement age, increasing women participation, creating incentives to retain people in certain professions. However, activation policies take time and are not always effective. Migration of foreign workers with the needed skills is seen as a faster way to tackle this decline, albeit as a temporary measure (OECD 2014a, UN 2000).[11]

Figure 1.1 Old-age dependency ratio, in 2015 and in 2015 (projected), in EU countries.
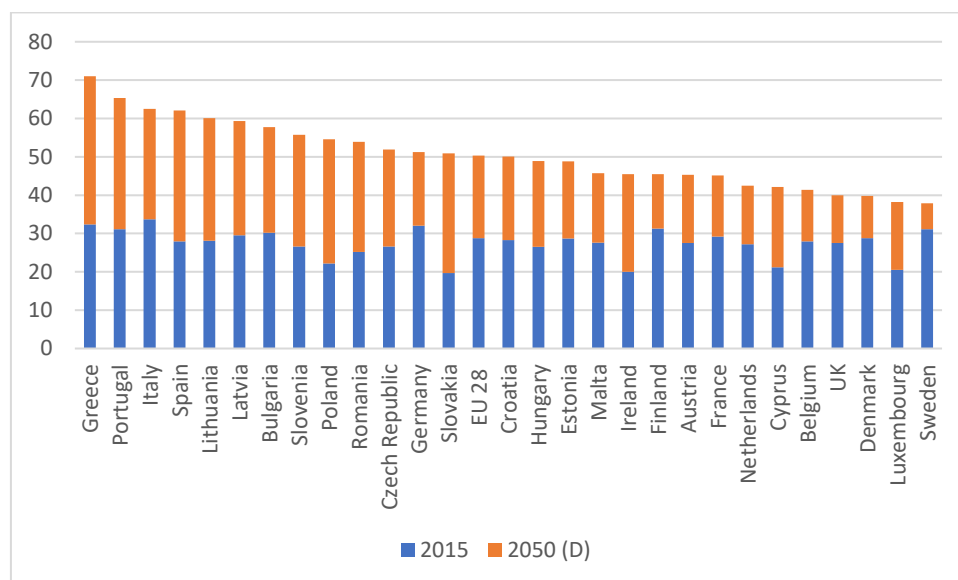
Note: Source: Eurostat - Population projections EUROPOP2013, [tsdde511], extracted on 29.01.2018. This indicator is the ratio between the projected number of persons aged 65 and over (age when they are generally economically inactive) and the projected number of persons aged between 15 and 64. The value is expressed per 100 persons of working age (15-64).

Secondly, selective migration is thought of as a means to fill labour shortages. Many EU

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10 An example is the CEDEFOP/OECD study (OECD 2014a, Chapter 9), that analyses the conditions to achieve the employment rate target set by the EU2020 strategy in 2010 (75% of the working age population, with difference percentages according to member states). The paper considers possible scenarios under the assumptions that the EU2020 employment target is met, by employing skills demands and supply projections (Cedefop 2010). There, it is found that "only nine EU member states have the capacity to reach their national employment target by bringing their unemployment rates back to pre-crisis level until 2020"; for other member states, activation actions are needed to activate a large share of currently inactive population. Activation, however, takes time, and often requires upskilling activities. Labour migration (with the appropriate skills for the labour market) is therefore seen as a fast and efficient way to answer to this need.

[11] This solution is certainly not without problems: migrants, although represent a younger population cohort compared to nationals, will age at some point. Moreover, although the birth rate is higher in migrant families, over time, this tend to align to native population.

countries suffer from labour shortages (EMN 2011, EP 2015) in high and medium skilled sectors. Forecasting labour and skill shortages is not easy (Boswell, Stiller, Sraubhaar 2004), yet some analyses show that the labour demand in service and in knowledge-intensive sectors, where high skills are particularly relevant, is expected to increase on the long and medium-run (Cedefop 2010). Migration of highly skilled workers, as well as of migrants whose professions are included in shortage lists, is thus seen as a strategy to fill skill shortages, alongside other education and labour market policies (EMN 2011).

Thirdly, migration is framed in competitiveness terms: given that in some knowledge-intensive sectors talent is global, countries need to be able to tap into the global pool to maximise their competitiveness (Duncan 2012, Chiswick 2011, Menz 2011, Czeika and Parsons 2015). Facilitating highly skilled migration is thus a strategic response to structural economic changes. On the one hand, European countries are strengthening their knowledge-based economy, for example through investments in research and development and information technology. Highly qualified workers are therefore essential to sustain the knowledge-based economy, in line with the Lisbon Strategy and EU2020. On the other hand, in a globalised market, labour force moves across borders, bringing along capital as well as knowledge diffusion and innovation (OECD 2008). Highly skilled migrants are also shown to have a positive impact on innovation (Fassio et al. 2015, Bosetti et al. 2015).

Economic literature highlights also the positive fiscal and wage impact of high-skilled migrants. While research on low skilled migrants' fiscal impact has not produced definitive results, the fiscal impact of migrants working in the top section of the labour market has been shown to be positive (Rosenblum and Cornelius 2012). The risk of becoming dependent on the welfare state is much lower for highly skilled migrants, who tend to be net contributors instead. Similarly, in wage terms, highly skilled migration poses less of a threat to the local workforce, as, given the expanding need in high-skilled sectors, tend to have reduced downward pressure on wages in the same sector. Moreover, when highly skilled migration has a downward impact on the wage structure, this benefits the low-skilled native workers, with positive redistribution implications (Chiswick 2005, 2011, Aydemir 2013).

1.1.3 Selective migration policy: a political rationale

Besides economic reasons, there is also a political rationale that supports the turn towards selective migration policy favouring highly skilled workers.

Boswell (2007) argues that nation states have to comply with some specific functional imperatives, to ensure their legitimacy. With regard to migration policy *in general*, states respond to four functional imperatives: security, institutional legitimacy, fairness, and accumulation. Authorities are expected to protect the territorial integrity and physical security of their citizens (security imperative); to comply with other institutions, like the judiciary (institutional legitimacy imperative); to favour socioeconomic accumulation by providing

adequate conditions for business (accumulation imperative); and to ensure a fair distribution of what has been accumulated, by extending the benefits of accumulation to the society at large (fairness imperative).

Ruhs (2013) employs the state's imperatives framework to analyse specifically labour migration policy. He argues that to comply with the accumulation and fairness requirements, states face a choice between, on the one hand, the rights granted to migrants, and, on the other hand, the number of migrants allowed in a country. He contends that there is a trade-off between the two: either few people are allowed to come with full rights, so that they can be fully beneficiaries of the redistribution of resources and services, without imposing a too heavy cost on the hosting state; or many people are allowed to come, with restricted membership rights, in such a way that accumulation demands are satisfied without undermining fairness. In Ruhs' account, the degree of such trade-off will depend on the institutional constraints that affect states' actions, like the production system and the welfare generosity. However, with regard to highly skilled migration, the conflict between rights and number is less severe. On the one hand, fostering highly skilled migration is a way to satisfy accumulation demands and make the state more competitive (Lavenex 2007). On the other hand, highly skilled migration does not undermine fairness, since highly skilled migrants are more likely to be net contributors to the welfare system. Also, security-related issues seem less relevant, as educated migrants are more likely to integrate into the host society. Favouring migration policy for highly skilled workers, in terms of number and rights, is thus a strategy that states pursue to respond to economic and political needs.

Highly skilled migration is also less politically risky, as the native population tends to see highly skilled migrants much more favourably than low skilled or unskilled migrants (Facchini and Mayda 2012, quoted in Czeika and Parsons (2015) and Hainmueller and Hiscox (2010)).

1.1.4 Selective migration policy: gloomy figures

From the above, it is clear that the race to introduce more attractive labour migration schemes for highly skilled workers is grounded on economic and political rationales.

However, when looking at the figures, the alleged `competition for talent' seems to involve fewer participants than expected. In the EU, labour migration represents only a small share of overall migration, as only 24.6% of all first residence permits during the period 2011-2016 were issued for economic reasons,[12] suggesting that other-than-economic reasons prevail. Moreover, among economic migrants, only 5.7% were highly skilled (Figure 1.2).[13] Looking at the number of Blue Cards issued, the EU flagship initiative to attract highly skilled migrants, it is clear that the Blue Card did not meet the expectations in many EU countries, and that one country,

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[12] Eurostat, First permits by reason, length of validity and citizenship [migr_resfirst], extracted on 28.01.2018 .

[13] This number captures the reason why the permit was issued, not the skill level of migrants, who might be highly skilled but receive a permit not for highly skilled work.

Germany, has been disproportionally benefiting from the EU initiative (Figure 1.3).

Figure 1.2 Reasons for issuing first-time residence permits in the EU, 2011-2016.
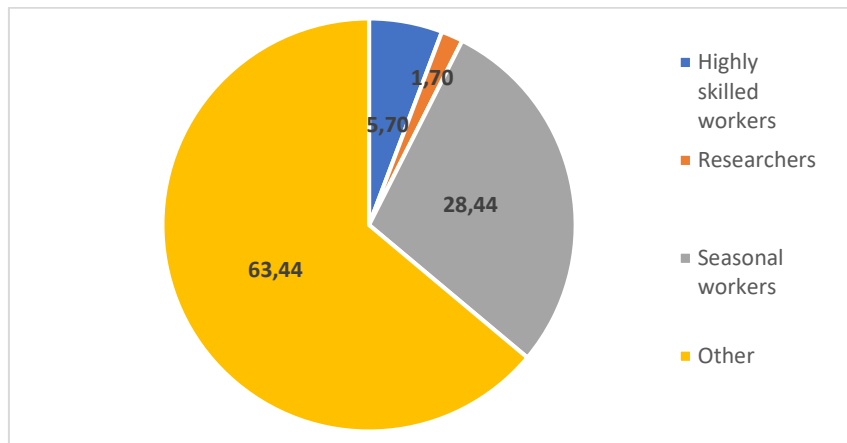
Source: Eurostat, First permits issued for remunerated activities by reason, length of validity and citizenship [migr_resocc], extracted on 28.01.2018. Numbers are expressed in percentages.

Figure 1.3 Blue Card issued during the period 2012-2016.
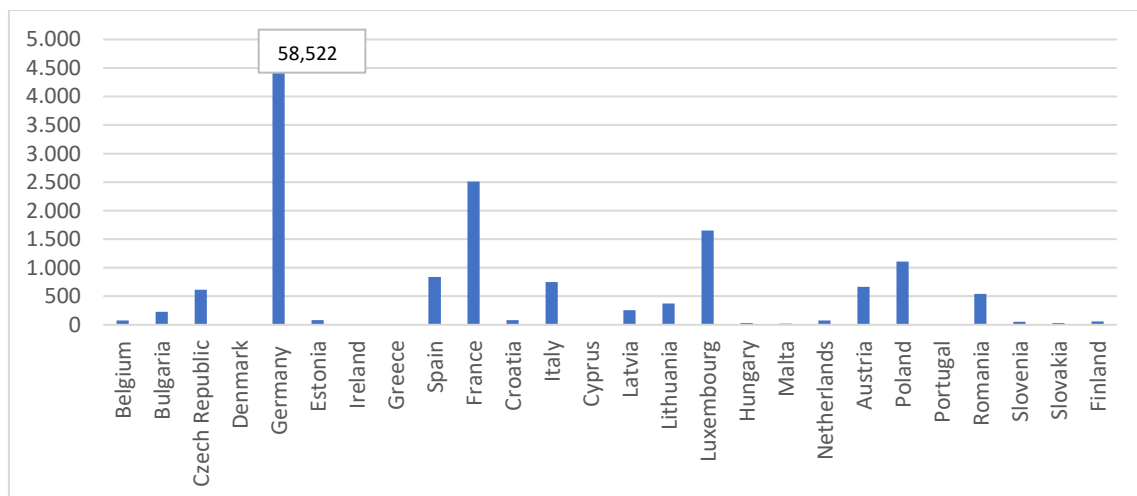
Source: Eurostat, EU Blue Cards by type of decision, occupation and citizenship [migr_resbc1], extracted on 28.01.2018

This suggests that the story behind the competition for talent and selective migration may be more complex that the usual tale depicts. Does the pro-highly skilled bias in migration actually translate into favourable policy? Is it true that Member States are engaged in the global competition for talent? Or does this race involve only a limited number of countries?

The present work aims at unravelling the talent tale.[14] In particular, I explore the managed migration approach, in so far as it holds that migration policy has acquired a selective bias favouring highly skilled workers, over general or low skilled workers, in providing more facilitated admission schemes and more favourable rights.

My main research questions are: are EU Member States homogeneous in their migration policy for high and low skilled migrants? What conditions explain patterns in openness of labour

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[14] https://www.sheffield.ac.uk/polopoly_fs/1.487220!/file/Programme_final.pdf

migration policy by skill level in EU countries? Which mechanism is associated to these conditions? Does the theory explain also Member States position at the EU level?

1.2 The plan of the thesis

Chapter 2 conceptualises labour migration policy openness. It discusses the analytical framework to study labour migration policy as a peculiar phenomenon, separated from other forms of migration policy. It introduces a new concept, i.e. decoupling, to describe the extent to which labour migration policy favours highly skilled workers, while limiting access to low skilled migration. I argue that the concept of decoupling is essential to study the openness of a policy. In comparative policy literature, highly skilled migration schemes are often analysed in isolation form other labour migration schemes. This choice, however, creates a bias in the analysis, as a policy for economic migrants may be particularly welcoming, regardless of the level of skill. The object of the present analyses is not only the level of openness of a policy, but also its degree of decoupling by skill. To be able to comparatively assess labour migration policy across countries, it is necessary to build a coherent and rigorous definition of labour migration policy. In recent years, migration scholarship has devoted much attention to index building. I review the existing migration policy indexes, and analyse them from a methodological point of view, highlighting their strengths and weaknesses. While the existing indexes provide useful indication on labour migration policy, however, none of them is fit for the purpose to answer my research questions. I devise an innovative *Labour Migration Policy Openness and Decoupling Index*, to measure labour migration policy for highly skilled and low skilled migrants in 14 EU countries in 2015-2016. The index helps me analyse whether EU countries are adopting a managed migration and selective approach; whether migration schemes for highly skilled workers are consistently more open than scheme for low skilled or general migrants; whether Ruhs (2013)' thesis of a trade-off in number of migrants admitted to a country and rights granted to them is verified; and whether there are significant differences in this respect by skill groups. It also helps discover whether there are relationships among inner policy components that recur across countries.

The index shows that labour migration policies diverge to a considerable extent. Plotted on a decoupling matrix, countries exhibit four patterns: in two cases, they have policies similarly restrictive or similarly open both for highly skilled and for low skilled migrants; in two cases, they decouple their migration policy by skill level, being more open either for general and low skilled migrants, or for highly skilled. Only this last case instantiates the managed migration approach described above.

Having defined the phenomenon under investigation, **Chapter 3** seeks an explanation for labour migration policy and decoupling by skill level. There is no extensive research on the drivers of labour migration policy. Often, theories merge economic migration with asylum policy, irregular migration, family migration, and even multiculturalism and integration issues.

I hold that labour migration policy deserves a separate analysis. Asylum, irregular migration, and integration are heated topics, which tend to skew the migration debate. Economic migration is relatively less controversial, and in recent years a general consensus has emerged among economic and political actors that well-managed economic migration can benefit the economy. I review the existing literature on the main stakeholders in labour migration policy: parties, and in particular the party affiliation, and labour market actors, in particular employers and unions. I identify two promising theories: one is based on the variety of capitalism (VoC) approach (Menz 2009), and another on labour market actors' coalition building capacity, limited to highly skilled migration policy (Cerna 2016). While these theories agree on the role of employers' lobbying activity to bring about their desired outcome, however, they differ on the role of political parties and on the nature of employers' preferences. While in the coalition building approach, parties build winning coalitions with capital or labour, thus generating different outcomes, in the VoC approach, parties are irrelevant. Moreover, while in the coalition building approach, employers' preferences are exogenous and converge on more labour migration, in the VoC approach employers' preferences differ on the level as well as on the type of desired labour migration, depending on the institutional variety (e.g. on the educational and vocational training system).

These theories have the merit to identify interesting potential causal factors of labour migration; they however fail to generate a generalisable model. Building upon the two approaches, I propose an integrated model. The three building blocks of the model are employers' preferences on the number and skill level of migrants, employers' capacity to effectively lobby and influence the policy outcome, and the presence of anti-immigration parties. I test the model with Qualitative Comparative Analysis (QCA). Using the index of migration policy openness and decoupling as operationalised in Chapter 2, I test the presence and the absence of several causal conditions on the presence and the absence of three relevant outcomes: open labour migration policy for highly skilled workers, for general or low skilled workers, and decoupling. The analysis shows that the model can explain to a good extent migration policy for highly skilled workers, while it is less effective in explaining migration policy for general migrants. The relevant condition explaining decoupling (i.e. the capacity of the educational system to produce skills needed in the labour market) is proven to be valid.

The QCA finds configurations of conditions under which the outcomes emerge; however, it does not show the causal power of the mechanism to which the causal conditions refer. In **Chapter 4**, I look for this causal mechanism. After some methodological considerations on multi-method research, I present four case studies, in which I explore the development of labour migration policy since the post-World War II-period, and I trace the causal power of actors doing actions that brought about a specific outcome. Among the selected case studies, three cases are typical cases, with high membership in the conditions identified in Chapter 3 and high

membership in the outcome, one case is a deviant case for coverage, with low membership in the conditions. In the four cases, I test the relevant hypotheses on employers' preferences, employers' lobbying activity, and political parties position, depending on the outcome to explain. Case studies introduce a temporal dimension in the analysis, which was absent in the previous analysis. This allows me to explore how the casual mechanism plays at different points in time.

Having found a model to explain labour migration policy and decoupling at the national level, in **Chapter 5** I test the validity of my model to explain Member States' position on the EU dimension. Migration has acquired in recent years more and more salience at the EU level. In particular, the Amsterdam Treaty gave EU institutions power to legislate on labour migration and on the condition of admission of migrants. This has been however a policy area of tense confrontation among Member States, which kept until 2009 the power to veto legislative proposals under unanimity voting. The chapter traces the process that led to the approval of the first labour migration Directive, the Blue Card Directive, in 2009, on the admission of highly qualified third-country nationals, by analysing Member States' positions before the negotiations, and the Commission's role as agenda setter.

In particular, it analyses Member States positions on three dimensions: the scope of labour migration policies, i.e. on whether the EU should pursue a horizontal approach, targeting all types of migrants, regardless of their skill level, or a selective approach, focusing on highly skilled migrants and other minor categories of foreign workers; the degree of harmonisation of EU policy openness, i.e. whether the EU should aim at a more or less binding directive; and the openness of the policy, i.e. whether the legislative instrument should be more or less open towards the target group. To each of this dimension, a different hypothesis is associated. The *scope hypothesis* holds that countries with a decoupled policy by skill level at the national level prefer a selective policy at the EU level, favouring highly skilled workers. The *EU involvement hypothesis* contends that Member States with a well-functioning migration policy at the national level opposed the EU initiative, fearing to lose their competitive advantage; while Member States without a policy for highly skilled workers at the national level (or an ill-functioning one) favoured the EU involvement. The *openness hypothesis* claims that Member States with a configuration of conditions found to be causally relevant for an open (restrictive) migration policy at the national level were also in favour of a liberal (restrictive) EU directive. The result of the negotiations led to a selective approach, with low harmonisation power, and rather restrictive conditions.

The chapter also touches upon the transposition of the Directive at the national level, classifying a typology of impacts of the EU instrument vis-à-vis the national scheme, and verifying whether the preferences on openness that Member States had at the EU level remained stable at the national level. Explaining the negotiation process as well as transposition remain outside of the scope of the present research.

2. Conceptualising labour migration policy and decoupling

This chapter explores the ways to conceptualise labour migration policy, as phenomenon under analysis. It is divided into three sections. The first section introduces the concept of measuring migration policies and develops its research advantages. The second section reviews existing migration policy indexes and compares them by their scope, their object of analysis, their unit of analysis, their indicators and aggregation methods, while highlighting the advantages and disadvantages of the relevant measuring choices. The third section presents an original index to measure the openness of labour migration policy and their degree of decoupling, i.e. difference in openness by skill level. It presents the analytical framework first, and then the results of the application on the index.

2.1 Why measuring migration policy

The field of comparative migration policy has been traditionally dominated by qualitative studies (Helbling and Michalowski 2017, Freeman 2006). Whereas this has produced in-depth research on a limited number of cases (for instance, Messina 2007, Faist and Ette 2007, Duncan 2012, Paul 2015, Menz 2009, Caviedes 2009, Zincone, Penninx, Borkert 2010), systematic comparisons on a large and medium-sized sample of countries have been less common. A way to make a larger comparison manageable is to quantify the phenomenon under investigation. In migration policy, this exercise is still relatively new, while in other fields of study, comparative research based on the operationalisation of the policy area or of the concept under analysis has a more established tradition: for instance, the fields of democracy, corruption and development offer some examples of quantitative comparison (see for democracy, Munck and Verkuilen 2002, see Bandura 2008 for a survey of composite indicators).

Operationalising the policy area under investigation means building composite indicators, or indexes. This analytical operation entails selecting a set of indicators, which would be *relevant* and *complete* to describe the characteristic of the policy under analysis, and aggregating them into an overall (composite) indicator. The aim of the operationalisation is to make complex policies or concepts simpler and measurable across entities (for instance, countries or over time). Reducing the complexity should however not result into oversimplification and therefore the choice of which and how many indicators to select, and how to aggregate them is crucial, and needs to be transparent and well-grounded into the knowledge of the policy area. Operationalising the phenomenon under investigation has the benefit of making hypothesis-testing easier, of increasing comparability (across countries and over time), transparency and objectivity. Measuring policies would allow for example to test hypotheses on whether policies converge over time, or on the degree to which they differ at one point in time. It could allow testing which components of a policy are more systematically linked to certain

overall characteristics, which components are less likely to change, and which relationships exist between different policy components. Moreover, when the policy is transformed in a measurable variable and is combined with measurable policy outcomes/results, it is possible to test hypotheses on the extent to which a policy has been effective in bringing about the desired outcomes/results, and on policy determinants (e.g. whether countries which manifest a certain characteristic are also more likely to have an certain type of policy, or whether a specific characteristic is a necessary or sufficient condition for a policy output).

Case studies and larger quantitative comparisons are not necessarily two distinct research methods; rather, qualitative case studies on a smaller number of countries could be in fact used to complement the larger comparative research and shed light on the results of wider quantitative comparison (Cerna 2016 and Ruhs 2013 offer examples of mixed method research).

Against this background, during the last decade, the migration policy field has recorded an increased interest in measuring and index-building (American Political Science Association Newsletter 2013, the issue of Comparative European Politics 2011(5), Helbling 2013, Helbling and Michalowski 2017). Up to date, several indexes have been produced in the migration policy field, both in the academic and in the grey literature. These indexes differ by the following elements:

• the scope, which varies from labour migration policies for (highly) skilled workers to migration policies in general, including for instance, asylum seekers and family members;

• the unit of analysis, that can be as general as the policy area, or as specific as the migration entry route;

• the characteristic of the object of analysis under investigation and measured by the index, which varies from policy openness to policy well-management;

• the selection of indicators, which in some cases leads to many and fine-grained indicators, in other cases fewer and more general indicators;

• the values that the indicators can assume;

• the aggregation method, which most of the time consists in summing up scores and normalising them, but may also involve weighting or more complex analysis, like principal component analysis;

• the level of analysis, which for most indexes, is policy on paper rather than policy implementation or policy outcomes;

• the collection method, which varies from expert questionnaires to primary data collection.

Some theoretical trade-offs can be identified, for instance between the number of indicators selected and their relevance. On the one hand, indicators should be relevant and non-redundant, so not to add irrelevant information that could distort the index; on the other hand, they should be complete, to capture the relevant policy dimensions. Increasing the number of

indicators, the chances to miss some relevant policy elements decrease, while the likelihood to include some irrelevant ones increases. Other trade-offs are the result of the empirical limitations of each empirical research. For instance, a trade-off can be identified between the time span, the geographical extension, and the scope of the index. In existing indexes, the time span varies from one year to almost six decades. The geographical extension varies from 46 high and medium income countries, to a smaller number of countries. On the scope, some indexes include a very specific aspect of migration policy, others encompass almost all migration aspects.

2.2 Review of available measures

This section analyses 11 migration policy indexes[15] that have been produced in the last decade, by i. scope, ii. unit of analysis, iii. characteristic of the object of analysis that is measured, iv. choice of indicators, v. method to assign values and aggregate indicators.

i. Scope

All considered indexes measure some aspects of immigration policy, and differ by the breath of the scope and by categories of immigrants included. The first group of indexes (IMPIC, IMPALA, DEMIG POLICY) focuses on immigration policy in general. The broadest one is DEMIG, which includes measures covering the categories of high-skilled and low-skilled workers, family members, irregular migrants, asylum seekers, and international students. DEMIG covers policy measures coded by policy areas (border and land control; legal entry and stay; integration and post-entry rights; and exit regulations) and policy tools (e.g. work visas, recruitment programmes, regularisations, employer liabilities). IMPALA covers the same categories, with the exception of irregular migration; and with the inclusion of policies on the acquisition of citizenship and bilateral agreements. IMPIC adopts a stricter definition of immigration policy, which includes labour migration (by skill level), family reunification (by nationality of the sponsor), refugees and asylum (by types of humanitarian protection), and co-ethnics migration, and excludes citizenship policy, which belongs to a later stage of the immigration process, as well as more temporary forms of movement, such as study migration.

The second group of indexes narrows its scope to specific categories. Bauböck and Vink (2013) focus only on citizenship policy, covering migrants as well as nationals (e.g. in losing citizenship), while Thielemann (2004) on asylum policy. A sub-group particularly relevant for the object of the present research covers labour migration policy. In particular, Ruhs (2013)' index measures labour immigration policy both in terms of rights associated to different labour immigration statuses and in terms of openness, i.e. the degree to which a country restricts the

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[15] DEMIG (in De Haas and Natter 2015, De Haas, Natter, and Vezzoli 2016), IMPALA (Beine et al. 2015, Gest et al. 2014), IMPIC (Bierre et al. 2015, Helbling et al. 2017), Bauböck & Vink (Vink and Bauböck 2013), Thielemann (Thielemann 2004), Ruhs (Rhus 2013), Oxford Analytica (Oxford Analytica 2007), Cerna (Cerna 2016), EIU (EUI 2016), MIPEX (MIPEX 2015). Hercog & Wiesbock (Hercog & Wiesbock 2015) does not present a fully developed migration policy index, however the article is included here as it provides a detailed comparative analysis of highly skilled migration policies in selected countries, which could be interpreted as the preliminary step for building an index.

admission of different types of migrant workers. Ruhs' index excludes other forms of migration where employment is not the purpose to migrate, i.e. study, family, humanitarian-related migration, and programmes where the employment component does not represent the primary purpose to migrate (e.g. au-pairs), as well as migrants admitted under specific internationally negotiated programmes (e.g. service providers) or free movement agreements. Labour migration schemes are grouped by the skill level of the target group: low skilled migration (for jobs that would require less than high school education), medium skilled migration (for jobs that would require high schools or vocational trainings), high skilled migration (for jobs that would require first university degree), and very high skilled (for jobs that normally would require second and above level of university qualifications). Similarly, Oxford Analytica (2007) produces a Labour Migration Policy Index, which aims "to assess on a national level the mechanisms which allow employers to meet their labour needs, and which provide favourable conditions for migrant workers" by skill level. Cerna (2016)'s index focuses on programmes for highly skilled migration only, with the exclusion of students, whose primary reason to migrate is not working, and intra-corporate transferees, who are generally perceived as workers detached for a limited period only. Hercog and Wiesbock (2015)'s comparison also focuses on labour migration policy for highly skilled migrants.

Finally, in the third group of indexes, migration policy is only one part of a wider object of analysis. The Economist Intelligence Unit (2016) built an index to measure the governance of labour migration, defined not only as the way to regulate migrants' inflows, but more broadly as the involvement of "multiple actors across multiple levels, and [the existence of] platforms that facilitate interaction among governmental institutions, the private sectors, multilateral and non-governmental organisations" for the management of migration for economic purposes. The index does not distinguish between categories of labour migrants, and entry schemes are only one element of the analysis. MIPEX, first published in 2004 and at its fourth edition in 2015, focuses specifically on integration policy in eight predefined areas: labour market mobility, education, political participation, access to nationality, family reunion, health, permanent residence and anti-discrimination. MIPEX does not systematically distinguish between different categories of migrants; however, to measure the coverage of integration measures some questions distinguish between permanent residents, migrants on temporary permits and family migrants.

Table 2.1 summarises the difference in scope in the indexes under investigation.

Table 2.1 Indexes by categories of migrants covered.

Categories covered	DEMIG	IMPALA	IMPIC	Bauböck & Vink	Thiele mann	Ruhs	Oxford Analytica	Cerna	Hercog & Wiesbock	EIU	MIPEX
Economic migration by skill level	X	X	X			X	X	X (high skilled)	X (high skilled)		

Family migration	X	X	X							
Student migration	X	X								
Humanitarian migration	X	X	X		X					
Irregular migration	X									
Citizenship policy		X		X						
Bilateral agreements		X								
Co-ethnic migration			X							
Labour migration in general									X	
Integration of all migrants										X

The geographical scope of the indexes varies, from 46 countries in different world regions (Ruhs 2013), to four Western countries (Hercog and Wiesbock 2015). Similarly, indexes can aim at measuring variation over time, for instance covering a time period up to 5 decades (DEMIG) or two points in time (Cerna 2016); or they can measure only one point in time, for instance one year (e.g. Ruhs 2013). The countries' selection criteria are maximising variation in potentially explaining conditions (geographical, institutional, historical variety), presence of the phenomenon under consideration (e.g. highly skilled migration), and data availability.

Table 2.2 summarises the geographical and temporal coverage, as well as the selection criteria, in the indexes under investigation.

Table 2.2 Indexes by geographical and temporal coverage and selection criteria.

	Countries	Period	Selection criteria
DEMIG	45 countries	1946-2013	Historical importance and current migration patterns
IMPALA	OECD countries (26) with net immigration over the past two decades. Australia France, Germany, Luxembourg, the Netherlands, Spain, Switzerland, UK, US	1960 (more realistically 1980)-2010	Maximize variation
IMPIC	OECD countries (33)	1980-2010	Availability of harmonised data, diversification of migration patterns, comparable institutions
Bauböck and Vink	36 countries: EU Member States + Croatia, Iceland, Macedonia, Montenegro, Serbia and Turkey, + Switzerland and Norway + Moldova	2011	Availability of data
Thielemann	20 OECD countries	1985-1999	Availability of data
Ruhs	46 countries: high-income countries (34), upper-middle-income countries (9) and lower-middle-income countries (3)	2009	Broad geographic coverage
Oxford Analytica	6 countries, (Australia, Germany, Italy, Singapore, UK, USA)	2005	No information

Cerna	20 countries: Australia, Canada, New Zealand, USA), West European countries (AT, BE, DK, FI, FR, DE, NL, NO, SE, SW, UK), (IE, IT, PT, ES), Japan	2007 and 2012	Differentiating political economic environment
Hercog & Wiesbock	4 countries (DE, NL, UK, US)	2015?	Dependent variables (attracting policy for hs)
EIU	16 countries: Bahrain, Bangladesh, Canada, Costa Rica, Germany, Ghana, Italy, Mexico, Moldova, Morocco, Philippines, South Africa, South Korea, Sweden, Turkey	2015?	Potential independent variables
MIPEX	38 countries: EU Member States + Australia, Canada, Iceland, Japan, South Korea, New Zealand, Norway, Switzerland, Turkey and the USA	2007 onwards	No information

ii. Characteristic of the object of analysis under investigation

As the scope and the unit of analysis vary, so does the specific feature of migration policy that the indexes intend to measure.

IMPIC, DEMIG POLICY and IMPALA measure the degree of openness or restrictiveness of immigration policy. In IMPALA and IMPIC, the measure is absolute and each year is treated individually, while DEIMG measures the restrictiveness of the changes introduced in a given year compared to what was in place in the previous year. What makes a policy more open or restrictive is based on whether it is more or less easy for migrants to migrate, and there is a general consensus in the literature on these elements. DEMIG develops five criteria to assess whether any change introduced made the policy more restrictive (+). These are: if the policy i) restricts (+) or widens the pool of migrants (-), ii) rises specificity (+) or increases generality (-), iii) makes the procedures more (+) or less complicated (-), iv) restricts (+) or widen (-) the choices available to immigrants, v) increases (+) or relaxes the level of control (-). Ruhs (2013)' and Cerna (2016)'s indexes also measure the restrictiveness of labour migration policy (or labour migration policy for highly skilled workers, in Cerna's case), and Ruhs in particular focuses on numbers (i.e. how many migrants a policy would allow in) and rights (i.e. which rights would migrants enjoy). Hercog and Wiesbock (2015)'s comparison is intended to capture the policy attractiveness, i.e. the power to influence migrants' decision to move to the country for the specific characteristics of its migration policy. A policy is considered successful when "the immigration process is made easier from the perspective of a potential migrant". Besides the degree of restrictiveness, IMPALA is the only index to measure also the degree of regulatory complexity of immigration policy, whereby the policy framework is more complex if the number of entry schemes has increased over time for specific categories.

Bauböck and Vink (2013) measure the extent to which citizenship law is inclusive (or restrictive) and recognises the autonomy of the individual vis-à-vis the state. Thielemann (2004)'s index measures the extent to which a country's asylum policy supposedly deters asylum seekers; while MIPEX measures the degree to which migration policy is favourable to migrants' integration, in selected areas of policy intervention.

Although deciding the extent to which a policy is more restrictive implies a degree of subjectivity, however, this subjectivity is reduced by consensus in the literature and by the

simplicity of the concepts involved. More disputable and complex concepts, and therefore more difficult to measure, are the degree of development and the extent to which a policy is well-managed. The first is the object of the index developed by the EIU, which measures the degree of development of migration governance, categorised as nascent, emerging, developed or mature. The second is measured by the index developed by Oxford Analytica, which in particular assesses the extent to which migration policy is "well-managed", i.e. it serves the needs of employers and migrants. This implies some preliminary considerations of what employers' and migrants' needs are, and a compromise when they conflict. The more subjective judgement is included in the index, the more controversial it can be.

Table 2.3 compares the indexes under investigation by their object of analysis.

Table 2.3 Indexes by characteristics of the object of analysis.

	DEMIG	IMPALA	IMPIC	Bauböck & Vink	Thielem ann	Ruhs	Oxford Analytic a	Cer na	Hercog & Wiesbock	EIU	MIP EX
Openness/restrictive ness of a policy	X	X	X			X		X	X		
Degree of development										X	
Good management							X				
Degree to which a policy is favourable to integration											X
Inclusiveness and individual autonomy				X							
Asylum deterrence					X						

iii. Unit of analysis

Indexes vary by units of analysis. The unit of analysis reveals what the index specifically aims at measuring, and represents its micro-foundation, its building blocks. For transparency and comparative purposes, the unit of analysis has to be clearly described and identifiable across countries.

In some indexes, the unit of analysis is the policy in general, which overlaps with the country. Hercog & Wiesbock (2015)'s unit of analysis is the policy for highly skilled migrants in specific countries. The policy covers different migration schemes for highly skilled workers, which are not separately described or listed. From the indicators used to describe the policies, it can be inferred that these schemes include (highly) skilled workers coming from a third country to take up employment, (highly) qualified job-seekers, graduates looking for employment and researchers. If, on the one hand, the choice of conflating different migration schemes into the broader concept of 'policy' has the advantage of providing a more comprehensive picture of states' effort to attract (highly) skilled workers, on the other hand it makes the comparison less clear and less accurate. In fact, the value of several indicators (e.g.

access to permanent residence) varies on the basis of the type of permit held by the migrant, and not distinguishing between specific migration schemes leads to losing out this variation. Similarly, in MIPEX, the unit of analysis is integration policy in specific countries, which covers migrants regardless of the scheme on which they enter the country. In the EIU (2015)'s index, the unit of analysis is labour migration governance of a specific country. Here too, different migration routes are conflated into one domain and differences by skill are not captured. The weakness of having such a macro unit of analysis, like the policy, is that the differences between migration categories cannot be appreciated, and the index becomes the result of many implicit coding choices on which categories to include for each variable.

Thielemann (2004) analyses asylum policy in a given country in a given year; however, in this case policy covers mainly one status (refugee status) and the pre-determination phase (i.e. before determining which type of protection, if any, the asylum seeker should benefit from), so that differences with other statuses are less relevant.

Other indexes have a more specific unit of analysis. IMPIC looks at the policy measures in force in a given country in a given year, categorised by policy field (i.e. categories of migrants) and policy dimension. The policy dimensions are divided into *modus operandi*, which could be a regulation or a control mechanism; and by *locus operandi*, depending on whether the laws and control mechanisms aim at regulating the external dimension (before migrants enter the country) or the internal dimension of migration policy (once migrants are in the country). Since an empirical application of the index or the list of adopted indicators is not available, it is not entirely clear whether the policy measures are those in force in a country in a given year, or those introduced in that year. IMPIC (2016) reports in the appendix the results of how control mechanisms and internal and external regulations for family policies have evolved during the period 1980-2010, but which elements of the policy or which policy instruments are specifically assessed, and whether these are the same across countries is not explicitly discussed. Very specific is also Bauböck and Vink (2013)'s unit of analysis, which is citizenship law in force in one country.

In the DEMIG index, the unit of analysis is the policy change introduced by a measure or, when a package is approved, by sub-measures. Each change is coded by policy area (border and land control; legal entry and stay; integration and post-entry rights; and exit regulations); policy tool (e.g. work visas, recruitment programmes, regularisations, employer liabilities); and migrant category (e.g. high-skilled workers, low-skilled workers, family members, irregular migrants, asylum seekers or international students), and is assigned values, depending on whether the introduced change makes the policy more or less restrictive. DEMIG measures how a country policy has changed over time, with respect to the previous years (and not in absolute terms), therefore it is not necessary that the content of the measures analysed in each country is the same. What is more relevant, instead, is to make the change comparable across years and

countries, to understand the magnitude of the change and to quantify the extent of its impact on migration policy restrictiveness (see section iv. on indicators).

In IMPALA, the unit of analysis consists in the entry track within the migration categories, i.e. "a particular mode of entry for a prospective migrant given her or his characteristics and purpose", in a given country in a given year. This choice provides a very detailed and comprehensive picture covering all immigration schemes. The economic tracks, for instance, in pilot covering nine countries during the period 1999-2008, were between 10 and 65 per country. The list of entry tracks has not been published, but considering their high number it is reasonable to assume that all sorts of tracks have been included. For instance, depending on the availability of the track in the country, the highly skilled category may include sportspersons, journalists, migrants with general high skills, diplomats, etc. One advantage of the choice to report at such level of detail is clarity, as it is always explicit which categories a specific track covers, and which tracks an aggregated category (e.g. highly skilled migrants) includes or excludes. One important advantage of measuring by track is that it allows to answer questions on the development of the system's regulatory complexity by counting the number of tracks for a specific category or policy domain. This level of details, however, comes at a cost when tracks are aggregated. When researchers are interested in the development of a specific policy domain, for instance highly skilled workers, the values for each relevant track are aggregated by simple aggregation method (i.e. each track has the same weigh). So, the aggregated value for highly skilled workers is the result of the mean of each track (e.g. artists, journalists, generally skilled migrants). This might be misleading, as tracks concur to different extent to define highly skilled migration, as they represent different shares of migrants, and not all tracks are equally relevant.

Ruhs' and Oxford Analytica's unit of analysis is the migration programme by skill level. Although there is no definition of what a migration programme by skill level is, from the average number of labour migration programmes per country (2.3) and the list of programmes per country, it can be said that it is not something as detailed as the entry track, or that only some selected (presumably by their importance) entry tracks are considered. Each programme is coded by its target groups: these are i. only highly skilled, ii. very high skilled, iii. high skilled, iv. medium skilled, v. low skilled and vi. only low skilled migrants.

Compared with the entry track and policy, the programme stands in the middle for level of detail. The advantage of this choice is that the programme by skill level is on the one hand more informative than the (aggregated) tracks, as only the most relevant categories are included, and, on the other hand, more specific than the policy, as the differences between the possibly multiple programmes that compose the policy are spelled out. Each migration programme is assigned to a skill level. When the programme does not have a specific target (e.g. general programme for migrant workers), Ruhs (2013) assigns it to each skill category, with the

exception of the categories for only high or low skilled migrants (i and vi). Hence, the unit of analysis is not exactly the migration programme, but the occurrence of a programme in the skill categories. For instance, in the reference year, Italy had only two migration programmes, the seasonal and the non-seasonal one. The seasonal worker programme has been assigned to the category of only low skilled and low skilled migrants (vi and v), while the non-seasonal programme to the categories of low, medium, high and very high skilled migrants (ii, iii, iv, v). The choice of considering the occurrences of the programme as unit of analysis can be misleading from a conceptual point of view and when occurrences are aggregated to calculate the score in one skill category. Conceptually, Italy did not have a proper programme for highly skilled workers, but only a general programme to which all migrants, regardless of their skills, could apply. This has not been clearly reflected in the categorisation of the programmes and the Italian migration policy appears to be selective at all skill levels, which was the opposite of what in fact was the case. When aggregating the programmes under a skill category, the score for one skill category is the result of the mean of all programme occurrences. For instance, in Italy, the score of programmes for low skilled workers is the result of the mean of the seasonal programme and the non-seasonal programme. This makes the relation between programmes and skills more difficult to interpret and it has no clear added value. Moreover, this choice creates a certain conceptual redundancy, as all programmes which are for high-skilled (and not for high skilled only) are also by definition for medium and low skilled workers. Since the category of only medium skilled workers does not exist, all programmes falling under these categories will also fall under other categories. Instead of considering each migration programmes by skill level, an alternative analytical framework could be considering by skill level only those programmes in fact designed to cover only some skills, while considering the other programmes as general programmes, with no predefined skill assessment or targets.

Similarly, in Cerna (2016), the unit of analysis is the migration programme for highly skilled workers, which represents an entry channel linked to a residence permit giving access to high skilled employment. It remains however unclear how multiple programmes in one country are treated; in particular, whether they are somehow aggregated or if only one programme is considered. Table 2.4 reports the indexes' units of analysis.

Table 2.4 Indexes by unit of analysis.

	DEMIG	IMPALA	IMPIC	Bauböck & Vink	Thielemann	Ruhs	Oxford Analytica	Cerna	Hercog & Wiesbock	EIU	MIPEX
Policy /country					X				X	X	X
Measures			X	X							
Change	X										
Entry tracks		X									
Programmes						X	X	X			

iv. Choice of indicators

Indicators must measure the relevant aspects that describe the extent to which the unit of analysis presents the characteristic under measurement. They should be *transparent*, *relevant* to the object of analysis across countries and over time, *non-redundant* and *complete*. The choice of which indicators to use depends on the unit of analysis and the scope of the index. In general, there is a trade-off between the scope of the concept to measure and the granularity of the indicators. On the number of indicators to use, some indexes are more parsimonious, while others are more comprehensive. Another trade-off emerges between conceptual clarify, due to the selection of only the most important indicators, and comprehensiveness that ensures that all aspects of a phenomenon are taken into account. When many indicators are considered, these are grouped into higher-level categories, for instance migrants' rights and admission conditions. It is important to make sure that the indicators measure the same object. For instance, if policy on paper (policy output) is chosen to be the object of the analysis, then all indicators of the index should measure policy on papers. Keeping policy output distinct from policy implementation and policy outcome is important to ensure the consistency and to draw sound conclusions from the index.

MIPEX presents the highest number of indicators (approximately 300) divided into eight policy areas, i.e. labour market mobility, education, political participation, access to nationality, family reunion, health, permanent residence and anti-discrimination. MIPEX aims at capturing all aspects of integration policy, but it is not clear whether it describes integration policy on paper or in practice. Country experts receive more than 300 questions to answer to on integration policy in their countries, but it is not specified whether the answers should describe the legislation in place or its application.

The EIU's index relies on 74 indicators, divided into five policy dimensions: i) institutional capacity, ii) migrants' rights, iii) safe and orderly migration, iv) labour migration management, v) regional and international cooperation and other partnerships. The index measures a country's migration governance, which is a multi-dimension concept. Given its wide scope, the indicators tend to be general rather than specific. For instance, the family reunification indicator measures only whether family reunification is possible, rather than how difficult it is to access to it (e.g. how long the waiting period is, how many family members are allowed in); similarly, the indicators on bilateral agreements measure only whether these are in place; while their number and whether and how they are used is disregarded.

Most indexes rely on a number of indicators ranging between 20 and 30. Hercog and Wiesbock (2015) selected 23 indicators, grouped into five policy dimensions and chosen on the basis of their relevance for migrants' decisions to migrate. The policy dimensions are: i) eligibility criteria, ii) special provisions for young migrants and options for transition to the labour market for former students, iii) length of validity of the permit and access to permanent

residence, iv) family migration options, iv) employment rights and social security provisions. While the list of indicators aims at being comprehensive, some of the indicators are in fact redundant, and others too general: for instance, the requirement of having an employment contract appears twice (in employment rights and eligibility conditions), while the obligation to meet a certain level of language proficiency and passing the integration test is divided into two different indicators, while in practice the language test is most often part of the integration test. Moreover, the indicator measuring the access to social security does not distinguish different branches of social security, which have in fact different access rules.

Oxford Analytica (2007)'s index has 31 indicators, divided into two building blocks: admission and entry mechanisms, and migrants' work entitlements. The first is divided into administrative mechanisms and entry mechanisms. The second includes work permit entitlements and employment and social rights. The index aims at measuring a complex and not merely descriptive concept, i.e. the extent to which labour migration programmes are well-managed in serving the needs of employers and migrants. Given the high level of subjectivity, such concept would require detailed indicators so to enhance reliability. In Oxford Analytica's index this is not always the case, for instance the indicator on the point-based system only registers its presence (which is considered in itself a sign of well-managed migration), rather than its functioning; similarly, on the length of permit, it is recorded only if it is permanent or lead to permanent residency, while its actual length is not considered.

Ruhs (2013)' index is based on 35 indicators that try to capture the presence of elements that restrict access to the country for labour migrants (openness indicators) and the presence of elements that restrict their access to rights (rights indicators). The 12 openness indicators are divided into: quota criteria, demand (e.g. having a job offer) and supply-side (e.g. having a qualifications) restrictions; while the 23 rights indicators are divided into: civil and political rights, economic rights, social rights, residency rights and access to citizenship, and family reunion for migrant workers and employment rights of family members. These indicators provide a comprehensive overview on labour migration programmes, and have the benefit to be applicable at the same time to high and low skilled migration programmes, as well as to countries with very different types of migration policies.

Other researchers chose to opt for more parsimonious indexes, with a small number of indicators. Cerna (2016)'s index is based on six indicators selected on the basis of their relevance for migrants' choice to move. These, as in Ruhs' and Oxford Analytica's case, are divided into entry mechanisms and rights migrants can enjoy. In the first group, the indicators are: numerical cap, labour market test, and labour protection; in the second group, they are employer portability (i.e. mobility into the labour market), spouse's work rights, and permanent residence rights. It is not clear why Cerna selects only these six indicators, and excludes others considered important by the literature and debated in public policy (e.g. educational requirements). It may

result that the selected indicators are in fact the most important ones to explain the variety in openness; however, this has to be an analytical result rather than a theoretical assumption.

DEMIG relies on six indicators, which describe three aspects of the policy measure: the policy content, restrictiveness, and the magnitude of the change introduced. As for the policy content, four indicators have been chosen: policy area, policy tool, migrant category and migrant origin. The change in restrictiveness and the magnitude of the change are described by one indicator each. Changes are classified into: fine-tuning existing rules, for instance, change in age or salary requirements; minor change, when the measure affects an entire migrant category but does not remove or introduce a new policy instrument; mid-level change, affecting only parts of a migration category but introducing or removing a policy instrument; and major changes, for changes affecting an entire migrant category and removing/introducing a policy instrument. The introduction of the magnitude of a change is a very important feature of the index as it allows to appreciate the difference between minor and more substantive changes. However, it seems that the only variables to define it are the number of migrants' categories covered by the change and whether the change entails the introduction or removal of a policy instrument. These are 'formal' aspects of a policy measure. The content of the measure is not taken into account, while it can still affect the magnitude of the change: for instance, changes whereby quotas for a group of migrants decrease by some hundred units or by hundreds of thousand units are treated in the same way, i.e. fine-tuning changes. Moreover, it is not clear how the intensity of the change is taken into account when analysing the development of the policy over time, and in the empirical application of the index (De Haas and Natter 2015) the intensity of the change seems to be neglected.

Bauböck and Vink (2013) select 12 indicators, which are deemed to represent the core purposes the state aims to achieve with its citizenship policy. The selection is therefore heavily theory-driven, as it does not aim at comprehensively describe citizenship law, but at capturing state's purposes, as deduced from theory. Similarly, Thielemann (2004)'s index is based on 5 indicators that are supposed to be the most important elements to describe asylum policy deterrence. The selection is theory-driven. Thielemann (2004) includes as indicators both policy outputs (e.g. the presence of the safe third country provision in the legislation) and policy outcomes (the percentage of asylum claims rejected). This creates in principle a problem of consistency, as the index contains both policy provisions (output) and their potential effect (outcome).

Finally, the indicators used in IMPIC and IMPALA have not been published, therefore it is not possible to describe and assess them.

v. Values and aggregation method

Each indicator can assume different values, whose number vary depending on the type of indicator. For instance, binary indicators (yes/no questions) can assume only two values,

while ordinal or scale indicators more than two. In some indexes, the indicators have all the same number of possible values. In MIPEX, indicators can have 3 values, while in Cerna (2016)'s index 4 along an ordinal scale. Similarly, in DEMIG, when a measure introduces a more restrictive change, the indicator of restrictiveness has the value +1; when it introduces a less restrictive change it has the value -1; whereas when the change does not lead to more or less restrictiveness, it is coded as 0. The same happens in Thielemann (2004), where all indicators are dummy variables.

When indicators can assume different values, an issue to be tackled is how to treat them. The reviewed indexes chose to set first the highest value that the indicator can assume and set lower maximum scores for binary indicators. For instance, in IMPIC the measurement grid varies from 0 to 1, which describe what is theoretically conceivable for the countries analysed as respectively the most open and the most restrictive cases. Each indicator assumes a value within this range, unless it is a binary indicator (yes/no), whose value ranges only between 0 and 0.5. Similarly, in Ruhs (2013)' index, the indicators which can have two values score between 0 and 1, those with three values between 0 and 2 and those with four values between 0 and 3. Some indicators in Oxford Analytica have a value between 0 and 4, some others between 0 and 2. In IMPALA some indicators can assume values between 0 and 1, others between -1 and 1.

The problem with this method is that using different scales in the same index (e.g. 0-2, 0-4; -1-1, 0-1) introduces an implicit weight: when aggregating individual scores, the indicators with the largest scale can add a larger number than indicators with a smaller scale and therefore are weighted more. The indexes do not present any justification for this implicit weighting; therefore this operation should not be considered as a good practice.

An alternative method (employed by Bauböck and Vink 2013) is setting for each indicator the same maximum and minimum values, and, for multi-value indicators, assigning values within this range.

To be able to formulate an aggregate score, the values of each indicator need to be aggregated. Most indexes adopt a simple aggregation method, whereby indicators have the same weight and their values are simply summed up and converted into the desired scale. The reason for choosing a simple aggregation method is that there is no clear hierarchy of importance among indicators and giving them the same importance would avoid arbitrary choices. A simple aggregation method assumes that each indicator could be substituted by any other. This means that there is no necessary element that defines migration policy or the characteristic under analysis (e.g. openness). This seems acceptable in this context, as migration policy is a descriptive concept. It would be less acceptable in contexts involving normative concepts, like democracy, where, for instance, free press does not compensate for the lack of free elections, so

that free press and free elections are necessary and not interchangeable to define democracy (IMPIC 2016).

IMPALA's researchers are working on algorithms that can produce weighted aggregation, based on users' preferences, but, so far, the pilot application employs simple aggregation. DEMIG also seems to provide for weighted aggregation, as each policy change is not only given a score for the positive or negative degree of restrictiveness that it may introduce (-1, 0, +1), but also a score measuring the magnitude of the change. It is not clear, however, how the two indicators (intensity of change and degree of restrictiveness) interact, but the result should be that more intense changes are weighted more than less intense ones.

Bauböck and Vink (2013)'s index is the only available index to perform statistical analysis to reduce the number of dimensions represented by the indicators. In particular, Bauböck and Vink (2013) perform principal component analysis to reduce the number of components to a smaller set of uncorrelated dimensions that represent most of the information found in the original variables. From 12 variables, they found two components that describe the variation in citizenship policy. Ruhs (2013) discussed the potential use of principal component analysis to reduce variation, but he discarded it because the reduction of the components would be on a purely mechanical rather than conceptual basis, and the components would therefore not have a straightforward interpretation. The usefulness of reduction methods like principal component analysis in fact depends on the degree of coherence of the indicators and on the interpretative power of the principal components.

As shown above, in all indexes the indicators are divided into groups and sub-groups for their theoretical similarity. An important caveat when aggregating them concerns the number of indicators per each group. If a group or sub-group has more indicators than another, and if a simple aggregation method is used (as in most of the indexes), it means that the group with more indicators is *de facto* weighted more. If this happens, it is important to justify the weighting with theoretical reasons. The reviewed indexes do not pay particular attention to this aspect.

vi. Limitations

As shown in the previous sections, indexes are very different by objects of analysis and ways to measure them. Because of this diversity, it is difficult to assess their consistency across all categories of migration. It is possible however to assess cross-index consistency in relation to a specific sub-group which is present in a number of indexes, i.e. labour migration policies for highly skilled migrants. Ruhs (2013), Cerna (2016), IMPALA (2015) and Oxford Analytica (2007) measures highly skilled labour migration policies in different points in time, respectively in 2009, 2007 and 2012, 2008 and 2005. To check cross-index validity (Helbling 2013), the scores have to be reduced to the same scale. Table 2.5 shows the indexes reduced to a scale of 0 (most restrictive)-1 (least restrictive). The formula used to standardise them is: (actual value – minimum value) / (maximum value – minimum value), and when their scale is reversed, i.e. the

highest number is given for the most restrictive option, scores are first transformed into their negative. Figure 2.1 clearly shows the difference in harmonised scores.

Table 2.5 Harmonised scores for selected indexes on labour migration policy openness for highly skilled migrants.

Country	Cerna 2012	Cerna 2007	Ruhs 2009	IMPALA 2008	Oxford An. 2005
SE	0.69	0.00	0.72	:	:
AT	0.77	0.31	0.60	:	:
JAP	0.77	0.46	0.59	:	:
DK	0.92	0.46	0.67	:	:
USA	0.31	0.46	0.74	1.00	0.58
SWI	0.46	0.46	0.54	0.00	:
ES	0.46	0.46	0.76	0.45	:
IT	0.46	0.46	0.57	:	1.00
CAN	0.31	0.62	0.63	:	:
BE	0.62	0.62	0.70	:	:
NZL	0.62	0.62	0.68	:	:
PT	0.62	0.62	0.75	:	:
AUS	0.77	0.77	0.63	0.82	0.52
NO	0.92	0.77	0.67	:	:
FR	0.92	0.77	0.69	0.64	
FIN	0.77	0.77	0.64	:	:
IE	0.54	0.92	0.65	:	:
DE	1.00	0.92	0.60	0.82	0.98
UK	0.54	0.92	0.70	0.82	1.00
NL	1.00	1.00	0.67	0.82	:

Figure 2.1 Harmonised scores, by country, of selected labour migration policy indexes in different years.
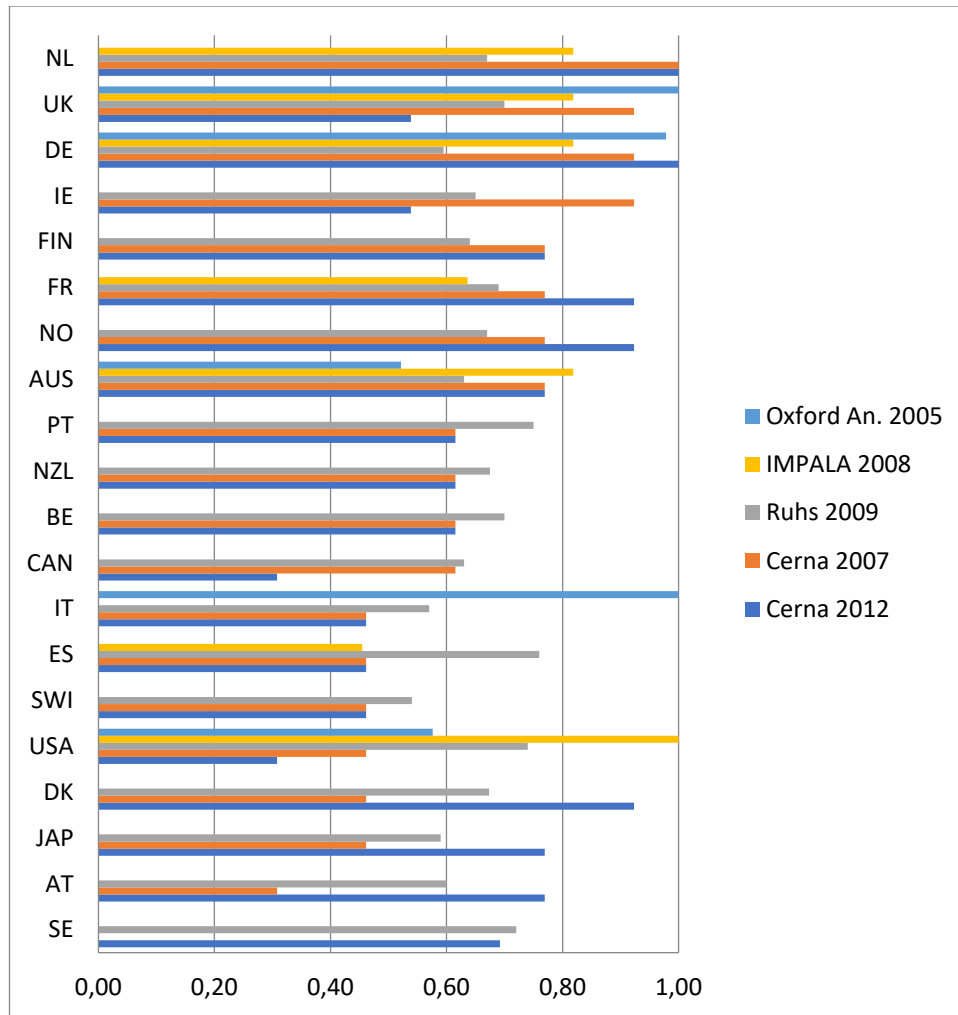
From Figure 2.1, it is clear that indexes differ substantially. Performing a correlation test (Helbling 2013), none of their correlations results to be significant (although it should be noted that the number of cases is rather low). This lack of consistency points at a major weakness of the indexes produced so far. Although some divergence is surely due to policy changes occurred in different points in time (for instance, in the period 2009-2011 all EU Member States have implemented the Blue Card Directive for highly qualified workers), however also when years are close, the variation is noteworthy. This shows that despite the growing number of indexes in the migration policy field, a consensus on how to build them is still to be reached. A way to deal with the variation is being cautious when interpreting the results, and being as explicit and as transparent as possible on the measurement method.

