

# Blue Card

How to prevent brain drain

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**The European Union (EU) is developing a Blue Card in order to attract highly qualified migrants to meet its labour force needs and compete in the global battle for brains. The EU recognizes the importance of coherence between its migration- and development policies. By introducing the Blue Card system, however, the EU is in danger of increasing the brain drain in developing countries, with negative consequences for key development sectors. The current Blue Card proposal is, therefore, not coherent with the EUs development policy.**

Migration and development are linked in several ways. Migration can contribute positively to development, but at the same time it does have disadvantages, which need to be limited. Development efforts can play a role here by helping to tackle the root causes of migration.

For developing countries, the most important negative effect of voluntary migration to developed countries (e.g. in Europe) is the brain drain caused by the loss of highly skilled workers. Currently, more than 25% of highly skilled workers from African countries such as Mozambique, Ghana, Kenya and Uganda live in developed countries. Figures for the Caribbean and Pacific are as high as 70%.<sup>1</sup> This brain drain has severe repercussions on the labour market in the migrants countries of origin, where it impacts negatively on vital sectors such as education and health, and reduces those countries capacity to achieve the Millennium Development Goals (MDGs) one of the priorities of the EUs development policy.

When considering the EUs development efforts, one would expect to find the EU encouraging highly skilled workers to stay in their home countries. Yet under the Lisbon Strategy whose aim is to make Europe a more dynamic knowledge-based economy the EU is proposing a Blue Card scheme designed to attract highly skilled migrants from developing countries. Several EU policy documents emphasise the importance of coherence between the EUs policies on migration and development.<sup>2</sup> The Blue Card proposal, however, fails to take the EUs development objectives, or its policy coherence commitments in the field of migration, sufficiently into account, and as a result the EU is in danger of increasing the brain drain from developing countries and counteracting its own development efforts. Although negotiations are still ongoing, this case-study highlights a number of coherence-related concerns regarding the Blue Card.

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<sup>1</sup> Policy Coherence for Development: Climate Change/Energy/Biofuels, Migration and Research: 22-23. See PDF File.

<sup>2</sup> European Consensus on Development; Policy Coherence for Development work programme 2007; Global Partnership for Sustainable Development; Joint Africa-EU Declaration on Migration and Development.

## EU Migration Policy

Since 1999 the European Commission has sought agreement on a common migration policy, on the legal basis provided in the Amsterdam Treaty.<sup>3</sup> In 2004, in the Hague Programme<sup>4</sup>, the European Council asked the Commission to submit a policy plan on legal migration to help member states meet existing and future labour-force needs. The result was the Policy Plan on Legal Migration<sup>5</sup>, published in 2005, which envisaged the adoption of five legislative proposals on labour migration between 2007 and 2009. One of these proposals is the Council Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment<sup>6</sup>, also known as the Blue Card proposal.

The main objective of the Blue Card is to provide EU Member States and companies with additional tools for recruiting, retaining and better allocating highly qualified migrant labour. The EU argues that this is necessary to achieve the goals of the Lisbon Strategy, an action plan to make the European economy the most dynamic and competitive knowledge-based economy in the world.

Under the Blue Card proposal there would be a fast-track procedure for the admission into the EU of highly qualified non-EU workers, based on criteria common to all member states: a one-year work contract, professional qualifications and a salary three times (or, for candidates aged under thirty, twice) the minimum wage in the receiving EU state. The legal residence of Blue Card holders would be restricted to two years, after which the migrant would be able either to move to a second EU member state, if they got another work contract, or to return to their country of origin. After five consecutive years in the same country, a migrant could apply to stay there permanently. Conditions of employment and social security would be the same as those applicable to EU citizens.

The Blue Card proposal states that the brain drain will be limited because the Blue Card provides in first instance for temporary migration. This temporary migration would lead to a win on three counts: the EU would be able to meet its labour needs; developing countries would profit from remittances and a brain gain when migrants returned home with newly acquired skills; and the migrants themselves would benefit from newly acquired skills and economic means.

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<sup>3</sup> The aim of the Amsterdam Treaty is to create the political and institutional conditions to enable the European Union to meet the challenges of the future such as the rapid evolution of the international situation, the globalization of the economy and its impact on jobs, the fight against terrorism, international crime and drug trafficking, ecological problems and threats to public health.

<sup>4</sup> The Hague Programme, adopted at the European Council of 4 and 5 November 2004, sets out ten priorities for the Union with a view to strengthening the area of freedom, security and justice in the next five years. An annex to the communication sets out specific measures and a timetable for their adoption.

<sup>5</sup> Communication from the Commission: Policy Plan on Legal Migration.

<sup>6</sup> Proposal for a Council Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment.

## EU Development Policy

The EU's development policy focuses on poverty reduction and the achievement of the MDGs. The EU recognises the impact of migration on the achievement of its development goals. On the one hand, development efforts can reduce the push factors for (illegal) migration: in other words, if living conditions are improved, the reasons why people choose to migrate can be removed. On the other hand, migration as it occurs can through brain gain or brain drain either reinforce or weaken the development efforts that are being made. The EU, therefore, stresses the importance of coherence between its migration and development policies, and includes migration policy issues in its development policy.

In the European Consensus on Development<sup>7</sup> and the EU's Policy Coherence for Development work programme<sup>8</sup>, the EU says that it will strive to make migration a positive factor for development through the promotion of concrete measures aimed at reinforcing its contribution to poverty reduction, including by facilitating remittance transfers and limiting the brain drain of qualified people. In its Global Partnership for Sustainable Development, the EU says that the negative effects of migration should be minimised, while migration policy should benefit both recipient countries and countries of origin.<sup>9</sup>

The EU recognises that developing countries need their highly skilled workers in order to achieve the MDGs. Because of this, it has identified brain drain as the most important downside to migration. In order to counteract the brain drain, the Joint Africa-EU Declaration on Migration and Development emphasises the need to encourage skilled workers to remain in Africa.<sup>10</sup>

In short, given that the EU's migration policy is designed to attract highly skilled workers into the EU, while at the same time one of its development policy objectives is to encourage them to stay in their own countries, the inescapable conclusion is that these are incoherent, conflicting policy goals.

## Policy incoherence

### *MDGs*

The EU states that the Blue Card is unlikely to undermine the ability of developing countries to deliver basic social services or to achieve the MDGs.<sup>11</sup> It is clear, however, that a lack of specialists in key development sectors is hampering the achievement of the

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<sup>7</sup> European Consensus on Development: 15.

<sup>8</sup> PCD Work Programme 2006-2007: 9.

<sup>9</sup> Global Partnership for Sustainable Development: 15.

<sup>10</sup> Joint Africa-EU Declaration on Migration and Development: 3.

<sup>11</sup> Proposal for a Council Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment: 2.

MDGs.