2.3 Labour Migration Policy Openness and Decoupling Index

Existing indexes measuring the openness of labour migration policy are not fit for the purpose of the present research, i.e. analysing the difference in migration policy openness by skill level. They focus either on *one* category of migrants, for instance (highly) skilled workers

(e.g. Cerna 2016), or on *separate* categories of migrants, for instance high and low skilled labour migrants. While researchers have analysed openness in schemes for highly skilled and schemes for low skilled, the difference in openness of programmes for different categories of labour migrants has not been separately conceptualised and inquired into. While existing indexes have measured the degree of openness by skill level independently, they have overlooked the *difference in openness* between the schemes for highly skilled migrants vis-à-vis general migrants.

This difference in openness is called here *degree of decoupling*. Specifically, here, the object of measurement is the extent to which a policy for one category, i.e. a selective policy typically for only (highly) skilled migrants, departs (i.e. decouples) from the policy for labour migrants, regardless of their skill level. This new conceptualisation aims at overcoming the limitation identified above in Ruhs' index, which imposes on countries' migration policies a structure by skills which they do not necessarily have. Measuring the degree of decoupling will help answer not only research questions on how open a programme for highly skilled or low skilled migrants is, but also on the extent to which they differ, and, ultimately, what kind of selective migration policies countries have in place.

Figure 2.2 shows the four policy possibilities of decoupling under analysis:

- Countries in the bottom-left quadrant will present restrictive labour migration policies for both high skilled and general migrants, thus not registering any decoupling effect.

- Countries in the upper-right quadrant will present open labour migration policies for both high skilled and general migrants, thus not registering any decoupling effect.

- Countries on the bottom-right quadrant will present restrictive migration policies for highly skilled migrant workers, and more open policies for general migrants, thus registering a decoupling effect.

- Countries on the upper-left quadrant will present restrictive migration policies for highly skilled migrant workers and more open policies for general migrants, thus registering a decoupling effect.

Drawing from the literature on managed migration policy (see Chapter 1), the expectation is to find most countries in the upper-left quadrant as, according to the 'managed migration' paradigm, countries tend to liberalise policies for highly skilled workers, while restricting policies for general migrants.

Figure 2.2 Policy options on labour migration by skill level.
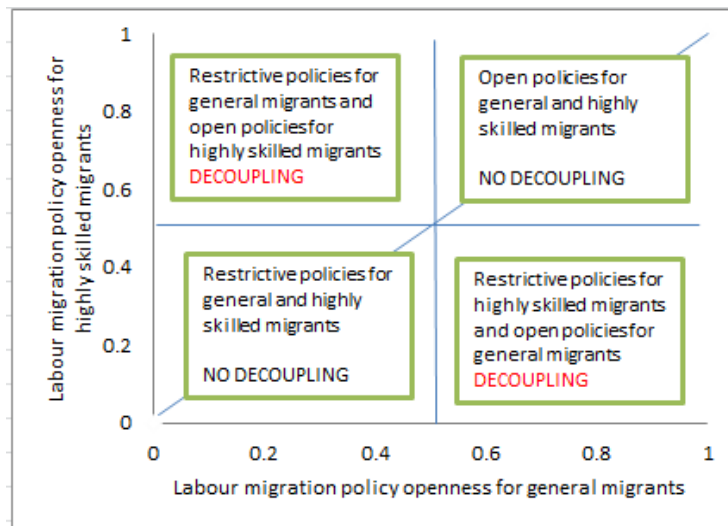
At the scheme-level, Figure 2.3 shows the relationship between the right and the admission component. A hypothesis put forward in the literature (Ruhs 2013) is that there is a trade-off between rights and admission conditions, whereby if schemes more liberal in terms of number of migrants allowed in a country are in fact more restrictive in terms of rights granted, and vice versa, migration schemes are expected to lie respectively in the bottom-right and upper-right quadrant. This particularly holds for general or low skilled migrants, who, unlike highly skilled migrants, are more likely to be welfare recipients rather than welfare contributors. Following this hypothesis, migration schemes are expected to lie in the upper-left and bottom-right quadrant.

This section presents the Labour Migration Policy Openness and Decoupling Index (LMPOD index). This draws upon the existing indexes for the selection of indicators and for the measurement methodology; as for its scope, instead, it is original.

Figure 2.3 Trade-offs between rights and admission in labour migration policy.
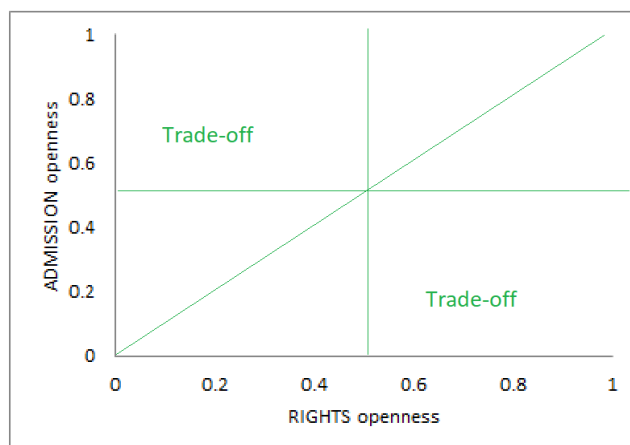
2.3.1 Developing the analytical framework

i. Defining the concept

The object of the present research is labour migration policy openness and decoupling by skill level.

Labour migration refers to a type of migration whose primary purpose is economic. Unlike other forms of migration, for instance family or humanitarian migration, it is regulated by principles having the primary purpose of serving labour market's needs. Labour migration is a legal concept, built on the reason why the residence permit is issued in the first place; in practice, however, distinguishing labour migration from other forms of migration is more complicated, because also family migrants and refugees can become migrant workers. Separating labour migration from other types of migration (asylum, family, study, co-ethnicity) is therefore justified by the fact that they belong to different legislative frameworks, however they should not be interpreted as totally separated categories. As Pastore (2010) noted, from the regulators' perspective, there are 'functional alternatives' which may serve the same purpose as labour migration. These include policies on migrants who entered the country for a purpose other than work but who then participate into the labour market, like asylum seekers, family members, students, co-ethnic migrants. In the EU, as well as in OECD countries, the flows for non-work-related purposes represents in general the largest share. Regulating these migrants' admission is different from the regulating the admission of labour migrants, as different principles apply. Yet, non-labour migrants are likely to affect the labour market because they take up employment (Martin and Venturini 2015), or because they change their residency status (EMN 2015), and therefore may have an impact on policy making for labour migration. So, although on paper, and legally, there is a clear-cut distinction between labour migration and asylum, study, family and co-ethnic migration, in practice these categories interact. For instance, in order to satisfy its labour market needs, a country may strategically decide to tighten the rules for labour migrants but loosen the ones for family reunification, or it may opt for increasing the number of regularisations of illegally residing migrants. It is important to be aware of such interactions and that labour migration policy is not the only channel through which countries can regulate the influx of migrant workers. Moreover, although excluded from the realm of migration policy, also policy choices on free movement of EU nationals from new Member States have an impact on the participation of non-nationals in the labour market. Both after the 2004 and the 2007 enlargement, older Member States had to decide whether to put in place transitional arrangements with regard to labour mobility of new EU citizens. The expected influx from these countries may have had an effect on labour migration policy for third-country nationals.

It is thus clear that it would be short-sighted to consider labour migration policy in isolation, as it has multiple interactions with other policy areas. However, the LMPOD index

focuses only on *explicit* labour migration policy. There is a pragmatic and a theoretical reason for narrowing its scope. Pragmatically, this will keep the phenomenon under investigation relatively simple. Theoretically, my research interest lies in the methods adopted by countries to select labour migrants. If countries used functional alternatives, it would mean that they have not embraced a selective migration policy approach, and have decided to rather tap into the existing labour force. Moreover, since the drivers and constraints of labour migration policy are different from the drivers of family reunification and asylum policy, it would be misleading to mix them.

Even when the focus is on *explicit* labour migration policy, different types of labour migration channels exist. In some countries, students are offered facilitated access to work permits once they graduated, in the countries of destination or in other countries, and, in some Member States (e.g. Germany and he Netherlands), they are also admitted as job seekers. Although retaining and attracting students fit into the strategy of retaining talent and attracting 'the best and the brightest' in a context of selective migration policy, the LMPOD index will not include post-graduation routes. This is because the impact of policies to retain graduate students strictly depends on policies to attract international students to the country, which is outside the scope of the present research.

Intra-corporate transferees, namely workers moving within the same multinational companies across states, will also be excluded. Intra-corporate channels are regulated by international agreements and do not properly amount to foreign labour, since workers remained employees of the same undertaking they were working before moving, and their detachment is limited in time. I will also exclude investors and entrepreneurs. Although these categories fit into a general strategy for making the EU more attractive to global talent, and legislative initiatives about them are in fact growing, however, they undergo a substantially different regularity framework from labour migrants (e.g. criteria include for instance the amount of the initial investment, the number of created jobs, the percentage spent in R&D). Including investors and entrepreneurs would increase the complexity of the index at the detriment of its consistency. Seasonal workers schemes will also be excluded as seasonal migrants are admitted only for a limited period in time and the employment is perceived as temporary in nature.

The LMPOD index' focus will therefore be on third-country nationals coming to Europe with the main purpose of seeking or taking up employment linked to a job offer, as summarised in Figure 2.4. Other forms of labour migration, functional alternatives, and factors outside the policy output will be excluded.

Figure 2.4 Scope of the labour migration policy openness and decoupling index.

SCOPE OF THE LMPOD: Explicit labour migration policy for taking up employment	OTHER FORMS OF LABOUR MIGRATION Post-graduation routes, Intra-corporate transferees, Entrepreneurs, Investors, self-employed, Seasonal workers Ad-hoc schemes	FUNCTIONAL ALTERNATIVES Family reunification policy, Regularization, Transitional agreement with new EU countries, Asylum policy, Bilateral agreement with non-EU countries

OUTSIDE THE POLICY OUTPUT: Actual implementation, political discourse

The specific feature of labour migration policy under analysis is openness, which is meant as synonymous of liberal, non-restrictive, potentially attractive from the perspective of migrants. The more a policy makes easier for third-country nationals to migrate into the country (less burdensome procedures, fewer requirements, more rights), the more a policy is open. This is consistent with the indexes analysed in the previous section. Policy openness is different from effectiveness; while the one is a characteristic of the policy regardless of its application and of policy-markers' intentions, the other is an attribute of the policy which captures the relationship between policy-makers' objectives and the effects of implemented actions (Czaika and de Haas 2013). This is why policy openness cannot be measured by the number of migrants coming through it.

Decoupling is defined as the difference in openness between the selective programme (typically for (highly) skilled workers) and the general migration programme that does not select by skill level; or, if the whole migration policy is skill-based, the difference between the (highly) skilled, medium skilled and low skilled migration programmes.

ii. Identifying selection criteria and data collection method

In the public policy literature, policy is a complex concept that includes the (declared and undeclared) intentions and actions of policy makers, as well as actions' consequences (Cairney 2012). For the purpose of building the LMPOD index, I will employ a narrower definition of policy, focusing on policy outputs. 'Labour migration policy' is defined as the set of measures taken by national governments to regulate the entrance in the state of third-country nationals for the purpose of taking up employment. These measures are generally contained in primary and secondary legislation. Implementation and the effects of a policy are excluded from my index, as well as the policy objectives and political discourse (Czaika and De Haas 2013, Boswell and Geddes 2007). In particular, a restrictive/open policy on paper may turn out to be the opposite because of implementation obstacles. Ministries may issue ministerial instructions imposing a tougher or more relaxed implementation of some provisions, without changing the formal rules. Although implementation is important, however, for the sake of the index' internal

consistency and for practical reasons only policy on paper will be analysed (De Haas, Natter and Vezzoli 2014).

The index is limited to 14 EU countries, representing four geographical areas in the EU, i.e. North, South, West, East. The countries included present different labour migration trends, policy history, and socio-economic and political institutional settings. While the original aim of the present research was to cover all EU countries, difficulties in data collection, due to the lack of data availability, made the restriction in scope necessary.

The data collection method consists in analysing primary and secondary legislation, when linguistically accessible, and secondary literature, for instance the country reports of the LABMIGOV project coordinated by FIERI, the outputs of the European Migration Network, EMN, that regularly provides update on migration legislation in EU Member States (including the 2013 EMN Study on highly skilled workers, Ad-Hoc Queries on work permit fees, 2015 EMN Study on labour shortages and 2014 Study on migrants' access to social security and healthcare), as well as Commission's documents produced for the review of the Blue Card and the relative impact assessment. Also, the legal conformity study on the Blue Card Directive, as well as the questionnaire on high-skilled migration compiled by EMN National Contact Points for the Skilled Migration Expert Group (13 November 2015, Brussels) were consulted. For specific questions on migrants' rights, some MIPEX indicators were also used. Finally, official information from government's websites and government's papers and brochures was analysed.

iii. Unit of analysis

The building blocks of the LMPOD index are the entry channels to the country, which are normally linked to a specific residence permit for work purposes. To obtain the residence permit, the third-country national has to meet certain requirements. Once these are met, the work permit may be granted, and gives access to a set of rights. The LMPOD index is composed of two parts: a labour migration policy openness index and a decoupling index, with two different units of analysis. The unit of analysis of the labour migration policy openness index is the entry scheme defined by skill level in the year 2015 in a given country; while the unit of analysis of the decoupling index, built on top of the openness index, is a specific country.

Schemes for (highly) skilled migrants are compared to schemes for low skilled or general migrants. There is no universal definition of (highly) skilled or qualified workers (Parsons, Rojon, Samanani and Wettach 2014). Countries focus on different elements, for instance professional or educational qualifications, the type of job the person is to take up, the salary the person is to receive. In general, in the present index, a policy is considered for (highly) skilled migrants when the person is supposed to take up employment which would require tertiary level of education. This definition, although it provides some indication, is empirically vague, especially with regard to professions that require a certain level of technical expertise not necessarily at high-educational level, e.g. in IT sector. In these cases, a policy will be considered for (highly) skilled

if the government considers it for (highly) skilled migrants. Excluding schemes for seasonal workers (outside the scope), the countries selected do not have schemes giving access to low-skilled jobs only. This means that selective schemes are for (highly) skilled only. This is in line with the theoretical framework of the present research, which is 'managed migration policy', i.e. policy that actively seeks to attract the needed skills, supposed to be high or medium-high. Selective policy is synonymous with (highly) skilled policy and antonymous to generic policy. While the former targets and aims at attracting a group of migrants by offering more favourable conditions and rights, the latter includes both (highly) skilled and unskilled migrants, which have to meet the same set of requirements and have access to the same set of rights, regardless of their skill level.

An entry scheme is therefore either for (high) skilled migrants, or for general migrants. Unlike Ruhs' index, which categorises a general scheme as, at the same time, (highly) skilled, medium skilled, and low skilled scheme, here a scheme is counted only once and belongs to one category only (general or (highly) skilled). Measuring the gap in openness between selective, (highly) skilled schemes and general schemes is therefore possible.

Selective schemes for highly skilled workers by definition target a specific group of migrants. Targeting means selecting those who qualify, and therefore, to some extent, making the scheme more restrictive. If the index included only variables on access requirements, it would be subject to a problem of circularity, as by definition, schemes for highly skilled workers would be more restrictive, and by definition selectiveness would be negatively correlated with openness. The circularity is avoided by including also variables related to access procedures and rights granted to migrants. This avoids the definitional circularity as highly skilled migration schemes are associated with more restrictive access requirements, but also with easier access procedures and more rights.

iv. Indicators

The selection of indicators draws upon the indexes examined above and it is tailored upon labour migration schemes that potentially select on the basis of skills, to ensure their relevance. Indicators should be clear in their meaning and in their contribution to the labour migration policy openness, hence, it should be clear what makes a scheme more open or more restrictive. In line with the indexes examined in the previous section, the indicators are grouped into two categories: admission and rights. When admission criteria are less burdensome for migrants and employers to comply with, the value that the indicator assumes indicates more openness; the same holds when the scheme grants migrants more rights.

The value each indicator can assume varies from 0 to 1, being 0 the most restrictive option and 1 the most open option. The most open and most restrictive options are theoretically devised ex-ante, although they rely on previous empirical knowledge on migration schemes. Each indicator can have 2 or 4 options: in the one case, the most restrictive option assumes value

0 and the most open 1; in the other case, the intermediate values of 0.33 and 0.66 are added.

The values of each indicator are summed up and then standardised on the basis of the formula: (actual value - minimum value) / (maximum value - minimum value). In such a way, the most restrictive scheme will score 0 and the most open 1. The other schemes will range between 0 and 1. The standardisation has the benefit of making the measurement more intuitive.

Indicators are grouped into admission indicators and rights indicators, and are described below.

Admission indicators

• The presence of numerical limitations to the number of migrants who can enter on the scheme is considered a restrictive element. Numerical limitations are of different types: quotas are a pre-set allocation that are generally reached, while caps are upper thresholds that are often not reached. Another type, targets, which are ranges that define the number of migrants, is used in some OECD countries (Australia, Canada and New Zealand) but not in EU countries (OECD 2014). The distinction between caps and quota is not always clear-cut in practice: for instance, the cap on the British scheme for skilled workers (Tier 2) was devised an upper limit but was hit for the first time in 2015; while in Italy the quotas, whose demands traditionally exceeded the available slots, were not filled up in 2015. Therefore, the index does not distinguish among the two and the available options are the presence (0) or the absence (1) of numerical limitations.

• A short length of validity of the permit is considered a restrictive element. The options are less than or equal to one year of validity (0), between 1 and 3 years (0.5) and between 3 and 5 years (1), being 5 years the residence requirement to obtain the EU long term residency.

• Residence permit comes at a cost, which can be borne by employees or employers. Higher fees make the scheme more restrictive. Since the cost of living varies across countries, absolute values are not adequate to measure the contribution of the fee to policy openness. The cost of the national identity card or, where not available, the passport is used as benchmark to assess how restrictive the fee is. If the cost of the permit is considered comparable to the cost of the identity card, the scheme is considered open (1); when considerably higher, the scheme is considered restrictive (0). The costs to issue a visa are not considered, as these may vary on the basis of migrants' nationality.

• The processing time is also a relevant indicator to establish the extent to which a scheme is open. Some countries have put in place a fast-track procedure for (highly) skilled workers that reduces the time to process the applications and grant the permit. This indicator refers to processing time set by law, which may be different from processing time in practice. However, when the law does not set a limit, the processing time in practice is considered. This is because while in theory the absence of a limit is a restrictive element of the scheme (as uncertainty deters applicants), the absence of a set processing time may be more due to the

bureaucratic culture of a country rather than to the intention of making the process unpredictable and discretionary. The processing time limit set in the EU Blue Card Directive (90 days) serves as benchmark (0.5); shorter processing time is considered more open (1) whilst longer more restrictive (0).

- If a scheme allows migrants to access to the country as job-seekers, then it is considered to be more open (1) than a scheme that requires a job offer (0).

- The scheme may be restricted to certain occupations, or certain sectors, employers or professions, regardless of the restrictions imposed by other factors, like salary and educational requirements. Also, it can work only within the framework of an international agreement with the third country. In these cases, the scheme is considered restrictive (0); otherwise, it is considered open (1).

- Imposing salary requirements on the third-country national is in general considered restrictive; however, the extent to which this is the case depends on the level of regulation for nationals. If it is required, for the migrant, that the salary meets the minimum wage or the wage set for the professional category and that is in general comparable to the salary earned by nationals, then it is minimally restrictive (0.66); if the salary is required to exceed the salary of nationals or the minimum wage but exceptions are possible (for instance, in shortage occupations, or if the migrant graduated in the country), the scheme is somewhat restrictive (0.33); if no exceptions are foreseen, the scheme is considered the most restrictive (0).

- A country can apply a labour market test, which consists in checking whether the pool of workers already present in the EU includes a suitable candidate for the position, before hiring a third-country national. The methods to carry out the labour market test differ, and include advertising the position for a certain number of days in job centres, or simply checking with the employment service. In general, the scheme is considered restrictive if foresees the labour market test (0), less restrictive if some categories are exempt (e.g. former students, professions in shortage) (0.5) and open if the labour market test does not apply (1). The severity of the labour market test in practice is not taken into account.

- If the scheme requires the applicant to have a certain level of education as a compulsory requirement, then it is considered restrictive (0 for tertiary education and above, 0.33 for vocational training). Education can also be not necessary but can affect the success chances of the application (0.66). Foreign qualifications, especially in regulated professions, often need to be recognised by the licensing bodies in the countries of destination (Sumption 2013). The requirements to recognise or validate foreign qualifications may be more or less difficult to meet, depending on the country or, when qualification recognition is not a federal competence, region, and depending on the specific licensing body concerned. Moreover, countries vary on the number of professions requiring a formal recognition of qualification. This

implementation aspect, albeit important, will not be taken into account when analysing the educational requirement due to its variability.

- The same holds for previous experience: if a certain level of experience is necessary, the scheme is considered restrictive (0); if it is not compulsory but affects the success chances of the application, or it is taken into account in alternative to education, the scheme is considered less open (0.5) than if experience is not taken into account at all (1). The requirements to recognise previous experience valid vary and will not be taken into account.

- Countries may require the third-country national to be at some level competent in the national language. If this is the case, the scheme is considered restrictive (0). While the level of language proficiency is important, and governments (e.g. in Germany and in the UK) have adjust the language requirements to make the country more or less attractive; however the level of competence required is not considered in the index, as its potential effect varies from the language spoken in the country of origin and destination of the migrant, and also by the profession.

Rights indicators

- Once a worker loses her/his job, regardless of the reason, the following options are considered: if the person sees the permit immediately withdrawn, the scheme is considered the most restrictive (0); if the person is given a certain period to stay in the country to look for another job, the openness of the permit depends on the length of the job-seeking period: up to 3 months (0.33), up to 6 months (0.66) or up to 1 year (1).

- The long-term residence status is associated with a number of rights the person may enjoy, similar to nationals. As per Directive 2003/109/EC, the EU long-term residence is given after 5 years of continuous residence (0.5). If the third-country national is allowed to access to the EU or the national long-term residency before 5 years spent in the country or in general in the EU, the scheme is considered more open (1). If the person cannot access the long-term residence, because for instance the number of possible renewals is limited, the scheme is considered the most restrictive (0).

- When a person entered the country with a job offer, changing job is generally regulated. If the person can change job in whichever sector and has therefore immediate free labour market access, the scheme is considered the most open (1). If the person can change employer but has a limited choice of occupations s/he can apply to, the scheme is more restrictive (0.5). The most restrictive case is if the permit is tied to the employer (sponsor) and to change employer the person has to lodge a new application altogether (0).

- A scheme is considered more restrictive if third-country nationals do not enjoy the same conditions as nationals to access pension schemes (0) regardless of pensions being tax-based or insurance-based.

- A scheme is considered more restrictive if third-country nationals do not enjoy the same conditions as nationals to access the healthcare system (0) regardless of it being tax-based or insurance-based; for instance, if they pay more for public healthcare services.

- The same holds for access to contributory-based unemployment benefits.

- On tax-based assistance, if the scheme limits the access to third-country nationals *tout court*, it is considered the most restrictive (0); if third-country nationals are included to some (0.5) or all tax-based benefits (1), the scheme is considered more open.

- Claiming benefits may lead to withdrawing the residence permit. If this is the case, or might be the case, the permit is considered restrictive (respectively 0 and 0.5). If this is not the case, and the validity of the permit continues, the scheme is considered open (1).

- If family reunification is possible, the permit is considered open (1); otherwise restrictive (0).

- If family reunification is immediately possible or within 6 months after the main applicant receives the positive decision, the scheme is considered open (1). If the sponsor is requested to wait for more than 6 months to be joined by the family member(s), the scheme is considered restrictive (0).

- If any integration restrictions (e.g. language and civic test) apply to the family members before they can join the sponsor as a conditional measure, the scheme is considered restrictive (0).

Table 2.6 reports the list of indicators, divided by rights and admission, and the associated values.

Table 2.6 List of indicators and associated values.

Questions
Admission Requirements
Are there numerical limitations? - yes [0] - no [1]
Which is the maximum length of the permit? - less/equal 1 year [0] - between 1 and 3 [included] years [0.5] - between 3 and 5 [included] [1]
How high the fee is (fee both for the third-country national and for employers)? - it is comparable to the fee for the national ID, when issued, or the passport [1] - it is higher than the fee for the ID, when issued, or the passport [0]
How long does the procedure take, as set by law or, if not available, in practice? - less than 90 days [1] - 90 days [0.5]

- more than 90 days [0]
Is a job offer necessary? - yes [0] - no, it is irrelevant [1]
Is the scheme limited to specific sectors, occupations, types of employers or countries with which international agreements are in place? - yes [0] - no [1]
Is there a minimum threshold for the salary? - yes, more than the minimum in the category/minimum wage/as nationals [0] - yes, more than the minimum in the category/minimum wage/as nationals BUT with derogations for some groups (e.g. professions in shortage, graduates) [0.33] - yes, the minimum in the category/minimum wage/as nationals [0.66] - no, irrelevant [1]
Is the labour market test carried out? - yes [0] - yes, with exceptions [0.5] - no [1]
Is a specific educational achievement required? - yes, the tertiary education or higher (>BA) [0] -yes, vocational training [0.33] - no, but it affects the success chance of the application [0.66] - no, it is irrelevant [1]
Is specific previous experience required? - yes [0] - not, but it affects the success chance of the application/in alternative to education [0.5] - no, it's irrelevant [1]
Does the worker need to demonstrate competence in the national language? - yes, before the arrival [0] - no [1]
Rights
What does it happen if the person loses the jobs? - immediate withdrawal of the residence permit [0] - the worker can stay in the territory to look for another job *for up to 3* months [0.33] - the worker can stay until the visa expires/up to 6 months [0.66] - the worker can stay and look for a job for more than 6 months/it is given a specific job-seeker permit [1]
After how long the person can apply for the long-term residence status (EU or national, if exists)? - it is not possible to change status into permanent resident [0] - after 5 years in the country or in the EU [0.5] - less than 5 years [1]
If the person wants to change the job, how free the access to the labour market is? - the person can change job in whichever sector [1] - the permit allows only changes in specific occupations [0.5] - the person cannot change job, in case, s/he has to lodge a new application [0]
Do third-country nationals enjoy equal access to pension schemes as nationals (either if insurance - based or tax-based)? - yes [1] - no, for instance they pay more [0]

Do third-country nationals enjoy equal access to healthcare as nationals (either if insurance -based or tax-based)?   - yes [1]   - no, for instance they pay more [0]
Do third-country nationals enjoy equal access to contributory-based unemployment benefits?   Yes [1]   No [0]
Do third-country nationals enjoy equal access to tax-based assistance (e.g. unemployment benefits, anti-poverty measures/social assistance/guarantee minimum resources/family benefits)?   - yes [1]   - they are partially excluded [0.5]   - no, they are completely excluded [0]
Has claiming social benefits the effect of withdrawing[16] the residency permit?   - yes [0]   - it could [0.5]   - no [1]
Is family reunification possible?   - yes [1]   - no [0]
If yes, after how long?   - immediate, simultaneous applications or within 6 months [1]   - after more than 6 months [0]
Are there any integration restrictions before the arrival for family members?   - yes [0]   - no [1]

2.3.2 Findings from the application of the index

i. Signs of managed migration

34 schemes have been analysed. Out of those, 21 schemes target (highly) skilled migrants, while 13 are schemes generally targeting migrant workers. The analysed countries have therefore put in place at least one scheme (on average 1.5) to target (highly) skilled workers, beside their traditional schemes for general migrant workers. In line with the findings in the literature, this shows that Member States have tried to differentiate their migration policy and make it more selective. However, the extent to which this effort towards selectivity is the result of a policy change initiated in Member States is not clear, as 12 schemes for (highly) skilled workers (one for each country but UK and IE, which opted out of the EU Directive) are the EU Blue Cards, introduced with the EU Blue Card Directive in 2009, which had to be enacted into national legislation by 2011 (see Chapter 5). The extent to which these efforts originate from Member States or are the result of their obligation to transpose the EU Blue Card Directive is not clear at this stage.

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[16] The effects on the possibility to renew the permit are outside the scope of the question.

Table 2.7 List of migration schemes by Member states and scope.

MS	General	(Highly) skilled	Permits
BE	1	2	Permit B (BE_B), Permit B for highly qualified workers (BE_B_HS), Blue Card (BE_BC)
CZ	1	1	Employee Card (CZ_empl), Blue Card (CZ_BC)
DE	1	1	Employment Permit per Section 18 Residence Act (DE_18), Blue Card (DE_BC)
EE	1	2	Employment permit (EE_work), Blue Card (EE_BC), Employment permit for top specialists (EE_top)
ES	1	2	Regimen general (ES_gen), Blue Card (ES_BC), Unidad de grandes empresas y colectivos estratégicos (ES_egece)
FR	1	2	Salarié (FR_empl), Blue Card (FR_BC), Carte de competence et des talents (FR_cct)
HU	1	1	General work permit (HU_empl), Blue Card (HU_BC)
IE	1	1	General scheme (IE_em), Critical Skills Permit (IE_sk)
IT	1	2	Entry within quotas (IT-quo), Entry according to art. 27 of immigration law (IT_27), Blue Card (IT_BC)
LU	1	1	Salarié (LU_empl), Blue Card (LU_BC)
NL	1	2	Employee (NL_empl), Blue Card (NL_BC), Highly Skilled (NL_hs)
PL	1	1	Type A (PL_a), Blue Card (PL_BC)
SE	1	1	General scheme (SE_gen), Blue Card (SE_BC)
UK	0	2	Tier 1 Exceptional Talent (UK_1), Tier 2 Skilled Workers (UK_2)
total	13	21	

ii. Openness of schemes for (highly) skilled workers

The openness of schemes for (highly) skilled migrants varies from 0 (UK) to 0.94 (DE); schemes for general migrants vary from 0.13 (DE) to 1 (SE). Surprisingly, the most restrictive scheme targets (highly) skilled migrants, while the most open targets general migrants. These cases, however, seem outliers, as on average, the openness of schemes for (highly) skilled migrants is slightly higher than the openness for general migrants, the fist being 0.55, the second 0.49. Therefore, it seems that Member States do try to attract (highly) skilled workers by providing more open migration schemes.

If the indexes for rights and admission conditions are disaggregated, in terms of admission criteria, schemes for general migrants are on average more open (.63) than schemes for highly skilled migrants (.6).[17] In terms of rights, on the contrary, schemes for (highly) skilled migrants tend to be more open (.78) than schemes for general migrants (.72).[18] This is consistent with the claim that a selective scheme tends to narrow its target group by making the

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[17] If the standardised sub-index is considered instead, in terms of admission criteria, schemes for general migrants are more open (.47) than schemes for highly skilled migrants (.38).

[18] If the standardised sub-index is considered instead, in terms of rights criteria, schemes for (highly) skilled migrants tend to be more open (.71) than schemes for general migrants (.58).

admission criteria more restrictive, and by rewarding the selected migrants with enhanced rights. Statistically, the difference in openness between schemes for highly skilled and general migrants is significant only when restricted to rights.[19] This means that high skilled schemes and general schemes constitute two different groups when analysed by the openness of rights. Overall, and as regards to admission, the difference between highly skilled and general schemes is not statistically significant.[20] However, given the small sample, statistical results are only partially useful. Figure 2.5 and Table 2.8 report for each scheme the openness index score.

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[19] Anova test on standardised scores: p-values are 0.13 for total index, 0.48 for admission, 0.03 for rights. Anova test on average scores: p-values are 0.13 for total index, 0.47 for admission, 0.03 for rights.

[20] Anova test performed on the overall index and sub-indexes for rights and adission, both standardised and taking on average scores.

Figure 2.5 Labour migration policy openness index score applied to individual schemes, divided by scope.
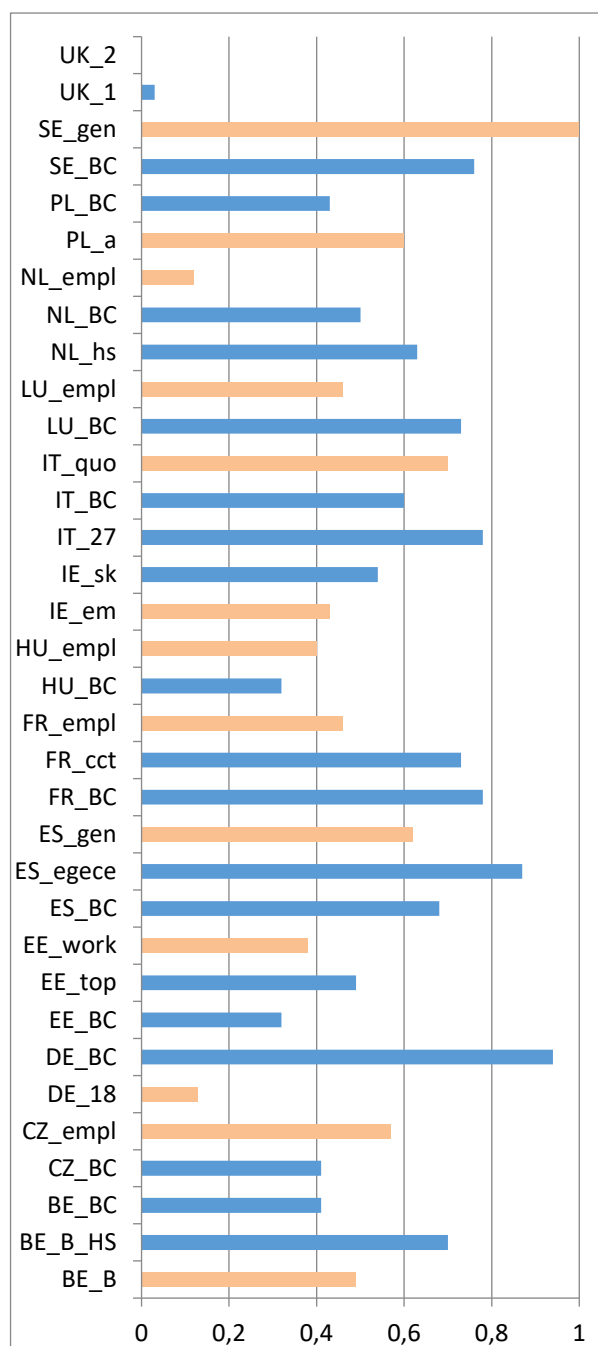
Table 2.8 Labour migration policy openness index score.

MS	Scheme	(Highly) skilled	Openness
BE	BE_B	0	0.49
	BE_B_HS	1	0.7
	BE_BC	1	0.38
CZ	CZ_BC	1	0.41
	CZ_empl	0	0.57
DE	DE_18	0	0.13
	DE_BC	1	0.94
EE	EE_BC	1	0.32
	EE_top	1	0.49
	EE_work	0	0.38
ES	ES_BC	1	0.68
	ES_egece	1	0.87
	ES_gen	0	0.62
FR	FR_BC	1	0.78
	FR_cct	1	0.73
	FR_empl	0	0.46
HU	HU_BC	1	0.32
	HU_empl	0	0.4
IE	IE_em	0	0.43
	IE_sk	1	0.54
IT	IT_27	1	0.78
	IT_BC	1	0.6
	IT_quo	0	0.7
LU	LU_BC	1	0.73
	LU_empl	0	0.46
NL	NL_hs	1	0.63
	NL_BC	1	0.5
	NL_empl	0	0.12
PL	PL_a	0	0.6
	PL_BC	1	0.43
SE	SE_BC	1	0.76
	SE_gen	0	1
UK	UK_1	1	0.03
	UK_2	1	0
average		1	0.55
average		0	0.49

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iii. Lack of trade-offs

One of the hypotheses in the literature is that there is a trade-off in openness of admission requirements and rights granted to migrants. Ruhs (2013) showed that such trade-off holds for high and very high skilled schemes, whereas it is absent for medium skilled (when excluding Gulf States from the sample), low skilled, and schemes only for high or low skilled migrants. On the contrary, Cerna (2016) argued that the trade-off would be more likely found in schemes for non-(highly) skilled migrants, as (highly) skilled migration schemes have to be competitive in attracting migrants who could potentially choose among several destinations. De Haas et al. (2016), on the contrary, tested this claim and did not find any evidence of trade-off between admission conditions and rights in the type of regulatory changes introduced over time in migration policy, by all skill levels.

On average, the openness scores of schemes for (highly) skilled workers, compared to general schemes, are lower in terms of admission conditions and higher in terms of rights. This may suggest that there is a trade-off between more rights (granted for instance to (highly) skilled workers) or more open admission criteria (as it is for instance for more general migrants). To verify the trade-off, there must be a correlation between rights and admission indicators: when tested with statistical means, the correlation is significant neither for (highly) skilled, nor for general schemes, nor overall – hence no trade-off can be verified.[21] The statistical results should be however interpreted in view of the limited number of cases.

In general, there is a positive correlation[22] between the sub-components of the index (rights and admission) and the index itself. So, if a scheme is open on one component, it is likely to be overall open. The positive correlation disappears when considering the admission component for schemes targeting general migrants: in this case, if the scheme is open in admission, it is not more likely to be more overall open, and vice versa. It seems therefore that the schemes are more likely to vary in the openness of the sub-components when they target general migrants: a scheme can be overall open but have admission conditions very restrictive, or overall very restrictive but with open admission conditions. This is confirmed by the standard deviation (i.e. variation) that is higher for the admission criteria for general migrants than for (highly) skilled workers. On the contrary, rights present very similar standard deviations for (highly) skilled and general migrant workers. These combinations can be interpreted as a weak form of trade-off and are less likely for schemes for (highly) skilled workers.

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[21] Correlations between average (standardized) rights and admission is 0.61 (0.37) in general; 0.43 (0.46) for highly skilled schemes, 0.43 (0.25) for low skilled schemes.

[22] P-values of the correlations between the total index and admission for highly skilled schemes is 0.001 (average) and 0 (standardised); between total index and rights for highly skilled is 0 (average and standardised); for low skilled 0.001 (average and standardised).

iv. Components

When performing principal component analysis, the emerging components can be hardly interpreted. It does not emerge any distinction between a right and an admission component. This, however, does not undermine the analytical validity of the distinction itself, as there is no reason why *a priori* a scheme that is open on some elements of rights should be open on all elements of rights, and the same holds for admission. On the contrary, the schemes are probably adjusted pursuing a balance within admission and rights.

When the individual indicators are compared to each other's (Sperman correlation), some interesting relationships emerge:

- Within the rights indicators, there is a negative correlation[23] between the possibility to change job and the time to access to the long-term residence. The logic seems to be that if the access to long-term residence (where migrants can access more rights, also in terms of labour mobility) is facilitated, labour market mobility is more restricted before the migrants can access to long-term residence.

- Within the rights indicators, there is a positive correlation between, on the one hand, the consequences of receiving benefits, and, on the other hand, the consequences of job loss[24] as well as access to social benefits.[25] The logic seems to be that if a person loses employment and can stay in the country, s/he is given access to social assistance without negative consequences on the residence permit.

- Within the admission indicators, there is a negative correlation[26] between the language and the job requirement. The logic seems to be that if a person has human capital characteristics that enable her/him to find a job more easily, then the person does not require having a job before entering the country and is allowed to stay longer.

- Within the admission indicators, the requirement of carrying out a labour market test is negatively correlated with the experience requirement[27] and sectoral limitations.[28] The logic seems to be that if the occupation the migrant will work in is already restricted, a further restriction through the labour market test is redundant.

- Within the admission indicators, there is a positive correlation[29] between salary and education, meaning that schemes that present a (high) salary requirement require also a specific

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[23] Spearman correlation: -0.37; p-value: 0.03.
[24] Spearman correlation: 0.59; p-value: 0.00.
[25] Spearman correlation: 0.5; p-value: 0.002.
[26] Spearman correlation: -0.47; p-value: 0.005.
[27] Spearman correlation: -0.35; p-value: 0.04.
[28] Spearman correlation: -0.34; p-value: 0.05.
[29] Spearman correlation: 0.54; p-value: 0.001.

(high) educational level. The logic seems a reinforcement of restrictiveness to prevent that low qualified workers are employed at non-market salaries.

- Between the admission and rights indicators, there is a negative correlation between the time before a person can be joined by the family members and education,[30] experience[31] and salary requirement.[32] The logic seems to be that if a person has more stable economic perspectives (of which education and present salary are proxies), s/he can be re-joined by the family members sooner.

v. Uneven decoupling

The analysis above has shown the characteristics of individual schemes by focusing on their target, i.e. (highly) skilled migrants or general migrant workers. The analysis has shown that *no significant differences* emerge between schemes with different target. For instance, it is not the case that schemes for (highly) skilled workers are to a significant extent more open either overall, or in terms of rights or admission. Therefore, it can be concluded that decoupling schemes by skill level is not a general tendency. When focusing on countries, rather than on schemes, it is clear that some countries do have schemes that considerably differ depending on their target. Figure 2.6 plots the openness scores of schemes for general migrants on the x-axis, and schemes for (highly) skilled migrants on the y-axis. When more than one scheme for (highly) skilled migrants exists, the most open one has been considered, as the expectation is that schemes for this category of migrants are more open.[33]

Countries have different approaches to selective migration policy: the countries which lie above the diagonal have schemes for (highly) skilled more open than general schemes. The extent of the decoupling varies and four groups of countries can be identified:

i. a group of countries (located in the upper-left quadrant) presents schemes considerably more open for (highly) skilled migrants and restrictive for general migrants;

ii. a group of countries (located in the upper-right quadrant) presents schemes which are approximately equally open;

iii. a group of countries (located in the bottom-right quadrant) presents schemes that are more open for general migrants and more restrictive for highly skilled migrants;

iv. a group of countries (located in the bottom-left quadrant) presents schemes restrictive both for highly skilled and general migrants.

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[30] Spearman correlation: -0.47; p-value: 0.01.

[31] Spearman correlation: -0.41; p-value: 0.015.

[32] Spearman correlation: -0.44; p-value: 0.009.

[33] In the UK, where a scheme for general migrants does not exist (originally Tier 3, which has never been opened), Tier 2 for skilled migrants has been considered for general migrants, while Tier 1 for highly skilled migrants. Since both schemes are very restrictive, this decision does not alter the outcome.

Countries in the upper-left quadrant exemplified a managed migration approach based on selectivity. Since these are only a sub-group of countries, the hypothesis of well managed migration describes only partially the reality of policy approaches.

When the right and the admission components are disaggregated, schemes tend to be more restrictive on the admission component than on the right component. On the admission component (Figure 2.7), some countries (in the bottom-right quadrant) exhibit decoupled policies, whereby policies are more open for general migrants than for highly skilled migrants. This may be due to the admission restrictions that come with a selective entry scheme vis-à-vis generally liberal admission conditions. On the contrary, some other countries (upper-left quadrant) exhibit decoupled admission schemes that are more open for highly skilled workers, due to more restrictive general admission conditions. When countries do not decouple their admission schemes, they tend to implement restrictive policies regardless of the skill level and are located in the bottom-left quadrant.

On the right component (Figure 2.8), schemes tend to be more open for both highly skilled and general migration programmes. In particular, countries are less likely to exhibit a decoupled policy. It seems therefore that it is more difficult to discriminate by granting more rights to highly skilled and fewer rights to general migrants. In fact, if a country has an open policy for general migrants, it will more likely have an open policy for highly skilled migrants as well. In this case, there is a significant positive correlation (0.76)[34] between the openness in rights for highly skilled and for general migrants.

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[34] P-value=0.0017.

Figure 2.6 Openness of general migration schemes vis-à-vis openness for highly skilled schemes.
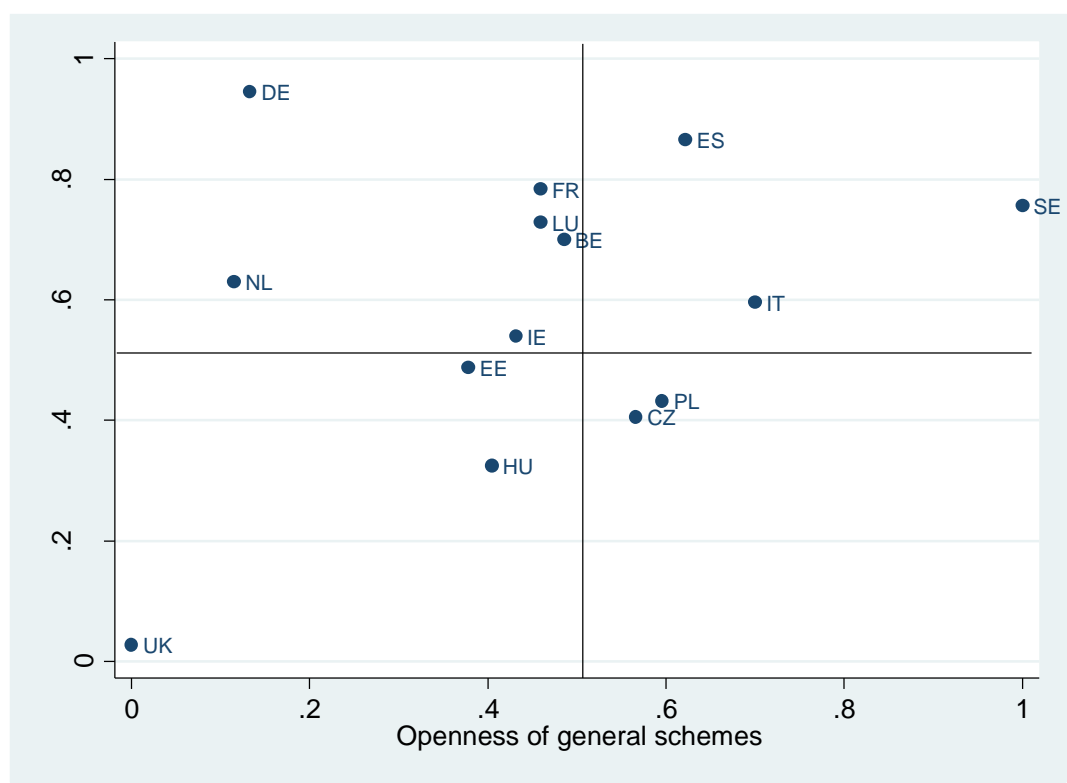
Figure 2.7 Openness in admission of general migration schemes vis-à-vis openness for highly skilled schemes.
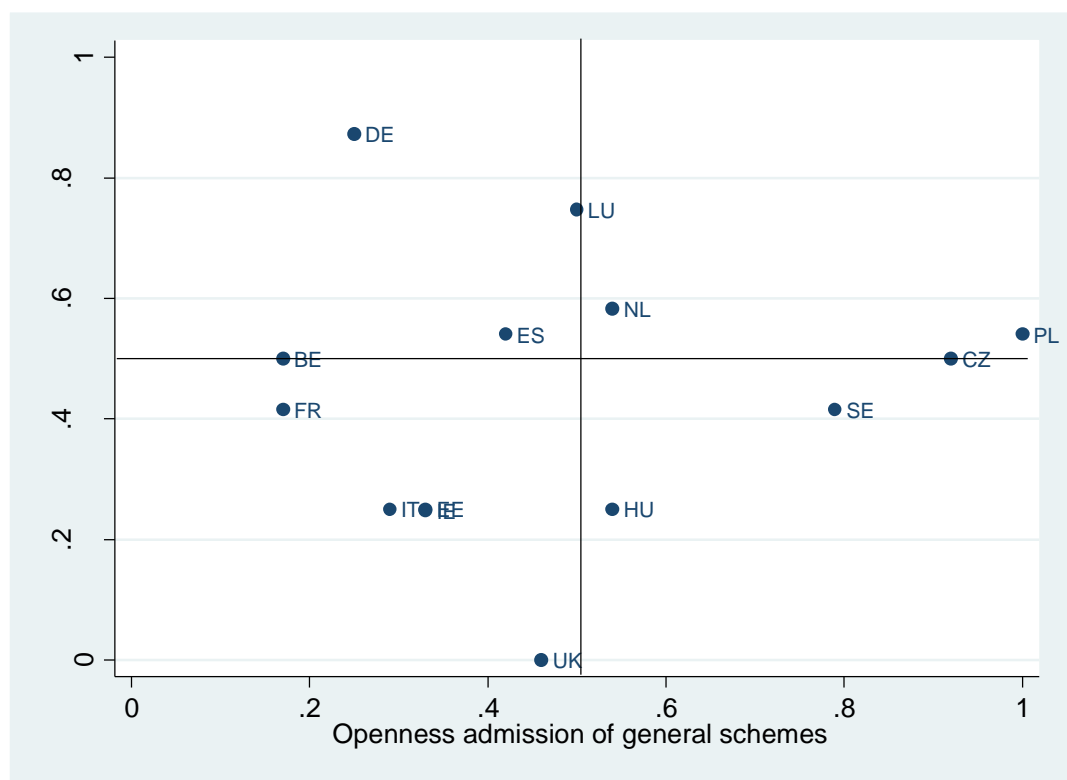
Figure 2.8 Openness in rights of general migration schemes vis-à-vis openness.

2.4

Conclusions

The chapter has shown a growing interest within the migration policy literature in building composite indicators. These differ on several aspects. Their geographical and temporal scope varies in extension and may cover several countries across a period of several decades, or in different points in time, or in one year. Their object of analysis may be descriptive, like openness of migration policy, or may involve normative considerations, like well management. The unit of analysis also varies, from the policy in a country to the entry tracks. Depending on the object of analysis, the selection of indicators differs, and while sometimes there is consensus on which indicators should be included to measure a concept, some indexes adopt a more parsimonious approach than others. Finally, most indexes have opted for a simple aggregation method, but in some cases alternative methods (e.g. a weighted approach or principal component analysis) have been also experimented. The discussion has highlighted the advantages and disadvantages of each methodological choice and has shown that the lack of consistency across indexes is such that it is not possible at the present stage of research to draw general conclusions, even when the object of analysis (e.g. openness in labour migration policies for highly skilled migrants) is the same.

The chapter presented an original index, the Labour Migration Policy Openness and Decoupling index. In its object of analysis, the index is in part innovative. Not only, as some indexes already available do, it measures the openness of labour migration policy by skill level;

but it also measures the difference in openness (i.e. degree of decoupling) of policies targeting migrants with different skill-sets. The index allows testing some claims commonly held in the literature on the migration management approach. It shows that while schemes for (highly) skilled migrants are in general more open that schemes for general migrants, the difference is very limited and it cannot be said that schemes for highly schemes and for general migrants constitute two different consistent statistical groups. While in the literature it is held that there is a trade-off between rights and numbers of migrants allowed in, the index shows that no significant trade-off emerges. The index also shows that there are some significant relationships between some sub-indicators. Finally, on the degree of difference in openness by skill level, the index shows that only some countries adopt a decoupled approach favouring highly skilled migration over general migration. Other countries adopt a liberal or restrictive approach regardless of the skill level of migrants. Finally, while it is easier to adopt restrictive and selective policies on the admission of third country nationals, it is more difficult to be restrictive and selective in the rights granted to migrants. In fact, in setting which rights migrants have access to, countries tend not to distinguish by skill level.

Having conceptualised the phenomenon under investigation, and having devised an index to measure labour migration policy openness, the next chapter will analyse why countries have in place open or restrictive labour migration policies, and why they decouple by skill level. It will explore existing theories, present a new theory, and test it with the means of Qualitative Comparative Analysis (QCA).

3. Explaining labour migration policy

What are the drivers that lead countries to adopt more open or more restrictive labour migration policies? In particular, what factors do explain the divergence in policy openness by skill level? During the last decade, the labour migration scholarship has produced different explanations, emphasising the role of (national or supranational) institutions, or of political and labour market actors. However, the literature has failed to produce consistent causal models that can be tested on a variety of countries; while it has mainly focused on case studies and specific and rather descriptive analysis. Moreover, in country case studies labour migration and other forms of migration (e.g. family, asylum) are often entangled and treated as parts of the same phenomenon, and their specificities not taken into account. The present research stems from the assumption that labour migration policy responds to specific economic needs and thus that explaining policy patterns across countries and their evolution requires specific economic conditions.

As it has been shown in Chapter 1, labour migration policy has entered a phase called 'managed migration', whereby states take an active role in devising admission policies that best serve the general economic needs, taking in consideration capital accumulation and societal fairness (Boswell 2003). Economic literature supports the idea that migration of highly skilled workers has a generally positive fiscal and economic effect, not only in filling labour shortages, but also in expanding the economy's knowledge base; this makes the case for open admission schemes for this category of workers. It has also been shown that medium and low skilled migration may have a more ambivalent economic and fiscal impact, hence the need to limit and control these flows, so that they can better respond to the specific economic needs. According to this general theory, developed economies, and EU economies in particular, tend to converge to more open policies for attracting the limited pool of mobile highly skilled workers and to more restrictive and ad-hoc (i.e. more contingent upon specific labour market needs) policies for low and medium skilled workers. However, as the comparative index presented in Chapter 2 showed, this is not necessarily the case. EU countries have implemented policies to allow highly skilled workers to have dedicated (and, at least in intentions, facilitated) entry channels, for instance on the occasion of the transposition of the EU Blue Card Directive. However, the analysed Member States still present some divergence in the extent to which they open their borders to highly skilled immigrants, and, more importantly, in the extent to which liberalisation goes along with a restriction of policies for general migrants, creating decoupled migration packages depending on the skill level. Within a general convergence towards better 'managed migration' (Beine et al. 2016), Member States do not present homogeneous patterns. This chapter aims to explain this variety.

The first section of this chapter identifies parties and labour market actors as the main

stakeholders in labour migration policy. A presentation of the Variety of Capitalism (VoC) research agenda follows, and a specific account that explains labour migration policy by migrants' number and skillset drawn from the VoC literature. Another theory developed to explain labour migration policy for highly skilled workers is based on labour market actors' capacity to build coalition. The section highlights the strengths and weaknesses of both approaches. The second section develops an innovative theory, that draws upon the VoC and coalition building approaches but tries to overcome their shortcomings. The third section develops and tests the theory by using Qualitative Comparative Analysis (QCA) on labour migration policy as operationalised by the Labour Migration Policy Openness and Decoupling index developed in Chapter 2.

3.1. Existing theories of labour migration policies

3.1.1 Main stakeholders
i. Political parties

The politics of migration has many dimensions. Labour migration is a specific policy dimension that concerns the admission of migrants for work purposes. In the European case, labour migration is most often demand-driven, so migrants need a job offer in hand before migrating. Addressing labour shortages, ensuring economy competitiveness, avoiding salary dumping and preserving fairness are some of the general principles that guide labour migration admission policy, regardless of the political ideology. Labour migration is however proximate to other, potentially much more sensitive political issues, such as irregular migration, humanitarian migration, integration and multiculturalism. In the public discourse these issues are often mixed up. This, along with the fact that analytical instruments (expert surveys, party manifestos) are often not so detailed to isolate labour migration from other policy issues,[35] makes positioning party preferences on labour migration on the left-right axis difficult.

Traditionally, left-wing parties have been associated with more liberal stances towards migration, while right-wing parties with more restrictive stances. Hix and Noury (2007) find that the left-right cleavage explains roll call voting behaviour of members of the European Parliament on six migration-related directives discussed in the period 1999-2003. Similarly, van der Brug and van Spanje (2009) find that party positions on migration can be explained by an underlying right-left axis; voters' preferences, instead, have two underlying dimensions, a cultural one and an economic one. Alonso and Fonseca (2012) analyse party manifestos and find

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[35] The WZB Manifesto Project has an indicator on positive and negative attitudes on immigration, referring in general to the "process of immigration, i.e. accepting new immigrants" (601.2; 602.2; https://manifesto-project.wzb.eu/coding_schemes/mp_v5). Similarly, the Chapel Hill Expert Survey rates on a 1-10 scale parties' position on 'immigration policy' (https://www.chesdata.eu/s/1999-2014_CHES_codebook.pdf). In both cases, labour migration is not disentangled from other forms of migration.

that there is a significant correlation between the party position on the left-right dimension and on the migration scale, being parties on the left more favourable to migration.

The claim that parties have consistent preferences on migration depending on their left-right positioning, however, has been contested both from a theoretical and empirical point of view (Odmalm 2012; Freeman and Kessler 2008; De Haas and Natter 2015). Theoretically, while centre-left parties tend to have a more open attitude towards diversity and a special attention to vulnerable groups, as well as an inclusive view of society, they also insist on social fairness and equal working conditions, which may conflict with the fact that migrants tend to work in the secondary labour force and that they could potentially worsen working conditions. On the other side, while centre-right parties tend to have a more conservative view of society, on the other hand they are also more economically liberal and more business-oriented, which may be at odds with restrictive stances on migration (Bale 2008). Money (1999, in Givens and Luedtke 2005) contends that centre-left and right parties are divided on integration, but less divided on migrants' admission policy.

Empirical studies offer support to the claim that parties do not exhibit a consistent behaviour on migration issues. Case studies, for instance, highlight that while in some countries the right-wing government promoted more liberal migration policies, with centre-left parties opposing them (e.g. in Sweden, see Spehar, Bucken, and Knapp 2013); in others, it has been much more reluctant to changes in a more liberal direction, while centre-left parties were more in favour of liberalisation (e.g. Germany, Menz 2009).

Similarly, large-N studies found that the left-right dimension does not explain party preferences on migration policy (Breuning and Luedtke 2008 and Luedtke and Givens 2005; Alonso and Fonseca 2012; de Haas and Natter 2015). In particular, Givens and Luedtke (2005) analyse several pieces of migration legislation introduced in France, Germany, and the UK during the period 1990–2002. They find that party affiliation does not play a role in explaining differences in policy on immigration control (family, labour, asylum); while it explains differences in integration (citizenship and anti-discrimination). Breuning and Luedtke (2008) analyse party manifestos of governing parties in 18 countries in the period 1990-2002 and find that neither party ideology nor ideological orientation of the parliament are relevant to explain ruling party positioning on migration, providing therefore a "strong validation for theories arguing that immigration is orthogonal to the Left–Right continuum". De Haas and Natter 2015 analyse the changes in migration policy in 21 EU and non-EU countries over the period 1975-2012. Policy changes are coded as more or less restrictive and are broken down by sub-policy areas (including high skilled labour migration policy). They find that there are no clear associations between changes introducing a more restrictive policy and governing parties' position on the left-right axis.

It seems therefore that the traditional left-right cleavage does not satisfactorily explain mainstream parties' positions on labour migration. This, as migration issues in general, seems to be a more prominent issue for right-wing radical parties. These parties have importance in themselves, in so far as they pose a credible threat to mainstream parties, and indirectly, as they have a contagious effect on mainstream parties, who could compete for radical parties' votes, regardless of the chances these parties have to enter in a coalition government. In themselves, the extent to which radical parties with strong anti-immigration stances pose a credible threat depends on the electoral system. Indirectly, mainstream parties, both on the left and on the right (van Spanje 2010), may adopt a harsher rhetoric on migration and even implement more restrictive policies.

From the party competition literature on migration, it seems that partisan membership on the left-right axis does not explain migration policy restrictiveness or liberalisation. Labour migration, in particular, seems to be a less controversial policy area than irregular migration, integration or asylum. This suggests that the determinant actors for labour migration policy changes may be elsewhere. Yet, political parties are not unimportant. Some parties may have a particularly harsh anti-immigration stance, because of their radical position on the topic, or as a reaction to radical parties. These parties may make policy liberalisation more difficult to achieve, or induce restrictive changes.

ii. Labour market actors

Freeman (2006) applies Lowi (1969)'s classification on migration policy. It is based on the idea that different types of politics take place depending on how diffuse/concentrated costs and benefits of a specific policy are. Concentrated benefits and diffuse costs generate *client politics*; diffuse costs and benefits generate *majoritarian politics*; concentrated benefits and costs *interest groups politics*; finally, diffuse benefits and concentrated costs *entrepreneurial politics*. In the case of labour migration, it is not immediately clear where and how costs and benefits are distributed.

Employers benefit from open labour migration if they face shortages that labour migration would help them to fill (concentrated benefits). Workers bear the costs of increased labour supply and the consequent downward pressure on wages. This is true in the sectoral and geographical areas where migrant workers compete with natives. Yet, labour migration, especially of highly skilled workers, is expected to produce diffuse benefits for the whole society, increasing competitiveness and economic growth. This means that a mix of entrepreneurial and interest group politics is likely to emerge and that organisations of employers and workers are important actors to explain labour migration policy.

In general, employers tend to prefer open labour migration policy that would increase the available labour supply to respond to their flexibility needs or to specific labour shortages (Watts 2002, Caviedes 2009, Rosenblum and Cornelius 2012). Flexibility can concern hiring and

firing with demand fluctuation (numerical flexibility), working schedule adjusted to cyclical or seasonal demand shifts (temporal flexibility), wage setting with respect to collective bargaining (wage flexibility), and adaptability to different tasks (functional flexibility) (Caviedes 2009).

These flexibility needs depend on many factors, including the type of sector and the size of the firms. The capacity to satisfy flexibility needs within the existing labour market depends on the level of market regulation available (e.g. possibility to use short term contracts, dismissal regulation) and on the willingness of local workers to take up less protected forms of employment (short-term or with fewer guarantees against dismissal).

As a consequence, the intensity of employers' general preference for more open labour migration varies *across* countries, on the basis of labour market regulation and the skill production system, and, *within* countries, by sectors, regions or degree of centralization.

These elements will affect the distribution of benefits from labour migration. If more labour migration benefits a specific sector due to higher flexibility needs or shortages (e.g. IT sector), then it is expected that the sector is particularly active in pushing for more open labour migration policy, following client politics.

Unions have been traditionally considered the main opponent to more open labour migration policies, seen as a capital strategy to undercut wages and working condition. This restrictive stance was considered a "conventional wisdom common in 20th century" (Watts 2002:9). More recently, however, unions have taken a more favourable stance towards migration. This turn is due to several reasons (Watts 2002, Krings 2009, Marino, Pennix and Roosblad 2015): globalisation forces have made migration a phenomenon more difficult to curb by nation states; migrants can potentially become union members and counteract the trend of decreasing union membership and the consequent minor role that unions have come to play; accepting regular migration provides an alternative to illegal employment of migrants and is a means to ensure fair and equal working conditions. In particular, the new managed migration paradigm frames migration as a competitiveness strategy aimed at increasing the skill set of the workforce, rather than as an employers' strategy to undercut wages. Well-managed migration is thus seen as an almost-zero cost phenomenon, that benefits the whole society. Unions therefore do not necessarily oppose employers, and their focus has shifted from admission policy to rights, working conditions, representation and regularisation.[36]

3.1.2 Labour migration and varieties of capitalism
i. Varieties of Capitalism (VoC)

An approach to explain the variety of labour migration policy draws upon the VoC literature. The VoC agenda was introduced by the seminal work of Hall and Soskice (2001). Their

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[36] Licensing bodies are likely to be more conservative towards labour migration, with a view of protecting insiders from competition. Their role is more important for regulated professions, generally medium and highly skilled.

work did not present a comprehensive theory, but rather set the building blocks of a research agenda focused on identifying patterns of similarities and differences in economic coordination across mature capitalistic countries and their driving factors. The VoC research agenda has extensively grown in the last decade and has tried to respond to criticisms by refining its initial propositions (Amable 2003, Hancké et al. 2007, Schröder 2013).

The grounding concept of VoC approaches is fit or complementarity of institutions. Institutional complementarity means that the presence of an institution improves the efficiency of another and therefore that the performance of institutions cannot be assessed in isolation. This is because the way actors solve certain coordination problems affects the way they will solve other and related coordination problems.

Against the convergence theory that sees economies converging either towards liberal models or hybrid models, VoC contends that different sets of complementary institutions generate different responses to the same economic problems. It states that although countries are subject to similar external trends, they react/respond differently, being affected (and not determined) by the structure of their complementary institutions.

VoC provides the microfundation to a more general theory of cross-national capitalist organisation and adjustment (Hancké et al. 2007) and links the economic behaviour of actors at firm-level to country economic performance at nation-level.

The forms of coordination among labour market actors with respect to each otherrela, to the state, and the market generate types of complementarities and asset-specific investments that fit with different forms of institutions (from the political party system to the educational system). These different ecosystems tend to respond differently to socio-economic changes or exogenous pressures (Molina and Rhodes 2007).

Hall and Soskie (2001) describes two ideal types of mature capitalist economies: coordinated market economies (CME) and liberal market economies (LME), exemplified by Germany and the United States.

Firms are the main actors and the typology is based on how they deal with coordination problems they face with other firms, employees, the state and investors. Institutions create the web of incentives and constraints that affect the ways in which actors solve their coordination problems. Actors will play the strategies with the highest returns and institutions have the power to affect these returns. If institutions are perfectly complementary (as in the ideal typical description), actors' coordination strategies will reinforce existing institutions, which in turn will guarantee the highest returns to actors' actions. In reality, systems are not perfectly complementary and external events may create new opportunities and constraints that lead actors to change their strategies, so the relationship between institutions and coordination behaviour is not deterministic. There is no hierarchy between CMEs and LMEs, and, other things

being equal, they perform equally well; however, if national economies depart from these models, introducing elements of misfit and impairing the institutional complementarity, their economic performance is predicted to be worse off. The relationship between coordination types and economic performance is described by a U-curve, whose peaks are the two CME and LME models.

Hall and Soskice identified five domains in which firms are confronted with coordination problems.

• In *industrial relations*, the problem is setting wages and working conditions, and thus the organisation of collective bargaining and labour and capital representation. CMEs solve this problem through social partners' coordination, while LME through liberal market dynamics. The indicators that describe this domain are the degree of centralisation of wage bargaining, coverage of collective agreements, organisation and power of trade unions and employers, solidaristic wage setting based on the type of work performed rather than on the economic situation of firms, and employment protection against lay-offs. In this domain, the level of productivity of firms, as well as the general level of unemployment, are at stake.

• In *vocational training and education*, the problem is providing firms with the demanded skills, and workers with the skills that have a market value. Training can be specific (CME) or general (LME): general training provides skills that can be employed in several types of industries but at the same time are not specific to any; while specific skills are industry-, position- or firm-specific. Workers with specific skills are more easily employable by a specific firm and more valuable than workers with general skills, but at the same time are more vulnerable to technological change or the business cycle which may make their skills obsolete. If this happens, they are less easily employable by other firms or sectors, thus having more difficulties in finding a new job if dismissed. Workers with general skills may adapt more easily to different positions, sectors and firms, thus finding employment more easily in case of lay-off. However, lacking specific skills they will go through a longer learning-on-the-job curve.

• In *corporate governance*, the problem is how firms access to financial capital and investors secure the returns of the capital they invest in firms. Corporate governance can be based on a short-term shareholder relationship mediated by the stock market, whereby investors make their decisions on the basis of firms' transparent economic performance (LME); or on a long-term stakeholder relationship based on trust (CME).

• In *inter-firm relations*, the problem is how firms coordinate with other firms (suppliers, clients, competitors) in order to remain competitive, namely to ensure supply, demand of their products, and technological innovation. Firms can compete through market mechanisms (LME) or can seek strategic cooperation among themselves along horizontal or vertical lines (CME).

• *In the relations with employees*, the problem is how firms ensure that employees cooperate with each other's so to advance firms' objectives. Cooperation can be based on mutual

long-term trust generating a transparent exchange of information (CME), or on short-term economic calculus (LME).

Welfare systems (Jackson and Deeg 2006, Amable 2003) are also linked to the above domains. Liberal welfare states (Esping-Andersen 1990) better fit with LME. Liberal welfare states provide more tax-based low flat-rate benefits based on a universalistic principle, so that workers have high incentive to quickly return into the labour market. Conservative welfare states provide more contribution-based benefits which aim at preserving the workers' status while unemployed, so to allow them to find a new position where their specific skills offer the highest returns. In fact, a conservative welfare system makes sense when workers are requested to acquire specific skills as their investment pays off during unemployed periods. Also, the regulation of professions may be linked to the VoC, being LME more less regulated and with more liberal access to professions, and CME more regulated.[37]

Depending on how firms solve the above-mentioned coordination problems, economies approximate to CMEs or LMEs. Hall and Soskie (2001) group into CMEs countries like Germany, Japan, Switzerland, the Netherlands, Belgium, Sweden, Norway, Denmark, Finland, and Austria; and into the LME countries like New Zealand, USA, UK, Australia, Canada, and Ireland. A potential group of not categorised countries includes Mediterranean countries, i.e. France, Italy, Spain, Portugal, Greece, Turkey. These, according to Hall and Soskie (2001), present mixed features as are marked by a large primary sector, state intervention in corporate finance that features non-market coordination, but also liberal arrangements in the sphere of labour relations.

The relationship between strategies to solve coordination problem is different. In CMEs, the corporate governance of firms is regulated by non-market mechanisms. Firms' access to capital is not strictly dependent on short-term economic performance, but more on firm's reputation, developed through trust-based networks. Firms are in fact connected by a net of relationships with other firms, cross-shareholding, joint memberships in industry associations, and, being within these dense networks, investors get the information needed to steer their investments. This long-term character of financing means that firms may more easily endure short downturns, and therefore retain labour force as well as invest in projects with long-term return. Firms' managers do not have complete autonomy in deciding firms' strategies, and must secure agreements with supervisory boards typically including employees' representatives, shareholders, suppliers, clients and customers. Decision making is therefore consensus-oriented.

Firms rely on employees' high and specific skills, which contribute to creating through their involvement in education or VET through industry-wide employers' associations, along with trade unions. On the one side, to secure their investment in workers' skills, firms agree to minimise workers mobility among firms, by agreeing wages and working conditions at the

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[37] See for instance OECD, Indicators of Product Market Regulation, professional services.

industry level. Workers in the same positions have similar salaries across firms, and therefore do not have incentive to move to another firm. On the other side, the specific investment by workers is compensated by employment security. Workers' councils are involved in firms' decisions and oversee layoffs and working conditions. If employees are made redundant, the welfare state guarantees that the employees can maintain their status by providing generous benefits while workers look for a position at the same level they were previously working.

Firms in LMEs access to financing through market mechanisms. Shareholders base their financial decisions on firms' short-term economic performance, as expressed by publicly available information and balance sheets. Managers tend to have unilateral control of the firm and representative bodies are less powerful, as well as employers' associations less encompassing. Intercompany relations are market-based and competition among firms is strong. The instability of product market reinforces a deregulated labour market and firms' business model is based on costs reduction, to ensure short-term profitability. Firms have to easily respond to fluctuations, by employing a flexible labour force that could be easily dismissed. As a consequence, workers have fewer incentives in acquiring firm-specific skills, as employment is less secure. Industry specific skills have a lower payoff in a fluid labour market and neither firms have an interest in being involved in formal training (thus favouring on-the-job training) nor workers to specialise in specific skills. This reinforces an education system based on general skills that can be more transferable in a flexible labour market. The welfare system reinforces a fluid labour market, as welfare benefits are universal and less responsive to workers' employment history. This, on the one hand, provides an always available safety net, on the other hand, it creates incentive for workers to quickly retrain and re-enter the labour market.

CMEs and LMEs have similar economic performance but different capacity for innovation. Radical innovation, which entails rapid changes in production lines or major changes in production processes is typical of LMEs, while incremental changes, defined by small and continuous improvement, is more typical of CMEs.

In recent years, the VoC has attracted several criticisms; and VoC scholars have addressed these criticisms by refining their theoretical models. In particular:

1. VoC neglects that institutions have changed over time, and the assumption of complementarity among them and dependency does not explain changes.

To respond to the criticism of not being able to account for changes, Hancké et al. (2007) develop a more dynamic theory of firm interests. Change can occur in a given institutional area, or in a sector, or across institutional areas because of external shocks and the intervention of new actors with whom to make new alliances, which break existing coalition patterns. In fact, coalitions in CMEs are unstable and need to be always reaffirmed. Among employers as well as among workers, there might be conflicting interests between small and large enterprises, and among sectors. Certain institutions have emerged because, given complementary of institutions,

these maximize firms' pay-offs. However, if the rationale of certain institutions falls, because they do no longer contribute to maximizing actors' payoffs, then change may occur. This may be the case if cross-class coalitions shift, the sociological conditions grounding business networks' reproduction change, or politics changes, in relation to exogenous shocks.

Hall (in Hancké et al. 2007) shows how in selected countries the current forms of coordination started to take shape after the World War II, grounded on previous institutions. In general, economies are confronted with three main problems: a *wage problem*, i.e. ensuring that wage increase guarantees firms' profitability as well as internal demands; a *work problem*, i.e. ensuring high level of employment and adequate support for those out of the labour market; a *total factor productivity* problem, i.e. ensuring an efficient deployment of capital and labour. In the 50s and 60s, European countries started to develop their coordination systems, with France seeing a more central and coordinating role for the state; Germany wage and vocational training coordination at sectoral level; Sweden wage setting coordinated by peak-level organisations and training under the responsibility of the state; and Britain absence of coordination, and regulation through market mechanisms. Hall (2007) shows that, confronted with external shocks, for instance increased internationalization, collapse of the Bretton Woods exchange-rate regime, slowing pace of industry productivity, inflation and unemployment, countries have mainly reinforced their coordination systems. A notable exception is France, which adopted a transformational response, as the state started to withdraw from direct involvement in the economy and to put pressure on firms for greater competition in the European free market, moving towards forms of LMEs. However, unlike LMEs, France kept a strong welfare regime, exhibiting therefore a peculiar variety. Sweden solved the work problem by expanding the public sector that absorbed women entering the labour force, by expanding the welfare state, and, at the same time, by derogating from peak-level organisations wage bargaining, which became unsustainable for many firms, and moving towards more sectoral-level agreements. Germany continued its strong coordination policy, but at the same time it introduced more flexibility in the labour market bargaining some opt-outs from collective agreements.

In 90s and 2000s, new challenges emerged, due to delocalisation of low skilled sectors and internationalization of financial markets, in a context of demographic pressure. Britain reinforced its market-based system, while other countries introduced some forms of flexibility. Germany for instance loosened its wage coordination for small firms to allow for agreement at the firm level, and saw the development of a dual labour market characterised by part-time mini-jobs and an increased gap between insiders and outsiders. However, instead of interpreting these changes as a turn towards a more LME type, Hall shows that specific CME features continue, as unions and working councils continue to be important in bargaining, collective bargaining continue to cover most of the workforce, and training system continued to be sector-specific. These changes highlight how CMEs have evolved along peculiar directions.

2. CMEs are incorporating many elements associated with LMEs, for instance atypical forms of employment, market-mediated financing and firm-level bargaining; assuming complementarity does not explain these misfits.

While it is true that CMEs have incorporated some elements more typical of LMEs, however, their forms of organisation remain peculiar. For instance, if the coverage of collective bargaining has declined over time, in Germany in 2015 still approximately 60% of employees in the private sector are covered by collective bargaining, vis-à-vis 20% in the UK (OECD 2017a).

3. VoC focuses on national varieties, but regional differences exist within the same CMEs or LMEs and these are not accounted for.

It is true that regional differences are common and that there is a trade-off between analytical detail and more general conclusions. However, being institutions generally defined at national level or within a national framework, the VoC approach is justified in keeping the level of analysis at the national level.

4. VoC focuses on the economy as a whole, but sectoral differences exist within the same CMEs or LMEs and these are not accounted for.

It is true that differences emerge across sectors and that the interests of small and large enterprises, and among sectors may diverge. In fact, coalitions are unstable, and need to be constantly reaffirmed. However, in CMEs, settlement tends to reflect the interests of the fast-growing sectors and bargaining in these sectors often is the benchmark for other sectors. In any case, differentiations among sectors, derogations, and opt-outs point out strategies that allow the reproduction of certain forms of coordination in CMEs.

5. VoC is based on a dichotomy that considers only one dimension, i.e. firms' coordination, and as a consequence does not account for some countries that are neither CMEs nor LMEs but that still present high level of economic performance.

Typologies aim at being more general and heuristic than at providing specific narratives, and at the same time aim at grasping all the relevant aspects of the objects under investigation. Hall and Soskie (2001) presented a dichotomy which was supposed to capture all relevant aspects of economic coordination. However, their dichotomy has been criticised for excluding some countries that did not fit in either of the two groups.

Amable (2003) presents five models not based on firms' coordination, but rather on five institutional areas: product market competition, wage-labour nexus and labour market institutions, financial intermediation sector and corporate governance, social protection and welfare, education sector. Considering these areas, five VoC models emerge: a market-based model, a social-democratic model, a Continental European model, a Mediterranean model, and an Asian model. While the market-based and the Continental European models correspond to the LME and the CME, the other models are new. The social democratic model includes

Scandinavian countries and it is based on some flexibility in the labour force, moderate employment protection, strong social protection and active labour market policies. The Mediterranean model features less social protection, less product competition, centralised financing, and workforce with low skills and low wages. Amable (2003)'s typology is the result of an empirical analysis which foresees the definition of several domains by a list of indicators, a principal component analysis and cluster analysis. For each policy domain, different groups of countries emerge; however, when the domains are integrated and cluster analysis is performed, the grouping corresponds to the five models.

Schmidt (2007) points at the fact that the countries that have been excluded from Hall and Soskie's analysis are those where the state has traditionally played an important role. Besides LMEs and CMEs, Schmidt (2007) therefore identifies a third group: state-influenced market economies (SME), featuring Italy, France, and Spain. While in LMEs the state sets the rules of the game and settles conflicts, and in CMEs it enables and facilitates coordination of the economic actors; in SMEs the state intervenes enhancing or hindering business and labour activity. Here, adjustments are state-led when firms do not have enough autonomy, when neither business nor labour exercise leadership, or when the state decides to take an active stance to reshape the economic environment.

Hancké et al. (2007) argues against the introduction of a third group based only on the state's role, as they note that the state has a role of coordination in all countries, and that its role can be either as a regulator or as a directly involved player. Therefore, Hanecké et al. revise the traditional distinction including, besides the classical interest organisation dimension, a state dimension, whereby the state can have a direct influence over the economy or acting as a regulator: LMEs and CMEs present arm's length state-economy, but the former also features a fragmented interest setting, while the latter an organised interest setting; etatist economies present close state-economy relations and fragmented interest organisations; and finally compensating state economies present close state-economy relations and organised interests. In etatist countries, notably France (pre-90s), the state controls the economy by owning several companies and industrial credit, and unions and business organisations are weak; in compensating states, notably Italy and Spain, business and unions are more organised but have conflictual rather than consensual relations and the state compensates for the absence of agreement, by, for instance, subsidising wages and directly controlling shares of businesses.

The disagreement in grouping suggests that while LMEs tend to constitute a more homogeneous group, CMEs a more heterogeneous group. It is outside the scope of the present research to assess which grouping better reflects the reality. The purpose of this overview is to highlight the flexibility of the VoC conceptual framework, that can be enriched and refined, standing against criticism.

6. The role of the state is neglected in VoC, as the typology is based on firms' behaviour only.

The role of the state can be integrated in VoC approach, as discussed under the previous point.

ii. Varieties of Capitalism and migration policy

Focusing of labour market actors' coordination and institutional complementary, the VoC approach is well placed to study the determinants of labour migration policy. Surprisingly, VoC scholars do not mention migration or migration policy as an area to study coordination among actors; however, some migration scholars have attempted to shed light on the link between economic coordination and migration.

Devitt (2011) uses VoC to explain migration policy *outcomes*. She argues that varieties of economic and labour-market institutions, along with welfare and education and training institutions explain i) the number and ii) skill composition of migrants in a given country. Devitt (2011) draws upon Piore (1979)'s hypothesis to explain the demand of migrants. Migrants occupy the low-paid low-status niches of the labour market, while natives are concentrated in higher-paid and more prestigious jobs. This can be the result of a variety of preferences due to economic growth in industrial societies, motivational and status-related factors, or structural duality of the labour market. VoC explains how labour markets differ across countries, by their level of regulation, types of sectors and skill formation. In particular, Devitt (2011) puts forward six hypotheses, listed in Table 3.1:

Table 3.1 Hypotheses drawn from Devitt (2011).

Condition	Outcome	Cases
Presence of low-wage and low skilled sectors	Higher demand for (low-skilled) workers	LMEs, Southern European economies
Emphasis in the economy on high skills and human capital	Higher demand for *highly skilled* workers	Scandinavian economies, CMEs
Lower labour regulation	Higher demand for migrant workers	LMEs, Southern European economies
Relaxed labour law monitoring (lower union density)	Higher demand for migrant workers	LMEs, Southern European economies, **CMEs**
Labour activation policy	Lower demand for migrant workers	Scandinavian economies
Coordination between employers and training and education institutions	Lower demand for migrant workers	CMEs and Scandinavian countries

Devitt's work suggests some conditions that could contribute to explaining labour migration policy, but it does not lead to a complete and testable model explaining migration outputs. Moreover, it is not investigated how the (high/low level of) 'demand' generates a (open/restrictive) policy output. The model is over-specified because the hypotheses generate some conflicting results: while, on the one hand, Southern European economies as well as LMEs are predicted to have high demand (and therefore high number) of migrants, and, on the other hand, Scandinavian economies low demand, CMEs are predicted to have both. As regards the outcome, the hypotheses cover *unsystematically* migrants' number and migrants' skillset.

Menz (2009, 2010) makes the most extensive use of VoC literature to explain labour migration policy. He puts forward three types of hypotheses to explain labour migration policy drawing upon the VoC literature, focusing on the skill level of migrants:

1. *VoC hypothesis*. The type of VoC affects the skill-set of migrants covered by labour migration policy.

• In LMEs, education is seen as a private investment boosting individual employability and firms are not involved in the provision of education and vocational training. This thus creates an interest for poaching workers who gained their skills elsewhere. Moreover, the vocational training system is weak and tends to produce general, rather than specific skills, while on-the-job and employer-specific training is generally more common. This explains the appetite in LMEs for migrants with general skills that can supplement local labour force.

• In LMEs, the strong presence of a lightly regulated service sector feeds the demand for low-skilled migration.

• CMEs have a well-functioning vocational training system, which sees the direct involvement of employers, and tends to be more aligned to labour market needs, so the needed skills are more likely to be found in the existing labour force. However, CMEs are less well equipped to face radical innovation, and when a sudden skill need appears in rapidly growing sectors, they are less reactive in producing the relevant skills. Employers will therefore look for the skills in specific "high- added-value and high-skill "islands"" (Menz 2010). This explains the appetite for sector-targeted skilled migration, while the absence of a strong service sector and the more extensive labour regulation explains the lack of interest for low skilled migration.

2. *Coherence hypothesis*: internal consensus among employers will lead to tangible impact on public policy, which will be more aligned to their preferences; on the contrary, if employers are more fragmented, their impact will be weaker.

3. *Competition rhetoric hypothesis*: if employers successfully portray economic migration as a core component of securing or maintaining economic competitiveness, they will have a stronger impact on migration policy.

Menz (2009) does not systematically test the above-mentioned hypotheses, nor explain the link between them, but rather provides country-level studies that trace the development of migration and asylum policy back to the post-World War II in Ireland, UK, Germany, Italy, France, Poland, selected on the basis of their variety on the explaining conditions. In order to upgrade Menz' hypotheses to a testable model, a more comparable description of the phenomenon under investigation is needed, as well as a full specification of the causal mechanism.

The merit of Menz' work lies in the innovativeness of the hypotheses, as they distinguish for the first time migration policy by skill level and recognize that different factors can lead to a

more open migration policy for low or for highly skilled migrants. Yet, they are likely to be underdetermined, as two main conditions (CMEs or LMEs) are a small number to explain the outcome, while it is not clear how they interact with the coherence and the competition rhetoric hypothesis. Moreover, while the case studies cover a period of time which witnessed policy changes, the hypotheses are static and do not explain why policy changes occur.

Table 3.2 below lists the conditions and the outcomes of the VoC approach to explain labour migration, combining Menz and Devitt's hypotheses.

Table 3.2 Hypotheses drawn from VoC approach.

	LMEs	Southern economies	Scandinavian economies	CMEs
Conditions				
Presence of low-wage and low skilled sectors [D]	X	X		
Relevance of the service sector [M]	X			
Lower labour regulation [D]	X	X		
Lower labour law monitoring (lower union density) [D]	X	X		X
Generalist education and on-the-job training [M]	X			X
Emphasis in the economy on high skills and human capital [D]			X	X
Labour activation policy [D]			X	
Coordination between employers and training and education institutions [M]				X
Difficulty in supplying skills for rapidly growing sectors [M]				X
High labour market regulation [M]				X
Weak service sector [M]				X
Outcome				
High demand for foreign workers	X	X		*x*
Low demand for foreign workers			X	*X*
Demand for workers with specific high skills			X	X
Demand for workers with generic and low skills	X	X		

Note: M stands for hypothesis derived from Menz's account; D from Devitt's account.

The expectations from the VoC approach therefore are that:

- LMEs and Southern economies have open migration policies for migrants with general skills, including low skills, and do not exhibit any decoupling effect by skill level, if they have developed a policy specifically for highly skilled at all;

- Scandinavian countries and CMEs have a restrictive policy for migrant workers and target specific high skills, thus presenting a decoupling effect by skill level; CMEs can have less

restrictive policies than Scandinavian countries.

Plotting the hypotheses on the decoupling matrix presented in Chapter 2 (Figure 3.1), Scandinavian and CMEs are expected to lie on the upper-left quadrant, while Southern and LMEs on the upper-right quadrant. The hypotheses seem underdetermined, because, as the matrix shows, there is a considerable level of variation that they fail to explain. In particular:

- some LMEs (UK and IE) have restrictive migration policies, both for high and low skilled, contrary to the expectation. However, according to the prediction, there is a lower degree of decoupling;

- Sweden has a very open labour migration policy, both for high and low skilled workers, contrary to the expectation that wanted Sweden to have a decoupled policy along the line of CMEs;

- several countries are not covered by any expectations, notably Baltic and Central-Eastern European countries;

- CMEs seem to fulfil the expectation and lie in the top-left quadrant;

- Southern economies seem to fulfil the expectation and lie in the top-right quadrant.

Figure 3.1 XY-plot of policies openness for high skilled migrants and general/low skilled migrants, and expectations from the VoC literature.
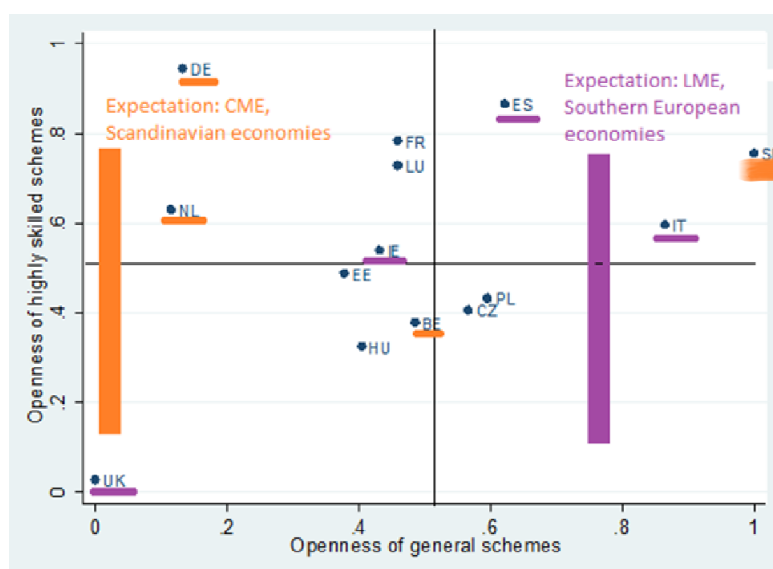
The significant advantage of the VoC approach is that employers' preferences are explained on the basis of the VoC they belong to, rather than taken as a given that is constant across countries. As a consequence, the VoC approach is also able to explain the difference in preferences on migrants' skill level, not only on more or less migration. The approach, however, has not been coherently developed. The main weaknesses concern the inconsistency among variables and the inconsistent outcome for CMEs. If a group of promising variables/conditions has been identified, however, their values have not been uniformly assessed in all VoC

economies; moreover, if the consequences of the presence of a variable/condition are made explicit, the consequences of its absence are not inquired. The inconsistent outcome for CMEs is in line with the lack of systematisation of this group of countries within the VoC literature, and with the high heterogeneity present in this group.

3.1.3 Labour migration and labour market actors' coalitions

Cerna (2016) develops a theory to explain labour migration policy openness specifically for highly skilled migration. Her approach is based upon the type of coalition that relevant labour market actors can build to influence the realisation of their preferred policy output. Figure 1 describes Cerna's causal model.

Figure 3.2 Highly skilled immigration policy model, from Cerna (2016).
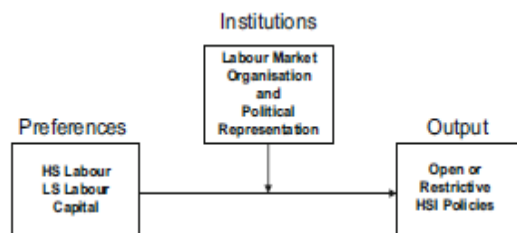
Unlike the VoC approach, that focuses predominantly on employers, Cerna gives equal relevance to employers as well as to labour (unions). Moreover, while in the VoC approach, actors' preferences were a function of the political economic institutional context in which they operated (endogenous preferences), in Cerna's approach, preferences are exogenous and constant throughout different economies. In every country, labour and capital will have the same preferences on labour migration. Institutions are however important because they mediate the ability of labour market actors to shape the policy output.

Labour is not perceived as a homogenous actor, but it is divided in its high and low skill component. High skilled workers and low skilled workers are expected to have different preferences on high skill labour migration. The content of their preferences is constant but their intensity changes in response to exogenous factors, for instance economic, demographic, industrial developments or change in government. The content of actors' preferences is based on economic theory (Chiswick 2011): an influx of migrant workers has the effect of broadening labour supply, hence lowering labour cost. Capital will therefore be always in favour of more migrants, regardless of the skills. Labour preferences depend on the function that migrants play in the economy, specifically whether they are complementary or substitutes for local labour. In the first case, labour will have a slightly positive/neutral stance towards more immigration, in the second case, it will oppose it.

Actors will seek coalitions to influence the policy outcome. Three types of coalitions are possible: capital and high-skilled labour; capital and low skilled labour; high and low skilled labour. For each coalition, two options are possible: either the coalition wins or loses. The

outcomes will be either more open migration policy (for highly skilled workers) or more restrictive. If the above coalitions are winning, the outcomes will respectively be: restrictive, open, restrictive immigration policy for highly skilled migrants, as in Figure 3.3.

Table 3.3 Possible winning coalitions and outcome on labour migration policy for high skilled workers in Cerna (2016)'s account.

Winning coalitions	Outcome:
Capital + high skilled native workers	Restrictive
Capital + low skilled native workers	Open
Low skilled + high skilled native workers	Restrictive

Intermediary institutions affect the extent to which labour market actors can influence the policy outcome. Institutions comprise both labour market institutions and political representation. Labour market institutions with an expected effect on the ability to influence the outcome are the following:

1.   *Union density*: higher union density for highly skilled workers is likely to positively affect unions' capacity to oppose liberalisation of labour migration policy for highly skilled workers. What is really relevant here is the degree of unionisation of high skilled workers, as low skilled workers will tend to favour more open highly skilled migration. However, since these data are not available, it is assumed that if union density is high, so is high also union density for highly skilled workers.

2.   *Centralisation / coordination of unions and employers*: the more unions are centralised/coordinated, the more effective they will be in influencing the policy outcome. Therefore, a highly centralised union will be more effective in lobbying for more restrictive immigration policy.

3.   *Integration of labour market actors into the policy making process*: if they are involved in policy making (through formal and informal consultations), their power to affect the policy outcome increases.

Another institutional element is the link between parties and labour market actors.

4.   *Parties* are expected to support the preference of their constituencies. The stronger the link between parties and labour market actors, the abler they will be to affect the policy outcome. However, since here the relevant actors are not workers in general, but high-skilled workers in particular, it is not clear whether the traditional link between left-wing parties and workers is relevant. In some countries, unions and Social Democrat parties can build coalitions to support high-skilled workers resistance to more open migration policy.

At the same time, Cerna puts forwards also some counter-hypotheses, which remain undeveloped in her account but that it is worth to report.

- The more an organisation is encompassing, the less likely it will be to defend particular interests and to promote the general long-term good, hence less likely to oppose to more highly skilled immigration (unless the highly skilled unions are particularly powerful). The more encompassing unions are, the more favourable to high skilled immigration they will be. It is reasonable to assume a positive relation between union density and encompassingness, yet they are expected to lead to opposite outcome (respectively more restrictive and more open policy).

- When separate unions for highly skilled workers exist, they will tend to have veto power and oppose highly skilled migration policy liberalisation. It seems that there is a (negative) relation between union centralisation and the existence of separate unions for high skilled workers, however the two are expected to lead to the same outcome.

From the above-described analytical framework, Cerna (2016) draws the following hypotheses (Table 3.4).

Table 3.4 Hypotheses of the coalition building approach.

Hp	Unions density	Centralisation		Policy process integration		Political represe ntation	Outcomes	
		Unions	*Employers*	*Unions*	*Employers*		Prediction on coalition	Result for HS policy
1	High	High		High			HS + LS (or Capital)	Restrictive (or open)
2	High	High	High	High	High		HS + Capital	Restrictive
3	Medium -low	High	High	High	High		LS + capital	Open
4	Low	Low	Low	Low	Low		Anything is possible	Depend on who lobbies more intensely
5	Low	Low	Low	Low	Low		State (+capital)	Open
6						High	Anything	Depending on the group the party has the link with

The strength of the model is that individual conditions are singled out and their configurational causal impact can be potentially analysed in all cases. In practice, in some cases, the conditions seem irrelevant for a specific configuration, as there is some/one condition that trumps over the others. This configurational approach makes a step ahead compared to non-systematic hypotheses drawn from VoC. However, it presents its own weaknesses. It is not always clear why a certain configuration shall lead to a certain coalition. An explanation of the net-effect of certain condition has been discussed (e.g. higher union involvement more likely to lead to restrictive outcome), but there is no explanation of the expected effect of two conditions together, with potentially opposite outcomes (e.g. union involvement and employer

involvement), and ultimately of the interaction of more conditions. There is no clear explanation of why some coalitions will be built instead of others and, thus some hypotheses remain undetermined and may lead to potentially inconsistent outcomes.

When comparing the conditions in the VoC and coalition building approach, some differences emerge. Unlike VoC approach, in coalition building, institutions affect the extent to which actors are able to affect the outcomes. They are not a variable that explains actors' preferences. Exogenous factors are expected to have the same effect across VoC.

A more fundamental difference with the VoC approach lies in the effect that labour market actors' coordination has on policy for highly skilled workers. If VoC contends that high level of coordination typical of CMEs is associated with a higher demand for high skilled workers, vis-à-vis low skilled workers, and potentially in specific fast-growing niches of the market, the coalition building approach contends that high level of coordination will be associated with a more restrictive outcome (hypothesis 2).

When Cerna (2016)'s model is applied to concrete cases, given that the hypotheses are uncomplete, Cerna is forced to introduce new elements, yet still in some cases the outcomes remain underdetermined (Table 3.5). In the first hypothesis, the degree of political representation becomes more important to determine alone the outcome. The third hypothesis is enriched by additional elements to explain why a certain configuration of factors leads to the coalition between capital and low skilled workers, namely that unions mainly represent low skilled workers. The fourth and the sixth hypotheses remain underdetermined, while in the fifth hypothesis it remains unclear why in absence of any strong lobby the state should favour more open migration policy.

The causal model is tested on four countries: Germany, Sweden, UK, US, France through the analysis of the historical development of highly skilled migration policy, highlighting the explaining factors. Qualitative comparative studies support the analysis. The comparison is between two countries at a time, i.e. Germany and Sweden, the UK and the US, and in one case one country alone, i.e. France.

The criteria ruling the case selection are implicit and may be misleading. For instance, the comparison between Germany and Sweden serves the purpose to support the claim that the absence of a strong union and union involvement in policy making is associated to a more open policy. However, looking at countries outside the comparison, e.g. UK and US, where unions are weaker, migration policy is less open to high skilled workers in UK and US. It is therefore not clear the role of the comparison in proving the hypotheses. This creates confusion which is due to the lack of a full description of the model and of the interaction of conditions.

Table 3.5 Application of model to selected countries.

Hp	Unions density	Centralisation		Policy integration process		Political representation	Outcomes		
		Unions	Employers	Unions	Employers		Prediction	Result for HS	
1	High	High	High	High	High	High or low	HS+LS (or Capital)	Restrictive (or open)	SE
2	High	High	High	High	High		HS + Capital	Restrictive	
3	Medium-low Low skilled	High	High	High	High Medium-high	Medium-high	LS + capital	Open	DE
4	Low	Low	Low	Low Low-medium	Low Low-medium	Low-medium	Anything is possible	Depend on who lobbies more intensely	US
5	Low	Low	Low	Low Medium	Low Medium	Low-medium	State (+capital)	Open	FR
6	Medium-low	Low	Low	Medium	High	High Medium-high	Anything	Depending on the group the party has the link with	UK

Note: in blue the newly added conditions to explain the outcome.

3.2 An alternative explanation

The section above has presented the two most important approaches to explain labour migration policy and their selectivity by skill level. In the following section, I will present an alternative and original model that combines the previous ones, while at the same time tries to overcome their weaknesses or incompleteness. In particular:

From the VoC approach:

- I will take a comprehensive view on labour migration policies. I will focus not only on policies for one specific group of economic migrants (e.g. highly skilled), but on policies covering the whole skill spectrum, and I will explain the presence or absence of any difference in openness (decoupling) between policies for highly and low skilled workers.

- I will take an endogenous view on employers' preferences on the *type of skills* needed, and I will focus on the institutional structures that explain why some countries have higher demand for high skilled or low skilled labour. However, *from the coalition-building approach*, I will take the consideration that employers have a generalised preference for *more* migration, whose intensity can change depending on external factors and on the level of regulation of the labour market.

From a coalition-building approach:

- I will take a dynamic view on preferences' interaction with institutions in relation to

labour market actors' capacity to affect the policy outcome.

- I will take a broadened focus on the interaction preferences-institutions, and I will grant that external factors may affect preferences' intensity towards more or less migration. These external factors will be not however further explored when comparing the conditions, rather will be taken into consideration when assessing the mechanism at the country level (Chapter 4).

- I will include the political element among the factors explaining the openness/restrictiveness of the policy output.

3.2.1 Description of the model

In the proposed model, employers, while keeping a general positive stance towards more liberal labour migration, will exhibit different types of preferences on migrants' skills and on migrants' number. The content of employers' preferences depends on institutional factors, and in particular on labour market regulation and the capacity of the skill production system to produce skills in line with labour market needs. In the formulation of the hypotheses, institutional factors are assumed to be indicators of employers' preferences and are used to operationalised them. Preferences are not verified at this stage and claims on employers' preferences based on institutions work as assumptions. Institutional factors are also used to explain the capacity of employers to affect the policy output. Political parties are also part of the causal recipe. The intensity of employers and parties' preferences is sensitive to external factors: for instance, high levels of unemployment or an economic downturn will have a negative effect on the strength of employers' preferences. These external factors are not included in the causal model, but will be taken into account in country-specific analysis.

The hypotheses described below focus on individual causal conditions that make up the causal model. While conditions are presented in isolation, they should be thought of in terms of potential conjunction (Beach 2017). While it is expected that when condition A (in combination with other conditions) is present, the outcome Y is also present, it may also be that condition A, in combination with ~B, generates ~Y (conjunctural causation). Also, it may be that the ~A (in combination with other conditions), does not have any effect on ~Y (asymmetry). Hence, hypotheses are here conceived as directional expectations, that need to be conceived in conjunction (they work *other things being equal*).

➢ *Labour market regulation*. In a heavily regulated labour market, employers' demand for migrant workers will be less intense than in a lightly regulated labour market. This stems from the assumption that employers resort to migrants when they need to respond to specific flexibility needs (Caviedes and Menz 2010). Marxist theories (Piore 1979) claim that employers have an interest in tapping into a reserve of labour force less paid and with fewer rights (secondary labour force). If tight labour laws leave few possibilities to adopt flexible

working arrangements (e.g. temporary contracts, easy dismissals, longer working hours), employers will have fewer incentive to look for migrant workers.

> *Hypothesis 1*: in countries where the labour market is not tightly regulated, labour migration policy is more open, because employers have strong preferences for an open policy, regardless of the skill level.

➤ *Capacity of the education and vocational training system to produce the needed skills*. If employers are involved in education and vocational training, and therefore in the production of the skills needed in the labour market, their demand for foreign workers with general skills or unskilled will be less intense. Employers' demand for foreign workers will be limited to specific high skills that are not produced by the system in sufficient quantity, rather than to general/low skills. Moreover, if the economy is specialised in knowledge-intensive activities and thus the need for high skills is high (because the workforce is underskilled or because the workforce is high skilled), the demand for migrants with general/low skills will be weak, and employers will look for high-skilled, high-added value workers.

> *Hypothesis 2:* in countries where the education system is capable of producing specific skills in response to labour market needs and the need for high skills is high, labour migration policies are selective and favour high-skilled migrant workers, because employers have no preference for attracting low skilled workers, or workers with specific skills acquired elsewhere.

➤ *Capacity to affect the outcome*. If employers are well integrated into the policy process, for instance through formal and informal consultation or through consensus-based institutions, they will be able to pursue their labour migration stances and lobby more effectively for their policy preference.

> *Hypothesis 3*: in countries where employers are involved in the policy process, policies are more open, because they can affect the policy output.

Employers would need to influence policy makers who design migration policy. While I assume that in normal circumstances policy makers do not have their own preferences on the type of economic migration, they have nonetheless preferences on the number of migrants to let in. As shown in section 3.1, economic migration is not a divisive topic along the left/right cleavage, and centre-left and centre-right parties tend to share the same preference towards more liberal labour migration policy, especially for high skilled workers. If there are no other obstacles, policy makers will play the role of gatekeepers and will allow employers' preferences to affect the policy output. However, some obstacles may arise from radical parties with a strong stance against migration. While radical parties with strong preferences on immigration are more concerned with other-than-economic types of migration and on integration rather than admission issues, nonetheless in the public debate different forms of migration are entangled.

> ➤ *Political factors*. For electoral outcomes, political parties are sensitive to the rise of radical anti-immigration parties. This is the case especially in countries where these parties pose a credible threat, due to the electoral system, that could assign them many seats in the Parliament. In these cases, traditional parties will be more reluctant to liberalise migration policy in general.

> *Hypothesis 4*: in countries where anti-immigration political parties pose a credible threat, policies are in general more restrictive, especially for general migrants.

Figure 3.3 Mixed model to explain labour migration policy.
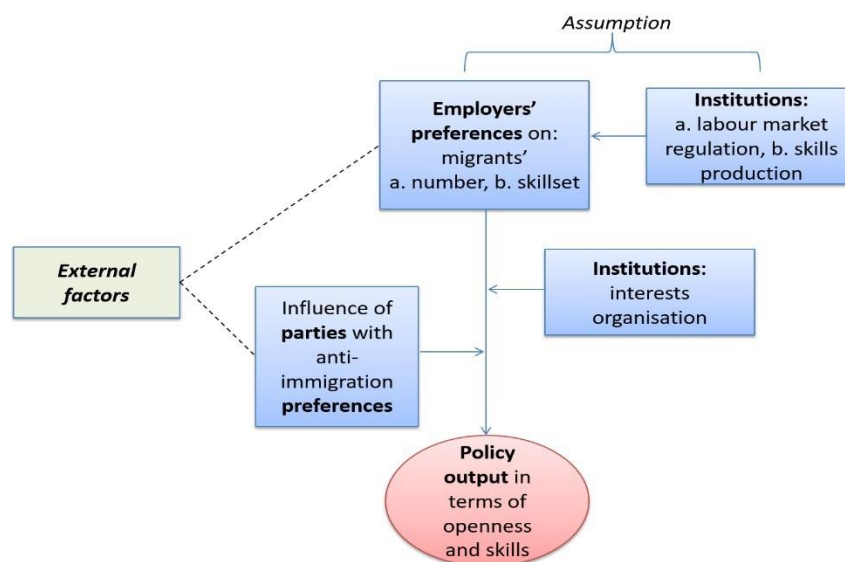
Figure 3.3 describes the mixed model to explain labour migration policy. The outcome is labour migration policy openness by skill level and the consequent degree of decoupling (i.e. the difference in openness between labour migration policy for high skilled migrant workers and general/low skilled migrant workers). This can be decomposed into three elements: openness of labour migration policy, skill target (high skills or low/general skills), and presence or absence of decoupling. Combining these elements generates six outcomes: liberal (restrictive) policy for highly skilled workers, liberal (restrictive) policy for general/low skilled migrants, (absence of) decoupling of labour migration policy by skill level.

The identified conditions are: the degree of regulation of the labour market, the specific skill production, employers' involvement in the policy process, and the presence of anti-immigration parties in power. The conditions affect different components of the outcome: some conditions have an effect on the content of employers' preferences (by openness and skill), others on employers' capacity to transform their preferences into the outcome. Therefore, not all conditions taken in isolation have a clear impact on the outcome and causation is conjunctural. The model can be described as follows.

> ➤ *The model.*

The degree of regulation of the labour market is expected to explain employers' preferences on the degree of openness of labour migration policy (regardless of the skill level). The extent to which the education system provides for the specific skills that the labour market needs and the degree to which high skills are needed is expected to explain employers' preferences on the skill level of labour migration policy. Assuming that employers can affect the outcome, their preferences will be reflected into labour migration policy. Employers will be able to affect labour migration policy if they are involved in the policy process and if there is no strong anti-immigration party in power.

The table below shows the expected impact of each condition (its presence and its absence) on the openness of labour migration policy, its selectivity by skill level, and the degree of decoupling. While regulation of the labour market, employers' involvement in the policy process, and radical right-wing parties are expected to have a transversal impact on the degree openness of migration policy; the specific skill production system is expected to have an impact on skill selection and the degree of decoupling.

Table 3.6 Expected impact on each condition on labour migration policy by features

	Outcome: Labour Migration Policy		
Condition	Openness (open/restrictive)	Skill (highly skilled/generalist)	Decoupling (yes/no)
1.a Regulated labour market	Restrictive	-	-
1.b Lack of regularized labour market	Open	-	-
2.a Specific skill production	-	Highly skilled	Yes
2.b Lack of specific skill production	-	Generalist	No
3.a Involvement in the policy process	Open	-	-
3.b Lack of involvement in the policy process	Restrictive	-	-
4.a Presence of anti-immigration party in power	Restrictive	-	-
4.c Absence of anti-immigration party in power	Open	-	-

3.3 Testing the model: QCA

Qualitative comparative analysis (QCA) is a qualitative method that stands between small-N qualitative research and large-N quantitative analysis. It takes from the former the logic of inference, based on set relations rather than on correlations, and from the latter the formalised and systematic approach. QCA helps identify the configurations of conditions A, B, C under which the outcome Y is present or absent in a population of cases defined by the scope condition.

Conditions are properties that can be conceived as sets of which cases are members (cases can have also partial membership, in fuzzy-set QCA). Conditions, or combinations of

conditions, can be necessary or sufficient for an outcome to occur or not to occur, and cases are conceived as combinations (configurations) of conditions. In set theoretic terms, being necessary means that the outcome is a sub-set of the conditions (i.e. any time the outcome is present, so is the condition; yet there are cases where the condition is present but the outcome is not); being sufficient means that the outcome is a super-set of the conditions (i.e. any time the condition is present so it the outcome; yet there are cases where the outcome is present and the condition is not).

Some of the epistemological foundations underpinning QCA are: conjunctural causation, equifinality and asymmetry. Conditions do not affect the outcome individually (net effect), but in conjunction with other conditions that constitute causal paths (conjunctural causation); to each outcome, multiple causal paths can be associated (equifinality) and conditions in different causal paths can play different roles, so that conditions are not additive. Moreover, QCA treats the presence and the absence of the phenomenon under investigation as different outcomes that may require different causal explanations (asymmetry).

QCA is not case-blind. On the contrary, it rests on the researcher's knowledge of cases. This is important to select the scope and causal conditions and to set the degree to which a particular case is member of a particular condition. QCA scholarship prescribes to apply QCA in a constant dialogue with cases.

As any comparative technique, also QCA faces the problem of limited diversity of the empirical reality. This means that reality is not diversified enough to show all the possible combinations of conditions, and thus to offer natural counterfactuals. With n conditions, the possible configurations are 2^n, but, in reality, it is often not possible to find enough cases to instantiate 2^n configurations. The configurations without an empirical instantiation are called *logical remainders*. In QCA, there are (at least)[38] three ways to deal with logical remainders: researchers can i) ignore them (complex solution), ii) take all of them into account in the analysis and treat them as it better fits the model (parsimonious solution), iii) include them and assign the presence or the absence of the outcome on the basis of simplifying assumptions made on individual conditions (intermediate solutions). QCA-scholarship recommends to use the complex and intermediate solution, while the parsimonious solution is more controversial as it relies on too many and uncontrolled simplifying assumptions.

Depending on how set membership is assigned, QCA can be crisp (crQCA) or fuzzy (fsQCA).[39] In crisp-set QCA, the membership values are 1 or 0, so that a condition or outcome is either present or absent. Fuzzy-sets account for the fact that some social phenomena are not so

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[38] Schenider and Wagemann (2012) propose the Enhanced Standard Analysis that adds further considerations on counterfactuals based on the plausibility of each combination of conditions. This approach will not be applied here because there is no evident combination of conditions that can be a priori excluded from the realm of plausibility.

[39] An intermediate application is multi-variate QCA where membership in the outcome is dichotomous while membership in the conditions can have more than two discrete values (Ragin and Rihoux 2009).

clear-cut and present degrees of membership. Values in fsQCA are continuous between 0 (complete absence of the outcome) and 1 (complete presence of the outcome).

The following analysis applies fsQCA to 14 Member States analysed in Chapter 2. These are a subset of EU countries which present a high degree of variation in labour migration policies, histories and institutions (scope conditions). The following sections, firstly, set the indicators for each relevant condition; secondly, put forward the directional expectations on each condition; thirdly, calibrate the degree of membership in the outcomes and in the conditions; fourthly, specify the conditions to be included in the model and analyse the truth tables; fifthly, report the analysis of necessity and sufficiency for each outcome; and finally, discuss the results.

3.3.1 Conditions and indicators

Table 3.7 reports the four relevant causal conditions, the sub-conditions of which they are composed, and the indicators for each sub-condition.

Table 3.7 Causal conditions, sub-conditions, indicators and source.

Condition	Sub-condition	Indicator and source
Regulation of the labour market	Coverage of collective agreements	*Collective Agreement Coverage Rate 2015, in OECD Employment Outlook 2017* The indicator represents the share of employees covered by collective agreements. High coverage indicates high regulation of the labour market.
	Employment protection	*OECD Indicators on Employment Protection (2013 – latest available year)[40]* Four indicators are available: i. protection of permanent workers against individual and collective dismissals; ii. protection of permanent workers against (individual) dismissals; iii. specific requirements for collective dismissals; iv. regulation on temporary forms of employment. Since *a priori* there is no reason to consider only temporary or permanent positions, and since I assume that an employer looking for flexible labour force will try to use the contractual agreement with lower protection, I will consider the indicator scoring the lowest number between i. and iv. High protection indicates high regulation of the labour market.
Specific skill production	Presence of work-based VET	*Share of students enrolled in upper-secondary VET programmes which combine school- and work-based training, OECD Education at Glance 2016* The indicator aims to capture employers' involvement in education by considering VET programmes with a strong work-based component. Given cross-countries differences in the organisation of the educational system, some country-specifications are needed. In the Netherlands, data for upper-secondary VET programmes are not available, therefore the reported data refer to the share of post-secondary non-tertiary students enrolled in VET programmes combining work and school-based education. In Ireland, 100% of students in upper-secondary education attended generalist programmes. Therefore, the reported data refer to the share of post-secondary non-tertiary students enrolled in VET programmes combining work- and school-based education. Data were complemented by the country notes.[41] High school- and work-based VET indicates specific skill production tailored on the needs of the labour market.

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[40] Available here: http://www.oecd.org/els/emp/oecdindicatorsofemploymentprotection.htm. Although the level of regulation of professions has not been included in the present analysis, it should be noted that the it is positive relation between employment protection and professional services regulation, OECD, Indicators of Product Market Regulation, http://www.oecd.org/eco/growth/indicatorsofproductmarketregulationhomepage.htm

[41] Available here: http://www.oecd.org/education/skills-beyond-school/education-at-a-glance-2016-country-notes.htm

	Employment premium of IVET graduates	*Difference in employment between VET graduates compared to general graduates at the same educational level in 2015, in CEDEFOP 'On the way to 2020: data for vocational education and training policies'[42]* The employment premium expresses the difference (in percentage points) between the employment rate of young VET graduates and the employment rate of young graduates from the general stream of education at the same ISCED levels. Calculations exclude those still in (formal or non-formal) education and training. These are Cedefop calculations based EU Labour Force Survey (EU LFS) data. High employment premium indicates that the specific skills production responds to the needs of the labour market.
	Share of underskilled workers	*Share of workers who would need further training to cope with their duties, Cedefop data[43] from Eurofound survey* High shares of under-skilled workforce indicate that the work population is not skilled enough to perform the job, and therefore that the skill production system does not perform at the optimal level.
	Presence of high skilled labour force	*Share of workforce with tertiary education in 2015, Eurostat data [lfsi_educ_a]* High share of tertiary educated in the labour force signals that the economy can be considered knowledge-based and will therefore be in need of high rather than low skills.
Capacity to affect the outcome	Presence of employers' organisation	*Employers' organisation density, OECD Employment Outlook 2017* Employers' organisation density is the percentage of firms that are members of employers' organisations, therefore it indicates the representativeness of employers' organisations and hence their power. The indicator does not say anything on the types of firms belonging to employers' organisations and their specific migration policy preferences. High density indicates higher capacity to voice employers' preferences.
	Coordination of employers	*Employers' coordination, OECD Employment Outlook 2017* Coordination refers to "the degree to which minor players deliberately follow what major players decide". A single voice is assumed to be more effective in expressing employers' preferences, and therefore in affecting the outcome. Employers' coordination is proven to be significantly correlated with centralisation, i.e. the degree to which collective bargaining happens at the central rather than decentralized (sectoral or firm) level. High coordination indicates high capacity to effectively influence the policy outcome.
Political Parties preferences	Power of political parties with anti-immigration stances	*Number of years (among 2006, 2010, 2014) in which a party with strong anti-immigration stances received >15% parliamentary seats, own calculation on Chapell Hill expert survey[44]* The presence of parties with strong anti-immigration stances may act as obstacle for employers' preferences to affect the outcome. However, the importance of an anti-immigration party depends on its capacity to influence government's action. Strong anti-immigration preferences are defined here as such when experts rate the extent to which a party favours tough policy on immigration higher than 7 on a 0-10 scale. The number 7 has been selected so not to have cases too close to this threshold. The credible threat that these parties pose has been defined by the percentage of seats they are assigned in parliament (>15%). The number of seats depend on the national electoral law and does not necessarily reflect the percentage of votes received. The fact that parties with strong anti-immigration stances are in government has not been considered an important factor to define their political importance. This is because even if traditional parties make a coalition to marginalise a radical anti-immigration party, however they will have an incentive to adopt a more restrictive stance on migration policy. Anti-immigration parties have not been selected on the basis of their family affiliation, so a traditional right-wing party which has been assigned >7 is considered an anti-immigration party. Finally, only the number of years in which anti-immigration parties got >15% of parliamentary seats are considered. If in a given year, more than one anti-immigration party gets >15% seats the number remains the same.[45]

[42] Available here: http://www.cedefop.europa.eu/en/publications-and-resources/publications/5561

[43] Available here: http://www.cedefop.europa.eu/en/publications-and-resources/statistics-and-indicators/statistics-and-graphs/27-what-extent-do-workers

[44] Available here: http://chesdata.eu/

[45] The number of parties is left outside of the calculation as are specific percentages of parliamentary seats obtained – the only information being a 'relevant' (i.e. >15%) or 'irrelevant' share. The only differences if counting also the number of parties obtaining >15% are in NL in 2010 and in HU in 2014.

3.3.2 Hypotheses and conditions

Table 3.8 reports the four hypotheses described in narrative form, the conditions and sub-conditions, and the directional expectations of the effect of the conditions on the three outcomes (migration policy openness for highly skilled, low skilled/general migrants and level of decoupling). Four conditions are described as aggregation of two sub-conditions. To perform the aggregation of two sub-conditions two logical operations can be applied: the logical AND, which returns the lowest value (intersection of sets), or the logical OR, which returns the highest value (union of sets).

As for the condition on the capacity of the education and vocational training system to produce the needed skills, the two sub-conditions, i.e. the VET system and the need for high skills, are treated separately.

(i)   In the case of the conditions describing the capacity of the VET system to produce the needed skills, only one type of logical operation on the sub-conditions is considered meaningful. The VET system performs well (i.e. produces the needed skills) if the percentage of pupils enrolled in school and work-based education is high (first sub-condition) *and* if VET graduates enjoy an employment premium compared to graduates from general schools at the same level of general education (second sub-condition). This is described by the logical operation AND on the sub-conditions.

(ii)   Similarly, only one operation can be meaningfully performed on the condition describing the need for high skills and the degree of skills-orientation of the economy. The economy needs higher skills if a large share of the national economy employs highly skilled (i.e. tertiary educated) (first sub-condition) *or* if the share of under-skilled workers is particularly high (second sub-condition). This is described by the logical operation OR on the sub-conditions.

Both these conditions are expected to have the same effect on the presence or absence of the outcome. On the contrary, the condition on employers' capacity to affect the outcome, as well as on the degree of regulation of the labour market, can be the result of two different and equally meaningful logical operations.

(iii)   Employers will be able to affect the outcome if they are highly coordinated and/or the density of employers' organisation is high. This can be described by the logical AND or the logical OR, and, in both cases, it is expected to have the same effect on the outcome.

(iv)   Similarly, an economy is regulated if collective agreements cover a high share of working relationships and/or the employment protection is high. This can be described by the logical AND or the logical OR, which are expected to have the same effect on the outcome.

In these last two cases, there is *a priori* no theoretical reason to perform either of the two logical operations. The conditions can thus be interpreted in more restrictive or looser terms.

Table 3.8 Hypotheses, conditions and expected impact on the outcome.

Hypotheses	Condition, sub-conditions and possible logical operations	Expected impact of the condition (presence/absence) when the outcome is present or absent
Hypothesis 1: in countries where the labour market is not tightly regulated, labour migration policy is more open, because employers have strong preferences for an open policy, regardless of the skill level.	Regulated labour market = - high coverage of collective agreements (coverage) - high employment protection (empl_prot) Options: fsAND (empl_prot, coverage)=regulation_AND fsOR (empl_prot, coverage)=regulation_OR	Presence of the outcome (presence/absence of the condition) Hs (absent) Ls (absent) Decoupling (-) Absence of the outcome (presence/absence of the condition) Hs (present) Ls (present) Decoupling (-)
Hypothesis 2: in countries where the education system is capable of producing specific skills in response to labour market needs and the need for high skills is high, labour migration policies are selective and favour high-skilled migrant workers, because employers have no preference for attracting low skilled workers, or workers with specific skills acquired elsewhere.	Education system produces the skills needed in the labour market = - diffusion of work-based VET (vet_ws) - high employment premium for VET graduates (premium), - low share of underskilled workers (undersk) - high share of tertiary educated (tertiary) Options: fsAND (premium, vet_ws) =vet_AND fsOR (tertiary, undersk)=hs_OR[46]	Presence of the outcome (presence/absence of the condition) Hs (present) Ls (absent) Decoupling (present) Absence of the outcome (presence/absence of the condition) Hs (absent) Ls (present) Decoupling (absent)
Hypothesis 3: in countries where employers are involved in the policy process, policies are more open, because they can affect the policy output.	Involvement in the policy making process = - high employer organization's density (empl_density) - high coordination (coordination) Options: fsAND (empl_density, coordination)=capacity_AND fsOR (empl_density, coordination)=capacity_OR	Presence of the outcome (presence/absence of the condition) Hs (present) Ls (present) Decoupling (-) Absence of the outcome (presence/absence of the condition) Hs (absent) Ls (absent) Decoupling (-)
Hypothesis 4: in countries where anti-immigration political parties pose a credible threat, policies are in general more restrictive, especially for general migrants.	Antimmigration parties are a credible threat = Anti-immigration parties >15% seats (party_antimm)	Presence of the outcome (presence/absence of the condition) Hs (absent) Ls (absent) Decoupling (-) Absence of the outcome (presence/absence of the condition) Hs (present) Ls (present)

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[46] This means that the only case in which the condition is absent is when there is a low percentage of tertiary educated in the labour force *and* the workforce is not under-skilled for the work performed.

Decoupling (-)

Note: 'Hs' stands for open labour migration policy for highly skilled workers, 'Ls' stands for open migration policy for general/low skilled workers; '-' indicates that no hypothesis has been expressed.

3.3.3 Calibration

The calibration is the procedure that transforms data into fuzzy set membership, ranging from 0 to 1, whereby 0 means full non-membership into a set, and 1 full membership. The calibration in QCA needs to be case-oriented and non-mechanical, as it would be with the application of statistical tendency measures. This is because not all variation is necessarily equally meaningful. The substantive knowledge of cases should drive the decision on which cases are fully in or out a set or ambiguous.

The calibration direct method, devised by Ragin (2008),[47] consists in setting anchors for full membership, full non-membership, and maximum ambiguity. Once the anchors have been established, the software *fsQCA* uses a logistic function to transform all the values into values between 0 and 1. The anchors are set so to be compatible with case knowledge and to avoid ambiguity. Although the calibration can be well-grounded, there is no result exempt from criticism. The continuous dialogue with cases that informs QCA helps to minimise bias due to calibration choices.

Table 1 and 2 in the annex report the values for each condition, the calibration anchors and the fuzzy membership scores. The calibration anchors have been established on the basis of the substantive knowledge of cases and in line with the literature of VoC and the OECD chapter on 'Collective bargaining in a changing world of work' in the 2017 *Employment outlook*.

Outcomes are continuous variable between 0 and 1 and have been built on the index described in Chapter 2. In this case, membership scores are the same as standardized values, as substantive knowledge has been already incorporated in the construction of the index.

3.3.4 The model

i. How many conditions should the model have?

The model is described by five conditions, two of which can be expressed in two different ways. The decision on the number of relevant conditions to test in the model has to be so that all relevant conditions are included, and that the number of possible combinations is in line with the number of available cases. On the one hand, a model with too few conditions is underspecified to explain the outcome and may lead to inconsistent rows in the truth table. On the other hand, adding too many conditions brings two risks: the first is the formation of only *ad hoc* configurations that describe no more than one case, if any; the second is the exponential increase in logical remainders, i.e. configurations which are not instantiated by any case. The

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[47] Also here: http://www.u.arizona.edu/~cragin/fsQCA/download/Calibration.pdf

second problem is relevant for the intermediate and parsimonious solutions, as they rely on some or all logical remainders. The first problem affects also the complex solution.

There is no mathematical formula to set the right number of conditions which can be valid in all cases. The number in fact depends on the number of cases and their variety. Ragin and Rihoux (2009) suggests keeping the number of conditions for intermediate analysis (between 10 and 40 cases) between 4 and 6-7. Further insight comes from Marx (2006), that tackles the criticism moved to QCA to be unable to distinguish random from valid models. He studies the probability that the QCA analysis produces valid models (i.e. models without contradictions) with random data. The result is that the capacity to distinguish valid from random models depends on the number of cases and conditions. He found that a model with 14 cases (as in the present case) and 4 conditions has 0 probability of producing contradictions. Increasing the conditions to 5, the probability to find contradiction is between 1 and 10%, and rises to 10-33% if the conditions are 6 (regardless of the distribution of the outcome). Models with up to 5 conditions can thus be accepted.

In the present case, choosing a five-condition model leads, in principle, to four different models for each outcome, as described in Table 3.8.

Table 3.9 Possible alternative models with five conditions, combining the more restrictive ('and') and looser ('or') interpretation of regulation and employers' capacity to affect the outcome.

MODEL 1 – and, and	MODEL 2 – and, or	MODEL 3 – or, or	MODEL 4 – or, and
regulation_and, capacity_and, vet, hs, party	regulation_or, capacity_and; vet, hs, party	regulation_or, capacity_or, vet, hs, party	regulation_and, capacity_or, vet, hs, party

Opting for a more restrictive or looser interpretation of labour market regulation and employers' capacity to affect the outcome matters, as considering the difference in membership scores in each of the twofold condition, the four models are expected to lead to different results. Table 3.9 lists the countries in which membership scores differ by less than 0.20 points, less than 0.40 points, less than 0.80 points and more than 0.80 points. Countries with higher difference are expected to contribute differently to the logical minimization.

Table 3.10 Difference in membership score for capacity to affect the outcome and labour market regulation, overall and by outcome.

	overall	for hs>0.5	for hs<0.5	for ls>0.5	for lw<0.5	for decoupling>0.5	for decoupling<0.5
	Difference between capacity_OR and capacity_AND						
>0.20	BE, EE, HU, IT, NL, PL, SE, UK	BE, IT, NL, SE	EE, HU, PL, UK	PL, SE	BE, EE, HU, IT, NL, UK	EE	BE, HU, IT, NL, PL, SE, UK
0.20<x<0.40	ES, FR	ES, FR		ES	FR	FR	ES

0.40<x<0.80	DE, IE, CZ	DE	DE	CZ	DE, IE	DE, CZ	IE
>0.80	LU	LU			LU	LU	
	Difference between regulation_OR and regulation_AND						
>20	BE, CZ, DE, ES, FR, IE, IT, LU	BE, DE, ES, FR, IE, IT, LU	CZ	CZ, ES	BE, DE, FR, IE, IT, LU	CZ, DE, FR, LU	BE, ES, IE, IT
20<x<40	UK		UK		UK		UK
40<x<80							
>80	EE, HU, NL, PL, SE	NL, SE	EE, HU, PL	PL, SE	EE, HU, NL	EE	HU, NL, PL, SE

Note: <0.5 means absence of the outcome, >0.5 means presence. 'Hs' and 'ls' indicate open policy respectively for high-skilled and low-skilled workers.

ii. Inconsistent configurations and logical contradictions

The truth tables for each model provide information on the model's validity. Table 3 in the Annex reports the truth tables for each outcome. All four models produce some inconsistent rows. In crisp terms, inconsistent configurations are defined as configurations associated both with the presence and the absence of the outcome. This definition is not suited for fsQCA, where cases have different degrees of membership of different rows of the truth table. Inconsistent rows in fsQCA are rows where cases whose membership of the conditions is a sub-set of membership of the outcome and cases where membership of the conditions is a super-set of the outcome coexist.

To assess whether the configuration is sufficient to generate the outcome, Ragin (2006) introduced the concept of consistency, which measures to what degree the available evidence supports the statement of sufficiency of a combination of conditions, or in other words, the extent to which the conditions are a subset of the outcome.[48] The researcher needs to set a consistency threshold, above which the configuration of conditions is considered to be sufficient for the outcome and below which is considered not to be sufficient for the outcome. Since empirical reality seldom presents perfect consistency (Ragin 2008), it is accepted to use a consistency threshold below 1 (so that not perfectly consistent rows can be still consistent with the statement of sufficiency), and it is common practice not to choose a threshold below 0.75. Moreover, QCA scholarship points at the importance of checking the distribution of consistency scores and of following natural gaps in the distribution, so not to consider very close consistency values differently in relation to the outcome (Schneider and Wagemann 2012).

Setting consistency thresholds thus helps in deciding whether a configuration is sufficient for the outcome; it does not help, however, in detecting and assessing contradictions; in fact, behind high consistency values, serious inconsistent configurations may still hide

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[48] Mathematically, consistency si defined as (the sum, for each case, of the minimum values among the membership scores in the conditions and in the outcome), divided by (the sum of the memebrship in the conditions). So that if the membership in the conditions is always lower than the memebrship in the outcome, consistency is 1 (Wagemann and Schneider, 2012).

(Rubinson 2011). Resolving configurations by simply using the consistency threshold is a mechanical procedure, that is widely discouraged by QCA scholarship, in favour of more substantial and knowledge-grounded methods to discern more serious inconsistencies (logical contradiction) from less serious inconsistencies.

The elements to take into account when checking for contradictions are the following. With large-N studies, the percentage of cases displaying a negative (or positive) outcome belonging to a sufficient (or insufficient) configuration should be taken into account; while for small-N studies, as in the present case, also one case should flag a problem in the sufficiency of the configuration. The distance from the diagonal y=x must also be considered, and if cases fall much below the diagonal, they should alert the researcher. These parameters are already included in the consistency value. However, in addition to these, researchers must check whether the case falls below the quantitative 0.5 anchor for membership of the outcome, and above it for membership of the condition, thus falling in the bottom-right quadrant. This cannot be deduced from the consistency value, and, if this is the case, there is a serious inconsistency and a logical contradiction that deserve specific attention (Schneider and Wagemann 2012).

Figure 3.4 Inconsistencies and contradictions in the XY-plot.
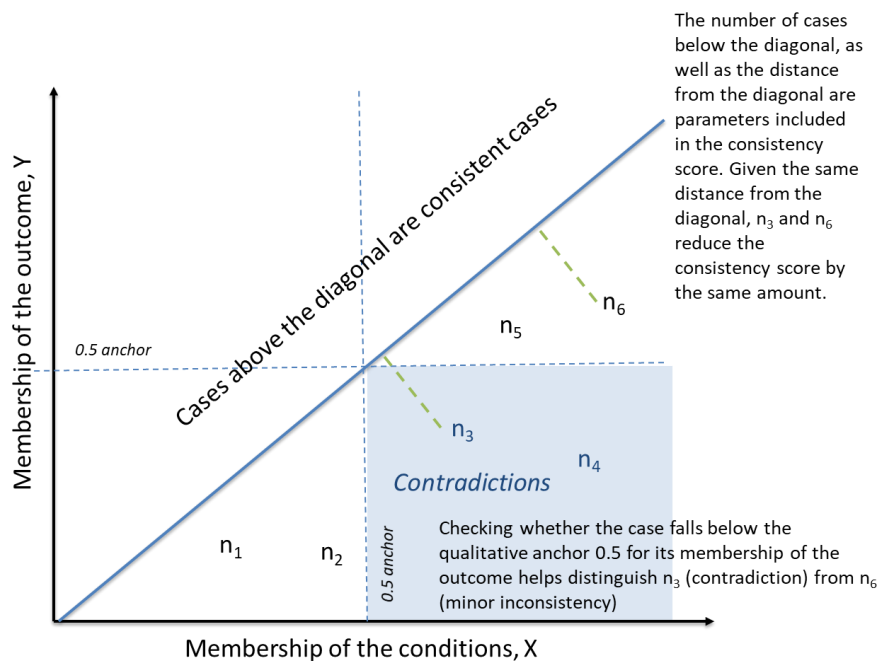
Table 4 in the Annex reports the specific inconsistent rows with the cases for which the configuration is sufficient to generate the outcome and for which it is not. Table 3.10 below reports the number of inconsistent configurations in the four models. One criterion to select the models is minimizing inconsistent rows. Model 1 produces the lowest number of inconsistent rows, i.e. 2, affecting the same one configuration (*regulation, capacity, ~vet, hs, party*; describing BE, FR, ES), for both the presence and the absence of the outcome 'open policy for general workers'. Model 1 is thus selected as the most promising model. This choice based on the

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capacity of the model to produce logical contradictions is possible because, as discussed above, there is a priori no theoretical reason to prefer one model over the others, or an interpretation of labour market regulation and capacity to affect the outcome.

Table 3.11 Inconsistent rows in four models for each outcome.

Outcome	Conditions: regulation, capacity			
	Model 1 and, and	*Model 2 or, and*	*Model 3 or, or*	*Model 4 and, or*
Open policy for highly skilled	0	0	1	1
Open policy for general/low skilled	1	1	0	2
Restrictive policy for highly skilled	0	0	0	0
Restrictive policy for general/low skilled	1	1	1	2
Presence of decoupling	0	1	1	1
Absence of of decoupling	0	1	0	0
Total number of inconsistent rows	2	4	3	6

It is best practice to pick models with no inconsistent configuration in the truth table, and to solve inconsistencies before running the minimisation.

Possible solutions to solve true logical contradictions prior to the logical minimisation are (Schneider and Wagemann 2012): add a new condition, re-specify the population and possibly exclude some contradictory cases, or go back to cases and control the calibration. At this stage, there is no additional condition that can be added to the model, and there is no theoretical ground to exclude any case from the population. After checking the calibration, no further adjustments can be made to avoid the contradictions. It is thus not possible to solve the contradiction before the logical minimisation.

At this stage, the inconsistent rows are solved using the consistency value, that gives an indication of how many cases and how far below the consistency line they fall. I will perform the analysis on Model 1 and pay particular attention to the inconsistent configuration.

3.3.5 Analysis of necessity

A necessary condition is a condition that is always present when the outcome is present. However, it does not guarantee that the outcome always occurs in its presence. In set-theoretic terms, a necessary condition is a superset of the outcome. In the XY-plot, a condition is necessary when cases fall below the diagonal, i.e. when the membership in the condition is always higher than the membership in the outcome. The parameters of fit for necessity are consistency and coverage. Consistency measures "the degree to which the empirical information at hand is in line with the statement of necessity", and the degree to which the conditions are superset of the

outcome (Schneider and Wagemann 2012). [49] It is customary to select values above 0.9. Coverage measures the extent to which a condition is relevant to the outcome. [50]

The analysis of necessity (reported in Table 5 of the Annex) shows that there are some necessary conditions.

- For the presence of the outcome *open policy for highly skilled workers*, a non-restrictive interpretation of labour market regulation (regulation_or) has a high consistency (0.91) to qualify for being a necessary condition according to the commonly used standard, i.e. 0.90 (Ragin, 2009). However, given the limited variation in the condition across cases (only 2 out of 14 cases do not belong to the relevant set), it is recommended to use a threshold higher than 0.90 to qualify for necessity. Since its consistency lies just above 0.9, regulation_or is not considered a necessary condition.

- For the presence of the outcome *open policy for general/low skilled workers*, the same condition, i.e. a non-restrictive interpretation of labour market regulation (regulation_or), qualifies for necessity, with a consistency score of 0.96. Despite the limited variation of the condition, the consistency score is well above 0.90 so that the condition can be safely considered necessary (Figure 3.6). The condition is not trivial because there are cases which present the necessary condition but do not display the outcome (DE, NL, EE). The condition features in models 2 and 3.

- For *the absence of the outcome open policy for highly skilled workers*, absence of a well-developed VET system has a consistency score well above the 0.90 threshold (i.e. 0.96) and can be considered a necessary condition (Figure 3.8). This means that all cases without an open policy for highly skilled workers also lack a well-developed VET system. The condition is not trivial because there are cases which present the necessary condition (absence of VET) but do not display the outcome (have thus open policy for highly skilled workers) (BE, ES, FR, IE, LU, SE). The condition features in all the four models.

- The condition describing the *lack of capacity to affect the outcome* (strict interpretation - AND) has a high consistency score (0.98) to qualify for being a necessary condition (Figure 3.9). This means that whenever there is a restrictive policy for highly skilled workers, there is also lack of employers' capacity to affect the outcome. This condition however is more trivial, as there is no case that displays the condition but does not display the outcome. This is relevant for model 1 and 2.

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[49] Mathematically it is the sum of (the minimum value among membership scores in the outcome and in the condition), divided by (the sum of membership scores in the conditions). If membership in the conditions is always higher than membership in the outcome (conditions are superset), then the consistency of the necessary condition is 1, and all cases will fall below the diagonal.

[50] Mathematically it is the sum of (the minimum value among membership scores in the outcome and in the condition), divided by (the sum of membership scores in the outcome). If membership in the conditions is always lower than membership in the outcome (conditions are superset), then the consistency of the necessary condition is 1. Coverage is higher when cases below the diagonal are closer to the diagonal than when cases are farther from the diagonal.

- A necessary condition for *decoupling policies for highly skilled and general workers* is the reliance of the economy on high skills, with a consistency score at 0.96 (Figure 3.7). This means that all cases where policies are decoupled by skill level present high demand of high skills. The condition is not trivial because there are cases which present the necessary condition but do not display the outcome (CZ, EE, IE, SE, UK). The condition features in all four models.

- No necessary condition can be identified for *restrictive policy for general/low skilled workers* and for the *absence of decoupling,* as no condition meets the 0.90 threshold.

Table 3.12 Necessary conditions by outcome.

Outcome	Necessary condition
Open policy for highly skilled	None, but labour market regulation has high consistency
Open policy for general/low skilled	Labour market regulation
Restrictive policy for highly skilled	Lack of capacity to affect the outcome; Under-performing VET system
Restrictive policy for general/low skilled	None
Presence of decoupling	Need of highly skilled in the labour market
Absence of of decoupling	None

Figure 3.5 Labour market regulation and open policy for general/low skilled workers.
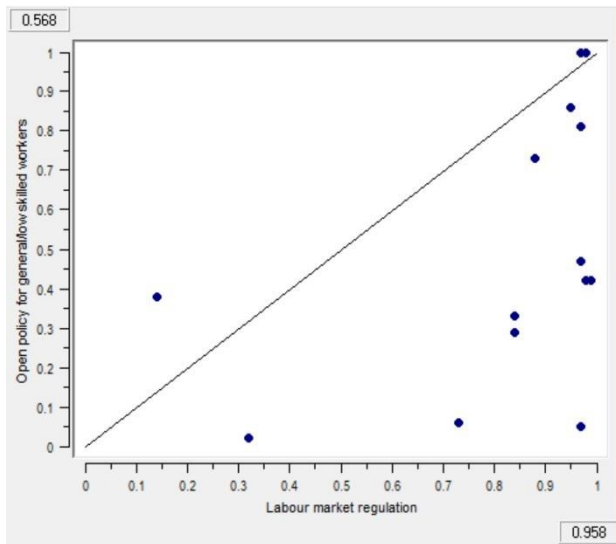
Figure 3.6 Reliance of the economy on high skills and policy decoupling.
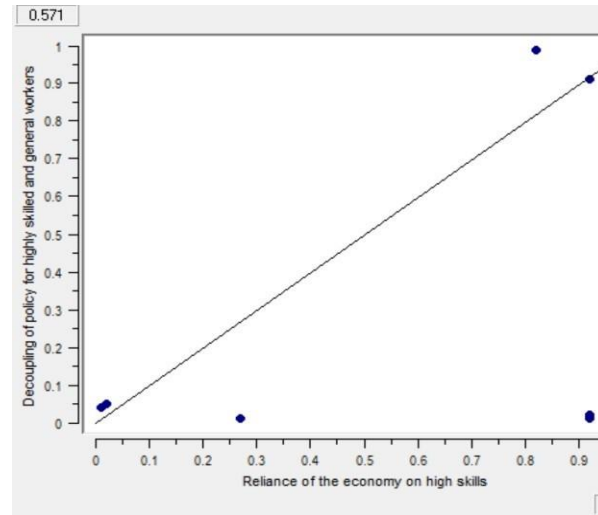
Figure 3.7 Absence of well-developed VET and absence of open policy for high skilled workers.
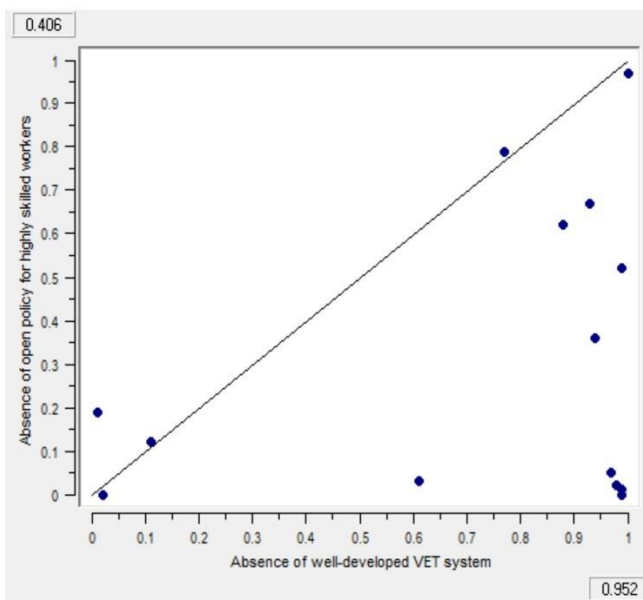
Figure 3.8 Employers' capacity to affect the outcome and absence of open policy for high skilled workers.
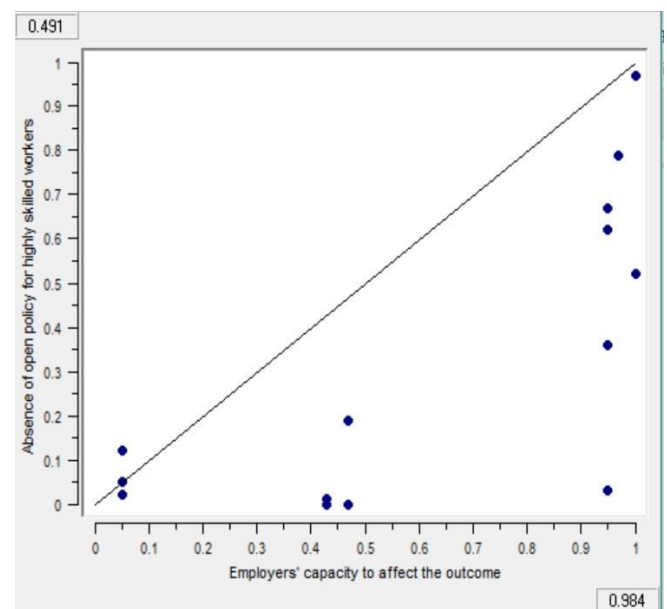
Necessary conditions, being superset of the outcome, should always be present in the solutions. This may not be in fact the case i) for intermediate and parsimonious solutions, when logical remainders without the necessary condition are included in the minimisation; ii) for the complex solution, when inconsistent configuration with the absence of the condition are included in the minimisation (Wagemann and Schneider 2012). For this reason, the researcher needs to make sure that necessary conditions remain in the solution terms.

3.3.6 Logical Minimization for Model 1

Tables 3.13-3.17 report the results of the logical minimisation of the conditions in Model 1 for the six outcomes, performed by the software fsQCA. The consistency cut-off has been chosen taking into account the cases in the configurations and gaps in the distribution. Each solution comes with its consistency and coverage values. Consistency values above 0.75 are considered by the literature acceptable. High consistency values indicate that the statement of sufficiency is in line with empirical evidence. Less clear is the threshold to use for coverage. While a low coverage shows that there are several cases not explained by the solution, it however does not impair the robustness of the set relationship found for a certain number of cases. Low coverage does not indicate that the model is not valid, it rather points at possible alternative paths not covered by the solution that could explain the unexplained cases. There is in fact no minimum threshold for the coverage.

Each solution presents multiple equifinal paths. The raw coverage indicates the "percentage of all cases' *set membership* in the *outcome* covered by a single *sufficient path* of an *equifinal solution term*" (Wagemann and Schneider 2012). The unique coverage represents the "percentage of all cases' *set membership* in the *outcome* uniquely covered by a single *path* of an equifinal solution term" (Wagemann and Schneider 2012). The consistency of the causal path represents the extent to which the cases are in line with the statement of sufficiency. The complex solution is based only on empirical cases; the intermediate solutions relies on the empirical cases as well as unobserved cases (logical remainders) in line with the simplifying assumptions or directional expectations (which have been reported). The parsimonious solution includes any logical remainders that make the solution term more parsimonious. Simplifying assumptions are based on the theoretical model. However, when there is evidence that the conditions have a directional effect opposite to the expectation, no assumption is being made on the specific condition. This is notably the case for the degree of regulation, which produces a directional expectation towards more open labour migration policies, as opposed to the expectation.

Table 3.13 Result of the minimisation for open policy for highly skilled workers (hs_tot).

Model	Necessary condition = none Consistency cut-off = 1				
	Complex solution				
Consistency and coverage	Consistency: 1 Coverage: 0.65				
Solutions	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	(~vet_and*hs_or)*regulation_and*party7	0.38	0.36	1	BE (0.95,0.95), ES (0.93,1), FR (0.92,0.99), LU (0.57,0.97)
	regulation_and*vet_and*capacity_and*party7	0.15	0.05	1	DE (0.53,1), IT (0.53,0.81)
	(vet_and*hs_or)*capacity_and*party7	0.17	0.07	1	NL (0.82,0.88), DE (0.53,1)
	~regulation_and*(~vet_and*hs_or)*capacity_and*~party7	0.13	0.08	1	SE (0.86,0.98)
	Intermediate solution				
Assumptions	~party7 (absent), hs_or (present), vet_and (present), capacity_and (present)				
Consistency and coverage	Consistency: 0.1 Coverage: 0.67				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	regulation_and* hs_or*party7	0.44	0.34	1	BE (0.95,0.95), ES (0.93,1), FR (0.92,0.99), DE (0.57,1), LU (0.57,0.97)
	(hs_or*vet_and)*capacity_and	0.17	0.70	1	NL (0.82,0.88), DE (0.53,1)
	regulation_and*vet_and*capacity_and	0.15	0.05	1	DE (0.53,1), IT (0.53,0.81)
	~regulation_and*hs_or*capacity_and*~party7	0.17	0.08	1	SE (0.86, 0.98)
	Parsimonious solution				
Assumptions	Not applicable				
Consistency and coverage	Consistency: 0.97 Coverage: 0.71				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	capacity_and	0.54	0.17	0.99	BE (0.95,0.95), NL (0.95,0.88), SE (0.95,0.98), ES (0.57,1), FR (0.57,0.99), DE (0.53,1), IT (0.53,0.81)

regulation_and*party7	0.53	0.17	0.97	FR (0.98,0.99), IT (0.96,0.81), BE (0.95,0.95), ES (0.93,1), DE (0.57,1), LU (0.57,0.97)

Table 3.14 Result of the minimisation for open policy for general/low skilled workers (all_tot).

Model	Necessary condition = none Consistency cut-off = 0.90				
	Complex solution				
Consistency and coverage	Consistency: 0.94 Coverage: 0.62				
Solutions	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	regulation_and*(~vet_and*hs_or)*~capacity_and	0.32	0.23	0.92	LU (0.61,0.42), CZ (0.59,0.73)
	~regulation_and*(~vet_and*~hs_or)*~capacity_and*~party7	0.15	0.10	1	PL (0.73,0.81)
	capacity_and*~regulation_and*(~vet_and*hs_or)*~party7	0.17	0.12	1	SE (0.86,1)
	capacity_and*regulation_and*(vet_and*~hs_or)*party7	0.11	0.08	0.90	IT (0.53,1)
	Intermediate solution				
Assumptions	~party7 (absent), ~hs_or (absent), ~vet_and (absent), capacity_and (present)				
Consistency and coverage	Consistency: 0.94 Coverage: 0.62				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	(~hs_or*~vet_and)*~party7	0.16	0.10	1	PL (0.73,0.81)
	regulation_and *~vet_and*~capacity_and	0.32	0.25	0.91	LU (0.61,0.42), CZ (0.59,0.73)
	regulation_and*~hs_or *capacity_and	0.13	0.08	0.91	IT (0.53,1)
	~regulation_and*~vet_and*capacity_and*~party7	0.18	0.11	1	SE (0.86,1)
	Parsimonious solution				
Assumptions	Not applicable				

Consistency and coverage	Consistency: 0.97 Coverage: 0.71				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	~hs_or*~party7	0.16	0.09	1	PL (0.73,0.81)
	~capacity_and*regulation_and	0.39	0.24	0.78	LU (0.75,0.42), CZ (0.59,0.73)
	capacity_and*~party7	0.20	0.01	0.79	SE (0.95,1)
	~hs_or *capacity_and	0.14	0	0.88	IT (0.53,1)
	regulation_and*~hs_or	0.20	0	0.94	IT (0.97,1)
	vet_and*~hs_or	0.23	0.03	0.92	IT (0.99,1)
	~regulation_and*~vet_and*capacity_and	0.19	0	0.96	SE (0.86,1)

Table 8 Result of the minimisation for absence of open policy for highly skilled workers (~hs_tot).

Model	Necessary condition = ~capacity_and, ~regulation_and, ~vet_and Consistency cut-off = 0.79				
	Complex solution				
Consistency and coverage	Consistency: 0.85 Coverage: 0.62				
Solutions	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	~regulation_and*(~vet_and*~hs_or)*~capacity_and	0.37	0.14	0.89	HU (0.77,0.79), PL (0.73,0.62)
	~regulation_and*~vet_and*~capacity_and*party7	0.48	0.25	0.86	UK (0.96,0.97), HU (0.77,0.79)
	Intermediate solution				
Assumptions	party7 (present), ~hs_or (absent), ~vet_and (absent), ~capacity_and (absent)				
Consistency and coverage	Consistency: 0.85 Coverage: 0.62				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	(~hs_or*~vet_and)*~regulation_and*~capacity_and	0.37	0.14	0.89	HU (0.77,0.79), PL (0.73,0.62)
	~regulation_and*~vet_and*~capacity_and* party7	0.48	0.25	0.86	UK (0.96,0.97), HU (0.77,0.79)

	Parsimonious solution				
Assumptions	Not applicable				
Consistency and coverage	Consistency: 0.67 Coverage: 0.68				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	~hs_or*~party7	0.20	0	0.79	PL (0.73,0.62)
	~vet_and*~hs_or	0.38	0	0.85	HU (0.77,0.79), PL (0.73,0.62)
	~regulation_and*~hs_or	0.39	0	0.78	HU (0.98,0.79), PL (0.73,0.62)
	~capacity_and*~hs_or	0.41	0.03	0.71	HU (0.97,0.79), PL (0.73,0.62)
	~regulation_and*~vet_and*party7	0.5	0	0.86	UK (0.96,0.97), HU (0.77,0.79)
	~capacity_and*~regulation_and*party7	0.49	0	0.70	HU (0.96,0.79), UK (0.96,0.97)

Table 3.15 Result of the minimisation for absence of open policy for general/low skilled workers (~all_tot).

Model	Necessary condition = none Consistency cut-off = 0.80				
	Complex solution				
Consistency and coverage	Consistency: 0.91 Coverage: 0.61				
Solutions	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	~regulation_and*~vet_and*~capacity_and*party7	0.32	0.09	0.93	UK (0.96,0.98), HU (0.77,0.67)
	(~vet_and*hs_or)*~capacity_and*party7	0.34	0.11	0.87	UK (0.96,0.98), LU (0.57,0.58)
	(vet_and*hs_or)*capacity_and*party7	0.23	0.18	0.98	NL (0.82,0.95), DE (0.53,0.94)
	Intermediate solution				
Assumptions	party7 (present), hs_or (present), vet_and (present), ~capacity_and (absent)				
Consistency and coverage	Consistency: 0.87 Coverage: 0.62				

Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	~regulation_and*~capacity_and*party7	0.37	0.09	0.88	HU (0.96,0.67), UK (0.96,0.98)
	~capacity_and*hs_or*party7	0.40	0.09	0.89	UK (0.96,0.98), LU (0.57,0.58)
	hs_or*vet_and* party7	0.28	0.12	0.99	NL (0.82,0.95), DE (0.57,0.94)
	Parsimonious solution				
Assumptions	Not applicable				
Consistency and coverage	Consistency: 0.81 Coverage: 0.68				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	~capacity_and*party7	0.49	0.34	0.76	HU (0.96,0.67), UK (0.96,0.98), LU (0.57,0.58)
	vet_and*hs_or	0.35	0.19	0.98	DE (0.97,0.94), NL (0.82,0.95)

Table 3.16 Result of the minimisation for presence of decoupling (dec).

Model	Necessary condition = hs Consistency cut-off = 0.87				
	Complex solution				
Consistency and coverage	Consistency: 0.91 Coverage: 0.61				
Solutions	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	regulation_and*(~vet_and*hs_or)*party7	0.51	0.45	0.88	BE (0.95,0.72), ES (0.93,0.79), FR (0.92,0.91), LU (0.57,0.84)
	capacity_and*(vet_and*hs_or)*party7	0.24	0.19	0.95	NL (0.82,0.99), DE (0.53,1)
	Intermediate solution				
Assumptions	hs_or (present), vet_and (present)				
Consistency and coverage	Consistency: 0.90 Coverage: 0.70				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	regulation_and* hs_or*party7	0.60	0.46	0.89	BE (0.95,0.72), ES (0.93,0.79), FR (0.92,0.91), DE (0.57,1), LU (0.57,0.84)

(hs_or*vet_and)*capacity_and* party7	0.24	0.11	0.95	NL (0.82,0.99), DE (0.53,1)

	Parsimonious solution				
Assumptions	Not applicable				
Consistency and coverage	Consistency: 0.90 Coverage: 070				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	capacity_and*hs_or*party7	0.53	0.11	0.91	BE (0.95,0.72), NL (0.82,0.99), ES (0.57,0.79), FR (0.57,0.91), DE (0.53,1)
	regulation_and*hs_or*party7	0.60	0.18	0.89	BE (0.95,0.72), ES (0.93,0.79), FR (0.92,0.91), DE (0.57,1), LU (0.57,0.84)

Table 3.17 Result of the minimisation for absence of decoupling (~dec).

Model	Necessary condition = none Consistency cut-off = 0.81				
	Complex solution				
Consistency and coverage	Consistency: 0.91 Coverage: 0.61				
Solutions	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	(~vet_and*~hs_or)*~regulation_and*~capacity_and	0.23	0.09	0.97	HU (0.77,0.95), PL (0.73,0.99)
	~vet_and*~capacity_and*~regulation_and*party7	0.28	0.13	0.88	UK (0.96,0.82), HU (0.77,0.95)
	(~vet_and*hs_or)*capacity_and*~regulation_and*~party7	0.16	0.11	0.96	SE (0.86,0.99)
	(vet_and*~hs_or)*regulation_and*capacity_and*party7	0.09	0.07	0.81	IT (0.53,0.96)
	Intermediate solution				
Assumptions	~hs_or (present), ~vet_and (present)				
Consistency and coverage	Consistency: 0.92 Coverage: 0.56				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	~regulation_and*~vet_and*~capacity_and* party7	0.28	0.13	0.88	UK (0.96,0.82), HU (0.77,0.95)

		Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5
	~vet_and*~regulation_and*capacity_and*~party7	0.16	0.10	0.96	SE (0.86,0.99)
	~hs_or*regulation_and*capacity_and*party7	0.11	0.08	0.83	IT (0.53,0.96)
	(~hs_or*~vet_and)*~regulation_and*~capacity_and	0.23	0	0.97	HU (0.77,0.95), PL (0.73,0.99)
	(~hs_or*~vet_and)*~regulation_and*~party7	0.13	0	0.95	PL (0.73,0.99)
Parsimonious solution					
Assumptions	Not applicable				
Consistency and coverage	Consistency: 0.85 Coverage: 0.65				
Solution(s)	Solution	Raw coverage	Unique coverage	Consistency	Cases with membership in the condition > 0.5 (membership in the condition, in the outcome)
	hs_or	0.39	0.22	0.92	IT (0.99,0.96), HU (0.98,0.95), PL (0.73,0.99)
	capacity_and*~party7	0.17	0.01	0.74	SE (0.95,0.99)
	capacity_and*~regulation_and*~vet_and	0.16	0	0.91	SE (0.86,0.99)
	~regulation_and*~vet_and*party7	0.28	0	0.86	UK (0.96,0.82), HU (0.77,0.95)
	~capacity_and*~regulation_and*party7	0.311	0	0.77	HU (0.96,0.95), UK (0.96,0.82)

3.3.7 Discussion of the results

This section discusses the results of the minimisation, and in particular the causal paths for the intermediate solution (with simplifying assumptions). It also discusses the extent to which the directional expectations are met, defined as the circumstance in which the number of causal paths in which the condition expected to be present is present is equal or greater than the paths in which the condition is absent or irrelevant.

i. Openness of policies for highly skilled workers

The solution presents high consistency, both in its complex and intermediate forms (1) and can thus be accepted. Also, the coverage appears to be relatively high (>0.65). No condition has been identified as necessary.

The model's complex and intermediate solutions have four causal paths. In the intermediate solution, they are all with high consistency (1).

Figure 3.10 represents the causal paths for the intermediate solution. In all causal paths, there is at least one element indicating that the economy is skill-oriented, as there is a well-developed vocational and educational training system that involves employers and gives an earning premium to VET graduates; or as the need for high skills is high (i.e. high share of the workforce is highly educated or high share of workforce is considered needing further training).

Where the economy is strongly skill-oriented (i.e. when both conditions are present), employers having the capacity to affect the outcome will be able to effectively lobby for more open policy for highly skilled workers. This is well exemplified by DE and NL (path 3).

When the economy is still skill-oriented, but to a less extent than in the first case, employers with the capacity to affect the outcome will still be able to effectively lobby for open high policy for highly skilled migrants, both when the economy is regulated (path 4) and when the economy is less regulated and there is no political opposition by an anti-immigration party (path 2). IT and DE on the one side, and SE on the other side exemplify the two causal paths.

When the economy is in need of high skills and regulated, employers will be able to affectively lobby for open policy for highly skilled workers, even in the presence of an anti-immigration party, and regardless of their involvement in policy making (path 1). This is exemplified by BE, ES, FR, DE, LU.
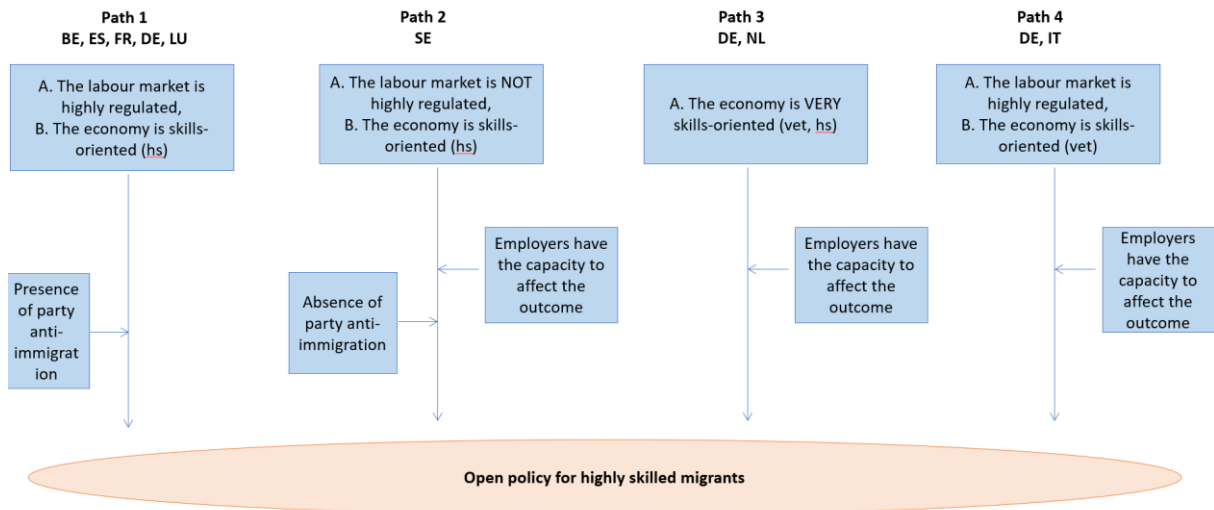
Note: Labour market institutions are indicators of employer's preferences.

The model described in Section 3.2 results over-specified, as not all conditions are necessary parts of a sufficient causal paths (INUS). The causal paths are in general in line with the directional expectations (Table 3.18). Loose regulation of the labour market is an exception as it does not seem to be a condition conducive to more open policy for highly skilled workers; evidence tends to point rather at the opposite (hypothesis 1). A well-developed VET system (hypothesis 2), need for high skills (hypothesis 2), and employers' capacity to affect the outcome (hypothesis 3) are all conducive to more open policy, although there are instances in which they are irrelevant. The role of anti-immigration parties to explain open policy seems less clear. Anti-immigration parties are irrelevant in two causal paths, and both their presence and their absence belong to a sufficient causal path (hypothesis 4).

Table 3.18 Causal paths in which the directional expectation is supported by evidence.

Directional expectations	MODEL 1		
	Present	Absent	Irrelevant
1. Regulation (-)	2	1	1
2.a Vet (+)	2	0	2
2.b Hs (+)	3	0	1
3. Capacity (+)	3	0	1
4. Anti-immigration party (-)	1	1	2

Note: To be read: the condition is present as an INUS condition for the outcome, its negative (absence of the condition) is present as INUS condition, the condition is irrelevant in the causal path. In grey the boxes described by the expectation.

As shown in Figure 3.10, the solutions explain almost all cases displaying the outcome (IT, LU, DE, NL, SE, FR, ES, BE). The case that is left unexplained is IE, which has a moderately

high membership in the outcome (0.64) and very low membership in the conditions (deviant case for coverage). There is no inconsistent case.

Figure 3.10 Intermediate solution for Model 1 for the outcome 'open policy for high skilled workers'.
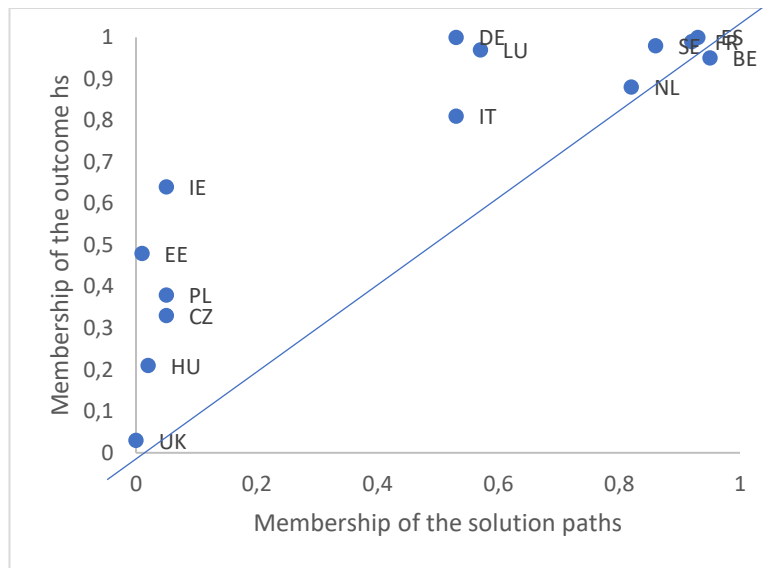
ii. Restrictive policies for high skilled workers

The solution presents acceptable level of consistency (0.85), both in its complex and intermediate forms, and can thus be accepted. Also, the coverage is relatively high (>0.65). Three conditions are identified as necessary: lack of well-developed vet system, lack of regulation, and lack of employers' capacity to affect the outcome, and they all feature in the intermediate solution. The model's complex and intermediate solutions are identical, and have two causal paths, both with high consistency (>0.86).

Figure 3.11 represents the causal paths for the intermediate solution. In both causal paths, there is at least one element indicating that the economy is not skill-oriented, as there is no well-developed vocational and educational training system that involves employers and gives an earning premium to VET graduates (VET), or the economy does not need high skills (i.e. high share of the workforce is not highly educated or not considered in need of further training). An interesting result is that on the skills dimension, the causal path for the absence of the outcome is complementary to the causal path for the presence of the outcome: in the one case at least one element of the skill dimension is absent, in the other case it is present.

In the first causal path, the economy is remarkably not skill-oriented, as it does neither need high skills nor has a well-performing VET system. In this case, employers' lack of capacity to affect the outcome, coupled with lack of a heavily regulated labour market, is sufficient to generate a restrictive policy for highly skilled workers. This is well exemplified by HU and PL.

In the second causal path, the economy does not have a well-performing VET system, the labour market is not heavily regulated, employers do not have the capacity to affect the outcome and there is an anti-immigration party. This path is exemplified by UK.

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Figure 3.11 Intermediate solutions of Model 1 plotted on the graph describing the model.
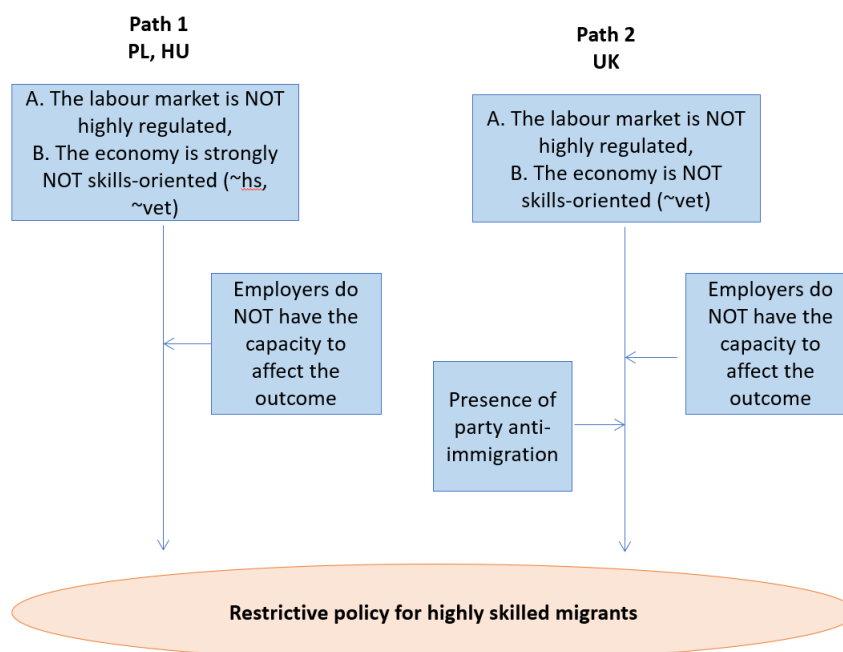
Note: *Labour market institutions are indicators of employer's preferences.*

The causal paths are in general in line with the directional expectations (Table 3.19). Regulation of the labour market is an exception as it is not a condition conducive to restrictive policy for highly skilled workers; rather its opposite is rather a necessary condition for restrictive policy (hypothesis 1). This result mirrors the role played by labour market regulation to explain the positive outcome, whose presence seemed to be associated with open policy for highly skilled labour migration. It seems therefore that the directional expectation formulated in the model is not supported by empirical evidence. When the labour market is not heavily regulated, employers' preference for high foreign workers may be weaker. The reason for this may be that the loosely regulated national labour market already responds to employers' flexibility needs; yet it is not clear which added value migrants would have in a tightly regulated labour market, as employers would still need to conform with labour market regulation, unless migrants are concentrated in less regulated niches.

The lack of a well-developed VET system (hypothesis 2) and the lack of employers' capacity to affect the outcome (hypothesis 3), both necessary conditions, are in line with the directional expectations. The lack of need for highly skills (hypothesis 2) and the role of political are less clear (hypothesis 4), as the conditions are present in one causal path and irrelevant in another causal path. In particular, the political party becomes relevant only when the economy does not clearly show lack of need of high skills.

Table 3.19 Causal paths in which the directional expectation is supported by evidence.

Directional expectations	MODEL 1

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	Present	Absent	Irrelevant
1. Regulation (+)	0	2 (NECESSARY)	0
2.a Vet (-)	0	2 (NECESSARY)	0
2.b Hs (-)	0	1	1
3. Capacity (-)	0	2 (NECESSARY)	0
4. Anti-immigration party (-)	0	1	1

Note: To be read: the condition is present as an INUS condition for the outcome, its negative (absence of the condition) is present as INUS condition, the condition is irrelevant in the causal path. In grey the boxes described by the expectation.

As shown in Figure 3.12, the solutions explain almost all cases displaying the absence of the outcome (UK, HU, PL). PL falls below the diagonal, but its membership both in the conditions and in the outcome are above the 0.5 anchor. The unexplained cases are CZ and EE, which have a moderately high membership in the outcome (respectively 0.67 and 0.52) and very low membership in the conditions (deviant case for coverage). There is no inconsistent case.

Figure 3.12 Intermediate solution for Model 1 for the outcome 'restrictive policy for high skilled workers'.
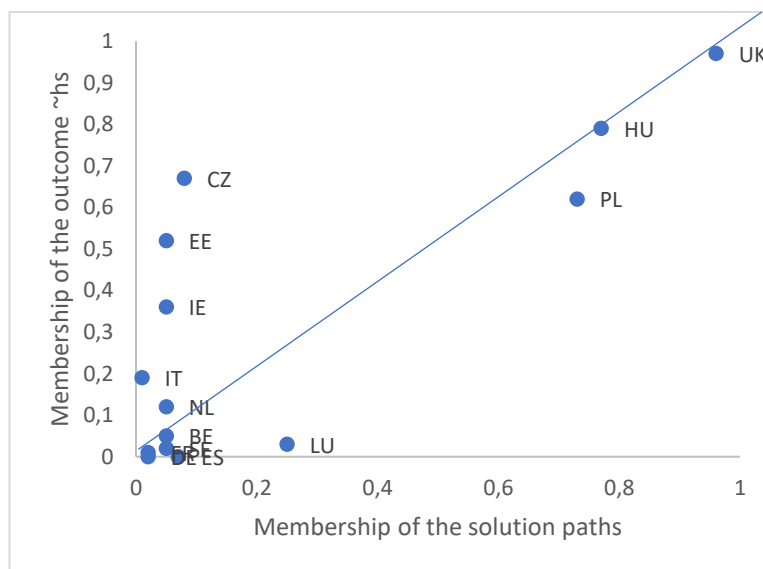
iii. Openness of policies for general/low skilled workers

The solution presents high consistency, both in its complex and intermediate forms (0.94) and can thus be accepted. Also, the coverage appears acceptable (0.62). No condition has been identified as necessary.

The model's complex and intermediate solutions have four causal paths, all with high consistency (>0.9).

Figure 3.13 represents the causal paths for the intermediate solution. In all causal paths, at least one element describing a skill-oriented economy is missing. For this condition, the causal paths for open policy for general migrants tend to complement the paths for open policy for

highly skilled workers, indicating that the explanations for the two outcomes are of different nature.

In one casual path, the economy is markedly not skill-oriented, as neither the VET system is well-developed, nor there is a need of high skills. In this case, when an anti-immigration party is absent, there will be open policy for general/low skilled workers. This is exemplified by Poland (path 1).

In another causal path, the need for high skills is limited, the economy is regulated and employers have the capacity to affect the outcome. This is exemplified by Italy (path 2).

Two casual paths share the absence of a well-developed VET system. In one case, the economy is not heavily regulated, there is no anti-immigration party and employers have the capacity to affect the outcome (path 4), as in Sweden (path 3). In other case, the labour market is heavily regulated, and employers do not have the capacity to affect the outcome (path 4). This last causal path is however problematic, because it generates a contradiction: it describes both Luxembourg and Czech Republic, where Luxembourg does not present the outcome. This means that either some conditions prevent open policy for general/low skilled workers in Luxembourg, or something else is causally relevant in Czech Republic, which would move LU to a different configuration, with lower consistency score and thus low membership of the conditions. Luxembourg features a higher membership in anti-immigration party, and this may be part of the explanation.

Figure 3.13 Intermediate solutions of Model 1 plotted on the graph describing the model.
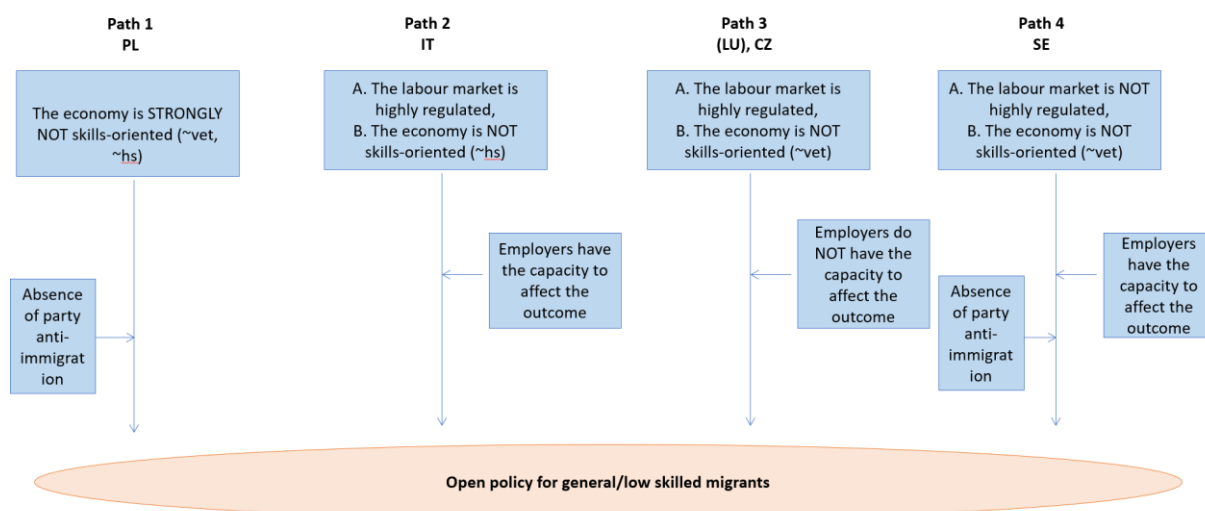
Note: Labour market institutions are indicators of employer's preferences.

The causal paths are in general in line with the directional expectations (Table 3.20). Poor regulation of the labour market is an exception as it does not seem to be a condition conducive to more open policy for general/low skilled workers; evidence tends to point rather at the opposite, as it was the case for open policy for highly skilled workers (hypothesis 1). The

logic may be that countries are more confident in opening up the labour market to foreign workers when the labour market is regulated and they would not undermine the conditions of resident workers; or that when the employment is lightly regulated employers satisfy their flexibility needs within the labour market, while in highly regulated labour market migrants are requested in less regulated niches. A well-developed VET system is always absent, in line with the expectation (hypothesis 2); while the need for high skills is absent in two other cases and irrelevant in two cases (hypothesis 2). Also, employers' capacity to affect the outcome (hypothesis 3) and the absence of an anti-immigration party (hypothesis 4) tend to be in line with the expectation.

Table 3.20 Causal paths in which the directional expectation is supported by evidence.

Directional expectations	MODEL 1		
	Present	Absent	Irrelevant
1. Regulation (-)	2	1	0
2.a Vet (-)	0	4	0
2.b Hs (-)	0	2	2
3. Capacity (+)	2	1	1
4. Anti-immigration party (-)	1	2	2

Note: To be read: the condition is present as an INUS condition for the outcome, its negative (absence of the condition) is present as INUS condition, the condition is irrelevant in the causal path. In grey the boxes described by the expectation.

As shown in Figure 3.14, the solutions explain all cases displaying the outcome (SE, PL, CZ, IT). ES is borderline, as while it clearly shows the outcome, its membership of the conditions is relatively low (0.43). No other case is left unexplained. LU is problematic as it is a deviant case for consistency, scoring 0.61 membership in condition (above the 0.5 anchor) and 0.41 in the outcome (just below the 0.5 anchor). This means that the explanation can be further improved, despite the overall high consistency of the solution.

Figure 3.14 Intermediate solution for Model 1 for the outcome 'open policy for general/low skilled workers'.
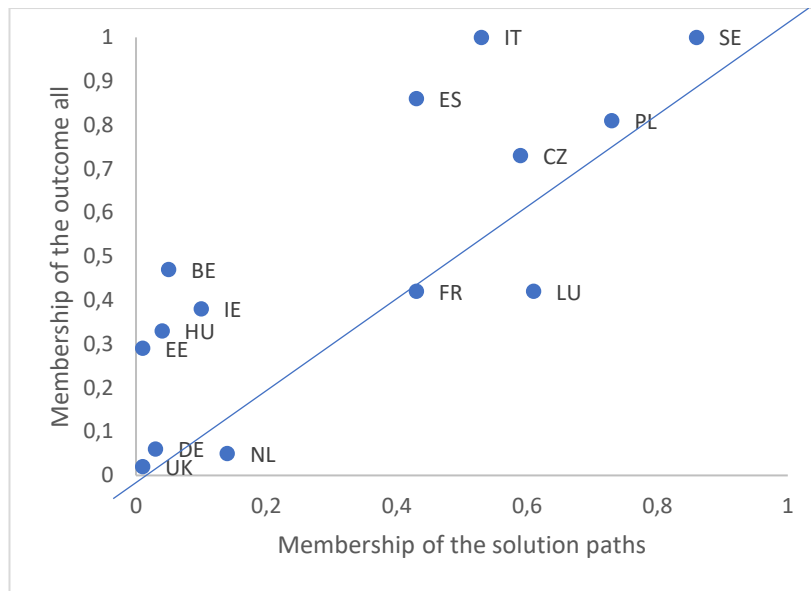

iv. Restrictive policies for general/low skilled workers

The solution presents high level of consistency (>0.87), both in its complex and intermediate forms, and can thus be accepted. The coverage is acceptable (>0.62). No conditions can be identified as necessary. Figure 3.15 represents the causal paths for the intermediate solution. There are three causal paths and in two of them the economy tends to be skill-oriented, in line with the causal paths for open policy for highly skilled workers.

The need for high skills is present in two causal paths, and it is associated with the presence of anti-immigration parties. They differ because in one path there is a well-functioning VET system (strongly skill-oriented economy); in another, employers lack the capacity to affect the outcome. These paths explain respectively DE and NL (path 3), and HU and UK (path 2).

In another causal path, the economy is not highly regulated, employers do not have the capacity to affect the outcome, and there is opposition by an anti-immigration party (path 1), as in UK and HU.

Figure 3.15 Intermediate solutions of Model 1 plotted on the graph describing the model.
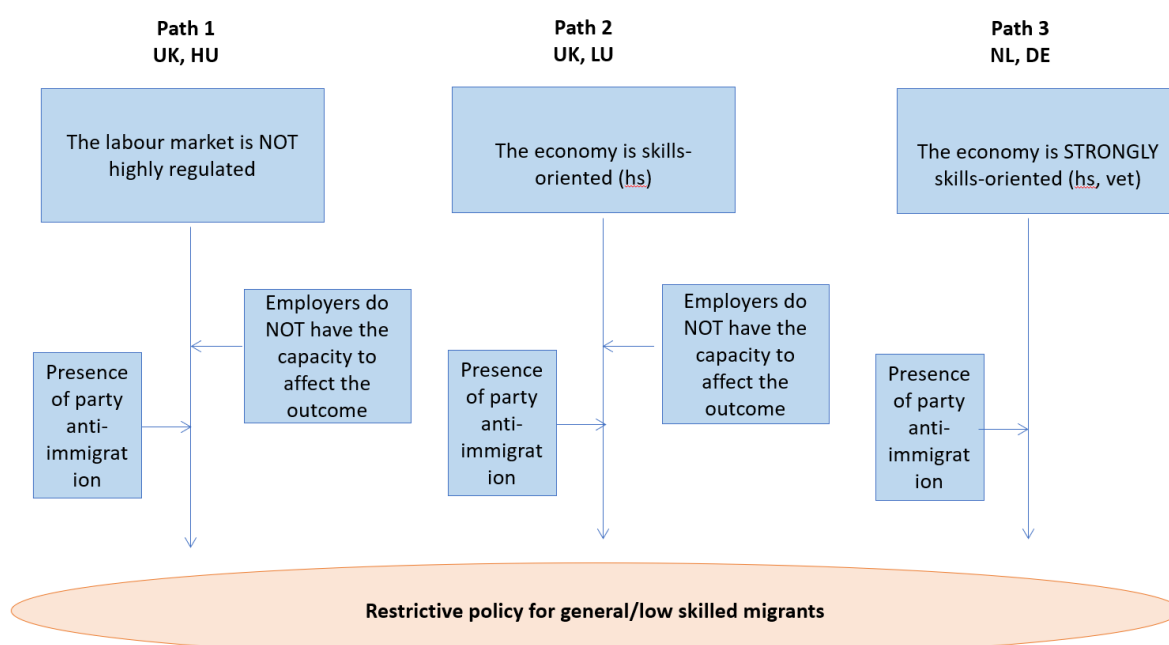
Note: Labour market institutions are indicators of employer's preferences.

The causal paths tend to be in line with the directional expectations (Figure 3.21). Here too, the poor regulation of the labour market is an exception, as it is not a condition conducive to restrictive policy for general/low skilled workers (hypothesis 1). The lack of a well-developed VET system is most often irrelevant (hypothesis 2); more relevant is the presence of a need of high skills (hypothesis 2). Employers' capacity to affect the outcome (hypothesis 3) and the presence of anti-immigration parties (hypothesis 4) tend to follow the expectations.

Table 3.21 Causal paths in which the directional expectation is supported by evidence.

Directional expectations	MODEL 1		
	Present	Absent	Irrelevant
1. Regulation (+)	0	1	2
2.a Vet (+)	1	0	2
2.b Hs (+)	2	0	1
3. Capacity (-)	0	2	1
4. Anti-immigration party (+)	2	0	1

Note: To be read: the condition is present as an INUS condition for the outcome, its negative (absence of the condition) is present as INUS condition, the condition is irrelevant in the causal path. In grey the boxes described by the expectation.

As shown in Figure 3.16, the solutions explain some cases displaying the outcome (DE, NL, UK, HU, which is slightly below the diagonal but above the 0.5 anchor); others, with a moderately high membership in the outcome (FR, EE, IE, BE) remain unexplained and qualify as deviant cases for coverage. This suggests that other conditions may be causally relevant and are not included in the solution. There is no inconsistent case.

Figure 3.16 Intermediate solution for Model 1 for the outcome 'restrictive policy for general/low skilled workers'
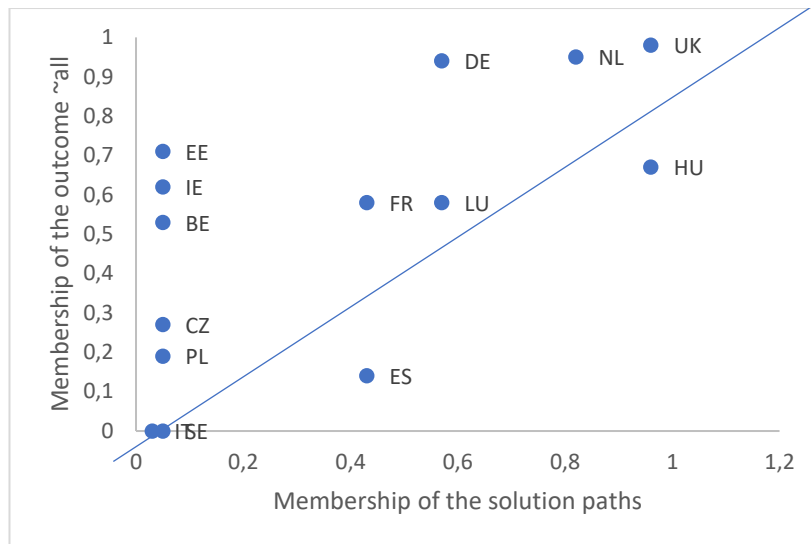
v. Presence of decoupling

The solution presents high level of consistency (>0.9), both in its complex and intermediate forms, and can thus be accepted. The coverage is also high (>0.7). The need of high skills is a necessary condition, which appears both in the complex and intermediary solution.

Figure 3.17 represents the causal paths for the intermediate solution. In both causal paths, there are anti-immigration parties. In the first causal path, this is paired with an economy that is strongly skill-oriented (it includes a well-developed VET system and the need for high skills is high) and employers have the capacity to affect the outcome. This is exemplified by NL and DE. In the second causal path, the economy is highly regulated, exemplified by BE, ES, FR, DE, LU.

Figure 3.17 Intermediate solutions of Model 1 plotted on the graph describing the model.
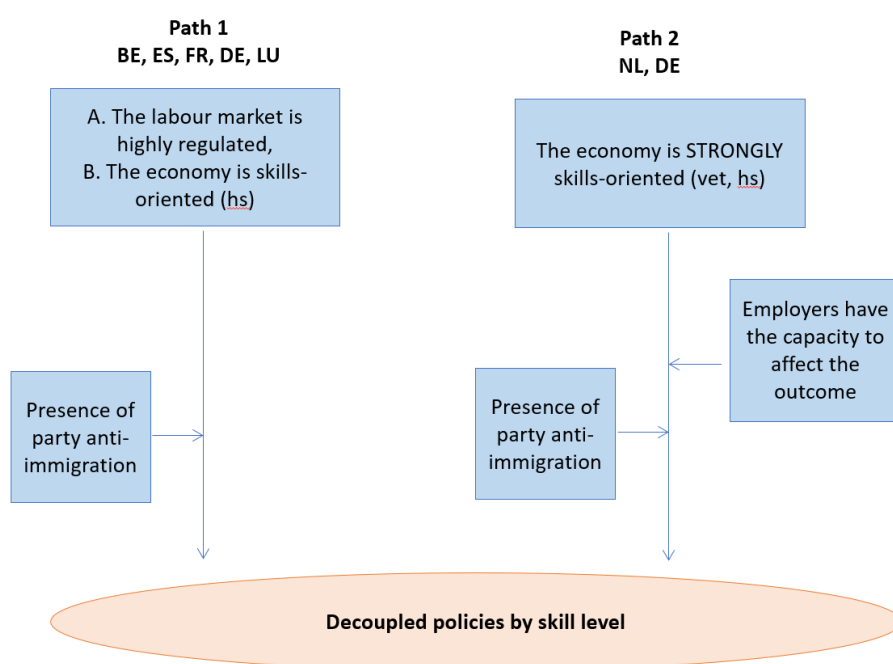
Note: Labour market institutions are indicators of employer's preferences.

The causal paths are in line with the directional expectations (Figure 3.22). The expectation on the need of high skills is fully confirmed, and the relevant condition is necessary (hypothesis 2); as for the VET system, it is present in one causal path and it is irrelevant in the other causal path (hypothesis 2). No expectation was formulated on the role of anti-immigration parties. Evidence strongly supports the claim that such parties are conducive to the outcome of decoupling, as they are present in both causal paths. This is in line with the claim that policies for highly skilled immigrants are less politically controversial than policies for low skilled immigrants, so that when there are anti-immigration parties, it is easier to liberalise policies for highly skilled workers and made policies for low skilled workers more restrictive.

Table 3.22 Causal paths in which the directional expectation is supported by evidence.

Directional expectations	MODEL 1		
	Present	Absent	Irrelevant
1. Regulation	1	0	1
2.a Vet (+)	1	0	1
2.b Hs (+)	2 (NECESSARY)	0	0
3. Capacity	1	0	1
4. Anti-immigration party	2	0	0

Note: To be read: the condition is present as an INUS condition for the outcome, its negative (absence of the condition) is present as INUS condition, the condition is irrelevant in the causal path. In grey the boxes described by the expectation.

As shown in Figure 3.18, the solutions explain all cases displaying the outcome (DE, NL, LU; and FR, ES, BE which are slightly below the diagonal but above the 0.5 anchor). No cases remain unexplained and or are inconsistent.

Figure 3.18 Intermediate solution for Model 1 for the outcome 'decoupled policy by skill level'.
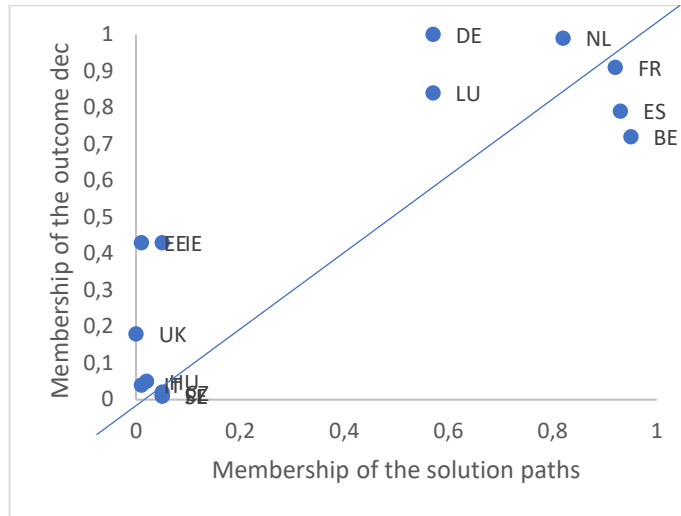
vi. Absence of decoupling

The solution presents high level of consistency (>0.9), both in its complex and intermediate forms, and can thus be accepted. The coverage, however, is not particularly high. There are no necessary conditions.

Figure 3.19 represents the five causal paths for the intermediate solution.

In the five causal paths, there is always an element pointing at the lack of skill-oriented economy, complementing the causal paths for the presence of the outcome, with respect to this condition. When there is no well-developed VET system, the economy is also not highly regulated. Two complementary paths follow: in one case, employers lack capacity to affect the outcome and there is an anti-immigration party (path 1); in another case, employers do have the capacity to affect the outcome, but there is no anti-immigration party (path 2). The first path covers UK and HU, the second SE. When there is no need for highly skills, the economy is also regulated, employers have the capacity to successfully affect the outcome, despite the presence of an anti-immigration party. This path covers IT (path 3). When the economy lacks both a need for high skills and a well-developed VET system, this is coupled with absence of heavy regulation in the labour market and lack of employers' capacity to affect the outcome (path 4), or absence of anti-immigration party (path 5). These explain respectively HU and PL.

Figure 3.19 Intermediate solutions of Model 1 plotted on the graph describing the model.
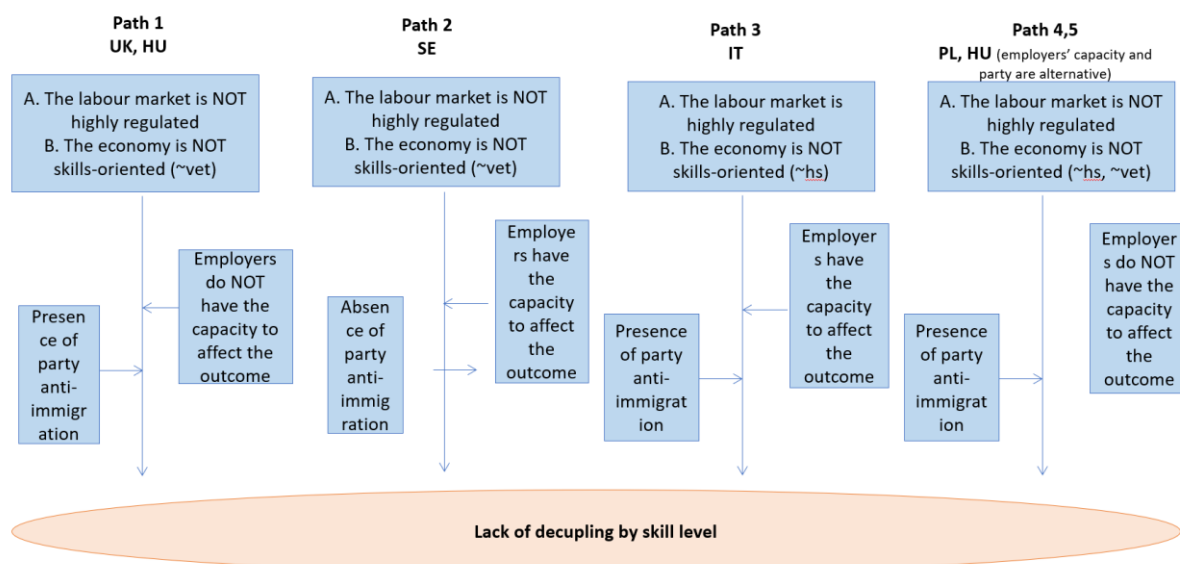
Note: Labour market institutions are indicators of employer's preferences.

The causal paths do not provide enough evidence to support the directional expectations (figure 3.23). The need of high skills seems irrelevant, while the presence a well-developed VET system seems more relevant to explain the absence of decoupling (hypothesis 2).

Table 3.23 Causal paths in which the directional expectation is supported by evidence.

Directional expectations	MODEL 1		
	Present	Absent	Irrelevant
1. Regulation	1	4	0
2.a Vet (-)	1	4	1
2.b Hs (-)	0	3	2
3. Capacity	2	2	1
4. Anti-immigration party	2	2	1

Note: To be read: the condition is present as an INUS condition for the outcome, its negative (absence of the condition) is present as INUS condition, the condition is irrelevant in the causal path. In grey the boxes described by the expectation.

As shown in Figure 3.20, the solutions explain almost all cases displaying the outcome (DE, NL, LU; and FR, ES, BE which are slightly below the diagonal but above the 0.5 anchor). CZ and EE display the outcome (membership in the outcome is respectively 0.98 and 0.57) but do not display the conditions, and are thus deviant case for coverage. This suggests that especially in CZ, other conditions explain the outcome. No case is inconsistent.

Figure 3.20 Intermediate solution for Model 1 for the outcome 'no decoupled policy by skill level'.
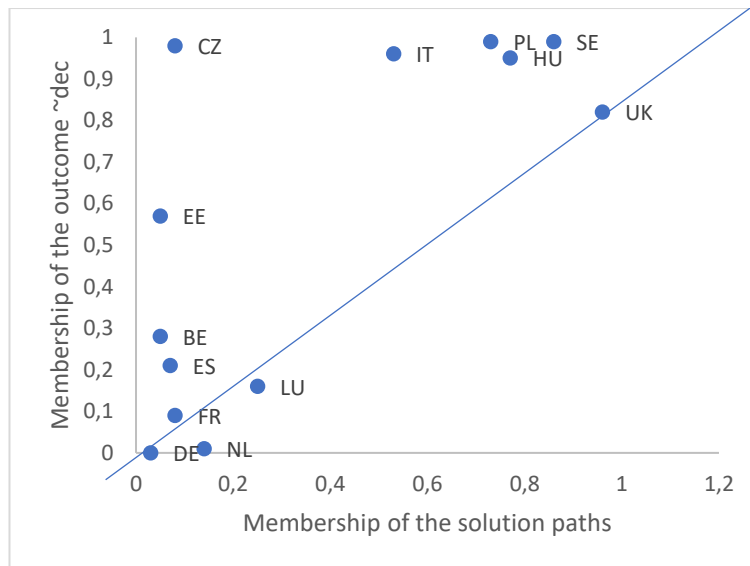
3.4 Conclusions

This chapter has developed a model to explain labour migration policy by skill level. It integrates two different approaches: one based on VoC, that provides an integrated view of labour market actors having different preferences depending on the institutions in which they operate; the other on coalition building, that assumes constant preferences of labour market actors, that build coalitions mediated by institutions. The new model features three building blocks: employers' preferences, institutions affecting the capacity of employers to lobby for the desired policy output, and political parties. Employers' preferences are assumed to vary depending on the labour market, education institutions and the degree to which the economy is skill-oriented. The capacity to affect the outcome is expected to vary depending on interests' organisation. Powerful parties with strong anti-immigration attitudes are expected to prevent the liberalisation of labour migration policies. The model has been described by five composite conditions and their configurations has been tested via QCA.

Six different labour migration outcomes were tested with QCA: presence (and absence) of open policy for highly skilled workers, for general/low skilled workers, and presence (and absence) decoupled policy by skill level. The QCA has provided at least two causal paths per outcome. Each causal path is composed of 'insufficient but non-redundant parts of a condition which is itself unnecessary but sufficient for the occurrence' of the outcome (INUS conditions). The solution for each outcome is composed of the disjunction of individual causal paths. The consistency of the solutions is high for all outcomes, indicating the relevance of the selected conditions and the goodness of the causal paths to explain the outcome. Coverage is in general lower, but always greater than 0.5, indicating that the majority of cases are explained by the solution.

QCA ontological and epistemological premises do not allow to study the effect of individual conditions (net-effect) for the emergence of the outcome. Conditions (whether present or absent) work in conjunction and in an asymmetric way on the (occurrence or non-occurrence) of the outcome. To better interpret the causal paths and to assess the relevance of the model developed, however, it is useful to look at the role played by individual conditions in the configurations.

Four causal paths explain liberal *labour migration policy for high skilled workers*, covering almost all positive cases. In all of them, the economy is skill-oriented, as it needs high skills or employers contribute to the development of a medium-skilled labour force. In three of them, employers' capacity to affect the outcome is also a necessary part of the solution. The VoC approach and coalition building approach had different expectations on the role of labour market actors' (unions and employers) involvement in the policy process. Here, in line with the claim by VoC scholars, it seems that employers' involvement in the policy process is conducive to open labour migration policy (while unions have not been analysed). The level of the regulation of the economy, which, if low, was expected to generate a high demand for foreign workers, has been shown instead to be a necessary element of the solution in two paths. Anti-immigration parties do not play a clear role, as they are absent when the economy is not regulated, skill-oriented and employers can affect the outcome; but are present when the economy is regulated and skill-oriented. This seems to suggest that they do not have a causal role in explaining highly skilled migration policy, and the relevant condition can be seen as a scope rather than a causal condition.

Open policy for general/low skilled workers is also explained by four causal paths, explaining all positive cases (yet creating a contradiction for LU). In all of them, there is an element indicating that the skill production system underperforms or that the economy is not in strong need of high skills. In two out of four causal paths, contrary to the expectation, the economy is regulated, suggesting, as for high skilled policy, that a regulated economy has unmet flexibility needs that migrants may help fill if they are concentrated in less regulated labour market niches; or that authorities are more confident in opening up the labour market to migrants when the natives are protected from potential dumping by tight labour regulation. The absence of an anti-immigration party is INUS in two out of four causal paths. Employers' involvement in the policy process is also important in two out of four causal paths.

The solutions for high skilled and general/ low skilled labour migration policy are different, supporting the assumption underlying the present research that they have *different causal explanations*. The most relevant difference has been found in the skill production system and economy's need for skills. Also, the absence of an anti-immigration party is more relevant for policy for low skilled/general migration, suggesting that anti-immigration parties may be more lenient when it comes to highly skilled workers.

In general, the model better explains the outcome for highly skilled workers, where there are no contradiction and fewer cases are left unexplained. While the introduction of selective channels for highly skilled workers is a relatively recent trend, policies for general/low skilled migrants have been developed over the course of decades, and are thus more likely to be the result of stratified causal processes that would be better visible under the lenses of a historical analysis. This may explain the higher explanatory power of the identified conditions for highly skilled labour migration policy.

Two paths explain *restrictive policies for highly skilled workers*, covering three out of five countries displaying the outcome. They share the fact that the economy is not skill-oriented (lack of well-performing VET system is a necessary condition), that employers are not involved in the policy process (necessary condition), and that the economy is not highly regulated (necessary condition), suggesting that employers can satisfy their flexibility needs within the existing labour force. In one causal path, the presence of an anti-immigration party is also relevant. These conditions have similar role in explaining *restrictive policy for general/low skilled workers*, where in two out of three causal paths employers do not have the capacity to affect the outcome. The differences are however the presence of skill-oriented elements in the economy in two out of three causal paths for restrictive policy for general/low skilled workers, and the presence in all paths of anti-immigration parties (vis-à-vis the presence in one out of two causal paths for restrictive policy for highly skilled workers).

Countries *decoupled* their policies for migrant workers by skill level when the economy is skill oriented and there are anti-immigration parties, this is, in the one case, in line with the directional expectation, in the other, in line with the idea that anti-immigration parties are more lenient to highly skilled workers. The two causal paths include also alternatively labour market regulation and employers' capacity to affect the outcome. More difficult to interpret is the *lack of decoupling*, explained by five causal paths.

Table 3.21 summarises the main findings in relation to the hypotheses, merging all causal paths. The hypotheses are confirmed when the causal condition meets the expectation in all/most of causal paths; the hypotheses are disconfirmed when the causal condition behaves in opposite ways as compared to the expectation; and the hypotheses are neither confirmed nor disconfirmed when there is not enough evidence for either of the conclusions.

Figure 3.21 Validation of the hypotheses for each outcome.

Hypothesis	Direction	Open policy for highly skilled	Open policy for low skilled	Restrictive policy for highly skilled	Restrictive policy for low skilled	Decoupling	No decoupling
1. Regulation of the labour market	P	n.a.	n.a.	X	X	n.a.	n.a.
	A	X	X	n.a.	n.a.	n.a.	n.a.

2. Effective skill production	P	✓	n.a.	n.a.	✓	✓	n.a.
	A	n.a.	✓	✓	n.a.	n.a.	✓
3. Lobbying capacity of employers	P	✓	?	n.a.	n.a.	n.a.	n.a.
	A	n.a.	n.a.	✓	✓	n.a.	n.a.
4. Anti-immigration party	P	n.a.	n.a.	?	✓	n.a.	n.a.
	A	?	?	n.a.	n.a.	n.a.	n.a.

Note: 'P' stands for 'the relevant condition is expected to be present', 'A' for 'the relevant condition is expected to be absent'. Effective skill production merges the expectations on the performance of the VET system and the need of highly skilled. If at least one of these expectations is met, the hypothesis is confirmed. 'X' stands for disconfirmed; '✓' stands for confirmed; '?' stands for not enough evidence, 'n.a.' stands for not applicable.

The QCA highlights the conditions under which the outcome is present or absent. This happens through a causal mechanism that is supposed to be triggered when these conditions occur. The QCA, however, does not assess the causal capacity of each condition and how it is linked to the causal mechanism. This will be inquired with within-cases analysis in Chapter 4, aimed at undercovering the causal mechanism.

Table 1. Values for conditions and outcomes

Country	coverage	empl_prot	vet_ws	VET_premium	undersk	tertiaty	empl_density	coordination	party_antimm	pop_imm	hs_tot	all_tot	dec_stand[51]
BE	80	2,4	3,52	10,7	14	44	80	2	2	64	0,700	0,485	0,43
CZ	40	2,1	6,47	5,4	19	23	60	0	0	81	0,406	0,567	0,08
DE	40	1,8	41,27	21,4	21	30	50	2	1	59	0,945	0,133	1,00
EE	5	2	0,38	7,9	29	40	20	0	0	81	0,487	0,378	0,33
ES	70	2,4	0,44	0,4	11	42	70	1	2	38	0,865	0,622	0,46
FR	90	2,8	11,01	-0,9	19	39	70	1	3	63	0,784	0,459	0,54
HU	10	2	22,77	3,4	12	27	40	0	2	82	0,325	0,404	0,15
IE	20	1,2	23,37	1,3	12	47	50	0	0	44	0,539	0,432	0,33
IT	80	2,7	56,00	8,2	12	21	50	1	2	66	0,596	0,700	0,13
LU	50	2,7	13,56	6,8	20	43	80	0	1	51	0,729	0,459	0,49
NL	80	1,2	100,00	6,4	14	38	80	2	2	53	0,630	0,115	0,72
PL	10	2,3	49,00	2,3	12	33	20	0	0	62	0,432	0,596	0,07
SE	80	1,2	1,11	5,8	15	40	80	2	0	27	0,756	1,000	0,00
UK	30	0,5	24,06	-3,4	9	44	30	0	2	54	0,028	0,000	0,25
Cut-off	35	1,5	15,00	5	15	35	49	0,9	0,9	60	0,5	0,5	0,2
Fully in	75	2,4	35,00	7	20	41	75	2	1,9	70	0,7	0,7	0,5
Fully out	15	1	5,00	1	13	29	41	0	0	50	0,1	0,1	0

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[51] Dec_stand stems from the standardisation of the positive decoupling. Positive decoupling is the difference between the policy for highly skilled minus the policy for low skilled, to which the minimum (negative) is added, so that all numbers are positive.

Table 2. Calibration and membership scores for conditions and outcomes

	SIMPLE CONDITIONS												OUTCOME			FS-CONDITIONS			
	regulation		skill production						capacity		politics					regulation		capacity	
COUNTRY	coverage	empl_prot	vet_ws	premium	undersk	tertiary	vet_AND	hs_OR	empl_density	coordination	party_antim	pop_imm	hs_tot	all_tot	decoupling	regulation_or	regulation_and	capacity_or	capacity_and
BE	0.97	0.95	0.03	1.0	0.18	0.99	0.03	0.99	0.97	0.95	0.96	0.77	0.95	0.47	0.72	0.97	0.95	0.97	0.95
CZ	0.59	0.88	0.07	0.65	0.92	0.0	0.07	0.92	0.78	0.05	0.05	1.0	0.33	0.73	0.02	0.88	0.59	0.78	0.05
DE	0.59	0.73	0.98	1.0	0.97	0.08	0.98	0.97	0.53	0.95	0.57	0.43	1.0	0.06	1	0.73	0.59	0.95	0.53
EE	0.01	0.84	0.01	0.99	1.0	0.92	0.01	1.0	0.0	0.05	0.05	1.0	0.48	0.29	0.43	0.84	0.01	0.05	0.0
ES	0.93	0.95	0.01	0.03	0.0	0.97	0.01	0.97	0.92	0.57	0.96	0.0	1.0	0.86	0.79	0.95	0.93	0.92	0.57
FR	0.98	0.99	0.23	0.01	0.92	0.88	0.01	0.92	0.92	0.57	1	0.71	0.99	0.42	0.91	0.99	0.98	0.92	0.57
HU	0.02	0.84	0.76	0.23	0.01	0.02	0.23	0.02	0.03	0.05	0.96	1.0	0.21	0.33	0.05	0.84	0.02	0.05	0.03
IE	0.1	0.14	0.78	0.06	0.01	1.0	0.06	1.0	0.53	0.05	0.05	0.01	0.64	0.38	0.43	0.14	0.1	0.53	0.05
IT	0.97	0.98	1.0	0.99	0.01	0.0	0.99	0.01	0.53	0.57	0.96	0.86	0.81	1.0	0.04	0.98	0.97	0.57	0.53
LU	0.75	0.98	0.39	0.94	0.95	0.98	0.39	0.98	0.97	0.05	0.57	0.06	0.97	0.42	0.84	0.98	0.75	0.97	0.05
NL	0.97	0.14	1.0	0.89	0.18	0.82	0.89	0.82	0.97	0.95	0.96	0.11	0.88	0.05	0.99	0.97	0.14	0.97	0.95
PL	0.02	0.94	0.99	0.12	0.01	0.27	0.12	0.27	0.0	0.05	0.05	0.65	0.38	0.81	0.01	0.97	0.02	0.05	0.05
SE	0.97	0.14	0.02	0.77	0.5	0.92	0.02	0.92	0.97	0.95	0.05	0.0	0.98	1.0	0.01	0.97	0.14	0.97	0.95
UK	0.32	0.0	0.8	0.0	0.0	0.99	0.0	0.99	0.0	0.05	0.96	0.14	0.03	0.02	0.18	0.32	0.0	0.05	0.0

Table 3. Truth tables for each outcome

The tables below report the truth table for each outcome. In green the rows that are considered sufficient for the outcome, in red the cases that are not sufficient but belong to the same rows with sufficient configurations (i.e. contradictions).

hs									
regulation_or	capacity_or	vet_and	hs_or	party7	number	hs_tot	raw consist.	PRI consist.	SYM consist

regulation_and	capacity_or	vet_and	hs_or	party7	number	hs_tot	raw consist.	PRI consist.	SYM consist	
1	1	1	0	1	1	1	1	1	1	IT
1	1	1	1	1	2	1	1	1	1	NL, DE
1	1	0	1	1	4	1	0.992167	0.991045	0.994012	BE, FR, ES, LU
0	1	0	1	0	1	1	0.989691	0.96	0.96	IE
1	1	0	1	0	2	1	0.821706	0.747253	0.795322	CZ, SE
1	0	0	1	0	1	0	0.784884	0.159091	0.583333	EE
1	0	0	0	0	1	0	0.653465	0.146341	0.2	PL
1	0	0	0	1	1	0	0.495495	0.188406	0.188406	HU
0	0	0	1	1	1	0	0.398148	0.109589	0.109589	UK

regulation_and	capacity_or	vet_and	hs_or	party7	number	hs_tot	raw consist.	PRI consist.	SYM consist	
0	1	1	1	1	1	1	1	1	1	NL
1	1	1	0	1	1	1	1	1	1	IT
1	1	1	1	1	1	1	1	1	1	DE
1	1	0	1	1	4	1	1	1	1	BE, FR, LU, ES
0	1	0	1	0	2	1	0.961864	0.934782	0.934783	IE, SE
1	1	0	1	0	1	1	0.821918	0.690476	0.690476	CZ
0	0	0	1	0	1	0	0.777778	0.272727	0.782608	EE
0	0	0	0	0	1	0	0.653465	0.146341	0.2	PL
0	0	0	0	1	1	0	0.466667	0.111111	0.111111	HU
0	0	0	1	1	1	0	0.347518	0.106796	0.106796	UK

regulation_or	capacity_and	vet_and	hs_or	party7	number	hs_tot	raw consist.	PRI consist.	SYM consist	
1	1	0	1	0	1	1	1	1	1	SE
1	1	1	0	1	1	1	1	1	1	IT
1	1	1	1	1	2	1	1	1	1	NL, DE
1	1	0	1	1	3	1	1	1	1	BE, FR, ES
1	0	0	1	1	1	1	0.865116	0.83237	0.83237	LU

capacity_and	regulation_and	vet_and	hs_or	party7	number	hs_tot	raw consist.	PRI consist.	SYM consist	
0	0	0	1	0	1	1	0.836879	0.603448	0.972222	IE
1	0	0	1	0	2	0	0.673759	0.347518	0.556818	CZ, EE
1	0	0	0	0	1	0	0.663462	0.186046	0.25	PL
1	0	0	0	1	1	0	0.513043	0.211268	0.211268	HU
0	0	0	1	1	1	0	0.398148	0.109589	0.109589	UK

capacity_and	regulation_and	vet_and	hs_or	party7	number	hs_tot	raw consist.	PRI consist.	SYM consist	
0	1	0	1	1	1	1	1	1	1	LU
1	0	0	1	0	1	1	1	1	1	SE
1	0	1	1	1	1	1	1	1	1	NL
1	1	1	0	1	1	1	1	1	1	IT
1	1	1	1	1	1	1	1	1	1	DE
1	1	0	1	1	3	1	1	1	1	BE, FR, ES
0	1	0	1	0	1	1	0.810219	0.653333	0.653333	CZ
0	0	0	1	0	2	0	0.730263	0.41844	0.819444	IE, EE
0	0	0	0	0	1	0	0.663462	0.186046	0.25	PL
0	0	0	0	1	1	0	0.486239	0.138462	0.138461	HU
0	0	0	1	1	1	0	0.452941	0.273437	0.273438	UK

non all

regulation_or	capacity_and	vet_and	hs_or	party7	number	~all_tot	raw consist.	PRI consist.	SYM consist	
1	1	1	1	1	2	1	0.981818	0.976378	0.976378	NL, DE
0	0	0	1	1	1	1	0.962963	0.942857	0.942857	UK
1	0	0	0	1	1	1	0.86087	0.68	0.85	EE
1	0	0	1	1	1	1	0.837209	0.567902	0.567901	LU
0	0	0	1	0	1	1	0.801418	0.481481	0.866667	IE
1	0	0	1	0	2	0	0.687943	0.338346	0.428572	EE, SE

1	1	0	1	1	3	0	0.636	0.228814	0.355263	BE, FR, ES
1	0	0	0	0	1	0	0.423077	0	0	PL
1	1	1	0	1	1	0	0.414894	0.191176	0.191176	IT
1	1	0	1	0	1	0	0.27907	0	0	HU

regulation_and	capacity_and	vet_and	hs_or	party7	number	~all_tot	raw consist.	PRI consist.	SYM consist	
0	1	1	1	1	1	1	0.980392	0.973913	0.973913	NL
1	1	1	1	1	1	1	0.968085	0.949153	0.949152	DE
0	0	0	1	1	1	1	0.964706	0.94	0.94	UK
0	0	0	0	1	1	1	0.853211	0.68	0.85	HU
1	0	0	1	1	1	1	0.801136	0.313726	0.313725	LU
0	0	0	1	0	2	0	0.736842	0.459459	0.708333	EE, IE
1	0	0	1	0	1	0	0.722628	0.025641	0.025641	SE
1	1	0	1	1	3	0	0.631579	0.228814	0.355263	FR, BE, ES
0	0	0	0	0	1	0	0.423077	0	0	PL
1	1	1	0	1	1	0	0.360465	0.140625	0.140625	IT
0	1	0	1	0	1	0	0.292683	0	0	CZ

regulation_and	capacity_or	vet_and	hs_or	party7	number	~all_tot	raw consist.	PRI consist.	SYM consist	
0	1	1	1	1	1	1	0.982759	0.973913	0.973913	NL
1	1	1	1	1	1	1	0.977444	0.952381	0.952381	DE
0	0	0	1	1	1	1	0.971631	0.958763	0.958763	UK
0	0	0	0	1	1	1	0.866667	0.708333	0.894737	HU
0	0	0	1	0	1	1	0.833333	0.595506	0.815385	EE
1	1	0	1	0	1	0	0.678082	0.020833	0.020833	CZ
0	1	0	1	0	2	0	0.572034	0.144068	0.144068	IE, SE
1	1	0	1	1	4	0	0.567568	0.211823	0.355372	BE, FR, LU, ES
0	0	0	0	0	1	0	0.425743	0	0	PL

regulation_or	capacity_or	vet_and	hs_or	party7	number	~all_tot	raw consist.	PRI consist.	SYM consist	
1	1	1	0	1	1	0	0.344444	0.132353	0.132353	IT
1	1	1	1	1	2	1	0.985294	0.977099	0.977099	NL, DE
0	0	0	1	1	1	1	0.962963	0.942857	0.942857	UK
0	1	0	1	0	1	1	0.958763	0.809524	0.809524	IE
1	0	0	0	1	1	1	0.873874	0.708333	0.894737	HU
1	0	0	1	0	1	1	0.854651	0.637681	0.785714	EE
1	1	0	1	1	4	0	0.579634	0.222222	0.370968	BE, FR, LU, ES
1	1	0	1	0	2	0	0.44186	0.020408	0.021127	CZ, SE
1	0	0	0	0	1	0	0.425743	0	0	PL
1	1	1	0	1	1	0	0.41	0.180556	0.180556	IT

non hs

regulation_or	capacity_or	vet_and	hs_or	party7	number	~hs_tot	raw consist.	PRI consist.	SYM consist	
0	0	0	1	1	1	1	0.925926	0.890411	0.890411	UK
1	0	0	0	1	1	1	0.882883	0.811594	0.811594	HU
1	0	0	0	0	1	1	0.831683	0.585366	0.8	PL
1	0	0	1	0	1	0	0.773256	0.113637	0.416667	EE
0	1	0	1	0	1	0	0.752577	0.04	0.04	IE
1	1	1	0	1	1	0	0.52	0	0	IT
1	1	0	1	0	2	0	0.430233	0.192308	0.204678	CZ, SE
1	1	1	1	1	2	0	0.196078	0	0	DE, NL
1	1	0	1	1	4	0	0.130548	0.00597	0.005988	BE, FR, LU, ES

regulation_and	capacity_or	vet_and	hs_or	party7	number	~hs_tot	raw consist.	PRI consist.	SYM consist	
0	0	0	0	1	1	1	0.933333	0.888889	0.888889	HU
0	0	0	1	1	1	1	0.921986	0.893204	0.893204	UK

regulation_or	capacity_and	vet_and	hs_or	party7	number	~hs_tot	raw consist.	PRI consist.	SYM consist	
0	0	0	0	0	1	1	0.831683	0.585366	0.8	PL
0	0	0	1	0	1	0	0.717593	0.075758	0.217392	EE
1	1	0	1	0	1	0	0.60274	0.309524	0.309524	CZ
1	1	1	0	1	1	0	0.511111	0	0	IT
0	1	0	1	0	2	0	0.45339	0.065217	0.065217	IE, SE
1	1	1	1	1	1	0	0.278196	0	0	DE
0	1	1	1	1	1	0	0.229885	0	0	NL
1	1	0	1	1	4	0	0.102703	0	0	BE, FR, LU, ES

regulation_or	capacity_and	vet_and	hs_or	party7	number	~hs_tot	raw consist.	PRI consist.	SYM consist	
0	0	0	1	1	1	1	0.925926	0.890411	0.890411	UK
1	0	0	0	1	1	1	0.869565	0.788732	0.788732	HU
1	0	0	0	0	1	1	0.817308	0.55814	0.75	PL
1	0	0	1	0	2	0	0.638298	0.276596	0.443182	EE
0	0	0	1	0	1	0	0.595745	0.017241	0.027778	IE
1	1	1	0	1	1	0	0.531915	0	0	IT
1	0	0	1	1	1	0	0.330233	0.16763	0.16763	LU
1	1	0	1	0	1	0	0.24031	0	0	SE
1	1	1	1	1	2	0	0.236364	0	0	DE, NL
1	1	0	1	1	3	0	0.16	0	0	BE, FR, ES

regulation_and	capacity_and	vet_and	hs_or	party7	number	~hs_tot	raw consist.	PRI consist.	SYM consist	
0	0	0	0	1	1	1	0.917431	0.861539	0.861538	HU
0	0	0	0	0	1	1	0.817308	0.55814	0.75	PL
0	0	0	1	1	1	0	0.794118	0.726562	0.726562	UK
1	0	0	1	0	1	0	0.642336	0.346667	0.346667	CZ
0	0	0	1	0	2	0	0.578947	0.092199	0.180556	EE, IE
1	1	1	0	1	1	0	0.534884	0	0	IT

							raw consist.	PRI consist.	SYM consist	
1	1	1	1	1	1	0	0.382979	0	0	DE
0	1	1	1	1	1	0	0.254902	0	0	NL
0	1	0	1	0	1	0	0.252032	0	0	SE
1	0	0	1	1	1	0	0.181818	0	0	LU
1	1	0	1	1	3	0	0.149798	0	0	BE, ES, FR

all

regulation_and	capacity_or	vet_and	hs_or	party7	number	all_tot	raw consist.	PRI consist.	SYM consist	
0	0	0	0	0	1	1	1	1	1	PL
1	1	0	1	0	1	1	0.993151	0.979167	0.979167	CZ
0	1	0	1	0	2	1	0.927966	0.855932	0.855932	IE, SE
1	1	1	0	1	1	1	0.9	0.867647	0.867647	IT
1	1	0	1	1	4	0	0.662162	0.384236	0.644628	BE, FR, LU, ES
0	0	0	1	0	1	0	0.643519	0.134831	0.184615	EE
0	0	0	0	1	1	0	0.580952	0.083333	0.105263	HU
1	1	1	1	1	1	0	0.548872	0.047619	0.047619	DE
0	1	1	1	1	1	0	0.356322	0.026087	0.026087	NL
0	0	0	1	1	1	0	0.340425	0.041237	0.041237	UK

regulation_or	capacity_and	vet_and	hs_or	party7	number	all_tot	raw consist.	PRI consist.	SYM consist	
1	0	0	0	0	1	1	1	1	1	HU
1	1	0	1	0	1	1	1	1	1	SE
1	1	1	0	1	1	1	0.861702	0.808824	0.808824	IT
1	0	0	1	1	1	0	0.786047	0.432099	0.432099	LU
1	0	0	1	0	2	0	0.741135	0.451128	0.571429	CZ, EE
1	1	0	1	1	3	0	0.724	0.415254	0.644737	BE, ES, FR
0	0	0	1	0	1	0	0.64539	0.074074	0.133333	IE

							raw consist.	PRI consist.	SYM consist	
1	0	0	0	1	1	0	0.617391	0.12	0.15	PL
0	0	0	1	1	1	0	0.388889	0.057143	0.057143	UK
1	1	1	1	1	2	0	0.248485	0.023622	0.023622	NL, DE

regulation_and	capacity_and	vet_and	hs_or	party7	number	all_tot	raw consist.	PRI consist.	SYM consist	
0	0	0	0	0	1	1	1	1	1	PL
0	1	0	1	0	1	1	1	1	1	SE
1	0	0	1	0	1	1	0.992701	0.974359	0.974359	CZ
1	0	0	1	1	1	1	0.909091	0.686275	0.686275	LU
1	1	1	0	1	1	1	0.895349	0.859375	0.859375	IT
1	1	0	1	1	3	0	0.720648	0.415254	0.644737	BE, FR, ES
0	0	0	1	0	2	0	0.605263	0.189189	0.291667	EE, IE
0	0	0	0	1	1	0	0.59633	0.12	0.15	HU
0	0	0	1	1	1	0	0.447059	0.06	0.06	UK
1	1	1	1	1	1	0	0.404255	0.050848	0.050848	DE
0	1	1	1	1	1	0	0.267974	0.026087	0.026087	NL

regulation_or,	capacity_or,	vet_and,	hs_or,	party_antimm,	number,	all_tot,	raw consist.,	PRI consist.,	SYM consist	country
1	0	0	0	0	1	1	1	1	1	PL
1	1	0	1	0	2	1	0.968992	0.945578	0.978873	CZ, SE
1	1	1	0	1	1	1	0.87	0.819444	0.819444	IT
0	1	0	1	0	1	1	0.824742	0.190476	0.190476	IE
1	0	0	1	0	1	0	0.668605	0.173913	0.214286	EE
1	1	0	1	1	4	0	0.663185	0.376812	0.629032	BE, ES, FR, LU
1	0	0	0	1	1	0	0.603604	0.083333	0.105263	HU
0	0	0	1	1	1	0	0.388889	0.057143	0.057143	UK
1	1	1	1	1	2	0	0.372549	0.022901	0.022901	DE, NL

dec										
regulation_or	capacity_or	vet_and	hs_or	party7	number	dec_stand	raw consist.	PRI consist.	SYM consist	
1	1	1	1	1	2	1	0.960784	0.952663	0.952663	DE, NL
1	1	0	1	1	4	1	0.872063	0.828671	0.955645	BE, FR, LU, ES
0	1	0	1	0	1	0	0.752577	0.142857	0.142857	IE
1	0	0	1	0	1	0	0.482558	0.043011	0.060606	EE
0	0	0	1	1	1	0	0.472222	0.065574	0.065574	UK
1	1	1	0	1	1	0	0.39	0.246914	0.246914	IT
1	1	0	1	0	2	0	0.337209	0.157635	0.157635	CZ, SE
1	0	0	0	1	1	0	0.27027	0.047059	0.047059	HU
1	0	0	0	0	1	0	0.207921	0.047619	0.047619	PL

regulation_and	capacity_and	vet_and	hs_or	party7	number	dec_stand	raw consist.	PRI consist.	SYM consist	
1	0	0	1	1	1	1	0.954545	0.927928	0.927928	LU
0	1	1	1	1	1	1	0.947712	0.938462	0.938462	NL
1	1	1	1	1	1	1	0.946809	0.929578	0.929577	DE
1	1	0	1	1	3	1	0.874494	0.818714	0.945946	BE, FR, ES
1	0	0	1	0	1	0	0.547445	0.340426	0.340426	CZ
0	0	0	1	1	1	0	0.476471	0.144231	0.166667	UK
0	0	0	1	0	2	0	0.447368	0.076923	0.126126	EE, IE
1	1	1	0	1	1	0	0.372093	0.228571	0.228571	IT
0	1	0	1	0	1	0	0.252033	0.051546	0.051546	SE
0	0	0	0	1	1	0	0.238532	0.067416	0.067416	HU
0	0	0	0	0	1	0	0.211538	0.057471	0.057471	PL

regulation_and	capacity_or	vet_and	hs_or	party7	number	dec_stand	raw consist.	PRI consist.	SYM consist	
1	1	1	1	1	1	1	0.962406	0.94898	0.94898	DE

regulation_or	capacity_and	vet_and	hs_or	party7	number	dec_stand	raw consist.	PRI consist.	SYM consist	
0	1	1	1	1	1	1	0.954023	0.942446	0.942446	NL
1	1	0	1	1	4	1	0.878378	0.840426	0.967347	BE, FR, LU, ES
0	0	0	1	0	1	0	0.518519	0.037037	0.057143	EE
1	1	0	1	0	1	0	0.513699	0.31068	0.31068	CZ
0	1	0	1	0	2	0	0.415254	0.092105	0.092105	IE, SE
0	0	0	1	1	1	0	0.390071	0.044444	0.051948	UK
1	1	1	0	1	1	0	0.355556	0.216216	0.216216	IT
0	0	0	0	1	1	0	0.228571	0.047059	0.047059	HU
0	0	0	0	0	1	0	0.207921	0.047619	0.047619	PL

regulation_or	capacity_and	vet_and	hs_or	party7	number	dec_stand	raw consist.	PRI consist.	SYM consist	
1	1	1	1	1	2	1	0.951515	0.943662	0.943662	NL, DE
1	0	0	1	1	1	1	0.883721	0.804688	0.804687	LU
1	1	0	1	1	3	1	0.864	0.804598	0.927152	BE, FR, ES
0	0	0	1	0	1	0	0.595745	0.065574	0.125	IE
0	0	0	1	1	1	0	0.472222	0.065574	0.065574	UK
1	0	0	1	0	2	0	0.443262	0.169312	0.197531	CZ, EE
1	1	1	0	1	1	0	0.393617	0.25974	0.25974	IT
1	0	0	0	1	1	0	0.278261	0.067416	0.067416	HU
1	1	0	1	0	1	0	0.24031	0.048544	0.048544	SE
1	0	0	0	0	1	0	0.211538	0.057471	0.057471	PL

non dec

regulation_or	capacity_or	vet_and	hs_or	party7	number	~dec_stand	raw consist.	PRI consist.	SYM consist	
1	0	0	0	1	1	1	0.963964	0.952941	0.952941	HU
0	0	0	1	1	1	1	0.962963	0.934426	0.934426	UK
1	0	0	0	0	1	1	0.960396	0.952381	0.952381	PL

regulation_and	capacity_and	vet_and	hs_or	party7	number	~dec_stand	raw consist.	PRI consist.	SYM consist	
0	1	0	1	0	1	1	0.958763	0.857143	0.857143	IE
1	1	0	1	0	2	1	0.875969	0.842365	0.842365	CZ, SE
1	0	0	1	0	1	1	0.819767	0.666667	0.939394	EE
1	1	1	0	1	1	0	0.8	0.753086	0.753086	IT
1	1	0	1	1	4	0	0.281984	0.038462	0.044355	BE, FR, ES, LU
1	1	1	1	1	2	0	0.210784	0.047337	0.047337	DE, NL

regulation_and	capacity_and	vet_and	hs_or	party7	number	~dec_stand	raw consist.	PRI consist.	SYM consist	
0	1	0	1	0	1	1	0.95935	0.948454	0.948454	SE
0	0	0	0	0	1	1	0.951923	0.942529	0.942529	PL
0	0	0	0	1	1	1	0.944954	0.932584	0.932584	HU
0	0	0	1	1	1	1	0.829412	0.721154	0.833333	UK
1	1	1	0	1	1	1	0.813954	0.771429	0.771429	IT
1	0	0	1	0	1	0	0.766423	0.659575	0.659574	CZ
0	0	0	1	0	2	0	0.720395	0.532967	0.873874	EE, IE
1	0	0	1	1	1	0	0.414773	0.072072	0.072072	LU
1	1	0	1	1	3	0	0.340081	0.046784	0.054054	BE, FR, ES
1	1	1	1	1	1	0	0.297872	0.070423	0.070423	DE
0	1	1	1	1	1	0	0.202614	0.061539	0.061538	NL

regulation_and	capacity_or	vet_and	hs_or	party7	number	~dec_stand	raw consist.	PRI consist.	SYM consist	
0	0	0	0	1	1	1	0.961905	0.952941	0.952941	HU
0	0	0	0	0	1	1	0.960396	0.952381	0.952381	PL
0	1	0	1	0	2	1	0.940678	0.907895	0.907895	IE, SE
0	0	0	1	1	1	1	0.879433	0.811111	0.948052	UK
1	1	1	0	1	1	1	0.822222	0.783784	0.783784	IT
0	0	0	1	0	1	1	0.805556	0.611111	0.942857	EE
1	1	0	1	0	1	0	0.780822	0.68932	0.68932	CZ

regulation_or	capacity_and	vet_and	hs_or	party7	number	~dec_stand	raw consist.	PRI consist.	SYM consist	
1	1	1	1	1	1	0	0.300752	0.05102	0.05102	DE
1	1	0	1	1	4	0	0.259459	0.028369	0.032653	BE, FR, ES, LU
0	1	1	1	1	1	0	0.247126	0.057554	0.057554	NL
regulation_or	capacity_and	vet_and	hs_or	party7	number	~dec_stand	raw consist.	PRI consist.	SYM consist	
0	0	0	1	1	1	1	0.962963	0.934426	0.934426	UK
1	1	0	1	0	1	1	0.96124	0.951456	0.951456	SE
1	0	0	0	0	1	1	0.951923	0.942529	0.942529	PL
1	0	0	0	1	1	1	0.947826	0.932584	0.932584	HU
1	0	0	1	0	2	0	0.79078	0.687831	0.802469	CZ, EE
1	1	1	0	1	1	0	0.787234	0.74026	0.74026	IT
0	0	0	1	0	1	0	0.765957	0.459016	0.875	IE
1	0	0	1	1	1	0	0.52093	0.195313	0.195313	LU
1	1	0	1	1	3	0	0.348	0.063218	0.072848	BE, FR, ES
1	1	1	1	1	2	0	0.187879	0.056338	0.056338	NL, DE

Table 4. Contradictions in each model

	conditions: regulation, capacity; cut-off = 0.8			
outcome	*and, and*	*or, and*	*or, or*	*and, or*
hs_tot	0	0	BE (0.96, 0.95), FR (0.92,0.99), ES (0.92,1), LU (0.57,0.97); CZ (0.78, 0,33), SE (0.92, 0.98)	CZ (0.59;0.33), LU (0.61;0.97)
all_tot	BE (0.95, 0.47), FR (0.57, 0.42), ES (0.57, 0.86)	BE (0.95, 0.47), ES (0.57, 0.86), FR (0.57, 0.42)	0	IE (0.53, 0.38), SE (0.86, 1); BE (0.95,0.47), FR (0.96,0.42), ES (0.57,0.86), LU (0.57,0.42)
~hs_tot	0	0	0	0

~all_tot	FR (0.57, 0.58), BE (0.95, 0.53), ES (0.57,0.14)	BE (0.95, 0.53), FR (0.57, 0.58), ES (0.57, 0.14)	BE (0.96, 0.53), FR (0.92, 0.58), LU (0.57,0.58), ES (0.92,0.14)	IE (0.53, 0.62), SE (0.86, 0); BE (0.95,0.53), FR (0.96, 0.58), LU (0.57, 0.58), ES (0.57,0.14)
dec	0	BE (0.95, 0.72), FR (0.57, 0.91), ES (0.57, 0.79)	BE (0.96, 0.72), FR (0.92, 0.91), ES (0.92, 0.79), LU (0.57, 0.84)	BE (0.95, 0.72), FR (0.96, 0.91), ES (0.57, 0.79), LU (0.57,0.84)
~dec	0	CZ (0.88,0.98), EE (0.84,0.57)	0	0

Table 5. Analysis of necessity

```
Outcome variable: ~hs_tot
Conditions tested:
                    Consistency         Coverage
regulation_or       0.800000            0.301821
~regulation_or      0.377011            0.663968
capacity_or         0.379310            0.188571
~capacity_or        0.866667            0.718095
capacity_and        0.137931            0.113636
~capacity_and       0.983908            0.490826
regulation_and      0.266667            0.187399
~regulation_and     0.903448            0.503201
vet_and             0.204598            0.233596
~vet_and            0.951724            0.406281
hs_or               0.701149            0.282931
~hs_or              0.429885            0.580745
party7              0.544828            0.290798
~party7             0.556322            0.413675
```

```
Outcome variable: all_tot
Conditions tested:
                        Consistency         Coverage
regulation_or           0.957602            0.568083
~regulation_or          0.163743            0.453441
capacity_or             0.745614            0.582857
~capacity_or            0.410819            0.535238
capacity_and            0.479532            0.621212
~capacity_and           0.659357            0.517202
regulation_and          0.603801            0.667205
~regulation_and         0.530702            0.464789
vet_and                 0.299708            0.538058
~vet_and                0.846491            0.568204
hs_or                   0.719298            0.456401
~hs_or                  0.356725            0.757764
party7                  0.561403            0.471166
~party7                 0.564327            0.659829


Outcome variable: ~all_tot


Conditions tested:
                        Consistency         Coverage
regulation_or           0.811453            0.503903
~regulation_or          0.304469            0.882591
regulation_and          0.416201            0.481422
~regulation_and         0.712291            0.653009
capacity_or             0.659218            0.539429
~capacity_or            0.490223            0.668571
capacity_and            0.412011            0.558712
~capacity_and           0.720670            0.591743
vet_and                 0.385475            0.724409
~vet_and                0.754190            0.529931
hs_or                   0.891061            0.591837
~hs_or                  0.181564            0.403727
```

```
party7                    0.722067            0.634356
~party7                   0.398045            0.487180


Outcome variable: dec
 Conditions tested:
                          Consistency         Coverage
regulation_or             0.895803            0.536860
~regulation_or            0.217077            0.607287
capacity_or               0.876990            0.692571
~capacity_or              0.247467            0.325714
capacity_and              0.519537            0.679924
~capacity_and             0.551375            0.436927
regulation_and            0.607815            0.678514
~regulation_and           0.458755            0.405890
vet_and                   0.358900            0.650919
~vet_and                  0.690304            0.468106
hs_or                     0.963821            0.617811
~hs_or                    0.066570            0.142857
party7                    0.544828            0.290798
~party7                   0.556322            0.413675


Outcome variable: ~dec
Conditions tested:
                          Consistency         Coverage
regulation_or             0.863188            0.530789
~regulation_or            0.246826            0.708502
capacity_or               0.500705            0.405714
capacity_and              0.307475            0.412879
~capacity_or              0.620592            0.838095
~capacity_and             0.761636            0.619266
regulation_and            0.345557            0.395800
~regulation_and           0.719323            0.653009
vet_and                   0.235543            0.438320
~vet_and                  0.812412            0.565260
```

```
hs_or                 0.610719              0.401670
~hs_or                0.418900              0.922360
party7                0.544828              0.29079
~party7               0.556322              0.413675
```

4. Causal mechanisms of labour migration policy openness

This chapter complements the QCA analysis by looking into the causal mechanism to explain labour migration policy openness and decoupling. It first provides a methodological analysis of the role of post-QCA case studies and it details the causal mechanism. Second, it provides specific analysis of labour migration policy development in four countries, i.e. Germany, Sweden, the United Kingdom, and Czech Republic, with a focus on the last 20 years. The first three countries represent typical cases, while the last country is a deviant case, which remained unexplained in the QCA.

4.1 Post-QCA case studies

4.1.1 Types of cases

The results of the QCA analysis include the identification of causal configurations that are disjunctively sufficient to generate the outcome (sufficient paths), and of cases that are consistent with the statement of sufficiency for each solution, and, for each path within each solution (cases above the diagonal in the XY-plot – Figure 4.1). Besides the distinction between cases that are consistent or inconsistent with the sufficiency statement, the XY-plot allows for a more fine-grained distinction and at least six types of cases can be identified (Rohlfing and Schneider 2013, Wagemann and Schneider 2012).

- Cases above the diagonal within the top-right quadrant are proved to have sufficient conditions to generate the outcome (*typical cases*). The configurational analysis for these cases can end there.

- Cases above the diagonal within the top-left quadrant present the outcome even if they are not members of the conditions. This means that they are unexplained, and that some conditions whose membership would move the case to the top-right quadrant are missing. They are called *deviant cases for coverage*. The configurational analysis could continue with the inclusion on the missing condition(s).

- Cases above the diagonal in the bottom-left quadrant are still consistent with the statement of sufficiency but are in themselves uninteresting, because their membership scores of the outcome and of the condition are low. These are *individually irrelevant cases*, because can be used in a comparative sense to identify the conditions that distinguish them from deviant cases for coverage, and that can therefore account for their membership of the outcome.

- Cases below the diagonal in the bottom left-quadrant are *irrelevant cases*, that do not provide any interesting information neither in themselves, nor comparatively.

- Cases below the diagonal in the bottom-right quadrant present high membership of

the conditions but low membership of the outcome, and are therefore called *deviant cases for consistency in kind*. They are already visible in the truth table, and pose a serious problem to the solution, decreasing its consistency score. They could be in this quadrant because are members of a condition which is not included in the solution and that would distinguish them from typical cases, shifting the inconsistent cases to the left. The configurational analysis could continue with the inclusion of the missing condition(s).

- Cases below the diagonal in the top right quadrant are *deviant cases for consistency in degree*, as their membership in the outcome is lower than their membership of the condition, but it is still above the 0.5-qualitative anchor, so that the outcome can be said to be present. This can be due to errors in measuring or calibration and these cases are not considered as problematic as cases in the bottom-right quadrant.

Figure 4.1 Types of cases in the XY-plot.
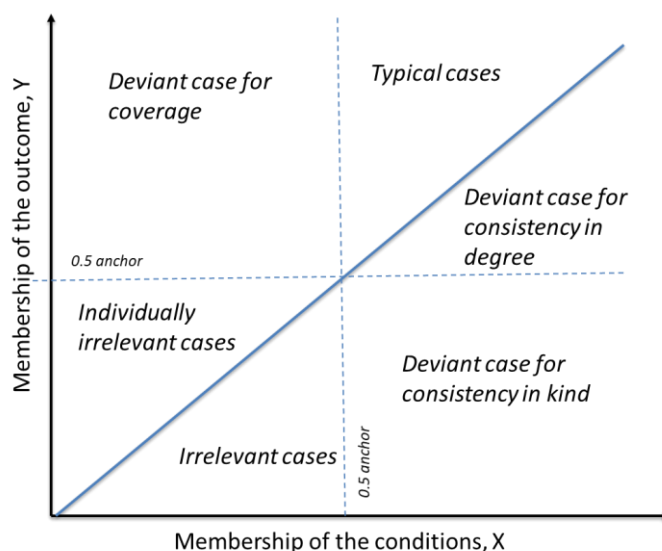
Note: from Wagemann and Schneider 2012

4.1.2 Purpose of a multi-method research design

The QCA has not identified causal relations, but rather patterns of set theoretic relations, pointing at the conditions which are necessary for the outcome to be present (or absent) and (at least) some configurations of conditions under which the outcome should be present (or absent) (provided that there are no inconsistent cases). The conditions generate the outcome through the intermediation of a proper causal mechanism, that displays the causal forces in action. The role of the conditions is to trigger the causal mechanism; yet, conditions are different from the causal mechanism itself. The causal mechanism is the black box that is left unexplained in the QCA and that within-case analysis can undercover. In a multi-method research (MMR) design combining case-studies with QCA, the analysis of the causal mechanism is supported by the analysis of set theoretic relations, and the analysis of set theoretic relations is reinforced by the case studies, which can feed back at different stages of the process, in the researcher's constant

dialogue with cases.

Even without a formal MMR design, the knowledge of cases is essential to any QCA analysis, and guides the preliminary identification of the conditions and their calibration (pre-QCA case studies). Post-QCA case studies serve the purpose to identify the causal mechanism and ascertain the causal role of the conditions, through unravelling the underlying causal forces. Since the conditions were already chosen on the basis on a hypothesised causal mechanism, case studies help *test the theory.* Moreover, in identifying the missing conditions for coverage and for consistency, building upon the results of the QCA, case studies help build/refine the theory.

4.1.3 How many causal mechanisms?

The QCA in Chapter 3 has identified for each outcome at least two solution paths. MMR literature (Williamson and Gemperle 2017, Schneider and Rohlfing 2013) contends that there is a specific causal mechanism for each solution path. Although this might be the case, it is not necessarily so. It is true only if a mechanism is composed of parts that are necessarily linked to the identified conditions one-to-one, so that changing the conditions in the causal recipe also changes the mechanism. This does not have to be the case *a priori*. There may be a mechanism that is triggered under different conditions, or it may be that parts of a causal mechanism are linked to multiple conditions. While the conditions provide hints on the causal mechanism and have been plausibly selected on the basis of an *ex ante* hypothesised mechanism, they are not the mechanism itself. For instance, while the mechanism explaining open labour migration policy foresees, as one of its parts, that employers' associations voice their preference for an open migration policy, the channels through which employers' associations voice their preferences may differ. One channel may be institutionalised consultations typical of a consensual democracy, and this can be easily linked to the condition 'employers' involvement in policy making'; other channels may be more *ad hoc* and be pursued in absence of institutionalised consensual channels. Employers' voice remains thus part of the mechanism, although not linked to the most obvious condition. Employers may pursue these other channels because they feel that the migration issue is particularly important, or because they see a window of opportunity, and these reasons may be linked to an existing condition or to a new condition. On the contrary, it may also be that, in the absence of institutionalised fora, an alternative mechanism is triggered, whereby employers' voice does not have any causal role. There is no reason to, *a priori*, assume that the second case is the only possible.

Since the conditions used in Chapter 4 drew upon a model assuming that employers and political actors had causal power, a general causal mechanism will be described and will be tested in all causal paths. Case studies show the mechanism at work and shed light on the relations between the parts of the causal mechanism and the conditions.

4.1.4 Process tracing the mechanism

Process tracing is a method used to perform case studies and trace the empirical manifestation of the causal mechanism that leads to a specific outcome. It does not aim at describing a mere sequence of events, but rather at identifying *actors* and *actions* that bring about the outcome. Actors and actions compose the necessary parts of the causal mechanism that process tracing aims to unravel.

Process tracing rests upon Bayesian logic for reasoning under uncertainty, whereby "the probability that a theory is supported by evidence [depends on] the researcher's degree of belief about the probability of the theory and probability of finding given evidence if the theory is valid before gathering the data" (Beach and Pedersen 2013). In assessing whether we have enough evidence to believe that a hypothesis on the presence of a part of a causal mechanism is true, we have to consider the likelihood of finding a given evidence in the case that the hypothesis was true and in the case the hypothesis was false, and the likelihood that the hypothesis is true on the basis of prior knowledge. The lower the probability to find evidence, and the higher the likelihood that the hypothesis is true on the basis on our previous knowledge, the higher our confidence in the hypothesis.

Accepting a hypothesis on the presence of part of a mechanism (h) entails at least two beliefs: that h is true and that ~h (alternative explanation) is not true. As a consequence, in principle, the evidence should allow the researcher to uptake both beliefs. Evidence is however of different quality and not always a piece of evidence has high confirmatory power on h as well as high disconfirmatory power on ~h. Evidence can be classified into four groups.

Doubly decisive test proofs are the strongest ones, as in presence of a piece of evidence the researcher is entitled to believe h, while in absence of a piece of evidence the researcher is entitled to believe in ~h (as an example, CCTV recording the robbery and giving a clear footage of the robber are enough to say whether Ms H is the robber (h) or not (~h)).

'Smoking guns' proofs are pieces of evidence whose presence increases the researcher's confidence in h, but whose absence does not provide much ground to believe in h or ~h (finding a smoking gun in the hand of the assassin is enough to believe that the holder, Ms H, is the assassin; but the absence of the smoking gun is not enough to rule out that Ms H is the assassin).

Hoop tests are when a piece of evidence is enough to disconfirm a hypothesis (~h), but not enough to believe in h (Ms H was proven to be out of town when the murder happened).

Finally, *'straw in the wind'* proofs are not enough to believe in h or ~h.

Table 4.1 (Dis)confirmatory power for each piece of evidence.

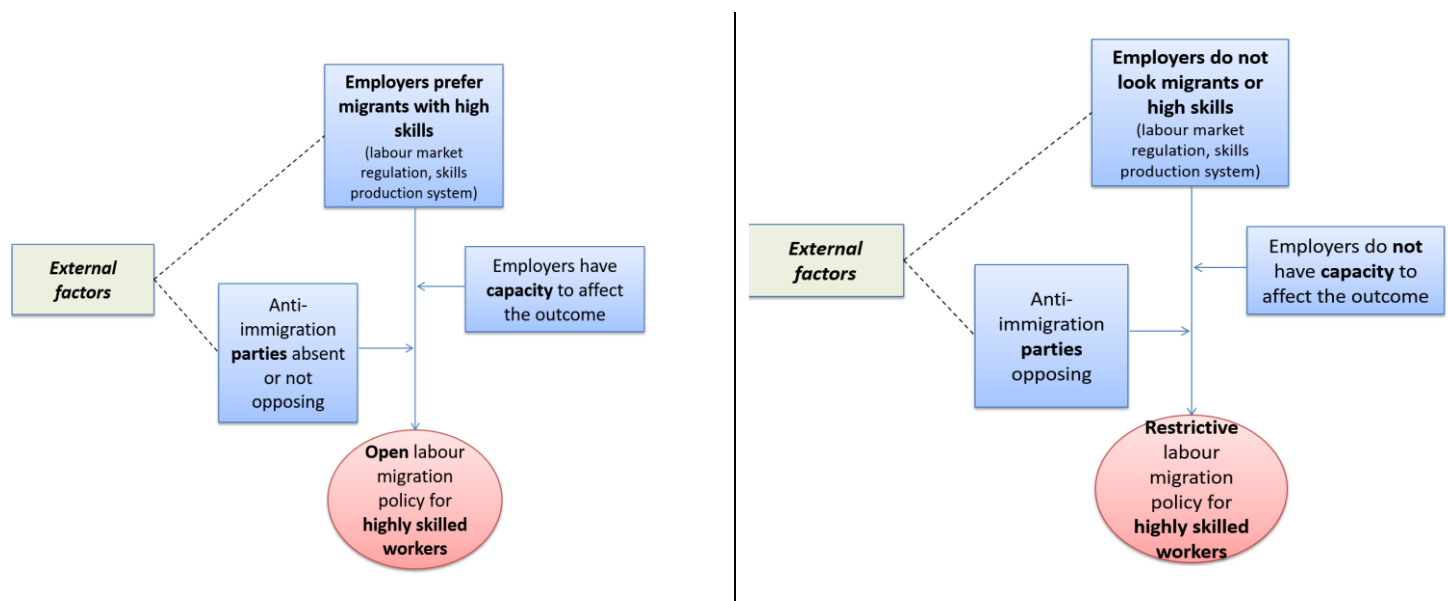| Evidence	Confirmatory power (i.e. h can be confirmed)	Disconfirmatory power (i.e. ~h can be excluded)
Doubly decisive test	Yes	Yes

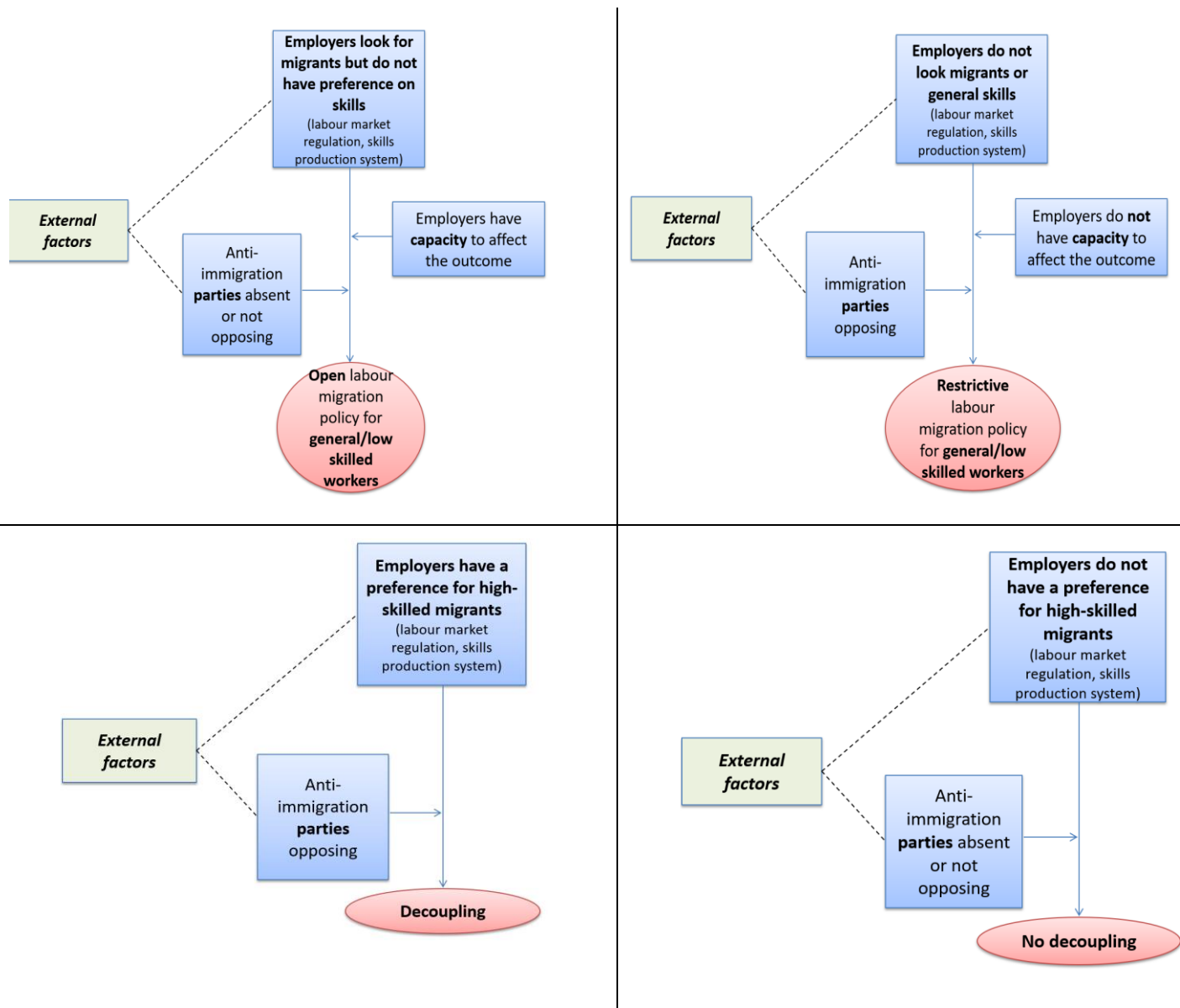| Smoking guns	Yes	No
Hoop test	No	Yes
Straw in the wind	No	No

When looking for evidence, the relevant questions therefore are: is the evidence enough to confirm the hypothesis? Is the evidence enough to rule out a alternative hypothesis? While ideally the researcher should be able to reply to both questions with doubly decisive test, in practice this may be difficult, as only weaker evidence may be available.

4.1.5 The mechanisms

QCA has tested five conditions drawn upon a hypothesised causal mechanism. The same conditions have been tested for the six outcomes (Figure 4.2), even if the hypothesised causal mechanism is different. The causal mechanism is linked to the conditions, but the relationship does not hold both ways. The causal mechanism can be triggered also in absence of the condition, and some conditions can have no causal force, but rather be scope conditions (Beach 2017).

Figure 4.2 Hypothesised causal mechanisms per outcome

Employers look for migrants but do not have preference on skills
(labour market regulation, skills production system)

External factors

Anti-immigration **parties** absent or not opposing

Employers have **capacity** to affect the outcome

Open labour migration policy for **general/low skilled workers**

Employers do not look migrants or general skills
(labour market regulation, skills production system)

External factors

Anti-immigration **parties** opposing

Employers do **not** have **capacity** to affect the outcome

Restrictive labour migration policy for **general/low skilled workers**

Employers have a preference for high-skilled migrants
(labour market regulation, skills production system)

External factors

Anti-immigration **parties** opposing

Decoupling

Employers do not have a preference for high-skilled migrants
(labour market regulation, skills production system)

External factors

Anti-immigration **parties** absent or not opposing

No decoupling

To each element of the causal mechanism, an actor and an activity is associated. Evidence may be difficult to find. For instance, when employers' capacity to lobby for their preferred policy output is weak, employers may not have any incentive to publicly express their preferences, or may have an incentive to look for alternative and less publicly visible channels. Similarly, it may be difficult to find evidence of anti-immigration parties opposition to more open policy, as the mere presence of these parties can deter mainstream parties from tabling migration reforms.

Causal mechanisms act within a specific timeframe. Yet, setting the timeframe in advance is difficult. While some policies, especially for highly skilled migrants, have been designed and implemented only over the course of the last decade, policies for general migrants have a longer history, with their design rooted in the post-World War II period. This means that while in the first case it may be easier to find the causal mechanism in action, in the second case it may be more difficult because relevant actors were confronted with a policy already in place, which

might have responded to their needs or, if not, which might have been more difficult to dismantle. This is in line with results of the QCA analysis, which could be interpreted in a more straightforward manner when they were about highly skilled migration policies.

Table 4.2 Elements of the mechanism and possible evidence.

Condition	Employers' preferences (regulation_and, hs, vet)	Employers capacity to affect the outcome (capacity_and)	Anti-immigration party (party_7)
Who…	Employers	Employers	Parties
…Does what	Have some preferences on the volume of migration and on skills	Successfully lobby for their preferred policy outcome	Prevent open migration policy
Evidence	Expression of preferences: position papers, interviews	Participation in meeting convened by gov.; participation in consultation; participation in implementing bodies; transfer of arguments from employers to authorities	Speeches, interviews, manifestos, voting behaviour
Dis(confirm atory) power	e→h; ~(~e→~h) Employers may be pre-empt from expressing their preference knowing that they have low capacity to influence the outcome. Lack of evidence is not enough to discard the hypothesis.	~(e→h); ~e→~h Even if employers are actively consulted, this does not mean that they successfully affect the outcome. Authorities may have chosen the policy option anyway, and may consult to comply with formal or informal obligations. Evidence can only hint that h holds, but cannot prove it.	e→h / ~(e→h); ~e→~h For electoral purposes, parties may disguise their preferences and decouple their discourse from their behaviour, showing anti-immigration rhetoric but supporting liberal policies.
Test	Smoking gun test	Hoop test	Smocking gun test or doubly decisive test (depending on evidence)

4.1.6 Case selection

The literature on MMR has debated on methodological rules for post-QCA case selection. Rohlfing and Schneider (2013) argue that case studies should focus on cases with unique membership in sufficient causal paths, so that the within-case analysis can isolate the effects of one specific causal combination. Beach (2017), on the contrary, contends that this is not necessary because if a causal mechanism linked to the conditions is shown to be present, this has no consequences on possible alternative mechanisms, unless they are mutually exclusive. This is even more the case when *a priori* there is no reason to suppose that different mechanisms are in place for different causal paths. So, the presence of multiple paths for a case will be useful to flag the possibility that the parts of the mechanism may work differently, rather than provide ground to exclude the case from the specific analysis.

Rohlfing and Schneider (2013) argue that typical cases should be selected above the diagonal in the QCA XY-plot. Beach (2017), however, stresses that since case studies do not distinguish between necessary and sufficient conditions, the only requirements that typical

cases have to meet is displaying the outcome and the conditions, namely being above the 0.5 anchor. Given that cases may be below the diagonal but still in the top-right quadrant due to errors independent from the minimisation (e.g. calibration errors, or errors in measuring the indicators), selecting cases above the diagonal will not be considered a strict requirement; yet, the mechanism is expected to be more likely evident when cases have high membership of the conditions, so that picking cases above the line would be advisable.

Case studies on typical cases serve to shed light on the causal mechanism in place. Most likely cases, i.e. cases with high membership of the outcome and in the conditions, are subject to high expectations to find the mechanism, so, if the mechanism is not found, they have high disconfirmatory power; while, if the mechanism is found, they have lower confirmatory power. On the contrary, cases with membership of the outcome and of the condition closer to the 0.5 anchor are subject to lower expectations to find the mechanism; and, if the mechanism is found, have high confirmatory power, while low disconfirmatory power if the mechanism is not found (Beach 2017).

I will select typical cases, where the mechanism is easier to identify. Among the typical cases, I will select cases that, based on my previous knowledge, better show the mechanism and where larger amount of evidence is available. I will also select one inconsistent case for coverage, where the mechanism does not work as expected, to possibly find evidence on missing conditions.

- *Germany* is a typical case for open migration policy for highly skilled workers, restrictive policy for general workers, and decoupling;

- *Sweden* is a typical case for open policy for high and general/low skilled workers, and lack of decoupling;

- *United Kingdom* is a typical case for restrictive policy for highly skilled and general/low skilled workers and absence of decoupling;

- *Czech Republic* is a typical case for open policy for general/low skilled workers, while it is a deviant case for coverage for restrictive policy for highly skilled workers, and absence of decoupling.

Table 4.3 lists the countries selected, by type of cases (typical or deviant cases), for the relevant outcome (e.g. policy for highly skilled workers, general/low skilled workers, decoupling). Figure 4.3 shows where the selected cases lie in the XY-plot for each solution.

Table 4.3 Case selection by type of case and outcome.

	Germany	**Sweden**	**United Kingdom**	**Czech Republic**
Typical cases	all (-) (least likely); hs (+) (least likely); dec (+)(least likely)	all (+) (most likely); hs (+) (most likely); dec (-) (most likely)	all (-) (most likely); hs (-) (most likely); dec (-) (most likely)	all (+) (least likely)
Deviant case for coverage				dec (-); hs (-);

Note: '+' and '-' refer respectively to presence and absence of the outcome.

Figure 4.3 Overall solution of each outcome.
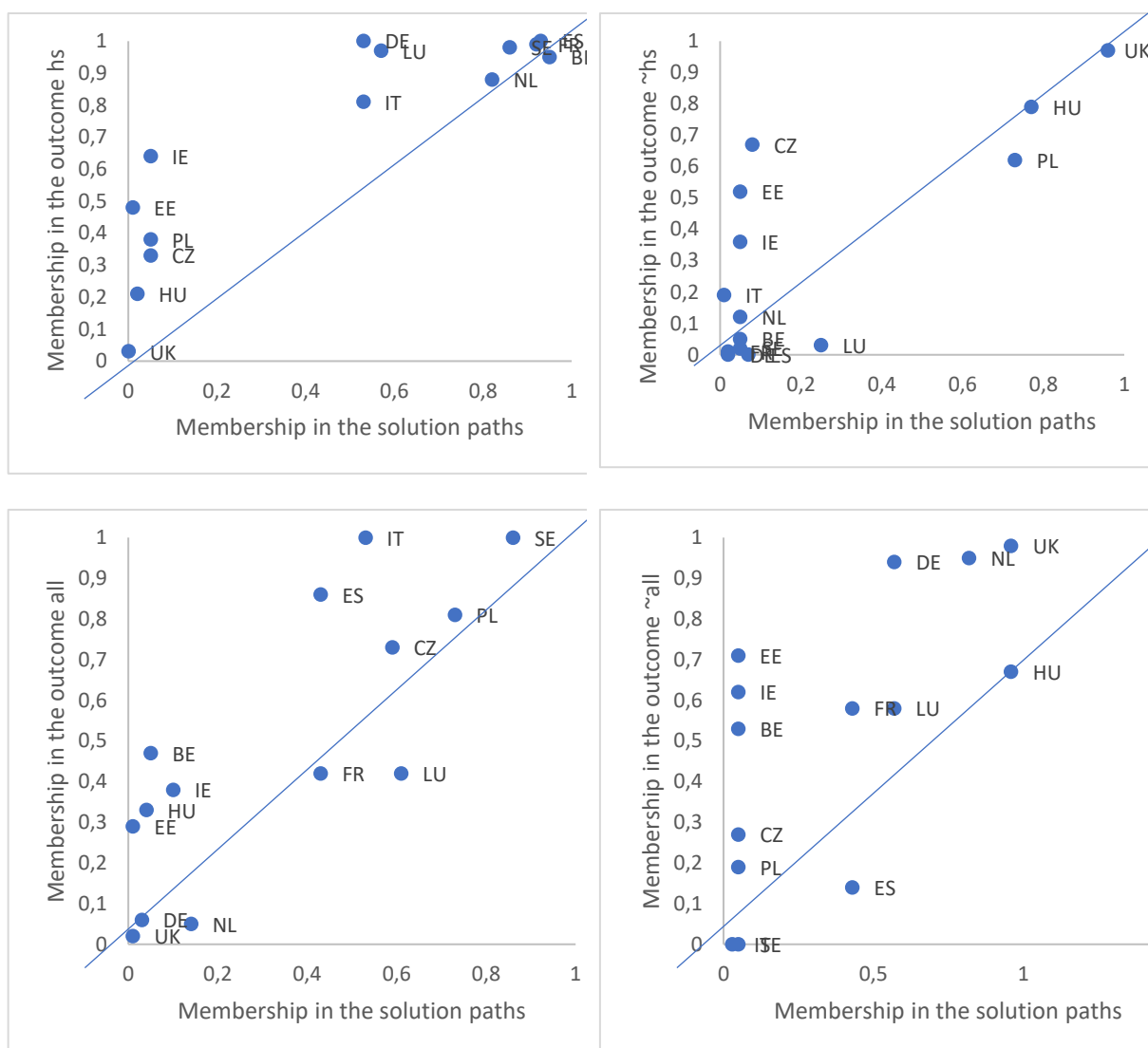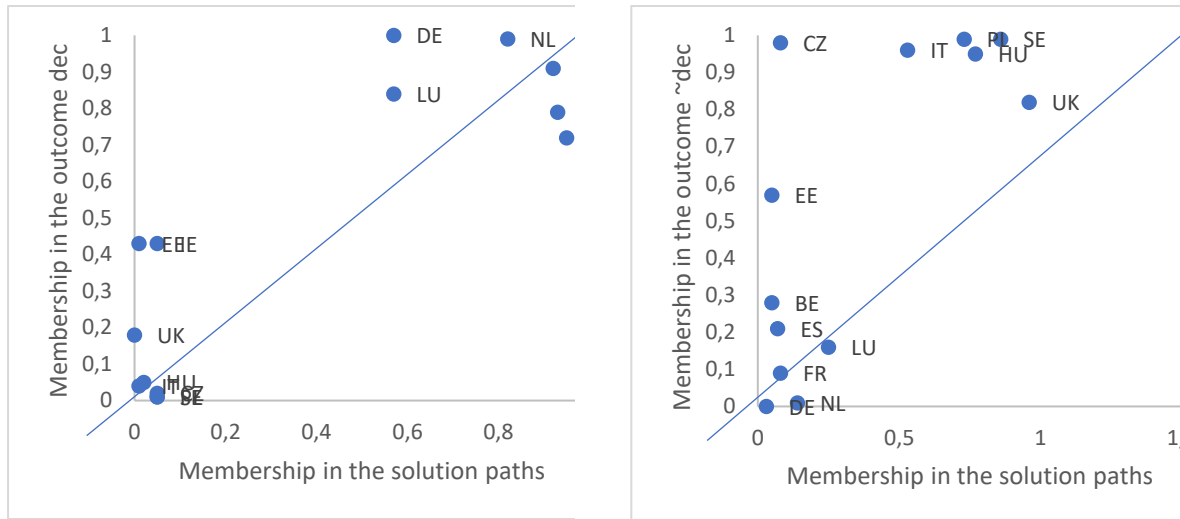
The selected cases cover the four types of policy options described in Chapter 2, and are distributed across all the quadrants depicted in the Figure below.

Figure 4.4 Policy options on labour migration policy by skill level.
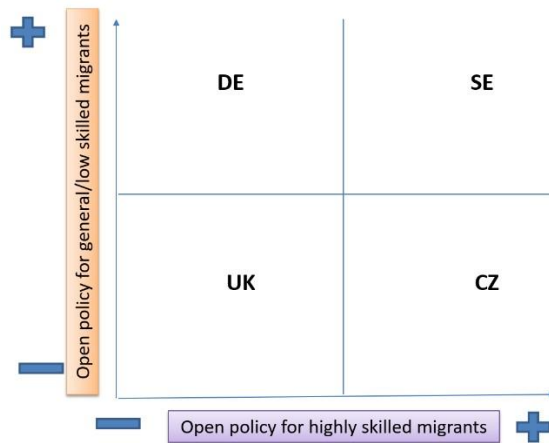
4.2 Case studies

4.2.1 Germany: the slow turn towards selective migration policy

4.2.1.1 Germany during the recruitment ban

Since the imposition of the recruitment ban in 1973, Germany became a zero-immigration country. Recruitment of low-skilled labour (guest workers) through bilateral agreements to satisfy the demands of a growing economy, especially in the manufacturing industry (OECD 2013), ended. This restrictive turn, progressively common to all European countries, was largely due to the deteriorated economic conditions following the oil crisis (Messina 2007).

In the 1990s, the government opened up some labour migration channels due to shortages in specific sectors, constraints from international agreements, and development in

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international politics (notably the fall of the Iron Curtain and subsequent migration pressures from Eastern Europe). These channels concerned specific segments or professions in the labour market, and in particular au-pairs, specialists of international corporations, scientists, teachers and nurses. Bilateral agreements with Eastern European countries were also in place for contract and seasonal workers, and these flows were regulated taking into consideration the unemployment rate in Germany, and in such a way to ensure that they remained temporary. Such labour migration channels were introduced as exceptions to the recruitment ban in the form of decrees passed through administrative ordinance rather than through a fully-fledged legislative process, and failed to attract public attention (Laubenthal 2012). In the official position, at least up until the beginning of 2000s, Germany continued to be a zero-immigration country, despite the fact that exceptions to the recruitment ban increased in the labour migration framework, making it more complex and less transparent (OECD 2013).

During the 80s and 90s, the BDA (Confederation of German Employers' Association)[52] and BDI (Federation of German Industries) [53] did not lobby for labour migration policy liberalisation, and even took a positive stance towards the recruitment ban (Caviedes 2010). One of the reasons for this attitude has been identified in the features of the German model, focused on producing in the country the needed skills, and in the absence of shortages, especially in the metal and electrical industry (Gesamtmetall), which was among the BDA most important sectoral members (Menz 2010).

4.2.1.2. 2001 Red-Green government and the Green Card

In 1998, the Red-Green government led by Chancellor Schröder questioned the assumption that Germany had to remain a zero-immigration country, and brought into the political debate migration policy and the possibility to open up migration channels for foreign workers. For the first time, German organized interests, research, political parties and the general public were involved in a debate on skill shortages (*Fachkraeftemangel*)[54] and migration as a strategy to solve them. Migration started to be framed in terms of skill needs that could not be satisfied within the German labour market and in terms of migrants' contribution to the welfare system in a context of ageing population (Caviedes 2010).

The Ministry of Interior, Otto Schily, set up a bipartisan commission, the Süßmuth Commission (named after the CDU chair Rita Süßmuth), tasked with proposing initiatives on migration policy. The Commission included also the newly appointed BDI director, Hans-Olaf Henkel, who pushed for more neo-liberal economic policy, which included a more liberal labour migration. The BDA and DIHK (Association of German Chambers of Industry and Commerce) on

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[52] The BDA is more involved in labour market issues and takes direct part in wage negotiations (Caviedes 2010).

[53] The BDI represents the general interest of the industry, and intervenes on the general state of the economy (Caviedes 2010).

[54] https://www.eurofound.europa.eu/observatories/eurwork/articles/social-policies/employers-and-unions-debate-new-rules-for-immigration

the employers' side, and DGB (German trade union confederation) on the workers' side, were also part of the committee, as well as representatives of academia, civil society and local governments. The Committee allowed labour market actors to affect the policy process and pursue a pro-immigration agenda. The report drafted by the Committee in 2001 showed unanimous support for a flexible migration policy, responsive to demographic and labour market needs (Caviedes 2010). It proposed also the adoption of a Canadian-type point-based system, which was eventually not included in the legislative proposal due to the opposition of the CDU (Duncan 2012).

At the beginning of the new century, there was general consensus by political actors and social partners that Germany needed to reform its restrictive migration regime. In general, BDA strongly lobbied for more open migration policy both on formal and informal venues (Menz 2010). Particularly important was the lobbying activity of BITKOM (German Association for Information Technology, Telecommunications and New Media), that complained about the lack of ICT specialists. The German Industrial association (BDI) as well as employers in Baden-Württemberg and the biotech and health-care industries were also particularly vocal (Cerna 2016). Initiative 21, a network of large German enterprises with a pro-digitalisation agenda, pushed also for a scheme for highly skilled migrants. Employers voiced their preference for more migration, especially for highly skilled workers, in a context of growing demand in some sectors which could not be met by labour supply in the national labour market.

Unions recognized the need of opening the borders to migrants, especially with high skills, to ensure the competitiveness of the German economy (DGB 2001, in Cerna 2016). At the same time, they also stressed the importance of activating local workers.

The first result of this new chapter of the German migration policy was the adoption in 2001 of the Regulation on Work Permits for Highly Qualified Foreign Labourers in Information and Communication Technology, commonly known as the Green Card, a temporary migration scheme for ICT workers. This sectoral measure was not conceived as a migration measure in the first place, but was part of a wider package to boost labour supply in ICT, which included training of local workers (OECD 2013).

The Green Card was a residence permit valid for up to 5 years for ICT specialists with a relevant tertiary degree and a salary of at least 39,600 Euro/year, or with a salary exceeding 51,000 Euros/year (no qualification was required in this case). While the Green Card had the merit to open up the debate on skill scarcity and migration, its success in bringing more ICT specialists to Germany is dubious. The scheme struggled to reach the 20,000-target in two years, and after the scheme was extended up to 2004, only 18,000 Green Cards were issued. The scheme was closed and subsumed under the new Immigration Act in 2004.

The Green Card was the first immigration measure since Germany acknowledged that it could no longer be a zero-immigration country. It targeted a specific category of highly skilled

workers, in a sector that was suffering from shortages. It was the result of consensus among labour market actors, and of strong lobbying activity of employers and employers' associations.

Soon after the introduction of the Green Card, external circumstances affected the favourable climate around labour migration. On the side of the economy, the IT bubble burst and consequently the need for highly skilled migrants weakened; on the political side, the 2001 terrorist attacks in the United States raised security concerns over migration, that in part trumped the economic reasons for liberalising migration channels.

4.2.1.3 2005 immigration law

The reform process initiated by the Green-Red government continued with the submission to the parliament of a comprehensive Immigration Bill in 2001. The Bill was approved in 2003, after overcoming strong resistance by opposition parties. However, due to a procedural error in the upper chamber, the Bundesrat, the German Federal Constitutional Court declared the law unconstitutional. The government introduced the same bill a second time in 2003. This was approved by the lower chamber, the Bundestag, but by the time it reached the Bundesrat, the composition of the upper chamber had changed following regional elections, and was less favourable to the Bill. Negotiations between the Social Democratic Party (SPD) and the Christian Democratic Union (CDU) lasted for one year and finally a compromise was reached in 2004 on a much less ambitious version of the Bill, where integration and security aspects became prominent, vis-à-vis the labour migration aspect (Caviedes 2010).

The new Immigration Act (Act to Control and Restrict Immigration and to Regulate the Residence and Integration of EU Citizens and Foreigner) became effective in 2005. It simplified the entry rules, introducing two types of migration permits, i.e. a temporary and a permanent one, and simplified the procedure, with a single application for a work and residence permit. Permanent residence was available from the outset for very highly skilled workers with a salary above a certain threshold (85,000 Euros/year). Entrepreneurs creating a business (at least 1 million Euros investment) with a positive impact on the economy (creation of at least 10 jobs) were granted a temporary residence permit which could be converted into a permanent residence after 3 years of successful business activity. Moreover, students were allowed to stay in Germany for one year after studying to look for high skilled employment (OECD 2013). Qualified workers were also allowed to enter the country if this was in the interest of the German economy and passed a case-by-case labour market test, to verify the presence of persons already residing in the country and suitable for the position.

Social partners were in favour of a comprehensive immigration law. While the DGB were more focused on anti-discrimination measures, the BDA and DGB worked together on a position paper that framed a well-managed permanent labour migration as a positive phenomenon (Gemeinsame erklarung von DGB und BDA: Miteinander statt Nebeneinander: Integration durch Fordern und Forden 2004). Unions' concerns of potential unfair competition were assuaged by

the presence of a salary threshold for highly skilled workers (85,000Euros/year). This however, was considered very high both by employers and by unions themselves (Cerna 2016).

Although the Bill had been watered down during the negotiations and did not formally lifted the recruitment ban, it signed the first important shift in policy making away from a zero-immigration country, at least for some categories of workers (Schonwalder 2012). It responded to employers' preference for high skilled workers, and liberalisation was still cautious due to the resistance of the CDU/CSU.

4.2.1.4 Progressive liberalisation

In 2005, after the election, the government changed and the *Große Koalition* SPD-CDU, with Angela Merkel as Chancellor, came into power. Reforming the migration system remained on the agenda. While the CDU was in principle favourable to a change in labour migration policy and to more favourable conditions for highly skilled workers willing to integrate into the German society (CDU 2007), [55] it however opposed a radical shift away from the zero-immigration paradigm. In fact, this was a pre-condition to enter in coalition talks with SPD. The CDU was also in part constrained by its sister party, the Bavarian CSU, which had a tougher stance on migration.

Even after the 2004 Immigration Act, employers continued to lobby for more open migration policy, especially for some categories of workers. In 2007, BITKOM reported shortages in ICT, with 20,000 unfilled positions, [56] and VDI, the organization of engineers, presented a study according to which there was a gap of 70,000 engineers (Schonwalder 2012). The employers' think tank *Institut der Deutschen Wirtschaften* reported shortages that risked to hamper the German economic growth (Pressemitteilung Nr. 49 /2007 des Instituts der deutschen Wirtschaft Köln). The Chamber of Commerce of Stuttgart, in 2011, issued a press release stating that by 2014 85,000 workers would be lacking in the only Land of Baden-Württemberg. Similarly, the Bavarian economic association reported that in 2015 the Bavarian economy would have lacked 500,000 qualified workers. Within the government itself, pressures to further liberalise migration policy also increased. The BMBF (Ministry of Education and Research) published in 2007 a report on Germany's technological performance [57] and highlighted serious skill shortages, particularly of engineers. In 2011, the Federal Employment Agency followed with a report starting that 0.4-0.8 million migrants were necessary to overcome skill shortages. It warned also that the lack of a welcoming culture was an obstacle for migrants to come to Germany (Laubenthal 2014). In the meantime, since 2005 the

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[55] https://www.cdu.de/system/tdf/media/dokumente/071203-beschluss-grundsatzprogramm-6-navigierbar_1.pdf?file=1&type=field_collection_item&id=1918

[56] https://www.heise.de/newsticker/meldung/Bitkom-20-000-unbesetzte-Stellen-in-der-ITK-Branche-1021514.html

[57] Bericht zur technologischen leistungsfähigkeit deutschlands

unemployment rate started to decrease again, creating more favourable economic conditions for migrants.[58]

Since 2005, a slow but progressive liberalization process took off. In 2007, a ministerial working group produced a report which served as the basis for the government "Action programme of the Federal Government – The contribution of labour migration to securing the necessary pool of qualified workers in Germany" (Aktionsprogramm der Bundesregierung – Beitrag der Arbeitsmigration zur Sicherung der Fachkräftebasis in Deutschland) (Laubenthal 2012). The subsequent Law for the management of labour migration, entered into force in 2009, relaxed some migration requirements: the minimum investment and number of jobs created to qualify for the self-employed permit were lowered, as well as the salary threshold for highly qualified workers to qualify for the settlement permit (lowered to 64,000 Euros/year), and some categories (e.g. graduates from German universities) were exempt from the labour market test. The presence of tripartite forums also increased (Cerna 2016), giving employers (and unions) more opportunities to lobby the government for more open migration policy.

In 2011, the government published the "Concept for securing skilled workers", a comprehensive set of measures which included highly skilled migration and was supported by social partners (Cerna 2016). During 2010-2012, the labour immigration debate evolved mainly around the salary threshold, which was considered too high by employers as well as by the unions, and the labour market test, from which some professions in shortage could be exempt. The so-called 'positive list', featuring shortage professions and introduced in 2005, started to be used in 2011 also for skilled professions (requiring at least vocational training), which could then become exempt from the labour market test. The salary threshold for highly qualified migrants was further decreased to 48,000 Euros/year. In 2012, a law on the recognition of foreign qualifications passed and was meant to facilitate to a great extent the migration of tertiary educated individuals, by stopping the principle of nationality to be used in recognising foreign qualifications (Finotelli 2014). This was seen not only as an important regulatory improvement,[59] but also as a step towards a more welcoming culture, which emphasized the positive aspects of diversity management.[60]

In 2012, the Residence Act introduced important changes. It transposed the EU Blue Card Directive, adopted by the Council of the European Union in 2009. Germany had already a permanent scheme for very highly skilled workers (Article 19 of the Residence Act), but this was very restrictive (in terms of professions covered and salary threshold to meet) and failed to

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[58] Source: Eurostat, Unemployment by sex and age – annual average [une_rt_a].

[59] "The removal of difficulties in the recognition of foreign credentials was considered one of the most important challenges for Germany as a new immigration country" (Finotelli 2014). The change in the legislation was due also to the work of the IQ network 'Integration through Qualification', which was created in 2005 by the Federal Ministry of Work.

[60] https://www.bq-portal.de/en/seiten/diversity-and-welcoming-culture

attract a large number of migrants (775 permits were issued during the period 2006-2011, OECD 2013). The EU Blue Card was introduced as a specification of highly skilled migration (subparagraph 19.a) and provided temporary residence to highly skilled migrants, defined in less restrictive terms compared to the previous legislation. The EU Blue Card introduced a permit for high qualified workers with a lower salary threshold, which was further reduced for professions in shortage.

Both employers and unions were favourable to the lower salary threshold even before the introduction of the Blue Cars, but this was a politically sensitive topic that encountered strong resistance from the CDU/CSU (Cerna 2016); the EU Blue Card opened a window of opportunity to lower the threshold. Highly skilled workers applying for a Blue Card did not have to pass through the labour market test. After 3 years, or 2 if their German skills were good, Blue Card holders could apply for permanent residency. The introduction of the Blue Card completed the shift lasted over a decade of German labour migration policy from a restrictive to a much more liberal one. This process, characterized by a very selective preference towards highly skilled workers, had been the result of continuous lobbying efforts by employers' associations, that framed labour migration as a necessary strategy in a context of global competition for talent which would make the German economy competitive (Maletzky 2017). These efforts were successful in changing the restrictive stance of the ruling centre-right parties. They continued also on the occasion of the transposition of the EU Blue Card, where BDI and BDA stressed the importance of being competitive in the global competition for talents (BDA 2010, 2012)[61] and were vocal actors both at the national and EU level.

Besides the EU Blue Card, the 2012 Residence Act introduced also a job-search visa for graduates from any recognised university in the world. This was, and still is, an exception within the European demand-driven system. The Act also eased the conditions to set up a business. In 2013, a new Employment Ordinance (Beschäftigungsverordnung) introduced the possibility to access the labour market for holders of recognised vocational training diplomas relevant for a profession in shortage in Germany.

4.2.1.5 Analysis

Germany registered an important policy shift in labour migration: from a zero-immigration country at the beginning of 2000s, to one of the most active countries in the EU to attract foreign labour. Not only legislative changes took place, but also a general change in attitude towards labour migration occurred. The government promoted several communication campaigns, and set up one of the most comprehensive, customer-oriented and user-friendly immigration portals, *Make it in Germany*. Attempts towards liberalisation continues and although after 2012 refugees, asylum and integration issues trumped the migration debate,

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[61] Zuwanderungsrecht fortentwickeln – Deutschland braucht eine "Willkommenskultur" für hochqualifizierte Fachkräfte; Wichtige Änderungen im Zuwanderungsgesetz zügig und unbürokratisch umsetzen.

labour migration in relation to labour market needs continued to be important. In 2016, Germany initiated in the Land of Baden-Württemberg a pilot project to open a new migration channel for skilled workers for professions not in shortage, the PuMa project. If such a channel were open at the national level, the German approach would still remain selective and oriented towards skilled and highly skilled migration, but less restrictive than it is now (when skilled migration is allowed only for shortage professions).

In line with the measurement of the migration policy openness and decoupling index in Chapter 2, Germany is a country with an open migration policy for highly skilled workers, a restrictive policy for general/low skilled workers, and a high degree of decoupling as a consequence. The development that led to such an outcome confirmed the mechanism hypothesised in the section above.

Employers had a strong preference towards more migrants and specifically towards highly skilled workers (hypothesis 2), and voiced this preference through reports, press release and through participating to a general debate on skill shortages in ICT and STEM. This preference was motivated by the lack of specific skills that the German education system could not procure in enough quantity. The failure to act was depicted as undermining the competitiveness of the general economy.

Employers were likely to be successful in affecting the policy output, thanks to the participation in consultative bodies (commissions and working groups) set up by the government (hypothesis 3). The government had a very consensual attitude and made sure to have social partners on board when proposing legislative changes. Social partners were involved also in the definition of shortage professions, for which a skilled (rather than highly skilled) migration channel was open. In general, a climate of consensus on the need to have more highly skilled migrants grew across main stakeholders.

If the policy shift was noteworthy, yet it took time to realise. The main obstacle that reformist pressures encountered was represented by conservative parties, which were reluctant to move away from a zero-immigration stance, mainly for ideological and cultural reasons (hypothesis 4). They for instance blocked a point-based system which would have favoured migrants with high human capital, instead of job offer. They also opposed to lowering the salary threshold for low skilled workers. Employers' insistence in voicing their preferences, the gradual character of changes, the selectivity of liberalisation, and the impact of the EU (see Chapter 5) contributed to overcoming the political opposition. External factors, like the dot.com boom and the economic growth, were also important to activate employers' preferences and lobbying activities.

All the parts of the mechanism to explain policy openness for highly skilled workers were present, while employers' lack of interest for general migrants, and probably also the political unfeasibility of liberalisation on the low-segment of the skill spectrum, given Germany's

traditional zero-migration stance, are parts of the mechanism to explain why Germany kept a restrictive policy for general/low skilled workers. Non-high skilled sectors (e.g. construction and metal industry) found alternative ways to respond to their flexibility needs. Instead of pushing for migration, they opted for internal mobility and opt-out clauses from collective agreements (Caviedes 2010).

Table 4.4 shows the causal paths instantiated by Germany, as found in Chapter 3. The conditions under which the three different outcomes have been brought about are the same, and are linked to the mechanism described above: employers exhibit a strong preference towards highly skilled migration (hypothesis 2); were able to effectively lobby the government for more open labour migration policy (hypothesis 3), and to counteract the influence of an anti-immigration party, that progressively opened up for more open labour migration policy (hypothesis 4).

Table 4.4 Causal paths for each outcome in Germany.

Liberal highly skilled migration policy	Restrictive general/low skilled migration policy	Absence of decoupling
regulation_and*vet_and*capacity_and*party7; (vet_and*hs_or)*capacity_and*party7	(vet_and*hs_or)*capacity_and*party7	(vet_and*hs_or)*capacity_and*party

Note: 'regulation_and' stands for regulated labour market, 'vet_and' for performing vocational and educational training system, 'hs' for need for highly skilled workers, 'capacity' for employers' capacity to affect the outcome, 'party7' for antiimmigration parties. The conditions are present, unless preceded by ~.

4.2.2 Sweden: the radical change towards liberal labour migration policy

4.2.2.1 Sweden during the restrictive stance

Post-war migration to Sweden, as to several Western European countries, concerned mainly low skilled workers recruited through bilateral agreements and saw the active involvement of public authorities, which had specific offices in sending countries to support recruitment activities. Unions were an important actor in implementing labour migration. The union most heavily involved in international recruitment was the Swedish Trade Union Confederation (Landsorganisationen i Sverige), LO, representing blue collar workers. Unions had a *de facto* veto power on recruitment (OECD 2011). Moreover, up until 1965, migrants had to be registered with a union to be allowed to work.

Before the outbreak of the oil crisis, but when the economic growth was already slowing down, LO started to more actively apply its veto power, and more and more immigration applications started to be rejected, especially for low skilled occupations. In 1968, a new immigration law ended the possibility for migrant workers to come to Sweden to look for a job for up to three months, and imposed to would-be migrants to obtain a work permit before migrating, and thus a pre-departure job offer. The idea behind this restrictive turn was to prioritise the activation of local labour over international hiring, to protect the generous

Swedish welfare system from excessive burden, and to guarantee to migrants the same conditions enjoyed by Swedish workers. These three elements constitute what was called by stakeholders themselves "the Swedish model" (Johansson 2012).

The restrictive turn continued and by 1972 most international recruitment was stopped (Quirico 2012). This was the result of stricter legal conditions, but also of stricter implementation by unions of their veto power. For them to greenlight an international hire, the profession had to be in shortage, and the definition of shortage occupations was made by public authorities and social partners. The result was that it was very difficult for low skilled workers to be able to migrate to Sweden.

Migrants could migrate to Sweden on two types of permit (OECD 2011): a temporary or a permanent one. General temporary permits were issued only under the condition that no resident worker was available for the job, and could last up to 18 months only (plus 6 in exceptional circumstances), after which the worker was supposed to leave the country. Temporary permits were available only for shortage occupations and were mainly issued to "key personnel in industry, research, culture and sports" (Cerna and Boräng 2017). Seasonal permits were available only for up to three months, while temporary permits for international exchange were limited to up 48 months. Permanent permits were reserved to highly qualified workers with very high salaries only.

Employers tried at first to oppose the restrictive turn, but after some time they ended up to be much more lenient with unions' position and supportive of the status quo. Employers were however very much side-lined in their role, and the domain over migration policy was the prerogative of 'the iron triangle' (Cerna and Boräng 2017), composed of labour unions (LO), the Social Democratic party, which stayed in government for most of the time in the aftermath of the World War II, and the antecedent of the Public Employment Service – PES (the AMS – the Swedish National Labour Market Board), which implemented the labour market test, requested in addition to the union's greenlight. These three institutions dominated the implementation of migration policy in a strong alliance. One reason why employers' voice did not try to affirm itself was indeed the power of the iron triangle, that inhibited counter-current voices that could undermine the Swedish model; moreover, employers' chances to affect the course of the policy were anyway very limited.

4.2.2.2 Seeds of change

At the beginning of 2000s, the boom in the IT sector, demographic projections and labour shortages in other sectors pushed to reconsider labour migration as potentially economically desirable. In 2000, the Ministry of Foreign Affairs issued a report (titled 'Arbetskraftsinvandring och atgarder for att mota framtida arbetskraft' - Labor immigration and measures to meet future labor) on labour shortages and on the possibility to reactivate labour migration.

The employers' organisation SN (Confederation of Swedish Enterprise) also started to push for more open labour migration policy and called for the introduction of a job-search visa and the elimination of unions' control over hiring. In 2001, the SN sent a letter to the migration minister and had several meetings with government officials (Cerna 2016). In the same year, the SN issued a report wrote by the liberal politician and entrepreneur Bijan Fahimi, in which migration was seen as a strategy to tackle labour shortages and counteract the ageing of population (Johansson 2012). In the following two years, SN issued other two reports (one written by the senior researchers Ekenger and Wallen, and the other by the lobbyist Theodor Paues) proposing a new labour migration model, where employers were free to recruit from abroad, without the involvement of public authorities, and where potential migrants could come to Sweden on a job-search visa. This proposal was underpinned by the liberal idea that employers were best placed to decide whom to hire, and that the state and unions did not need to get involved (Bucken-Knapp 2007).

On the unions' side, LO started to accept the idea that the demographic development created challenges that could not be addressed by using the local labour force alone. However, LO contended that it was pivotal for unions to keep control over migration, so to ensure that migration did not cause social dumping and was used only when no other alternatives were available. A report published in 2004 by LO ('Mer an bara oppna granser' – More than just open borders) opened for a well-managed labour migration, yet remaining suspicious of low skilled migration (Cerna 2016).

In 2002, migration had become an important issue in the electoral debate. On the one hand, centre-right parties (Moderate Party, the Liberal Party, Centre Party, Christian Democrats), along with the Green Party and employers, favoured a more open policy for labour migration; on the other hand, unions and centre-left parties (Social Democrats, the Left) had a more restrictive stance, focused on activating local labour as a priority (Quirico 2012). The idea for centre-left parties was that migration would have become in the future inevitable, but it was not a necessity yet and that it would have been useful only after other measures targeting resident labour force were put in place.

Centre-left parties won the election, yet opposition parties in the Parliament pushed the government to set up a committee, the Committee for Migrant Workers (called 'KAKI committee'), inquiring into ways to improve labour migration management. Such government-appointed committees have been a common practice in Swedish politics. They have both a technical and a political aim, and are inclusive so that any political party as well as members of civil society organisations, experts and academics are represented. They tackle an issue in a deliberative manner, producing a final report on which citizens can comment (Quirico 2012). The KAKI Committee's report emphasised that migration was important to tackle the demographic challenges and to boost the country economic competitiveness. In general, parties

agreed that it was time for Sweden to open up labour migration channels, but, as in the case of Germany, the disagreement was more serious on how to do that.

The KAKI Committee proposed to expand the temporary migration stream by allowing multiple permit renewals. It made also important recommendations on labour market access for family members, rejected asylum seekers, and students.

4.2.2.3 2008 immigration reform

In 2006, new elections brought a centre-right government into power, after more than 10 years of Social Democratic government. As expected, the centre-right government proposed a more employer-friendly and market-oriented migration law and framed labour migration more in terms of competition for talent and competitiveness. The liberal idea championed by employers, and in contrast with the Swedish tradition of authorities' involvement in recruitment, was then accepted by the new government, whose Minister for Migration, Tobias Billström, declared that an "individual employer best knows the recruitment needs of his business" (Quirico 2012: 14) and that finding the right person for a position was an issue of competitiveness for the Swedish economy, rather than a matter of finding a job for an unemployed Swedish person. The Minister also framed migration also as a way to promote a "culturally diverse and open society", in line with the Swedish tradition of openness (Quirico 2012).

The new law passed in 2008, with the support of the Green Party (Emilsson 2014), and it represented a dramatic change in Sweden. The proposal also introduced a 3-month job-search visa, but this was eventually not included in the final bill. No limit on work permits was introduced and, most importantly compared to the previous legislative framework, temporary permits were allowed to be converted into permanent permits, after a certain period of time spent in the country. Moreover, seasonal work permits were abolished and migrant working in agriculture received an ordinary temporary work permit.

The law saw in employers the main actors establishing hiring needs: unions could no longer veto an application, but only give their non-binding opinion. Migrants needed to have a salary above a certain threshold, that guaranteed minimal subsistence, and the employment contract had to comply with the collective agreement, when in place. The once scrupulous labour market test was reduced to the requirement of advertising the vacancy for 10 days – a short period of time compared to other OECD countries implementing the labour market test (OECD 2014). Moreover, with the new law, employers were not forced to take into consideration possible applicants for the position, and the public employment service was not actively involved.

On the rights side, while temporary residents could access the welfare system in line with its traditional universalistic principle, and could be granted permanent residence after 4

years; however, their freedom in the labour market was restricted within the first 2 years to the specific employer and profession, and after the 2 years to the profession. If the migrant wanted to change profession, s/he would need to apply for another work permit (Quirico 2012). This was a controversial point as it bound the migrant to the employer; yet given the facility with which authorities could issue other work permits, this should not be considered a serious impediment for migrants who find another employer.

The effects of the law were said to be in favour of highly skilled workers, on the basis of the assumption that if workers were already available in Sweden, as it was the case for low skilled workers, other things being equal, employers would prefer local workers to migrants. The work contract had to be in line with the collective agreements, and the compliance was enforced by the control of the Migration Board. The law did thus not contain any limitation by skill, education and salary, that would have made the migration channel selective for a specific category of migrant, and it was assumed that the provisions in place were sufficient safeguards against dumping.

Employers' association backed the proposal, even if they would have preferred more freedom in the labour market for migrants and the introduction of a job search visa (Emilsson 2014). Unions in general were open to liberalisation, but strongly opposed their and the employment service's diminished role. In particular, unions were against the abolition of the labour market test, which was the most controversial item of the reform (Emilsson 2014). They also insisted on keeping migration limited to sectors dominated by skill shortages, as verified by public authorities and social partners. Unions' position however was not unanimous and varied along the line of their skill representation. TCO (Tjänstemännens Centralorganisation – Swedish Confederation of Professional Employees) and SACO (Sveriges Akademikers Centralorganisation – Swedish Confederation of Professional Association), unions for skilled and high skilled professions had a more liberal position, especially on low skill labour, which complemented their labour force; LO held instead a more restrictive stance, especially on low skilled migration (Cerna 2016).

The impact of the reform became evident in the number of work permits issued: in the period 2005-2007, the number of work permits issued for dependent work (including seasonal work), did not exceed 7000 units per year, while after 2008, the number almost doubled (Quirico 2012). Although a remarkable increase was registered, it has been highlighted that the absolute numbers of economic migrants remained low and did not register the uncontrolled expansion that some had feared (OECD 2011). Moreover, the relative majority of these migrants were highly skilled: during the period 2009-2012, 20,000 permits for seasonal activities, and 13,000 for low skilled jobs were issued, vis-à-vis 26,000 permits for highly skilled employment (Emilsson 2014).

4.2.2.4 Analysis

Over the course of a decade, Sweden turned from being one of the OECD countries with the most restrictive labour migration policy, to the EU country with the most liberal labour migration policy (Cerna 2016, OECE 2011). In particular, what makes Sweden an exceptional case in the group of old immigration countries is that the liberalisation process that started to take place in the last decade (as in other European countries) has not been selective, and has concerned highly skilled as well as low skilled migrant workers. Instead of choosing to open up new competitive channels for highly skilled migrant workers only, in the global race for talent (as did Germany and the EU), Sweden opted for a horizontal measure that did not target any skill group in particular, on the basis of the assumption that employers knew their labour market needs.

To understand why such a peculiar change took place, the historical development of the Swedish labour migration policy can help. Sweden did not have in place a zero-immigration model, like Germany, but rather an already selective model in which migrants, when could contribute to the economy and did not substitute the local labour force and were highly skilled, were welcomed and integrated within the Swedish model. The interpretation of the conditions under which this was the case was very restrictive and saw the heavy involvement of authorities (unions and labour market agency). The Swedish model was supported by the iron triangle, and voices that supported alternative models did not find effective channels to express themselves. When the external circumstances (shortages in specific sectors, ageing population) started to change, employers' preferences on labour migration started to intensify and were more likely to be taken into consideration. Instead of being directed to specific forms of labour migration (e.g. highly skilled, engineers, IT specialists), however, employers' preferences were framed in terms of rupture with the previous system, and in terms of employers' freedom and competence in assessing labour needs. Labour migration issues have been linked to other issues and have been part of a wider attempt by employers to move away from the corporatist system of coordinated economy, to a more liberal economic system (Johansson 2012). At stakes there was more than addressing labour shortages, but a vision of the economy and the desire to break away from the traditional Swedish system. Spehar, Bucken-Knapp, Hinnfors (2013) emphasise in fact the role of ideology to explain the policy development.

If the traditional Swedish system in labour migration meant selectivity and careful analysis of the labour market needs and vacancies by the authorities, employers promoted the idea that it was the market instead to decide labour market needs and to select migrants. The opinion in Sweden was that the distinction between high skills and low skills was too artificial and that it was not possible to accurately predict upfront whether a person would have integrated in the society and brought a valid contribution, only on the basis of her/his skills (Quirico 2012). A specific labour demand was instead deemed to be the best requirement.

Parallel to that, because of the traditional important role of unions and the weakening of this role that any change would have likely implied (Cerna and Boräng 2017), in Sweden the "unlikely alliance" between unions and employers (Watts 2002) that was registered in other countries did not manifest and the relationship between social partners remained rather conflictual. Scholars point out that Swedish politics in general has become more polarised over the course of 2000s (Cerna and Boräng 2017). So, despite labour needs were mainly in highly skilled sectors (as the reasons why work permits were issued after the reform show), Sweden employers held no skill specific-preference (hypothesis 2).

On employers' capacity to affect the outcome (hypothesis 3), Sweden is characterized by tripartite consultation institutions. These, on the one side, have given employers access to the government; on the other side, have strengthened the voice of the unions, in alliance with the public employment agency and the Social-Democratic governments. Employers gained more leverage when an *ad hoc* committee was convened (KAKI) and when unions' influence started to decrease, because of a crisis in union membership and internal divergence in opinions on labour migration. The most important event for employers to influence the policy output was the 2006 election of the centre-right government. For many years, the centre-left government, with restrictive preference in labour migration policy, had the role of a negative gate-keeper, preventing more liberal policy change. A more favourable government removed this obstacle for employers' lobbying activity (hypothesis 4).

In conclusion, a more open policy for high-skilled and general migrants was the result of employers' preferences for more open migration (hypothesis 1 and 2), the capacity to affect the outcome (hypothesis 3) and the absence of parties posing an obstacle (hypothesis 4). The broader liberal agenda and the desire to depart from the deeply-rooted Swedish corporatist model explain why Sweden did not decupled migration policy by skill level, and chose instead to liberalize horizontally. Unions remain important in Sweden compared to other countries and contribute to the compliance with labour market regulations within individual companies. This unique enhanced control on the ground may also be part of the exceptional recipe that makes Sweden an old immigration country with a totally non-selective and demand-driven policy (OECD 2011).

Table 4.5 shows the causal paths instantiated by Sweden. The conditions under which the three different outcomes have been brought about are the same, and are linked to the mechanism described above: employers did not have strong preferences towards highly skilled migration and linked labour migration policy to a more liberal economic agenda; were able to effectively lobby the government for more open labour migration policy especially when the opposition by centre-left government was overcome by the victory of centre-right parties, more inclined to answer to employers' concerns.

Table 4.5 Causal paths for each outcome in Sweden.

Liberal highly skilled migration policy	Liberal general/low skilled migration policy	Presence of decoupling
~regulation_and*(~vet_and*hs_or)*capacity_and*~party7	~regulation_and*(~vet_and*hs_or)*capacity_and*~party7	~regulation_and*(~vet_and*hs_or)*capacity_and*~party7

Note: 'regulation_and' stands for regulated labour market, 'vet_and' for performing vocational and educational training system, 'hs' for need for highly skilled workers, 'capacity' for employers' capacity to affect the outcome, 'party7' for antiimmigration parties. The conditions are present, unless preceded by ~.

4.2.3 United Kingdom: a managed migration approach turning restrictive

4.2.3.1 Dealing with Commonwealth migration

At the end of WWII, the United Kingdom, like other Western EU countries, was suffering from labour shortages in sectors that were important for the reconstruction. Thanks to the 1948 British Nationality Act, Irish and Commonwealth citizens could move to and work in Britain without restrictions. This led to a large inflow of foreign citizens: in the 60s, the number of Commonwealth citizens coming to Britain every year used to be over three times as high as the number registered in the previous decade (42,000 in 1953 and 136,000 in 1962; Messina 2007). A large share of this migration was non-white, and, in a decade (1951-1961), the non-white population registered a dramatic increase, from 1.7 to 7.3 % of the total population (Caviedes 2010).

As of the 60s, despite the economy was growing and the unemployment rate was low, the political climate around labour migration started to change and Britain started to implement its plan "to escape the immigration consequences of empire" (Geddes 2005). Migration became a more politicized issue and ethnic relations tenser. The attitude towards migrants became more negative, and negative sentiments against the non-white population started to emerge, leading to a general fear among the ruling class that tensions among ethnic groups could break out into violence (Messina 2007).[62] In 1962, the Commonwealth Immigration Act stopped unrestricted migration, and established a voucher system, whereby Commonwealth citizens had to obtain a voucher from the government before migrating. The voucher system was divided into three tiers: a first tier for migrants with a job offer, a second for migrants with special skills, and a third tier for other migrants. The 1968 Commonwealth Immigration Act was approved in response to the fear that Asians expelled from Kenya could migrate to Britain.[63] It introduced the concept of partiality, which discriminated among British citizens whose parents where British citizens by virtue of being born in Britain and all the others. The 1971 Immigration Act ended the privilege of Commonwealth citizens to migration to the UK, with the aim of dramatically reducing inflows to Britain (Messina 2007). These measures made very difficult for

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[62] Paradigmatic is the speech by Enoch Powell, delivered in 1968 at the Conservative Political Centre in Birmingham, which evoked the image of rivers of blood, from the Aeneid, to warn against the risks of mass migration.

[63] http://news.bbc.co.uk/onthisday/hi/dates/stories/february/4/newsid_2738000/2738629.stm

low skilled non-EU migrants to move to Britain, and were in line with the parallel policy developments in other EU Western countries. As a peculiar feature, however, in Britain the anti-immigration turn was more socially and politically motivated, rather than economically.

These restrictive measures had a bipartisan support. The reason for this was that the inflow of new migrants was perceived as a general source of concern, in light of the commonly held belief that race relations could improve only if new inflows were limited (Devitt 2012). From this period onwards, the Conservative party adopted a clear anti-immigration stance (Geddes 2006) and the British National Party, a clearly anti-immigration party, started to gain support (Messina 2007).

4.2.3.2 Opening attempts

The situation changed in the 90s, when new attempts to open labour migration policy were registered. A distinctive feature of the British institutional setting is that the government has a wide leeway in migration policy and can approve regulations that do not need to pass under the Parliament's approval. This explains why it was relatively easy for governments to introduce changes in migration policy.

Within a wider neo-liberal agenda, that included labour market deregulation, the conservative government of John Major (1990-1997) worked towards a more flexible migration system for some categories of sought-after migrants. To do this, it commissioned a team of professors (John Salt and Bob Kitching) to survey employers in London (especially in health-care, finance, engineers and the electronics sector) to identify their needs (Cerna 2016). This process led to the introduction of a two-tier work permit system, which was selective in nature: applications by high skilled migrants, or by migrants with skills in shortage, were processed faster and had high success chances: while applications from other migrants underwent thorough controls on the availability of local workers.

The Labour government, elected in 1997 and ruling until 2010, under Toni Blair (1997-2007) and then Gordon Brown (2007-2010), continued this process and put in place a process of comprehensive reform of labour migration policy.

At the beginning of 2000s, in Britain, as in other EU countries, the debate on skill needs and the role of migration, was unfolding, in particular to address the dot-com boom and the expansion of the ICT industry.

The ministry of education and employment, David Blunkett, set up in 1997 a national task force on skills, which included employers, unions, education provideres and the British Chamber of Commerce. This concluded that Britain needed more ICT skills. Informal lobbying by the IT industry also conveyed concerns that the skill base was not sufficient to provide for the increased needs in demand. Employers' voice found a responsive hear in the government, that was open to listen to employers' needs and concerns (Cerna 2016).

The minister for immigration, Barbara Roche, adopted a rhetoric on immigration that emphasised the benefits of a well-managed migration policy, the global competition for talent, and the contribution that the best and the brightest could bring to the British economy. In her speech at the Institute for Public Policy Research in 2000, she clearly said that "we are in competition for the brightest and best talents. The market for skilled labour is a global market and not necessarily a buyers' market."[64]

The Home Office was under pressure from other government departments, that advocated for a more liberal migration policy. The Department of Trade and Industry (DTI),[65] in its 1998 'White Paper on Competitiveness – Our Competitive Future: Building the Knowledge Driven Economy', pointed at highly skilled migration as a potential strategy to boost the country's competitiveness.

Beside the ICT sector, other sectors registered labour shortages. The Confederation of British Industry (CBI) was a listened-to voice, lobbying for access to global talent to tackle shortages and get the best and the brightest candidates in a global labour market (Cerna 2016).

As a result, the government relaxed some of the requirements to obtain a work permit, in particular it abolished the need to have work experience to get a work permit, it introduced exceptions to the labour market test for professions in the shortage list, and procedural changes to make the system more customer-oriented (Cerna 2016). The labour market test for non-shortage hiring remained cumbersome for employers, as it required them to prove that no resident worker (including advertisement methods and reasons to discard candidates) was available and that the hiring did not cause any displacement. The job needed to be advertised for four weeks across the EEA, before hiring a third-country national (Devitt 2012).

In 2001, the government launched a pilot project for highly skilled migrants, the Highly Skilled Migrant Programme (HSMP), a supply-driven system where migrants did not require a job offer. Perspective migrants were assessed on the basis of points given for education, income and work experience. There was no numerical limitation imposed, and permanent residence was granted after 4 years (extended to 5 years in 2006 after evidence of abuses). This was an innovative scheme in Europe, which has always preferred demand-driven schemes.

In 2003, the government also introduced a scheme for low skilled workers, called Sector Based Scheme, limited to specific sectors (e.g. food processing and hospitality) and to nationals of countries which had return agreements in place with the UK.

During this period, the government opened up a debate over skills and immigration in which many stakeholders took part. Employers and employers' associations were particularly

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[64] http://news.bbc.co.uk/2/hi/uk_news/politics/920182.stm
[65] In 2007, the DTI was replaced by the Department for Innovation, Universities and Skills and the Department for Business, Enterprise and Regulatory Reform.

vocal and influential, but also workers' association mobilise to defend their vested interests. An example is the activity of the PCG, the representative body for independent consultants and contractors, that intensively, and successfully, lobbied the government for removing ICT professions from the shortage list after the burst of the dot-com bubble.

In 2002, the Home Office published the White Paper 'Secure borders, safe havens: Integration with diversity in modern Britain', delineating the principles of a managed migration approach: strong control over non-economic migration, restrictive measures on unauthorised migration, and open policy for highly skilled workers. This is because "developed economies are becoming more and more knowledge-based and more dependent on people with skills and ideas. Migrants bring new experiences and talents that can widen and enrich the knowledge base of the economy" (Home Office 2002 p.11).

4.2.3.3 New managed migration approach/new strategy

The second Labour government continued its reform effort, and in 2005 it launched two parallel processes. A top-down process featured the publication in February 2005 of the document 'Controlling our Borders: making Migration work for Britain, Five Year Strategy for Asylum and Immigration', published by the Home Office with a foreword by the Prime Minister Tony Blair. As bottom-up process, the government opened up consultations with stakeholders and the wider public, who were invited to respond to the consultation document 'Selective Admission: Making Migration Work for Britain' (November 2005). This covered a wide range of issues, from work permit fees to the perception of the general contribution migrants brought to the society.

The multi-annual strategy that the government put forward aimed at overhauling the complex system composed of more than 80 migration routes, to introduce a simpler, selective and clear system based on 5 tiers (Devitt 2012). It covered all forms of migration, and was very selective, trying to curb 'unwanted migration' and favour the most wanted one. On labour migration, the system was "designed to ensure that we are only taking migrants for jobs that cannot be filled from our own workforce and focussing on the skilled workers we need most like doctors, engineers, finance experts, nurses and teachers". Skilled migrants were particularly welcomed because they "bring new skills, ideas and attitudes to the UK, and help meet skill and labour shortages, easing inflationary pressures and increasing productivity". Skilled migration was seen as part of the strategy to pursue the broader objectives "to increase innovation, to respond to the challenges of global economic change, to shift towards a high-skill economy and to deliver high-quality public services". At the moment of drafting 'Controlling our Borders', in the UK there were reportedly 600,000 vacancies, especially in the service sector, and the level of unemployment was low, thus making migration an uncontroversial and needed tool to sustain economic growth. The strategy announced also the establishment of a technical advisory body, that could monitor migration and skills and provide evidence to the government.

The new government's proposal was presented in the 2006 document 'Points-based system: Making Migration Work for Britain'[66] and codified in the Immigration, Asylum and Nationality Act 2006. The new five-tier point-based system has been rolled out between 2008 and 2009. While traditional point-based systems, in Canada, Australia and New Zealand, were supply-centred and assessed migrants' long-term potential preponderantly on the basis on human capital factors, the UK introduced a hybrid system, balanced between a supply-centred and a demand-centred component. The point-based system, in alternative to a purely requirement-based selection, has the advantage to select different profiles of persons, who might differ by the number of points accrued on each factor, but who overall score the same (above an eligibility threshold, if present). This introduces an element of flexibility and heterogeneity in the selection. Moreover, point-based systems have been traditionally used to send a clear message to the public that the government was fully in control of migration, vis-à-vis purely demand-driven systems, where it was enough to have a job offer to migrate, thus leaving the control on migration in employers' hands. The five tiers were articulated as follows.

Tier 1 was reserved to highly skilled workers who could be of an added value to the economy. The tier included highly skilled individuals (Tier 1 – general), investors, entrepreneurs and graduate students. Applicants could accrue points for their age, qualifications, previous earnings, and work experience. They did not need to have a job offer, but need to demonstrate financial availability to support themselves, as well as English skills. The Highly Skilled Migrant Programme was subsumed under this tier.

Tier 2 was devoted to skilled migrants with a job offer, and replaced the Work Permit system. It featured a route for professions in shortage (exempt from the labour market test), one for the other occupations requiring the labour market test, a route for intra-corporate transferees, one for sportspersons, and one for ministers of religion. Points could be accrued for qualifications and perspective salary, while, besides a job offer, language skills and a maintenance fund were required. The labour market test had been made less thorough: the advertisement duration was 2 weeks (rather than 4) with an even shorter period for high-earners.

Tier 3 covered low-skilled occupations and was available only to nationals from countries holding return agreements with the UK. The tier absorbed the seasonal worker and sector-based schemes, but in practice it has been used very limitedly. The government decided to open Tier 3 only to citizens of Romania and Bulgaria during the period of the transitional agreement (that lasted until 2013) in place when the two countries joined the EU. EU mobile citizens were thought to supply enough low skilled workforce to the British economy and it was deemed that there was no need to open the dedicated stream for low skilled workers.

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[66] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/272243/6741.pdf

Tier 4 and 5 were reserved respectively to students and youth mobility/temporary migration within bilateral agreements.

The reform kept employers responsible as to be able to sponsor (i.e. hire) migrants, they needed to be registered as sponsors. There was a two-tier rating system: A-rate sponsors had Home Office's full trust, while B-rate sponsors were under special scrutiny for failing to comply with the labour or immigration legislation.

The government set up two advisory groups. The Migration Impacts Forum (MIF), which was composed of representative of central and local governments, the CBI, the Trade Union Congress (TUC), monitored and analysed the impact of immigration on local communities and public services. MIF struggled to take off and it did not meet after 2009 and has been dismissed afterwards (Devitt 2012). The Migration Advisory Committee (MAC) had a more fortunate destiny and is currently still in place. It is composed of academics and has a permanent Secretariat within the Home Office. MAC is tasked with providing timely evidence on labour migration, the impact of labour migrants and evaluation. It is charged also with drafting the shortage occupation list (Devitt 2012).

Overall, the reform introduced innovative liberalisation elements, in line of continuity with the reform started at the beginning of the decade. However, no radical change was introduced: the main principle of the British migration system, i.e. selectivity (open policy for highly skilled workers and cautions for low skilled workers), remained and started to be applied in a more systematic form, through a simple five-tierr system articulated by skill level. The technical element in policy management became more prominent, with the MAC.

The Labour government, compared to the previous governments, adopted a more consultation-oriented approach, introducing a difference in policy making style. Employers in particular had a relatively limited role in migration. Geddes (2006) shows that in the period 1990-2004 employers' voice in the public debate (as % of claims) was virtually absent and that employers held in general a rather restrictive stance on migration. The Labour government opened some channels for employers to convey their needs. While this did not mean at all that the government was bound by stakeholders, it meant nonetheless that stakeholders had the opportunity to voice their stances and that the government was interested in listening to their opinions (Devitt 2012).

4.2.3.4 Restrictive turn

Since its introduction, the point-based system has been constantly tweaked. Changes were made by the Gordon Brown Labour government (up until 2010), and subsequently by the Conservative-Liberal coalition government. Two events signed the period after the reform. The effects of an unexpected migration from new EU countries (A8)[67] and the economic downturn.

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[67] Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia.

The UK was one of the few EU countries, along with Ireland and Sweden, to lift migration restrictions in 2004, immediately after the accession of 8 countries, while other EU countries imposed transition measures. The number of A8 migrants has been however far greater than expected. The main concern was the impact on public services and the majority of public opinion surveys started to show a clear preference towards restricting labour migration. Another event that contributed to changing perception of migration was the economic crisis, that hit Britain as of 2008. As an example of the change perception, the Committee on Economic Affairs of the House of Lords published a report that warned against the consequences of too many Central and Eastern European workers in the labour market (Devitt 2012).

In 2007, in a speech delivered at the Labour's annual conference, the Prime Minister Gordon Brown pledged to create "British jobs, for British workers".[68] This already marked a change in the government's view on migration. In 2009, the Labour government introduced some restrictions: applicants for Tier 1 – general were subject to stricter qualification requirements, while the shortage list for Tier 2 applicants were shortened, and the labour market test made tougher (from 2 to 4 weeks of advertisement).

While restrictive changes started under the Labour government, the Conservative-Liberal government exacerbated the restrictive turn. The Conservative Manifesto already showed a tough line against migration, following the rhetoric of the British National Party, that was feared it could break through (Devitt 2012). The Conservative Party wanted to reduce net immigration to "tens of thousands each year, not hundreds of thousands" because "immigration is too high and needs to be reduced", and at the same time it wanted "to attract the brightest and the best people who can make a real difference to our economic growth" (quoted in Spencer 2011). The pledge to reduce migration from hundreds to tens of thousands was pursued also after the electoral campaign and drew the path that led to the Brexit referendum promised in 2013 by Prime Minister David Cameron and delivered in 2016.

In 2011, the Coalition Government shut down Tier 1 – general, against the MAC's negative opinion, eliminating *de facto* the possibility for migrant workers to migrate without a job offer. Instead of this route, an Exceptional Talent route was introduced, capped at 1,000 persons/year and reserved to individuals with exceptional abilities, proven by internationally recognised awards and prises. An annual numerical limitation was also introduced for skilled workers (Tier 2 – general), set at 20,700 migrants a year, which excluded top-earners. The cap was recommended by the MAC, but the level finally set was lower than the MAC's proposal. The language requirement was raised, as well as the minimum salary. A category on which there was evidence of abuses was ICT, but the government did not introduce any restrictive change,

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[68] http://news.bbc.co.uk/2/hi/uk_politics/7097837.stm

following intense lobbying from multi-national companies and the Indian and Japanese governments (Cerna 2016, Devitt 2012).

In 2012, maintenance funding and skill requirement for Tier 2 were raised, and the post-study route was shut down. A graduate entrepreneur route, capped at 1,000, was introduced for students with a business idea. Clearly these changes made more difficult form migrants to go to Britain, sent a negative message, and legitimised a negative perception in a debate that was already heated.

Employers and employers' organisations did not voice any opposition to such changes. On the contrary, BDI praised the changes as "the new system rightly gives priority to people with a job offer over those without one, so companies will still be able to access talent from around the world".[69] Similarly, the Chamber of Commerce said that "it is right that companies that require skilled workers for a specific job move to the front of the queue, as these individuals are essential for economic growth and ensuring that the UK remains competitive."[70]

The changes however made international recruitment more difficult for employers. Two reasons have been highlighted why employers did not expose themselves. One is that since the introduction of the point-based system and the MAC, the debate on migration had become rather technocratic. Another reason is that employers feared to pay reputational costs, had they spoken up in favour of migration in a context of unemployment and economic downturn. Moreover, there was a general understanding that the government did not intend to harm the economy and that the cap was only a temporary measure (Devitt 2012). So, before the general consensus that immigration had become too high, employers did not risk to take an isolated position.

4.2.3.5 Analysis

Employers have in general kept a low profile and have intervened in debates on labour migration only limitedly (hypothesis 1 and 2). They were able to express their preference and influence the government when ad hoc consultation forums were specifically put in place (hypothesis 3). This happened in particular at the beginning of 2000s, when employers' preference for international recruitment intensified following economic growth and the dot-com boom.

In Britain, the most relevant actor to determine migration policy has been the party in government (hypothesis 4). Migration is an executive-dominated policy area, and many migration measures do not need the Parliament's approval.[71] Since the beginning of 2000s, migration has been mainly seen under the lenses of race relations and social impacts. Britain, which did not have programmes of managed labour migration programme after the post WWII,

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[69] http://www.bbc.co.uk/news/mobile/uk-politics-11816979
[70] http://www.bbc.co.uk/news/mobile/uk-politics-11816979
[71] This is in line with the character of British politics to be more likely to produce single party governments than other European countries, due tot he party system and the electoral law.

but rather a regime of free mobility within Commonwealth countries, progressively close migration routes especially to low skilled migrants. This policy was supported by both the Labour and the Conservative Party.

Both parties changed their perception of migration in 2000, and the Labour government introduced a more economic-based position on labour migration, framing it in relation to the country competitiveness and labour shortages. Within this competitiveness strategy, the government sought the employers' voice to understand their needs. Skilled and highly skilled migrants had favourable migration routes, while for low skilled migrants the route was almost closed. This is because while the market for highly skilled workers was perceived to be borderless, the market for low skilled workers was European. As part of this economy-oriented position, the government equipped itself with a more technocratic voice, the MAC, which was tasked with advising on the labour market impact of migration and the professions on shortage.

The liberal attitude started to change again towards the end of the decade, following two events: the economic downturn and the unexpected inflows form new EU countries. Arguments on migrants' economic contribution and on the global race for talents were paired with arguments on the welfare implications of migration and the displacement effects on local workers. The Labour first and the Conservative government then introduced restrictive changes making it more difficult to migrate to the UK, for skilled and highly skilled migrants alike. From a system designed to manage high skilled and skilled migrants differently but in relatively liberal terms, there was a turn that restricted the definition of highly skilled migrants to a very narrow group and made more difficult for skilled migrants to meet the migration requirements. The point-based system, with the closure of the only genuine point-based route (Tier 1 general), became *de facto* a requirement-based system, where to each requirement a fixed amount of points was only nominally associated.[72]

In general, in Britain the elite remained relatively insulated from external pressure in determining the policy outcome (Geddes 2006). The Labour and Conservative governments did not exhibit substantially different preferences on labour migration policies. Conservatives had a tougher rhetoric and implemented restrictions as of 2010, [however, while] "the Labour government never made a reduction in migrant numbers an explicit goal for the PBS [Points Based System] the government's rhetoric and repeated attempts to further tighten the new system suggest it was an implicit aim" (Murray 2011). The principles guiding labour migration policy for the Labour and Conservative parties have been the same: "Britain's rightful place in the global economy, the complexity of 'race relations' and public opinion on immigration" (Devitt 2012).

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[72] A partial exception is Tier 2 – general, where points matter only when the number of applications exceed the number of available places.

The subordinate role of employers and the centrality of the party in government have showed the importance of the political variable in the mechanism to explain labour migration policy, which has been not been explored by the VoC approach. When political parties favoured a more liberal migration policy, employers have been consulted and have been able to express their preference. Their influence has remained however dependent to the position of the governments.

Table 4.6 shows the causal paths instantiated by the United Kingdom. The conditions under which the three different outcomes have been brought about are the same, and are linked to the mechanism described above: employers did not have specific preferences towards highly skilled migration, and except when specific shortages were registered, did not take a strong position in the migration debate (hypothesis 1 and 2). They have been involved in migration policy on a consultation basis when the Labour government initiated a reform process oriented towards the country economic competitiveness. In general, however, employers have not been an influential voice in migration policy, and the government remained relatively insulated (hypothesis 3). Institutionally, migration policy remained an executive-dominated area, and the government has been autonomous is pursuing certain policy options. The role of employers was played by technical consultative bodies, which were, among others, tasked with drafting the shortage list. The government did not change its position on well-managed migration, and tried to strike a balance between the potentially conflicting objectives of keeping the number of migration limited and ensuring that the economy had enough labour supply. In different periods, different governments favoured one objective over the other, depending on political purposes and external factors (hypothesis 4).

Table 4.6 Causal paths for each outcome in the United Kingdom..

Restrictive highly skilled migration policy	Restrictive general/low skilled migration policy	Lack of decoupling
~regulation_and*~vet_and*~capacity_and*party7	~regulation_and*~vet_and*~capacity_and*party7; (~vet_and*hs_or)*~capacity_and*party7	~regulation_and*~vet_and*~capacity_and*party7

Note: 'regulation_and' stands for regulated labour market, 'vet_and' for performing vocational and educational training system, 'hs' for need for highly skilled workers, 'capacity' for employers' capacity to affect the outcome, 'party7' for antiimmigration parties. The conditions are present, unless preceded by ~.

4.2.4 Czech Republic: an atypical labour migration approach

4.2.4.1 Pre-1989

In the aftermath of world War II, Czechoslovakia was characterised by large forced and voluntary movements of persons on the basis of their ethnic membership. This left the Czech part of the country relatively homogenous, with 94% of the population Czech (Canek and Cizinsky 2011). Movements between the Slovak and the Czech part of the country were substantial (about 33,000 people a year, Drbohlav 2004), but were not registered as international migration.

During the communist regime, labour migration policy was rather restrictive and highly regulated (Drbohlav 2004), and it was based on international aid cooperation: several bilateral agreements were signed in the 70s and 80s with neighbouring countries, like Ukraine, Poland, and Yugoslavia, as well as with more distant countries, like Vietnam, Mongolia, Angola, North Korea, the Republic of Cyprus, Laos and Cuba. These regulated the migration of mainly temporary workers, employed in food-processing, textiles, shoe and glass industries, machinery, mining, metallurgy and agriculture (Drbohlav 2004). These agreements had an economic as well as political rationale.

These labour migration agreements were terminated with the fall of the Berlin Wall and the Velvet Revolution. The number of foreigners entering the country fell sharply, and, as of as of April 1993, only 1,330 workers were allowed to stay in the country under the old scheme (Drbohlav 2004).

4.2.4.2 First attempts to regulate migration policy

After the policy changed following the Velvet Revolution, migration remained relatively unregulated in the Czech Republic, and in the first half of the 90s, there was a general laissez-fare approach by the authorities (Drbohlav 2004). The Czech Republic labour migration policy had no clear objectives, nor there was an economic discourse on the need of foreign workers, or to regulate flows, and in general migration policy was outside the radar of the political debate (Avramov 2008). Three acts were approved in this period with a relevance for migration policy: the 1992 Foreigners Act, the 1991 Employment Act, and the 1991 Trade License Act. Thy introduced a rather liberal migration regime, based on three types of permit: a permit for the employer, work permit and residence permit for the employee, and easy business registration procedure (Čaněk and Čižinský 2011).

By the end of the 80s, the economic conditions of the Czech Republic were more favourable compared to other Central Eastern European countries. This, paired with the lightly regulated context, contributed to higher inflows from Eastern countries and also, as a new trend, form Western European countries and the United States. This passed relatively unnoticed, even if the increase in migration was dramatic, and in four years it passed from 50,000 in 1992 to 200,000 in 1996 (Čaněk and Čižinský 2011).

In the second half of the decade, the need to better control migration started to be more prominent, and authorities started to adopt of more managed approach to migration. A restrictive turn was registered, defined by two trends: the desire to steer migration away from its Eastern European pattern, and the desire to align migration policy to the European Union standards. The objective of tightening migration flows was reflected in the statement by the Minister of Interior, who reportedly declared in 1996 "If we don't wish [the issue of foreigners] to overwhelm us, we should solve it in an appropriate way'" reflecting on the growing numbers of migrants (Čaněk and Čižinský 2011).

The first attempt to control migration came with the amendment of Foreigners Act 156/1996, which made the conditions to obtain a residence permit more restrictive. This, however, was more aimed at filling some lacunas in the existing system rather than at introducing a comprehensive migration management system. In 1999, the Act on Stay of Aliens on the Territory of the Czech Republic was approved. The new legislation introduced a very detailed regulatory framework and cancelled the possibility to move from a short-term permit to a longer one in the country, thus limiting the conversion from visiting visas. Moreover, new visa requirements were introduced, in compliance with EU standards. The law introduced the possibility to apply for permanent residence after 10 years of continuous residence in the country. The Employment Act, approved in 1999, also regulated foreigners' access to employment.

Following these legislative changes, the number of legal migrants fell for the first time since 90s.

4.2.4.3 Migration policy as an economic strategy

In 2003 an important change in the governance of migration occurred. The competence over migration was moved from the Ministry of Interior to the responsibility of the Ministry of Labour and Social Affairs. This signed a turn towards a new and more economy-oriented approach. The Ministry delineated a strategy based on six principles of migration.[73] One of these read that "the country's migration policy does not hinder legal migration and supports those forms of immigration that are beneficial to the country and society in the long term". The ministry intended to highlight the economic and demographic contribution of migrants, over security-related aspects.

As a first step of this new approach, the 'Proposal for Active Selection of Skilled Foreign Workers' was put forward. This was a 5-year pilot, run by the Ministry of Labour, aimed at attracting skilled workers to the Czech Republic. This was the first example of selective migration policy in Eastern European countries and was as innovative also compared to many Western EU countries, which were struggling to introduce a more managed migration approach (see Sweden and Germany case study). The pilot took inspiration from a country with a traditional supply-driven system, where migration played a long-term economic and demographic role, Canada, and specifically Quebec (Čaněk and Čižinský 2011). The Czech government invested a lot on the project and budgeted 90 million Czech crowns, which included several information campaigns. The scheme was also linked to a matching platform, and foresaw the involvement of employment agencies.

The pilot was initially open to nationals of three countries (Kazakhstan, Croatia and Bulgaria), and was extended in the following years to nationals of 51 countries, and graduates

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[73] Available here: http://www.mvcr.cz/mvcren/article/the-czech-government-s-migration-policy-principles.aspx

of Czech universities and secondary schools from all countries (Macakova 2011). The project had an annual quota of 600 in 2003, doubled to 1,200 persons afterwards.

The scheme addressed skilled migrants, starting from vocational training education. Since 2007, a subcategory for highly skilled tertiary educated was introduced. Migrants were selected on the basis of a point-based system, featuring previous employment in Czech Republic, level of education, experience of life in Czech Republic, language skills and family (OECD 2006).

The scheme was particularly generous in granting permanent residence after 2.5 years, while before the transposition of the Long-Term Residence Directive (which granted EU long-term residency after 5 years), the Czech approach was much more restrictive.

The pilot was extended in 2008. Despite having an important symbolic value, however, it has been overall unsuccessful. The government did not manage to fill the quota and, as of 2011, only 1,238 migrants were issued a permit, and the expenditure amounted to one third of the planned cost. In general, it was registered low interest by foreigners in applying, and employers complained about the administrative burden linked to the permit, including the 30-day labour market test (EMN CZ 2012, Macakova 2011). The project was finally terminated in 2010.

Since the introduction of the pilot, migration gained higher political visibility. Migration policy was debated in the Parliament in 2007, in relation to security and human rights concerns, as well as to the labour market challenges. Employers started to be more vocal on migration issues, and their capacity to influence the outcome became stronger when migration was moved under the Ministry of Labour and Social Affairs (Canek and Cizinsky 2011). Particularly important was also the work done by CzechInvest, a government agency. This set up a working group with the aim to discuss more flexible arrangements for third-country nationals, in relation to boosting the country's economic competitiveness. Thanks to the lobbying activity of the business sector,[74] the government presented a new project to attract qualified workers, the Green Card, expected to entry into force in 2008. At that time, the economy was in a particularly positive conjuncture after the accession to the EU, and the government decided also to allow immediate unrestricted mobility to new EU citizens from Romania and Bulgaria.

The Green Card was a combined work and residence permit available for different types of workers: the Green Card type A was reserved to tertiary educated personnel or key personnel (where the educational level was not decisive, but the employers needed to show that the worker was essential); type B was reserved to skilled workers with vocational education; and type C, to other workers (EMN CZ 2013). The Green Card was not subject to any numerical limitation, and was available to citizens of 64 selected countries, based on CZ economic ties. The permit was linked to a recruitment system which consisted in a job matching platform, that

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[74] http://workpermit.com/news/czech-republic-introduce-their-own-green-card-20070910

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contained vacancies flagged as suitable for foreign workers and that passed the 30-day labour market test.

The Green Card was not a fully successful story either, due to the low number of permits issued. While it was expected that the Green card project would attract several thousands of foreigners to the Czech Republic, up to October 2011, 27 Green Card type A, 36 type B, 30 type C, and 54 cards for key personnel were issued (Macakova 2011). Reasons for this success were in part due to the design of the scheme, that had some elements that impaired its attractiveness, as for instance the lack of the possibility to change employer and the rigid labour market test; as well as to external circumstances. The economic crisis, that hit the Czech Republic after the introduction of the Green Card, depressed the interest of employers in recruiting foreign personnel and made migration more politically controversial. The Green Card was finally closed in 2014.

In 2008, another changed occurred in migration governance, and migration returned e under the Ministry of Interior. This was due to the desire to connect migration to integration issues, and other policy areas dealt with by the Ministry of Interior (Čaněk and Čižinský 2011).

In 2011, the Czech Republic transposed the Blue Card Directive, which introduced a new permit for highly skilled workers, and in 2014 the Single Permit Directive, which introduced a combined work and residence permit called employee card.

After the negative experience with two types of different permits for skilled workers, and due to the presence of the Blue Card, the Czech government seems to have given up the goal of designing a successful national permit for skilled workers. The need to make sure that highly skilled foreign workers could contribute to the Czech economy however continued, and in November 2015, a new labour migration pilot project reserved to Ukrainian high-skilled workers (experts) called "Special Procedures for Highly Qualified Workers from Ukraine" was launched (EMN CZ country factsheet 2015). Highly skilled workers were defined by a university degree or, in specific professions/fields, a secondary degree.[75]

This did not feature a new permit, but rather a faster procedure for Ukrainians highly skilled workers, with a provisional quota of 500 persons per year. The project was led by the Ministry of Foreign Affairs in cooperation with the Ministry of the Interior, Ministry of Labour and Social Affairs, Ministry of Industry and Trade. While it was employer-driven, as migrants needed to have a job offer, employers were vetted by the authorities and needed to have a letter of recommendation from a Czech business association.

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https://www.google.it/url?sa=t&rct=j&q=&esrc=s&source=web&cd=8&cad=rja&uact=8&ved=0ahUKEwjcqOP7jr_YAhXK7BQ
KHQktBOEQFghLMAc&url=http%3A%2F%2Fkzps.cz%2Fwp-
content%2Fuploads%2F2016%2F08%2Fpriloha002.doc&usg=AOvVaw3HlHJGn3F-cA0Ro4mh-cdW

In 2016, a similar facilitated procedure was introduced for skilled Ukrainian workers (EMN CZ country factsheet 2016). The project was aimed at tacking the labour shortages in the labour market, especially in the medium-skill segment.

Employers demonstrated high interest in the project and took part in the discussion in the tripartite, a consultative forum including the government, unions, and employers.[76] Ukrainians were in particular chose due to the "very good standard and a strong tradition of technical know-how" and lower language barriers.

4.2.4.4 Analysis

Since the beginning of 2000s, the Czech government demonstrated an exceptional activism in labour migration policy. It implemented an approach steered towards the needs of labour market and whose main principle was based on the long-term economic contribution of migrants. The first pilot for skilled workers was introduced as early as 2003, and this was an innovation both compared to Central and Eastern European countries, as well as compared to Western countries. One element that contributed to this activism was the heavy involvement of the Ministry of Labour and Social Affairs. This implied not only a more economy-centred approach to labour migration, aimed at addressing labour market needs, but also preferential venues for employers lobbying activity.

If on the one hand the government tried to attract foreign workers, on the other hand some restrictive elements characterised the Czech approach: one example is the labour market test, carried out for 30 days. The government efforts to match foreign workers with employers (e.g. in providing a matching platform) went along with the effort to control migration, so to ensure its complementarity to local labour force. In the end, the schemes to attract (highly) skilled workers turned out to be rather ineffective.

An interesting development occurred in the last years. While the Czech government gave up its efforts to design a national scheme for skilled workers, it focused its managed migration approach on specific countries. The idea to limit migration to countries of specific interest for the Czech Republic was never abandoned, since the agreements signed during the communist period. The recent fast track procedures for Ukrainian workers shows that the government is pursuing this approach with a renewed interest and with a more selected target. While several countries target labour migration to specific nationalities, this happens mainly in the context of bilateral agreements aimed to curb irregular migration (the French *accords de gestion concertée* and the Italian *titloli di prelazione* are examples in this sense). In Czech Republic, the idea of looking for nationalities which could provide workers with technical and linguistic skills apt to the Czech labour market is innovative compared to other EU countries.

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[76] http://www.radio.cz/en/section/marketplace/fast-track-programme-for-ukraine-workers-creates-strain-between-czech-unions-and-bosses

Overall, the Czech Republic is an atypical country. In the configurational analysis of Chapter 3, Czech Republic exemplified only one causal path describing the openness of migration policy for general migrants (Table 4.7). This path also describes Luxembourg and generates a contradiction. This shows that the current causal model fails to explain the Czech case. In general, the Czech Republic is an under-researched country, and while the government activism is apparent, evidence to support employers' involvement is scarce.

This is in part reflected in the difficult location of the country of the VoC typology. The Czech sui generis labour migration approach is characterised by the government activism in attracting the needed skilled migrants, but also by the attempt to hold control on the labour market.

Table 4.7 Causal paths for one outcome in the Czech Republic.

Liberal general/low skilled migration policy
regulation_and *~vet_and*~capacity_and

Note: 'regulation_and' stands for regulated labour market, 'vet_and' for performing vocational and educational training system, 'hs' for need for highly skilled workers, 'capacity' for employers' capacity to affect the outcome, 'party7' for antiimmigration parties. The conditions are present, unless preceded by ~.

4.3 Conclusions

This chapter has explored the mechanism to explain labour migration policy openness by skill level. The QCA in Chapter 3 did not explain the cases, but found the configurations of conditions under which the outcome was present or absent. With respect to the selected conditions, cases can be typical, deviant or irrelevant, and their analysis can have different functions with regard to the mechanism to test. Case studies on typical cases are helpful to unravel the causal mechanism as hypothesised *ex ante*; while deviant cases to discover conditions that were not identified , which may be linked to part of the mechanism.

The casual mechanism, composed of actors and actions, shows the causality into action. The model associated with the causal mechanism foresees two actors - employers and anti-immigration parties - that express their preferences, lobby for achieving their preferred results, and oppose liberalisation.

Case studies have provided evidence for the hypothesised causal mechanism. For some parts of the mechanism, this evidence was strong enough to confirm the hypothesis, in other cases, it provided only some indications. The German and the Swedish case studies showed the important role of employers in pushing for liberalisation (albeit to two different forms of liberalisation, one selective and another horizontal), and the role of anti-immigration parties in hampering the reform process (in the one case from the right, in the other case from the left). They also emphasised the relevance of the historical development of migration policy in delaying the reform process and in steering its development in the sense of continuation

(Germany) or rupture (Sweden) with the past. The case of the United Kingdom and the Czech Republic highlighted the proactive role of the government in experimenting new managed migration approaches, while the business interests have been involved to a less extent. In one case, the managed migration approach tried to take control of migration of highly skilled as well as low skilled workers form non-EU countries; in another case, the managed migration approach tried, in several ways, to attract skilled and highly skilled migrants.

As the case studies showed, there has been a general activism in the last decade on labour migration policy. This was the case both at the national and at the EU level, where migration has recently become much more salient. The following chapter analyses the process that led to the formation of an EU labour migration policy, and seeks to explain Member States' positions at the EU level under the light of the same model used to explain migration policy at the national level.

5. Europeanisation of labour migration policy

Migration is a relatively recent EU policy domain and its establishment had to overcome Member States' reluctance to share power in this area. Migration and border management policy are at the core of a country's national identity and this is why they have been traditionally seen as a Member States' prerogative. In the last 30 years, however, migration policy has acquired more and more salience at the EU level and it has been progressively Europeanised.

This chapter explains how and why this has been the case, and applies elements of the theory used to explain labour migration policy at the national level also to the EU level, to explain the positions of Member States. It focuses on labour migration policy, and on the negotiation and transposition process of the second labour migration directive, the Blue Card Directive.[77]

5.1 How and why migration came about at the EU level

5.1.1 Development of an area of freedom, security and justice: the institutional setting

While since the late 80s migration has been object of informal intergovernmental cooperation, it has been only with the Treaty of Maastricht (signed in 1992) and the introduction of justice and home affairs in the third intergovernmental pillar that this cooperation has been formalised. During this period, the orientation of the Council remained restrictive, as expressed in the Resolution of 20 June 1994.[78] Five years later, the Treaty of Amsterdam (signed in 1997) marked a fundamental institutional turn, aimed at the establishment of an area of freedom, security and justice. It moved controls on the external borders, asylum, immigration and judicial cooperation on civil matters to the first pillar, whereby the Commission could start legislation, the Council voted under unanimity, and the European Parliament gave its opinion on legislative proposals. Moreover, the Council was tasked with providing strategic guidelines, for the Commission to base legislative proposals upon. Although the Council could have started voting by qualified-majority since 2004 (as foreseen by Article 61 of the Treaty of Functioning of the European Union), it made use of the so-called 'passerelle clause'[79] and continued to vote under unanimity until the end of that decade.

This institutional setting implied long and arduous negotiations before proposals were approved. Moreover, the negotiations' outputs often resulted in a watered-down version of

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[77] The Researchers Directive has been the first legal instrument in labour migration, albeit it covered only a limited group of migrants.

[78] "In the light of these considerations, the Council resolves that the present restrictive measures should be continued and where necessary reinforced as regards the admission of third-country nationals for employment. To this end, the Council agrees that the national policies" – Council Resolution of 20 June 1994.

[79] Council Decision 2004/927/EC extended the Qualified Majority Voting rule to the Title IV of the treaty with the exclusion of legal migration, that remained under unanimity.

Commission's original proposals. 'May-clauses', as opposed to binding 'shall-clauses', were often employed in the Directives, which left discretionary power to Member States and achieved only minimum-standard harmonisation (Azoulai and de Vries 2014). In this setting, the EU approved two labour migration directives, the Researchers Directive (2005) and the Blue Card Directive for highly qualified migrant workers (2009).

The Treaty of Lisbon (signed in 2007) marked another important turn. In view of the constitution of "an area of freedom, security and justice with respect for fundamental rights and the different legal systems and traditions of the Member States", the Treaty fostered the role of EU institutions. It changed the institutional setting, by abolishing the pillar structure and extending the Community method to policies under the area of freedom, security and justice. In particular, the European Parliament was involved as a co-legislator under the co-decision procedure; the Council voted under qualified majority; and the Court of Justice of the European Union (CJEU) gained oversight over the migration policy domain, and the EU Charter of Fundamental rights became legally binding. The European Council was formally recognised as the actor that set strategic guidelines for policy planning (article 68 TFEU). As a consequence, since then, the legislative process has been less likely to be blocked by Member States threatening to veto legislative proposals, and Directives less likely to abound of 'may-clauses'. In this setting, the EU adopted four labour migration directives: Directive on Single Permit (2011), Seasonal Workers (2014), and Intra-Corporate Transferees (2014), the recast of the Student and Researchers Directive (2016), and initiated the review of Blue Card Directive (under discussion since 2016).

Table 5.1 reports the Directives in the labour migration policy area adopted under the Amsterdam and the Lisbon Treaty. Shall-clauses are taken as an indicator of centralisation and harmonisation, while may-clauses of discretion given to Member States (Franchino 2007). The ratio of the number of may- and shall-clauses seems to suggest a downward trend, so an increasing harmonisation of EU instruments. On the contrary, the co-legislative method, with the involvement of the EU Parliament, seems to suggest an increase in the length of the negotiation process (Figure 5.1).

Table 5.1 Number of shall- and may-clauses in labour migration directives.

Directive		May-occurrences	Shall-occurrences	Ratio of may-clauses to shall-clauses	
2001/386	2001 Directive (repealed)	32	107	29.91	Amsterdam T.
2003/109/EC	Long-term Residence	64	98	65.31	
2004/114/EC	Students (no longer in force)	23	41	56.10	
2005/71/EC	Researchers (no longer in force)	20	46	43.48	
2009/50/CE	Blue Card	43	97	44.33	Lisb
2011/98/EU	Single Permit	15	46	32.61	

2014/36/EU	Seasonal Workers	34	103	33.01	
2014/66/EU	ICT	51	114	44.74	
2016/801/EU	Students and Researchers	116	180	64.44	
2016/0176	new Blue Card	69	172	40.12	

Figure 5.1 Legislative process of EU labour migration directive, from the first official mention by the Commission until the transposition deadline.
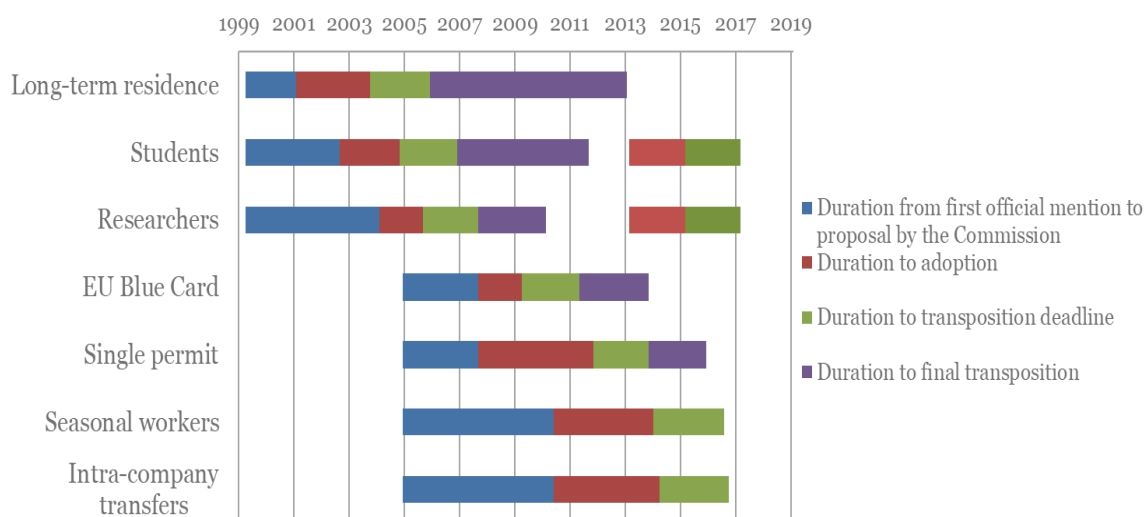
The application of the Lisbon Treaty had some geographical limitations, as some countries opted-out of the Title V (Area of Freedom, Security and Justice) of the Treaty. In particular, it was agreed that the United Kingdom and Ireland, according to Protocol 21 of the Treaty, upon notification, may decide to participate in the discussion for, and/or adoption of, legislative measures on an ad-hoc basis; and that Denmark, according to Protocol 22, upon notification, may decide to adopt the whole relevant *acquis*.

5.1.2 Explaining this development

Two types of theories have been developed to explain Europeanisation of migration policy.

One theory, embedded in the neo-functionalist tradition, points at the spillover effects of the creation of the common market and free mobility area, that led Member States to seek cooperation on migration policy. The common market entails the movement of workers, as well as capital, goods and services. On the one hand, mobility was seen as a strategy to maximise the allocation of resources across the EU, and, *a priori*, there was no economic reason to exclude migrant workers from mobility. Thus, if migration had to have a mobility component, this could only be agreed upon at the EU level. On the other hand, the elimination of internal border made legal and illegal internal movements easier, and thus brought the issue of mobility of migrants

as a fact that was more difficult to keep under control at the national level only. Under this *de facto* facilitated mobility, migration policies of one country implied externalities on all other EU countries, thus creating a ground for Member States cooperation on migrants' admission policies. Finally, since the EU promotes fundamental rights and fair working conditions, ensuring that migrant workers enjoy fair working conditions and rights associated to their migration status falls under its competence.

Another theory, within the inter-governamentalist approach, focuses on Member States' interests in EU cooperation. Member States have seen the EU venue instrumentally, to escape from national constraints coming from parliaments, courts, NGOs and other ministries, and to implement generally more restrictive policies. Guiraudon (2000) has shown that this was especially the case for asylum policy, where EU Member States used the EU venue to restrict their national schemes. This instrumental use of the EU venue can be conceived also in opposite terms, whereby national governments resorted to the EU dimension to overcome national opposition to more liberal changes. Member States had also an interest in regulating the externalities of the free mobility area. Externalities have often been seen in negative terms as a common risk, that a country more liberal migration policy would pose to other countries. Cooperation on admission policy was therefore seen as an indirect means for a Member State to control its national integrity (Roos 2013b). Similarly, more restrictive migration policy in one country could also have the effect of re-directing migration flows to countries with more liberal regimes in place, thus creating an incentive for Member States to agree upon minimum standards.

The two views are not necessarily incompatible. If once can better explain the initial formal cooperation in this policy area, the other can account for later developments. While spillover effects brought some issues on the EU agenda, Member States tried nonetheless to steer the subsequent Europeanisation process pursuing their preferences, in negotiating specific EU instruments. At the same time, during the Europeanisation process, also supranational institutions have developed certain preferences as well as instruments to pursue them, that escaped from Member States' control (agenda setting role of the Commission, Court of Justice of the European Union). Member States may also change their preferences over time, or vary them by policy area (Bonjour et al. 2017). Adopting this approach, the following sections will focus on labour migration policy only, and will trace the development of this policy area since the Amsterdam Treaty.

5.2 Development of an EU labour migration policy

5.2.1 Analytical framework: scope, openness, and harmonisation

Cooperation at the EU level on labour migration is more puzzling to explain than cooperation on asylum or irregular migration. Labour migration is closely linked to Member

States' employment and labour market policy, where the EU has less extensive competence and operates via the Open Method of Coordination. In 2000s, when labour migration started to be discussed at the EU level, Member States had in general a precautionary attitude, and were not keen on implementing policies that would have led to more migrants coming in. Although some Member States started to move beyond the 'zero immigration policy' that in Western European countries took hold since the 70s, the liberalisation process had most often concerned only some specific categories of migrants, often highly skilled. It is therefore puzzling to see the progressive formation of an EU labour migration policy, that started from highly skilled migrants and continued to other types of migrant workers. Especially in highly skilled migration policy, where countries are part of what is often referred to as a global 'competition for talent' (OECD 2008), Member States that are already attractive to this type of workers would face the risk of losing their competitive advantage in cooperating at the EU level. While it can also be argued that an EU-wide policy could make them more attractive, for instance by providing additional rights, e.g. intra-EU mobility rights (Roos 2013b); it is not clear how individual Member States with liberal preferences could benefit from more mobile highly skilled migrant workers, who would be less bound to the individual Member State. In addition, Member States with restrictive preferences in this matter could suffer from negative externalities due to less restrictive labour migration policies in other countries (Roos 2013b).

Against the odds, labour migration policy came about at the EU level. Its main features have been *selectivity in the scope*, i.e. with a focus on specific groups of migrants, and specifically on highly skilled migrants; *restrictiveness,* and *low degree of harmonisation*. How and why did such a labour migration policy came about?

The first impetus came from Member States, which in the Treaty of Lisbon laid down that "the Union shall develop a common immigration policy aimed at ensuring, at all stages, the efficient management of migration flows, fair treatment of third-country nationals residing legally in Member States, and the prevention of, and enhanced measures to combat, illegal immigration and trafficking in human beings" (Article 79(1) TFEU). In light of this goal, the Council and the Parliament were invited to adopt measures "on the conditions of entry and residence, and standards on the issue by Member States of long-term visas and residence permits" (Article 79(2)(a) TFEU). Member States' preferences and the strategic agenda setting role of the Commission contributed to the specific policy development.

Assuming an actor-centred perspective, and specifically looking at Member States as the main actors (due to the institutional conditions in force under the Amsterdam Treaty), it is possible to seek an explanation for the specific development of labour migration at the EU level.

Member States have three orders of preferences. One on the *scope* of EU labour migration policy, which can cover general migrants or specific groups of migrants only, e.g. highly skilled migrants; and, given the choice of the scope, they have preferences on the *extent*

of the EU involvement (i.e. harmonisation) in, and the *openness* of, labour migration policy (Roos 2013b). Figure 5.2 summarises the drivers and characteristics of EU labour migration policy, as as it will be developed in the sections below.

Figure 5.2 Drivers and characteristics of EU labour migration policy.
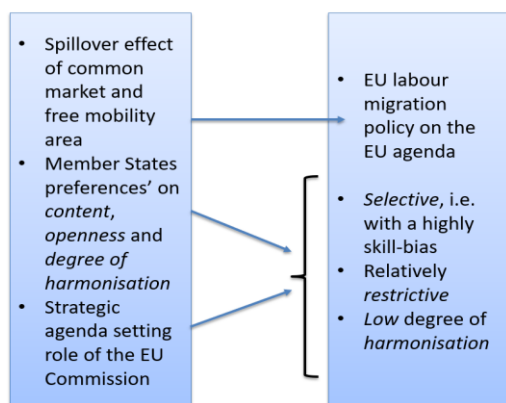
The following analysis builds upon the analysis in Chapter 3, on determinants of labour migration policy openness by skill level. the results of the QCA are used to put forward hypotheses on Member States' preferences on policy scope and openness at the EU level. A methodological caveat should however be made: in Chapter 3, the outcome used in the QCA minimisation was the operationalisation of the policy Member States had in place in 2015 – i.e. after the negotiation of the first labour migration policy directive, the Blue Card Directive. This means that when formulating the expectations, changes in preferences as a result of the Europeanisation of this policy domain cannot be isolated from preferences they had before the introduction of the Blue Card Directive.

It is thus possible to put forward three orders of hypotheses:

▪ *Scope hypothesis*: Member States with *a need of (highly) skilled workers, presence of party anti-immigration, and where employers have the capacity to affect the outcome* will have a preference for a migration policy covering (highly) skilled migrants, and in general a decoupled approach to migration by migrants' skills.[80] On the contrary, Member States where *employers do not have the capacity to affect the outcome, and the vocational and educational training system underperform compared to labour market needs and the need of high skills is modest or there is need of high skills but there is an anti-immigration party; or where employers can affect the outcome but the educational and vocational training system underperforms* will have a preference for non-decoupled policy, equally open or restrictive to low and high skills.[81] The expectations

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[80] These conditions condense the two causal paths identified in the intermediate solution in Chapter 3 for the outcome decoupling labour migration policy by skill level.
[81] These conditions condense the five causal paths identified in the intermediate solution in Chapter 3 for the outcome absence of decoupling labour migration policy by skill level.

are therefore that FR, NL, DE, BE, ES would favour, if any, a EU intervention on highly skilled migrants only; and HU, PL, SE, UK and IT intervention on all types of migrants.

■ *Openness hypotheses (on highly skilled workers)*:[82] Member States *where employers are able to affect the outcome and where there is a need for (highly) skilled workers or a well-developed system of vocational and educational training linked to the labour market* will have a preference for open policies for highly skilled workers.[83] On the contrary, Member States *where employers lack capacity to affect the outcome and where there is no need of highly skilled workers and of well-functioning educational and vocational training* system responding to labour market needs will have preference for restrictive migration policies for highly skilled workers.[84] The expectations are therefore that BE, SE, NL, ES, FR, DE, IT would favour, if any, a more open highly skilled migration policy; and HU, PL, UK a more restrictive one.

■ *Harmonisation/EU involvement hypothesis*: countries with an existing and effective policy for highly skilled workers will have low to gain from an EU-wide policy for this group of migrants, and therefore will exhibit a preference for minimum cooperation (*competition hypothesis*); countries with preferences for a more selective labour immigration policy, or in general for more open policy for highly skilled workers, but whose governments face opposition at the national level to actions in this direction, or where the policy for highly skilled workers does not work well, will see the EU as an opportunity to pursue their objectives, and will therefore have a preference towards more EU cooperation (*venue-shopping hypothesis*).[85] At this stage it is not possible to identify which of the two hypotheses applies to which countries, and countries with a migration policy for highly skilled workers at the national level (DE, NL, AT, IE, FR, UK) or working for its introduction (SE, EE, IT) could potentially have either preference.

Figure 5.3 maps the hypotheses on Member States' preferences on harmonisation and openness of an EU policy on labour migration; Table 5.2 reports the counties that are expected to have preferences on the scope, openness and degree of EU harmonisation of EU instruments under the relevant hypothesis.

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[82] Being the focus the Blue Card Directive, on highly skilled workers, this order of preference is restricted to highly skilled migrants.

[83] These conditions condense the four causal paths identified in the intermediate solution in Chapter 3 for the outcome open highly skilled labour migration policy.

[84] These conditions condense the two causal paths identified in the intermediate solution in Chapter 3 for the outcome restrictive highly skilled labour migration policy.

[85] As it has been used by Guiraudon (2000), the venue shopping hypothesis refers to Member States' preferences for the EU venue over the national one to escape national resistance to restrictive changes. Here, the venue-shopping hypothesis is used in a broader sense: the sought-after change does not necessarily need to be more restrictive, and the reason why Member States preferred the EU level is not necessarily the resistance of organised interests at the national level.

Figure 5.3 Mapping of Member States' preferences along the line of openness of policy for highly skilled workers, and EU action on policy for highly skilled workers
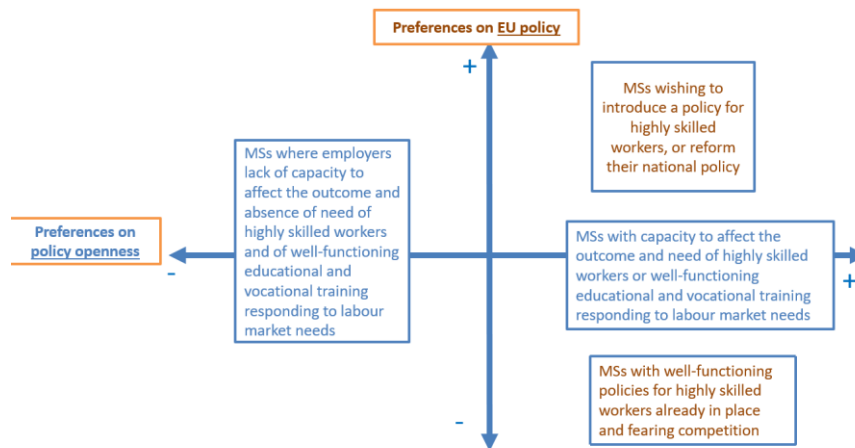

Table 5.2 Expectations on Member States' preferences on the scope, openness and extent of EU involvement in EU labour migration policy.

	Scope hypothesis		Openness hypothesis		Harmonisation	
	Highly skilled	Horizontal	Open	Restrictive	Support	Opposition
Expectations	FR, NL, DE, BE, ES	HU, PL, SE, UK, IT	BE, SE, NL, ES, FR, DE, IT	HU, PL, UK	DE, NL, AT, IE, UK, SE, IT, FR, EE[86]	

5.2.2 The scope of EU migration policy

As a first step after the Amsterdam Treaty, in 1999, the European Council, gathered in Tampere, for the first time put on the agenda[87] the creation of an area of freedom, security and justice, and a common EU asylum and migration policy. The Tampere Conclusions were the first programming guidelines given by the Council with the aim to spur the Commission's legislative initiative. Since then, migration policies have been constantly evolving. The Conclusions of the European Council in Tampere read:

"The European Council acknowledges *the need for approximation of national legislations on the conditions for admission and residence* of third country nationals, based on a shared *assessment of the economic and demographic developments within the Union, as well as the situation in the countries of origin*. It requests to this end rapid decisions by the Council, on the basis of proposals by the Commission" (emphasis added).[88]

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[86] Here countries are not assigned to a specific hypothesis as countries with a migration policy for highly skilled workers at the national level or working for its introduction could potentially have a preference for more harmonisation (venue-shopping hypothesis) or for less harmonisation (competition hypothsis).

[87] Tampere European Council, 1999. Presidency Conclusions. Available at http://www.europarl.europa.eu/summits/tam_en.htm

[88] http://www.europarl.europa.eu/summits/tam_en.htm#c?textMode=on

From this citation, it is clear that the rationale for a common migration policy lied in the economic and demographic development of EU countries. The section in which the passage was included, that framed the approximation of admission policy, was titled 'Fair treatment of third country nationals'. In the Tampere Conclusions, there was no mention of selective policies or competition for highly skilled workers. The Commission followed up the Tampere Conclusions with the Communication 'On a Community migration policy'. [89] Here it was stressed that demographic trends and labour shortages made "the existing "zero" immigration policies which have dominated thinking over the past 30 years […] no longer appropriate", explicitly overturning the Council Conclusions of June 1994. The labour market reportedly needed highly skilled, as well as unskilled and seasonal workers, and migration policy had to be responsive to labour market needs. Since these were different across Member States, the Commission stated that "the responsibility for deciding on the needs for different categories of migrant labour must remain with the Member States". In 2003, a second Communication by the Commission, 'On immigration, integration, and employment',[90] re-stated that the EU needed high as well as low skills.

Following this approach, in 2001 the Commission put forward a proposal for a Directive on the conditions of entry and residence of third-country nationals for work-purposes, [91] the so-called horizontal Directive.

The objectives of the Directive were ambitious: laying down common definition, criteria and procedures on the entry and residence of third-country nationals for employed or self-employed activities; ensuring transparency and legal certainty, providing a single application for work and residence permit, setting a set of rights (recognising the discretion of Member States in limiting economic migration), and fulfilling the commitments that Member States had undertaken in the context of the WTO GATS Agreement. The Directive aimed at covering all work purposes and left Member States the possibility to apply more favourable conditions to i. researchers and academic specialists; ii. priests and members of religious orders; iii. sport professionals; iv. artists; v. journalists; vi. representatives of NGOs. These exceptional categories were in line with the content of the legislation of many Member States, that already foresaw special regulatory conditions for the above categories of workers, due to the specificities of the professions. The horizontal directive did not mention highly skilled workers, nor foreseen any special conditions for them.

According to the horizontal directive, third-country nationals could be admitted once: i. they had a job offer; ii. sufficient resources; and iii. the absence of a suitable worker in the force

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[89] http://www.statewatch.org/docbin/com/30.00757.pdf

[90] http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52003DC0336&from=EN

[91] Commission, 2001. Proposal for a Directive on the conditions of entry and residence of third-country nationals for the purpose of paid employment and self-employed economic activities. COM(2001) 386 final. Available at http://ec.europa.eu/transparency/regdoc/rep/1/2001/EN/1-2001-386-EN-F1-1.Pdf

was ascertained (labour market test to be performed for the first three years). The labour market test had to be performed and could be exceptionally lifted for a limited number of jobs, in a specific sector, for a limited period of time (shortage occupations), when the salary exceeded a certain threshold, or if the employer paid a sum of money to the authorities. Self-employed persons needed to show a business plan and sufficient financial resources, and prove that the activity would have had a beneficial effect on employment, or on the economic development of the Member State, for the first three years (could be lifted for specific activities or in specific areas if the applicant invested a large sum of money).

The directive would have introduced a very generalist, non-selective and demand-oriented framework, where the job offer would have assured that migrants responded to specific economic needs, whatever their nature. Migrants were complementary to the EU labour force, and this was ensured by a rather restrictive labour market test.

Table 5.3 Features of the 2001 horizontal directive on the conditions of entry and residence of third-country nationals for work purposes.

Proposal for a Directive on the conditions of entry and residence of third-country nationals for work-purposes

Aims	- **Common definition, criteria and procedures** on the entry and residence of TCN for employed or self-employed activities; - ensuring **transparency and legal certainty**, - providing a **single application** for work and residence permit, - setting a **set of rights**, - fulfilling the commitments MSs have undertaken in the context of **WTO GATS**; **harmonizing** the legal framework
Target Group	- **Employees, self-employed**; - **specific categories**: seasonal workers (up to 6 months/year), ICT (key personnel in senior management and executive position), specialists with uncommon knowledge); trainees, au pairs. - MSs may employed **more favourable provisions** for i. researchers and academic specialists; ii. priests and members of religious orders; iii. sport professionals; iv. artists; v. journalists; vi. representative of NGOs
Require ments	**Employee**: i. job offer; ii. sufficient resources; iii. labour market test (derogation i. for limited time for shortage professions, ii. if the salary if above a certain threshold; iii. if the employer pays a fee) **Self-employed**: i. business plan, ii. sufficient financial resources, iii. prove that the activity would have a beneficial effect on employment or economic development of the MS, for the first three years (could be lifted for specific activities or in specific areas if the applicant invests a certain sum of money).
Rights	For the first 3 years, the permit is **limited to certain professions/fields**; **Equal treatment to nationals** with regard to: working conditions, access to vocational training, recognition of qualifications, social security and healthcare, access to goods and services available to the public and freedom of associations

5.2.2.1 Member States' scope preferences

This proposal received a very cold welcome by Member States,[92] and after realizing that the negotiations were not bearing any fruit, the Commission decided to repeal the proposal in 2006. It is presently not possible to trace the position of each Member States during the negotiation, due to two reasons: one is the time lapse and the lack of in-depth research carried

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[92] Outcome of proceedings, Council Working Party on migration and expulsion, available here: http://data.consilium.europa.eu/doc/document/ST-13954-2003-INIT/en/pdf

out on the 2001 Directive negotiation, another is the institutional setting, that discouraged extensive elaboration of Member States' position, as only one strong opposition was enough to kill the proposal.

In particular, the German opposition was decisive to stop the proposal proceeding forward. The ground on which the Germans blocked the proposal was *subsidiarity*, as the EU did not have competence in regulating access to the labour market (Menz 2010). In the meantime, at the national level, the German government (under the Green-Red coalition) was trying to open up labour migration for highly skilled workers and professions in need. The Green Card initiative was launched in 2001 and a more comprehensive proposal was under discussion in the Parliament, meant to introduce a point-based system and a selective policy based on skills (see Chapter 4). While at the national level, Germany, through both these initiatives, registered the formal end to the recruitment ban in force since the late 70s; at the EU level, Germany staunchly opposed any attempts to approximate conditions and open up legal channels of admission for migrants. The national and EU-level developments seem to go in two opposite directions, one more restrictive and one more liberal. How to explain this?

What can explain this situation is the *bad timing* that the Commission proposal had with respect to the development of national German policy, and the *misfit* the EU directive would have introduced in the German legislative framework. Approving a horizontal directive as the one proposed by the Commission would have meant a *radical* depart from the traditional stance of zero-immigration, which was only at that time slowly starting to change. Moreover, if in Germany highly skilled migration and selectivity was the focus of the discussion, the Commission proposal did not feature any skill-based selective element, widening the misfit. This radical change would have been also *exogenously imposed,* while Germans would have preferred to set a national proposal as a blue print for an EU initiative. Social partners, who gained influence and were actively involved in the reform process at the national level, were not keen on seeing the centre of policy discussion moving to Brussels, where they would have had less lobbying capacity, so they did not use the EU venue to speed up the reform process (Menz 2010).

Before repealing the proposal, the Commission launched a public consultation on a Green Paper[93] on the EU approach to manage economic migration. Two possible future paths were proposed: in one, the Commission would have pursued a comprehensive framework covering all migrant workers; in another, it would have proposed sectoral measures, aimed at specific groups of third-country nationals, as for instance "seasonal workers, intra-corporate transferees, specially skilled migrants (not necessarily only highly qualified), contractual service suppliers and/or other categories, putting aside for the time being any overall common framework for the admission of third-country workers". In this latter case, the advantage would

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[93] http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52004DC0811&from=EN

be "an easier adoption of common rules", while the disadvantage a less extensive harmonisation. The main elements highlighted in the Commission's Green Paper were the demographic decline and its potential impact on the economy, as well as the common consequences that migration policy of one Member State would have on other Member States, due to the free mobility area and the mobility rights acquired by migrants over time. The Green Paper also mentioned the question of the competition for talents and that some non-EU countries "are already competing to attract migrants to meet the needs of their economies [and thus it is important that the EU] delivers a secure legal status and a guaranteed set of rights to assist the integration of those who are admitted". This was however not the main issue, and the need for migrant workers was not limited to "the best and the brightest" individuals.

The results of the public consultation (which received more than 120 replies)[94] showed that Member States were divided between a comprehensive and a sectoral approach.[95] Almost all Member States stressed the diversity of their labour markets and the challenges of a one-size-fits-all approach, even more when it would have focused on specific sectors, and they all emphasized the need of flexibility in any EU measures. The European Parliament's resolution advised against sectoral legislation, and the European Economic and Social Committee went further, stating that "[i]f the European Council were to opt for a sectoral approach (geared towards highly skilled migrants), it would be discriminatory in nature".

Table 5.4 reports the approaches favoured by Member States on EU labour migration policy. BE, CZ, FI, EE, FR, EL, IT, RO, SI, ES, and SE favoured a comprehensive approach that covered all the categories of labour migration. LT, MT, SK, and NL favoured a sectoral approach, while AT, CY, DE, and PT supported a mixed approach, with a horizontal framework for all types of workers and specific provisions for certain categories of migrants. If a sectoral approach had to be chosen, most Member States that provided an answer mentioned highly skilled migrants.

Table 5.4 Preference of Member States for the type of approach in labour migration

Favoured approach	Member States (categories a sectoral approach should cover, if chosen)
Mixed	AT (highly skilled), CY (seasonal workers, ICTs, contractual service suppliers), DE (highly skilled), PT (highly skilled)
Comprehensive	BE, CZ, FI, EE (highly skilled), FR (?) (seasonal workers, highly qualified workers), EL (seasonal, special key categories), IT, RO (shortages), SI, ES, SE (seasonal workers, ICT)
Sectoral	LT (Seasonal, ICT), MT (Skilled workers), PL (Scientists, specialists), SK (highly skilled), NL (highly skilled)

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[94] http://ec.europa.eu/dgs/home-affairs/what-is-new/public-consultation/2005/consulting_0016_en.htm

[95] The Commission asked the following questions: "Should a European migration law aim at providing a comprehensive legal framework covering almost any third-country national coming to the EU or should it focus on specific groups of immigrants?" And "Were the sectoral legislative approach to be chosen, which groups of migrants should be addressed as a priority and why?"

5.2.2.2 Analysis of Member States' preferences

A sectoral approach at the EU level which covered highly skilled workers can be assimilated to a selective or decoupled approach by skill level, as defined in Chapter 2. However, comparing the countries which favoured a sectoral approach in answering to the consultations with the countries exhibiting a decoupled approach at the national level (Chapter 3), it is clear that there is no perfect overlapping. In particular, the Netherlands expressed a preference for a sectoral EU initiative on highly skilled workers, and also had a decoupled policy at the national level. Poland, on the contrary, supported a sectoral approach at the EU level but had a non-decoupled approach at the national level. Belgium, France and Spain on the one hand, and Italy and Sweden on the other hand supported a horizontal approach, but while the first group at the national level decoupled their policy by skill level, the second group had a non-decoupled policy.

It is particularly interesting to focus on the German position, since it has been one of the main opponents (along with Austria) to the 2001 horizontal directive. While Germany in principle agreed with the Commission on the need of labour migrants, due to demographic trends and labour shortages, and in principle welcomed the Commission's initiatives in this area, however it also stressed that given the absence of EU employment, training policy, the competence on labour migration should rest on Member States. In the future, EU labour migration policy should proceed with a horizontal approach, that could ensure comprehensiveness and consistency, but that should also be flexible. This was compatible with a sectoral approach, and as a target group in this regard, Germany mentioned highly skilled workers, on the ground that the EU should not fall behind other countries in the global competition for talent. So, Germany somehow confirmed the *scope hypothesis*, as within a horizontal approach, it favoured highly skilled migrants; it also confirmed the *openness hypothesis*, as it expressed support for an attractive policy on highly skilled workers, and confirmed neither the competition nor the venue shopping hypothesis (within the *EU hypothesis*), but pointed at an alternative hypothesis, that can be called *misfit* (Börzel and Risse 2000). The reasons for this were that: there was no clear position at the national level and discussions on liberalising migration policy were ongoing; there was a clear highly skilled bias not necessarily reflected at the EU level; the EU could not serve as an indirect mean to induce liberalisation, as it would have encountered resistance at the national level as national actors wanted to control the reform process; moreover national actors would have suffered a too big political costs, because the migration issue had a high saliency at the national level (Mayer 2011).

At this stage, therefore, it clearly emerges that Member States had different and not necessarily coherent preferences at national and at EU level (Table 5.5). This is because they differed in the role they considered the EU could play, whether the provider of a policy framework or an enhancer of national policy development.

**Table 5.5 Member States' positions on the scope of EU approach vis-à-vis expectations.**

	Scope hypothesis	
	Highly skilled	**Horizontal**
Expectations based on conditions for decoupling at national level	FR, NL, DE, BE, ES, LU	HU, PL, SE, UK, IT
Expressed preferences on the scope of the EU approach	PL, NL, DE (mixed)	BE, *CZ*, *EE*, FR, *IT*, SE, ES

Note: In green (red), the countries work which the expectation is met (not met).

5.2.2.3 The role of the Commission in setting the scope

The consultations revealed not only a general scepticism towards a sectoral approach, but also resistance by Member States to a Commission's proposal that would have neglected the variety of national labour markets and economic needs. In particular, on the support for an EU intervention, Member States that took part in the consultations (with the exception of Sweden) expressed the view that an EU labour migration policy should be flexible enough to take into account different labour market needs – and hence favoured a low degree of harmonisation. On the scope of an EU intervention, most countries favoured a horizontal approach, some a sectoral approach, and a minority, among which Germany, a mixed approach. Any proposal was therefore bound to fall in the grey area of low harmonisation (Figure 4), being the Commission aware that the unanimity rule would have decreased the harmonisation potential even more.

Figure 5.4 Distribution of Member States and Commission's preferences.
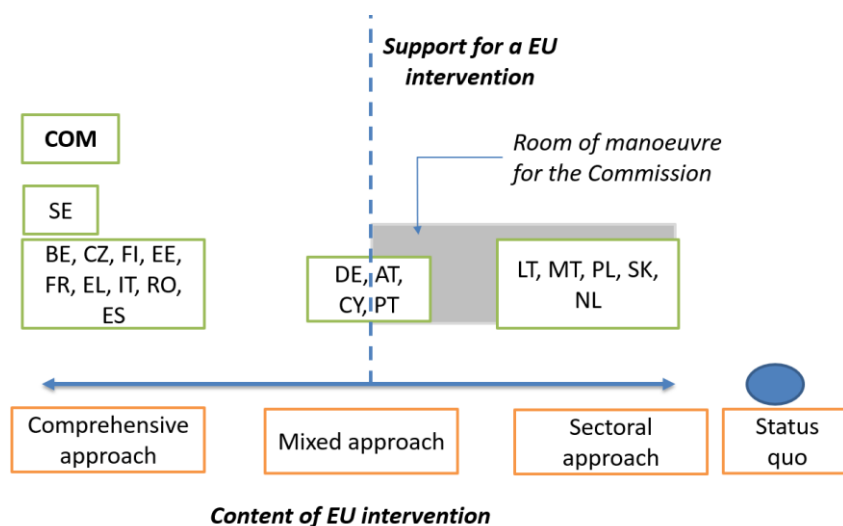
Note: positions, as expressed in the response to the 2005 consultations, are distributed along the axes content of EU intervention (comprehensive, mixed, and sectoral approach) and support for an EU intervention (high/low level of harmonisation).

At the same time, the European Council in The Hague Programme (2004), the second strategic guidelines after the Tampere Programme, strengthened the link between migration and competitiveness within the framework of the Lisbon strategy, and invited the Commission to present a policy plan on labour migration:

"Legal migration will play an important role in enhancing the knowledge-based economy in Europe, in advancing economic development, and thus contributing to the implementation of the Lisbon strategy".[96]

The Commission was therefore in a conundrum: while in the setting of the European Council, Member States renewed the impetus towards EU labour migration policy; on the contrary, when dealing with specific issues, they stressed flexibility and expressed a preference for low harmonisation. In 2006, the Commission issued a Policy Plan on legal migration, where it recorded that on a comprehensive legal framework, "the Member States themselves did not show sufficient support for such an approach", and went on proposing a package composed of a mixed approach, consisting on a framework directive covering all migrant workers and aimed at guaranteeing a common minimum set of rights rather than common admission conditions, and sectoral directives setting admission conditions for specific groups: highly skilled workers, remunerated trainees, seasonal workers and intra-corporate transferees. The Commission therefore opted for a mid-way approach, and lowered its ambition in terms of general harmonisation, as the new horizontal directive would aim at covering only the dimension of rights economic migrants would be entitled to, while restricting harmonisation on admission conditions only to a narrower set of workers, as defined in the sectoral directives. The selection of categories drew upon the proposal of Member States, which made them the less contentious categories, and upon the potential added value that could be generated by an EU intervention. This marked the turn in labour migration policy towards a more selective approach at the Commission level, and labour migration started to be framed more intensively in terms of skills and competitiveness (Roos 2013b).

The Commission thus put forward in 2007 the first sectoral directive, the EU Blue Card Directive for highly skilled workers, and the horizontal directive, the Single Permit Directive. The first was adopted by the Council in 2009, while for the latter the negotiation process took more time, leading to the adoption only two years later, in 2011. In 2010, it was the turn of the Seasonal Workers Directive and Intra-Corporate Transferees Directive, both adopted in 2014.

Roos (2013a) explains the Commission's decision to adopt a partitioned approach as a strategic choice to overcome the deadlock on labour migration policy and reach an agreement: only restricting the scope and dealing with different issues separately, Member States would have been able to reach an agreement, even if a sectoral approach was not the preferred option of the majority of Member States.

This explanation is convincing with regard to the fragmentation of the policy into multiple directives, however it does not explain the shift of focus onto selectivity and highly skilled workers. This had important consequences because not only increased the success

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[96] European Council, the Hague Programme, available at https://www.easo.europa.eu/sites/default/files/public/The-Hague-Programme.pdf.

chances of an EU initiative, but also narrowed its scope, and this had important consequences in terms of relevance of EU initiatives in labour migration. As shown in Figure 5.5, with the directive on highly skilled workers, and the subsequent sectoral directives (intra-corporate transferees, seasonal workers), the Commission put most of its efforts on harmonizing admission conditions for a small share of migrant workers (7% of permits issued on the period 2008-2015 and 21% of third-country nationals residing in the EU), and decided to legislate on the majority of migrant workers (medium and unskilled non-seasonal workers) only in very light terms, by setting a framework for procedural aspects and rights. This result was not only the consequence of the Commission's choice of *partitioning* its initiatives (as Roos 2013b argues), whereby the issue is decomposed and dealt with at different points in time; but was also the result of the Commission's *strategic selection*, whereby only the least controversial policy areas and most likely to be subject to an agreement were introduced on the agenda. At the same time, focusing on highly skilled migrants and on their contribution to the EU economy competitiveness was a *framing* strategy (Roos 2013a) to emphasise the EU added value of the legislative initiative.

Figure 5.5 Distribution of first residence permits issued in the period 2008-2015, of third-country nationals, and of EU instruments by skills.

Skills	First permits issued 2011-2016*	Skills distribution in TCNs**	EU instruments
LS	32% (seasonal)	Low educated (45.1%)	Seasonal workers Directive
MS	59% (other)	Medium educated (33.9%)	Single permit Directive
HS	9% (HS+ BC+ researchers)	High-educated (21%)	Researcher Directive Intra-corporate transferees Directive Blue Card Directive
* Eurostat data, first permits for remunerated activities [migr_resocc] and EU Blue Cards [migr_resbc1]			
**OECD data, from Labour Force Survey.			

It can be therefore concluded that the selective turn and the partitioned approach were the result of both Member States' preferences and the Commission's creating thinking, which partitioned as well as selected the policy area of intervention to overcome the political deadlock.

Since then, the Commission has taken an active role in framing labour migration policy as a strategy to attract talent and boost economic competitiveness. In 2013, it launched the revision of the Students and Researchers Directive, that led to the recast Students and Researchers Directive in 2016, and in 2016 launched the review of the Blue Card Directive. This

last initiative was initiated by the Commission as a flagship measure of the new Commission Junker, and came only after few years the Directive had been transposed at the national level.

Following the first set of labour migration directives, Member States and the Commission took different views. On the one hand, the European Council, gathered in Ypres in 2014 stressed that the reached harmonisation level was adequate, the legislative period was over and that "the overall priority now is to consistently transpose, effectively implement and consolidate the legal instruments and policy measures in place". On the other hand, the president of the Commission, since his instalment in the new role, posed as one of the top priorities migration, and in particular the attractiveness of the EU to highly skilled migrants in the global competition for talent, and pointed at the revision of the Blue Card, signalling that the legislation period was indeed continuing and that the harmonisation level reached so far was inadequate.[97]

5.2.3 The Blue Card Directive: openness and EU involvement

Having set the scope, Member States expressed their preferences on the degree of EU involvement and on the openness of EU labour migration policy in relation to the negotiations of the Blue Card Directive.

The Blue Card Directive on the conditions of entry and residence of non-EU nationals for the purposes of highly-qualified employment was presented by the Commission to the Council in October 2007. The discussion in the Council started in November 2007, under the Portuguese presidency, but took off in 2008, under the Slovenian and the French Presidency, respectively in the first and second half of the year. The negotiation process was relatively quick compared to other labour migration directives (Figure 5.1). This was due to the commitment shown by the Council presidencies in pushing forward the directive, and to Member States' willingness to reach an agreement before the entry into force of the Lisbon Treaty in December 2009 and the consequent change in the legislative procedure, which would have entailed the involvement of the European Parliament on a co-legislative basis. The Directive was finally agreed upon in September 2008 and formally adopted in May 2009.

This section explores the EU involvement and tests the openness hypothesis. It also tries to answer the question on whether Member States with schemes for highly skilled workers already in place at the national level perceived the EU action in competition or cooperation terms; and whether some Member States, with a certain configuration of conditions that the analysis in Chapter 3 associated with an open (restrictive) migration policy for highly skilled migrants also exhibit preferences for an open (restrictive) policy at the EU level.

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[97] Junker, 2014. Political Guidelines for the next European Commission Opening Statement in the European Parliament Plenary Session, https://ec.europa.eu/commission/sites/beta-political/files/juncker-political-guidelines-speech_en.pdf.

For the EU *involvement hypothesis*, the phenomenon to explain is Member States' support for the EU measure, while the explaining factor is the presence of national measures for highly skilled workers.

For the *openness hypothesis*, the phenomenon to explain is preferences on the degree of openness of the EU Blue Card Directive and is defined by the composition of Member States' preferences on individual provisions of the Directive. The explaining factor is the configuration of certain conditions describing the preference of employers on the number and skills of migrants, their capacity to affect the outcome, and the presence of an anti-immigration party, as found in Chapter 3.

The sources are procedure documents, [98] policy documents, secondary literature (Grütters and Strik 2013,[99] Kosc 202, Cerna 2014, Menz 2016, 2015, Roos 2013b, Gümüs 2010) and the information I have acquired through my work experience at the EU Commission – DG Home (04/2015-08/2015) and at ICF (09/2015-01/2017), a consulting company working for the EU Commission. [100] The information acquired during my work experience cannot be precisely referenced, because it has been acquired in informal and confidential ways and on the basis of documents not available to the wider public. Information gaps are still present, and it would be difficult to fill them, as finding the right persons who could remember the negotiations held ten years ago is challenging.

5.2.3.1 Member States' preferences on harmonisation

Two different hypotheses can be put forward to explain Member States' preferences on the EU Directive:

- Member States with a well-functioning highly skilled migration policy at national level were reluctant to cooperate at the EU level fearing to lose their competitive advantage (competition hypothesis);

- Member States with a preference for highly skilled migration but without or with an ill-functioning migration policy at the national level were keen to cooperate at the EU level (venue-shipping hypothesis).

The table below (Table 5.5) shows the national situation before the Blue Card was proposed (COM Impact Assessment to the Blue Card Directive) and the preference held by Member States on the EU directive.

Some countries had an interest in shifting migration from low-skilled (economic migrants or family and asylum) to highly skilled economic migrants (ES, IT, SE, EE, FR), and saw

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[98] Procedure 2007/0228/CNS, available here: https://eur-lex.europa.eu/procedure/EN/2007_228
[99] In particular, in this volume Bjarney Friðriksdóttir analyses the negotiations on the Blue Card Directive in the Working Party on Migration and Expulsion.
[100] At ICF, I have been involved in the preparation of the Evaluation and Impact Assessment for the review of the Blue Card Directive in 2015-2016. In the Commission as a trainee, I was involved in the inception phase of the Impact Assessment.

the EU directive as an opportunity to do that. France had reformed its immigration policy in 2006 following the idea to pursue *immigration choisie*, vis-à-vis *immigration subie* (referring to irregular, family migration and asylum) lunched by the Ministry of Interior Nicholas Sarkozy.[101] The law introduced the *carte compétence et talents* which had a target of 2,000 permits a year and was seen as a way to steer labour migration towards a highly skilled direction. The scheme, however, never took off as expected, and since its introduction the number of permits issued has remained far below 500 a year (OECD 2017a). France saw the EU initiative as a window of opportunity on the one had to lock-in its version of managed migration (Roos 2013a), on the other hand to improve its underperforming national scheme (Cerna 2014). France held the Council Presidency in the second half of 2008, and was pivotal in quickly pushing the proposal through the negotiations. The French aimed to achieve an agreement under their presidency and to present the Blue Card as an achievement within the EU Pact on Immigration and Asylum, issued in September 2008, overshadowing the role of the Commission (Roos 2013a).

Spain did not have a dedicated scheme for highly skilled workers, but procedural facilitations within its general policy. It supported the EU initiative to make easier for highly skilled workers to migrate to Spain. Italy was in a similar position, and while the national legislation did not foresee any specific schemes for highly skilled workers, a bill was under discussion in the Parliament (Amato-Ferrero Bill) that would have facilitated the entry conditions for highly skilled migrants. The EU initiative well-fitted within this national effort.

In 2007, Sweden had the most restrictive migration policy at the national level among EU countries (Cerna 2014). It had however started a reform process (see Chapter 4) to liberalise migration policy in a broader sense, not only for highly skilled migrants. The Swedish preference lied with a horizontal instrument in line with its broader aspirations to shift from family/asylum to labour migration (Quirico 2012). It therefore saw a window of opportunity and welcomed the EU initiative, although it would have preferred a more comprehensive approach (Roos 2013b). Sweden continued its reform efforts at the national level, in parallel with the EU negotiations.

Estonia did not have a policy for highly skilled workers but attracting highly skilled migrants was a political priority and was in the process of introducing facilitations for highly skilled immigrants. It thus welcomed the EU initiative.

In all these countries the EU represented a venue to pursue their preferences in parallel or in alternative to the national forum, thus verifying the venue shopping hypothesis.

Other Member States (HU, PL, CZ, NL, DE) were less welcoming towards the Blue Card proposal. Some countries (HU, PL) did not find highly skilled migration a political priority and opposed the initiative on the ground that before allowing third-country nationals facilitated

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entry routes, full mobility of new EU citizens should have been achieved (Roos 2013b). Czech Republic shared this concern, and also feared to lose its competitive advantage on highly skilled migration at the national level, since it was in the process of assessing its point-based system pilot project, launched in 2003 (Roos 2013b, Cerna 2014, Chapter 4). The Netherlands had a well-functioning policy on highly skilled migrants already in place, and was not particularly keen on an EU initiative, fearing to lose its competitive advantage (Roos 2013b). Moreover, it was not clear which added value the EU directive would have brought, while being more likely to increase red tape (Gümüs 2010).

Germany was also particularly unsupportive of the proposal. It was reluctant to achieve an agreement on a measure that would have altered the national framework and would have shifted competence away from the national level. As it happened in 2001, migration policy was still a debated topic in Germany, and although some efforts towards liberalisation had been made, it remained a sensitive issue. Germany stressed that migration should not be the solution to demographic decline and labour shortages, and that measures to activate and train Germans should be pursued (Roos 2013b, Gümüs 2010). Also, it stressed that Member States had to be free to have zero-immigration policy.

Finally, both Ireland and the United Kingdom had in place schemes for highly skilled workers, and not seeing any added value in EU cooperation, decided to opt-out of the Directive, as foreseen by Protocol 21 to the Lisbon Treaty. While Ireland participated in the discussion at the working group level, the United Kingdom decided as early as January 2008 that it would have opted out.

The behaviour of the United Kingdom seems to confirm Freeman's thesis (2004, in Geddes 2005) on 'British 'exceptionalism' whereby specific national features made the United Kingdom distinct form other Member States and explained why it has been particularly keen in keeping national control over immigration policy. These are the mode of regulating immigration, by controlling the external border, due to its geographical position; the form of immigration policy, which is dominated by the executive; and the race relations mode of regulating integration. Moreover, the EU proposal had a bad timing as at that time the UK was phasing in its brand-new point-based system, which was a comprehensive yet selective migration policy regime (Gümüs 2010, Chapter 4).

So, in conclusion, to explain the EU involvement, it seems there is a relation between the EU and the national level. In general, Member States that were trying to reform their labour migration policy for highly workers (ES, IT, FR, SE, EE) were supportive of the EU proposal, as predicted in the venue shopping hypothesis. Some Member States that had already initiated a reform process at the national level, i.e. DE, AT, CZ, IE, UK, opposed the EU proposal for fear of losing sovereignty in this area and with a view to preserve their competitive advantage, not seeing a real added value in EU cooperation. Another group of Member States, HU and PL, did

not consider the Directive a priority and opposed on the ground of ensuring full mobility of EU citizens.

Table 5.6 summarises Member States' preferences on the EU intervention in light of the situation at the national level, and the hypothesis that better fits with their positions.

Table 5.6 Preference for EU policy and situation at the national level.

Country	Situation at the national level	Preference for EU policy	Hypothesis: competition/venue shop
EE	No specific rules for highly skilled migrants, but in the process of introducing facilitations for highly skilled immigrants	Support. Need for highly skilled proposal.	Venue shopping
ES	No specific schemes for highly skilled migrants, but procedural facilitations	Support. BC could help shift from low skilled to highly skilled migration.	Venue shopping
FR	Had specific legislation in place for highly skilled workers, not limited to facilitated procedures but including also specific and more favourable rights	Support. Priority for the French presidency. BC could offer a better scheme than the national one.	Venue shopping
IT	No specific rules for highly skilled migrants draft law Amato-Ferrero under discussion which introduced preferential treatment for qualified workers[102]	Support. Preference for horizontal instrument but at the same time need for a highly skilled scheme. BC could help shift from low skilled to highly skilled migration.	Venue shopping
SE	No specific rules for highly skilled migrants but migration under discussion to make rules more liberal	Support. Preference for horizontal instrument and had broader aspirations, to shift from family/asylum to labour migration.	Venue shopping
DE	Had specific legislation in place for highly skilled workers, not limited to facilitated procedures but including also specific and more favourable rights	Critical towards the EU proposal and preferring national control, but accepted that migrants needed	Sovereignty
HU	No specific rules for highly skilled migrants	Opposition. No need for a proposal covering small number.	Relevance/fairness
PL	No specific rules for highly skilled migrants	Focus on prioritising full mobility for EU nationals	Relevance/fairness
BE	Had specific legislation in place for highly skilled workers, not limited to facilitated procedures but including also specific and more favourable rights	n.a.	
CZ	Pilot scheme for highly skilled workers	Criticism towards EU involvement and keen on developing the national scheme (Roos 2013b). Focus on prioritising full mobility for EU nationals.	Competition, relevance/fairness
IE	Had specific legislation in place for highly skilled workers, not limited to facilitated procedures but including also specific and more favourable rights	Opposition towards EU intervention but support for policy on highly skilled.	Competition
NL	Had specific legislation in place for highly skilled workers, not limited to facilitated procedures but including also specific and more favourable rights	In general critical towards EU involvement (Roos 2013b)	Competition
UK	Had specific legislation in place for highly skilled	Opposition towards EU intervention but	Competition

[102] http://www.repubblica.it/2007/06/sezioni/cronaca/immigrazione-ocse/riforma-bossi-fini/riforma-bossi-fini.html

	workers, not limited to facilitated procedures but including also specific and more favourable rights	support for policy on highly skilled.	

5.2.3.2 Member States preferences on openness

When the Directive was proposed, Member States expressed their criticisms, but there was no Member State fundamentally opposing it and willing to use its veto power to block the procedure.[103] Some Member States were (very) supportive of the content of the proposal, including FR, SE, IT, NL, EE, ES. All Member States, however, emphasised the need to keep flexibility, undermining a high harmonisation level.

One point of discussion was the coexistence of the national schemes with the new EU Blue Card schemes. The proposal was not clear about this, but as early as January 2008, it became apparent that the Commission did not intend to prevent the possibility for Member States to have alternative schemes in place. This point was a source of potential conflict and several Member States opposed to the possibility to abolish national schemes (FR, SE, SE, NL, ES, PL), and in particular Germany made it a *conditio sine qua non* to proceed further into the negotiations.

Member States' preferences on individual provisions of the Directive varied. The most controversial issues were the salary threshold and the definition of high qualifications. The salary threshold, originally set at three times the national minimum gross monthly wage, with some derogations, was considered too low by some Member States (IE, DE) and too high by others (ES, EE, FI, CZ, HU, PL, LT, SI, RO, NL).

The condition of having high qualifications, set at the level of tertiary education or at three years of professional experience, were considered superfluous by some Member States (e.g. NL, SE) and too liberal by others, that wanted to keep the education requirement a compulsory element to define highly qualified workers (DE, BE, EE, PL).

In both cases, the final text of the Directive was more restrictive than the original one (Table 5.6). Other minor controversial issues were the minimum length of the permit, the labour market test, the compulsory processing deadline, the job-seeking period after losing/ending the employment, long-term residency and internal EU mobility. In most cases, the hypothesis on openness has been proved. A substantial exception is Germany, which held a restrictive stance.

While in Germany a progressive liberalisation of labour migration policy for highly skilled workers and the discussions on the Law for the management of labour migration that entered into force in 2009 (see Chapter 4) were ongoing; at the EU level, Germany held a critical

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[103] Member States knew that the qualified majority vote would have entered into force in 2009, so that a veto would have only postponed the proposal.

stance.[104] The arguments made by the government were that immigration was better regulated at the national level and that the economic needs of Member States were heterogeneous. German employers, who were lobbying for more open labour migration policy for highly skilled workers at the national level, and who were in public supportive of the measure, were in fact reluctant to shift the power to the EU. Therefore, employers' preferences, which - at the national level -were a condition to explain open migration policy, did not play in this sense at the EU level. On the contrary, "the opposition to EU activity was partly fuelled by the actions of employer associations at the national level. Most strongly opposed were German employers. Regulatory power over such a sensitive policy domain escaping the national arena would diminish BDA influence. BDA 'very clearly' communicated its position to the Ministry of Interior" (Menz 2016).

Table 5.7 Preferences on the degree of openness of specific provisions of the directive, vis-à-vis the expectation.

Country	Preference on openness		Expectation on openness
BE	Opposing experience could be an alternative to education Considered long-term residency provisions should be more restrictive Considered mobility provisions should be more ambitious	-	Open
CZ	Considered salary threshold too high Considered the labour market test should be compulsory Considered the three-month job-search period too short	-	n.i.
DE	Considered salary threshold too low Opposing experience could be an alternative to education Considered long-term residency provisions should be more restrictive	---	Open
EE	Considered the 90-day deadline to issue the permit too short Considered the derogation to the salary threshold shall be optional (may) Considered salary threshold too high Considered the labour market test should be compulsory Opposing experience could be an alternative to education Considered the three-month job-search period too short	---	n.i
ES	Considered the 2-year minimum length too long Did not considered the salary threshold necessary Considered mobility provisions should be more ambitious	++	Open
FR	In favour of waiving the salary threshold for some categories	+	Open
HU	Considered the 90-day deadline to issue the permit too short Considered salary threshold too high Considered the labour market test should be compulsory	-	Restrictive
IT	Considered the three-month job-search period too long Considered mobility provisions should be more ambitious	++	Open
IE	Considered salary threshold too low	-	n.i.
NL	Considered the 90-day deadline to issue the permit too short Considered salary threshold too high In favour of considering experience in alternative to education	+++	Open

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[104] http://www.spiegel.de/international/europe/blue-card-blues-germans-reject-eu-fast-track-immigration-scheme-a-513241.html

	Considered education not necessary In favour of waiving the salary threshold for some categories Considered mobility provisions should be more ambitious		
PL	Considered the 90-day deadline to issue the permit too short Considered salary threshold too high Considered the labour market test should be compulsory Opposing experience could be an alternative to education	---	Restrictive
SE	In favoured of an optional labour market test Considered education not necessary Considered mobility provisions should be more ambitious	+++	Open
UK		n.a.	Restrictive

The result of the negotiations led to a more restrictive directive compared to the initial proposal, with a narrower scope and more may-clauses (Table 5.7). Policy analysts and academics noted that the directive represented a first step towards an EU labour migration policy, especially in so far as it triggered the debate over highly skilled migration in Member States where there was none, and in so far as it gave more visibility to the EU as a whole in the global arena (Peers 2009, van Riemsdijk 2012, Cerna 2010, Gümüs 2010, Belmonte 2015). However, they also stressed that the achievement has been more "a triumph of marketing" rather than substantial policy making (Cerna 2010). The main criticism was that the Blue Card did not really harmonise EU migration policies since it did not replace national routes of entrance and allowed too much leeway to Member States (Gümüs 2010; Peers 2009; Collett 2008; Cerna 2010). This both complicated the routes of entrance, rather than simplifying them, and left space for competition among Member States, that may choose simpler and more attractive national routes than the common ones (Wiesbrock and Hercog 2012). It was noted that Member states may free ride, namely they may agree only on restrictive proposals at the EU level, or implement the directive in a restrictive fashion, and, at the same time, propose more open national routes (Gonzàlez et al. 2013, Collett 2008). Moreover, the many concessions to Member States undermined the logic of competitiveness that inspired the Directive, for example if they put zero quota or high salary threshold, or restrictions on some third countries (Peers 2009, Carmel 2012, Paul 2012, 2013). Labour mobility across Europe was not really guaranteed, since the Blue Card holder was subject to the same application procedure in all Members States she would like to work. Also, the lack of a common system of foreign qualification recognition across the EU was criticised as an obstacle to internal mobility (Collett 2008, Gümüs 2010, Gonzàlez et al. 2013). It was argued that the competitiveness argument was not compatible with the exclusion of some migrants, like refugees, from the possibility to apply for the Blue Card (Peers 2009). The differentiation of rights by workers' skill level was also considered likely to pose ethical issues of unfairness (Guild 2007, De Somer 2012, Pascouau at al. 2013).

Table 5.8 Comparison between the initial and final text of the Blue Card Directive, on some relevant provisions.

Permit type Questions	Blue Card proposal	Blue Card final	Change
Which is the minimum length of the permit?	2 years (Art. 8)	1 year (Art. 7)	Restrictive
How long does the processing procedure should take?	30 days or exceptionally 60 (Art. 12)	90 days (Art. 11)	Restrictive
Is there a minimum threshold for the salary?	At least three times the minimum gross monthly wage as set by national law (Art. 5) and two third the threshold if under 30 and qualifications, and may wave the threshold if the tcn has studied in the MS at higher edu level (Art.6)	1,5 times the average gross annual salary and may 1.2 for shortage occupations (Art. 5)	Restrictive
Has the labour market test to be carried out?	May be carried out (Art. 9)	May be carried out (Art. 8)	Same
Is a specific educational achievement required?	Higher education or experience (Art. 2)	Yes, tertiary education (Art. 5)	Restrictive
Is specific previous experience required?	Has to be considered (3 years) in alternative to education (Art. 2)	May be considered (5 years) in alternative to education (Art. 2)	Restrictive
What does it happen if the person loses the jobs?	Three months of temporary unemployed allowed (Art. 14)	Three months of temporary unemployed allowed (Art. 13)	Same
After how long the person can apply for EU long-term residence status?	Five years in the EU and 2 in the last MS (Art. 17)	Five years in the EU and 2 in the last MS (Art. 16)	Same
After how much time can the BC holder move to another MS?	Two years (Art. 19)	18 months (Art. 18)	Liberal
If the person wants to change the job, how much free the access to the labour market is?	First two years, only jobs meeting the conditions for the BC and authorisation required, afterwards any highly skilled employment and only communication (Art. 13).	First two years, only jobs meeting the conditions for the BC and authorisation required, afterwards any highly skilled employment and only communication (Art. 12).	Same

5.3 Transposition of the Blue Card Directive

This section looks at how Member States transposed the directive, and analyses the impact of the directive at the national level, with respect to the existing policy. The sections also analyses how their behaviour at the national level aligned with their behaviour at the EU level. In particular, the section analyses whether i. Member States that supported an open policy also transposed the directive in an open manner, and ii. Member States that opposed an open policy

transposed the directive in a restrictive manner. If there are misalignments, the section seeks explanations. The objective of the section is not to explain the transposition of the directive, but to analytically describe the transposition process in light of Member States' preferences and the national migration policy.

To define the transposition of the Directive, the index presented in Chapter 2 will be used. The index is composed of indicators that describe the text of the law, rather than its actual implementation (see Chapter 2 for methodological discussion).

The deadline to transpose the directive was set at June 2011. Nine Member States did not meet the deadline, i.e. IT, SE, DE, PL, PT, MT, AT, CY EL, and the Commission started the infringement procedure. These include countries that were supportive of the directive, like Italy and Sweden, as well as countries that opposed it, like Germany and Poland, so the delay in the transposition cannot be taken as a sign of the desire not to comply with the directive.

5.3.1 The policy impact of the Directive

In almost all countries where there was a scheme for highly skilled workers (ES, NL, BE, EE but FR), the Blue Card introduced a more restrictive scheme. In some cases, this was in part due to Member States decision to favour the national scheme, in part to the conditions within the Directive, e.g. qualifications and salary threshold (Figure 5.6).

For instance, in Belgium, the salary threshold of the national scheme was lower, and while the Blue Card threshold was set at the minimum foreseen by the Directive (1.5% of the gross annual wage), Belgium nonetheless did no chose to use the salary derogation for shortage professions (1.2% of the gross annual wage). Moreover, while the national scheme did not require a labour market test, the Blue Card did. So, Belgium did not make use of all possibilities to make the Blue Card attractive, seemingly favouring the national scheme.

Similarly, in Spain, the lower salary threshold for the national scheme and the absence of labour market test made the national scheme more attractive than the Blue Card, even if Spain decided to implement the derogations for shortage professions. Spain did not implement the Directive in its most liberal terms, and this also contributed to making the national scheme more liberal. This was due to the economic conjuncture under which Spain transposed the directive, which was much more negative than when it introduced the national scheme, four years before (Sanchez 2013).

In Germany, which had a very restrictive scheme for highly skilled workers (only a narrow group of professions were considered eligible, and the salary threshold was very high), the Blue Card introduced a more liberal scheme. The German authorities transposed the Blue Card in very liberal terms, going in some cases much further the dispositions of the text of the directive. For instance, Germany made use of the derogations for the salary threshold for shortage professions, made possible the use of professional experience in alternative to the

education requirement, introduced a facilitated access to the long-term residence (33 months, or 21 with certain language skills, instead of 60, as in the Directive).

The Netherlands applied the labour market test neither for the national scheme nor for the Blue Card, but the national scheme resulted to be more favourable, as it required a lower salary threshold and did not require any qualifications. The Knowledge Migrant Programme, in place since 2004, was more employer-based than applicant-based, as it was the Blue Card instead. Much responsibility was placed on the employers, which had to be accredited if they wanted to employ a knowledge migrant. So, the Blue Card, due to its provisions, could have not been more competitive than the Dutch scheme.

Finally, in Estonia, the national scheme did not require qualifications and labour market test, making it more favourable than the Blue Card.

In almost all countries without a national parallel scheme for highly skilled workers (SE, IT,[105] PL, CZ, HU), but with a general scheme for migrant workers, entering through the general scheme was easier, as the scheme was more liberal. In no case was the Blue Card adopted in particularly restrictive terms compared to the text of the directive, and its may-clauses were transposed in conformity with the national law for general workers. However, the national scheme for general migrants, that typically did not require a salary threshold (but only compliance with the labour law) or qualifications, was in general more liberal.

Figure 5.6 shows the degree of openness as measured by the Migration Policy Openness index of the Blue Card vis-à-vis the national scheme, for highly skilled workers, when available, and for general/low skilled migrants.

Figure 5.6 Openness on the Labour Migration Policy Openness index of the Blue Card (BC), the national scheme.

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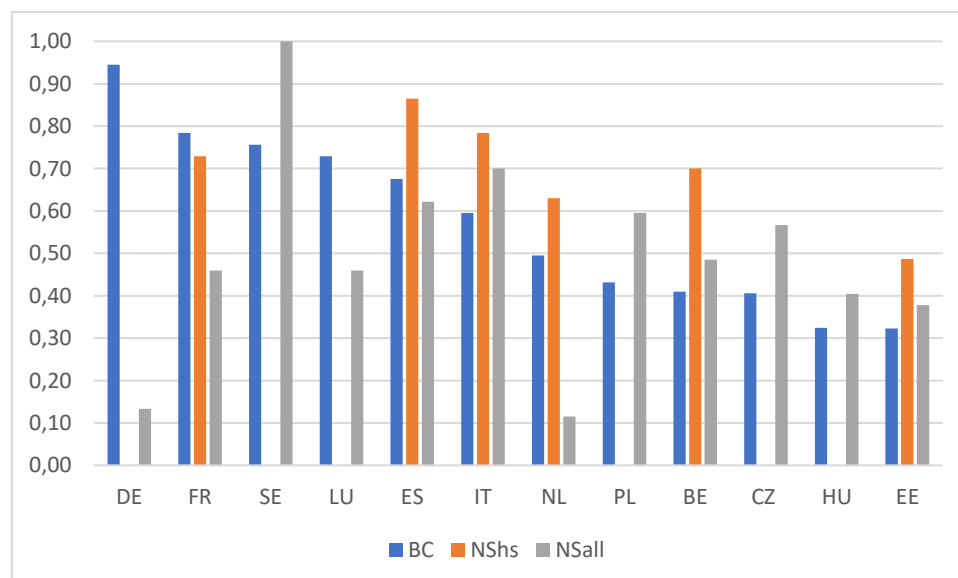
[105] In IT the scheme for highly qualified workers, th eart. 27 cannot be really considered an alternative scheme to the BC because it is narrowed to a relatively small set of professions.

5.3.2 Two-level preferences

In adopting every EU instrument, Member States play a two-level game (Menz 2011), at the EU and national level. The preferences on these two levels are not necessarily coherent.

Considering the position expressed before the negotiations, and the implementation of the Directive vis-à-vis the national schemes (either for highly skilled or general/low skilled workers), Member States can be divided into four groups.

- The first group is composed of Member States that supported the Blue Card directive, but whose implementation remained more restrictive than the national scheme. This was the case because the national scheme was more open than the Blue Card (ES, IT, SE).

- The second group is composed of Member States that were supportive of the Blue Card Directive, which introduced a more liberal scheme at the national level. These countries used the Blue Card as main scheme to attract highly skilled workers (FR), and address the shortcomings of the national approach.

- The third group is composed of countries not particularly supportive of the Blue Card directive that kept a more favourable national scheme. This is because they implemented the Blue Card in a more restrictive manner, favouring the national scheme for highly skilled workers (NL, BE, EE) or for general/low skilled workers (CZ, PL).

- The fourth group is composed of countries which opposed the directive, but supported its liberal implementation at the national level. Germany was one of the countries that most strongly opposed the Directive (in general, and in relation to specific provisions), but also the country that adopted the directive in most liberal terms, going beyond the text of the directive. This behaviour is puzzling and can be explained by the timing the directive was approved, the independent policy development at the national level, as well as constraints introduced by the EU dimension.

The Blue Card offered a window of opportunity for introducing a more open scheme for highly skilled workers, which had been the object of a public debate since the beginning of 2000s (Chapter 4). The delay in the transposition was due to a conflict within the governing coalition, between the Bavarian CSU (restrictive stance) and the liberals FDP. Germany tried to oppose the directive during the negotiations, but once adopted, fearing competition from other Member States, implemented the directive in liberal terms. This was possible also because when the Blue Card Directive reached the German Parliament, the debate was ripe for a liberal scheme, as it was not the case in 2001, with the horizontal directive, and in 2007, when the Blue Card was introduced (Laubenthal 2014). So, the Blue Card "served as a 'vehicle' for bringing about a policy change that already was intended by the federal government" (Laubenthal 2014) and worked as a window of opportunity to realise the preferences of labour market actors, and overcome the strong internal opposition.

Table 5.9 Member States support for the Blue Card and implementation of the Blue Card at the national level.

	MS with a more liberal NS	*MS with a more restrictive NS*
MS supportive of the BC	The BC did not go far enough (SE, ES, IT)	MS using the BC to attract highly skilled (FR, LU)
MS opposing the BC	MS favouring the national scheme (NL, *PL*, BE, *CZ*, EE)	Free riding MS (DE)

5.4 Conclusions

This Chapter has analysed the EU dimension of labour migration policy. It has shown that the constitution of an EU policy area in labour migration has been a difficult process, which on the one hand was the consequence of the establishment of the common market and the free mobility area, on the other hand of Member States preferences on the scope, openness and extent of EU involvement.

Member States' preferences on low extent of EU involvement, and support for a flexible approach with a low degree of harmonisation were responsible of the failure the 2001 Commission's proposal for a directive on all types of migrant workers. Particularly important was the opposition by Germany, that opposed the EU initiative due to the misfit with the national development. In answering to the Green Paper in 2005, most Member States preferred a horizontal approach (horizontal scope). This only partially reflected the preference for a skill-decoupled policy at the national level, signalling that the preference on EU labour migration policy may be substantially different in nature from the preference on national labour migration policy.

Despite Member States' preferences, the Commission decided to overcome the political deadlock by adopting three strategies: reducing the scope of the EU intervention, partitioning the labour migration policy area, and strategically selecting the most uncontroversial areas. This new approach signed a selective turn in EU labour migration policy, which became much more oriented towards attracting high skilled workers. While up to 2005 the issue of the 'race for talent' was present only marginally in EU policy documents, after 2005 it gained more and more ground.

In 2007, the Commission presented the Blue Card Directive on highly skilled workers. The positions of Member States on an EU intervention largely depended on their national strategy, and on whether they had already a well-functioning policy at the national level, or whether they were interested in becoming more competitive in attracting highly skilled workers.

On the degree of openness of the Blue Card Directive, Member States largely behaved in line with the expectations developed on the analysis of the organisation of interests presented

in Chapter 3. An important exception is Germany, which contributed to watering down the Directive while at the same time supporting an open policy for highly skilled workers at the national level.

The Directive had a different impact on Member States' policy landscape. In some cases, when they supported the Directive, it introduced a more open scheme for highly skilled workers; in other cases, the national scheme (for high or low skilled workers) remained the more favourable one, regardless of whether the Member States opposed or supported the Directive. An exception is again Germany, that had the most liberal transposition of the Directive, which de facto replaced the national scheme for highly skilled workers. The multi-level game shows that Member States may decide to use different strategies and pursue different objectives, depending on the level of the venues.

Conclusion

This thesis tried to answer to the following research questions: are EU Member States homogeneous in their migration policy for high and low skilled migrants? Are schemes for highly skilled workers more open than schemes for general migrants, as prescribed by the managed migration approach? What conditions explain patterns in openness of labour migration policy by skill level in EU countries? Which mechanism is associated to these conditions? Does the theory explain also Member States' positions at the EU level?

Chapter 1 sets the context of the research. It explores the concept of 'global competition for talent', associated with the managed migration approach, providing its economic and political rationales. These are compared against the present reality of migration in the EU, where most migrants come for other-than-work reasons, and, within economic migrants, on permits not targeting highly skilled workers.

Chapter 2 defines the concept of labour migration policy and decoupling. While labour migration interacts with other forms of migration, I define labour migration policy as the set of legislative measures put in place to regulate the admission of third-country nationals coming to Europe with the main purpose of seeking or taking up employment, and to regulate the rights third-country nationals could enjoy. Decoupling is the difference in openness between the selective and non-selective scheme, targeting respectively highly skilled and general migrants.

I discuss the existing indexes in the migration policy area by methodological choices, and I devise an original index, the Labour Migration Policy Openness and Decoupling Index. This allows me to comparatively analyse migration schemes across countries. I find that Member States have in place on average 1.5 selective schemes, showing an effort to target highly skilled workers, vis-à-vis general workers, in line with the managed migration approach. Schemes for highly skilled migrants are on average more open than schemes for general migrants, but the difference is not statistically significant. Trade-offs, expected to be present between two components of labour migration policy, i.e. the admission component (i.e. how many migrants the scheme lets in) and the rights component (i.e. how comprehensive the set of rights that migrants enjoy is), are not verified. Member States exhibit different patterns of decoupling: while a group of Member States is in line with the managed migration approach and has more open schemes for highly skilled workers vis-à-vis general workers (decoupling), other three groups of Member States depart from this approach, by providing equally liberal or restrictive schemes for high and low skilled workers, or even more open schemes for general migrants. It is thus clear that Member State engage in the so-called 'competition for talent' to a different extent, and that country-specific factors, rather than general economic and political factors, explain their policy choices.

In **Chapter 3**, I inquiry into these specific factors. I review existing theories on labour migration policy, focusing on the role of political parties, and the role party affiliation plays in explaining a more or less liberal policy; and on labour market actors, and their preference on labour migration. Political parties are not shown to consistently favour or oppose labour migration depending on their position on the left-right axis. Labour market actors are found to have a general preference for more migration, with the traditional opposition role by unions mitigated in recent years. I discuss in particular a theory based on Variety of Capitalism, which identifies in the institutions that distinguish different forms of capitalisms relevant factors, and in particular in the general education and in the vocational and educational training system, in labour market regulation, as well as in employers' embeddedness in the policy process. Albeit promising, this approach has failed to produce a consistent and generalisable model.

I discuss the coalition building theory developed to explain policy for highly skilled workers, and whose building blocks are the preferences of labour marker actors (capital, native low skilled workers, native highly skilled workers), institutions (labour market organisations and their political representation), and the capacity to build winning coalitions that bring about an open or restrictive outcome. Neither this theory generates consistent and generalisable models, besides being silent on the factors that lead authorities to their policy by skills of the migrants' target group.

Building upon these theories, I propose an original model to explain labour migration policy for high skilled, general migrants, and policy decoupling. The model is based on three components: employers' preferences on the number and skill of migrants, employers' capacity to affect the policy output, and the presence of anti-immigration parties that prevent policy liberalisation. Labour market institutions and the skill production system are indicators of employers' preference on migrants' skills and number; interest organisation is an indicator of employers' lobbying capacity, while the number of years a party with anti-immigration stances has been in government is an indicator of the opposing action by a political party.

These conditions are analysed with Qualitative Comparative Analysis, a method that allows to identify the configurations of conditions under which an outcome is present or absent, by using set-theoretic relations. QCA does not assume the symmetry of causal relations, so that configurations of conditions that lead to the presence of the outcome are not necessarily the opposite of conditions that lead to its absence. The outcomes of presence/absence of open policy for highly skilled workers, general workers, and decoupling are thus analysed separately. Another QCA methodological assumption is conjunctural causality, so that conditions do not have a causal impact when taken individually, but rather when taken in a configuration. Individual conditions are thus INUS, insufficient but non-redundant parts of a condition which is itself unnecessary but sufficient for the occurrence of the outcome. The QCA identifies paths holding a relation of sufficiently with the outcome and necessary conditions.

The results of the analysis are multiple causal paths with high degree of consistency and in general good coverage. The conditions identified in the model are shown to be causally relevant, although they appear in different configurations. In general, the conditions better explain migration policy for highly skilled workers, rather than policy for general migrants. This may be due to the fact that policies for general migrants have been developed in a longer time frame and are subject to logic of path-dependency not captured in the analysis.

Chapter 4 complements the QCA analysis by presenting detailed case studies of four countries. Three cases are typical cases that exhibit high membership in the conditions and high membership in the relevant outcomes, i.e. Germany, Sweden and the UK, while one case is a deviant case for coverage, presenting high membership in the outcome and low membership in the conditions, i.e. Czech Republic. The aim of the case studies is to analyse the causal mechanism that leads to the outcome and that is associated with the conditions. The causal mechanism is composed of employers expressing their preference for migrants with certain skills, employers voicing their preferences and lobbying the government to bring about the desired outcome, and parties opposing liberalisation in migration policy.

In Germany, all three elements are present, and they explain the slow turn towards selective migration policy, started at the beginning of the 2000s. Employers in particular have been particularly active in voicing shortages in skilled and highly skilled occupations, in pushing the government to liberalise the restrictive migration policy and to affirm the need for Germany to move beyond its traditional zero-immigration stance. Political parties, and especially the centre-right parties, have shown resistance to embrace a welcoming migration policy, and, in any case, have always supported a selective approach. Little by little, Germany has introduced a policy for highly skilled workers that is one of the most liberal among other EU countries, while keeping tight control over the national gates for low skilled workers

Sweden shows a similar dynamic, with employers that started in the beginning of 2000s to forcefully voice the need for more open labour migration policy and for putting an end to the heavy involvement of labour authorities and the unions in international recruitment. Employers initially faced the staunch opposition by the iron triangle, composed of the unions, the Employment Service, and the Social Democratic party in government. The equilibrium changed with the election of a centre-right government, that opened a window of opportunity for a radical change towards liberal migration policy. This was accompanied by a pro-market stance, which supported the autonomy of employers in choosing their employees, including migrant workers, in compliance with the labour law. Sweden thus adopted an open policy for all types of migrants, moving away from a manage migration paradigm that saw the active selection role of public authorities.

The United Kingdom tells a different story. The government has been the main actor of policy change, either in a more liberal or a more restrictive direction. Employers had had a

limited role, both in expressing a preference for specific types of workers, and in lobbying for the desired policy outcome. While the government has embraced a managed migration approach, with the idea to bound migration policy to the labour market needs (for instance, with the introduction of the Migration Advisory Committee), it has also progressively made more difficult for highly skilled migrants to migrate to the UK – turning its managed migration approach towards more restrictive stances. External factors have played an important role in changing the government attitude, in particular the unexpected migration of EU citizens from new EU accession countries, and the economic downturn of the late 2000s.

Finally, the Czech Republic is a *sui generis* case among Central-Eastern European countries. It shows an extraordinary proactive role of the government in managing migration to respond to labour market needs, with employers voicing skill shortages. Liberalisation has however not been unconditional, and besides element of openness (e.g. the innovative point-based pilot project launched in 2003), migration policy has maintained elements of restrictiveness. The Czech recipe to attract highly skilled migrants is atypical compared to other EU countries, and while tries to attract skilled workers, it also keeps a firm grip on the labour market.

After the analysis of policy at the national level, **Chapter 5** moves the focus to the EU dimension. Migration has increasingly become more salient at the EU level, and in particular EU institutions have acquired the competence to legislate on labour migration issues. The Chapter focuses on Member States' preferences at the EU level, specifically on three dimensions: the scope of EU labour migration policy, the extent of EU involvement, and the degree of harmonisation. At present, the EU labour migration framework looks like a fragmented picture composed of selective instruments (for researchers, highly skilled migrants, seasonal workers, and intra-corporate transferees), covering only a minority of migrants entering the EU. Only one instrument, the Single Permit Directive, regulates migration horizontally, specifically on procedures to issue work permits and on minimum rights migrants shall enjoy. No horizontal provision exists on the admission of migrants in general. This partitioned approach was the result of Member States' reluctance to adopt any legislative instruments, combined with the strategic agenda setting role of the Commission.

Member States' preferences are analysed on the scope dimension of EU labour migration policy. I analyse whether countries with (without) a decoupled policy at the national level also expressed a preference for a selective (horizontal) migration approach at the EU level. While this is the case for some countries, e.g. Germany, the Netherlands, Italy and Sweden, other countries had diverging preferences at the EU and national level, e.g. Belgium, France and Poland. Once it was agreed to pursue a selective approach, in its first form of an EU directive for highly skilled workers, the Blue Card Directive, I analyse Member States' preferences on the degree of openness of this instrument against the expectations drawn from the analysis developed in

Chapter 4. While most countries follow the expectation, expressing open or restorative preferences on the content of the directive as predicted, Germany stands out as a remarkable exception. Although it is expected to have a strong preference for an open migration policy, in fact it held a restrictive stance on the Directive. Finally, I analyse the preferences of Member States on the dimension of EU harmonisation. Member States with a well performing scheme for highly skilled workers at the national level favoured a low level of harmonisation directive, while those without a scheme for highly skilled workers, or with an ill-functioning scheme, supported more harmonisation. The existence of an effective national scheme has not been the only reason to oppose further harmonisation, as sovereignty, relevance and fairness concerns played a role as well.

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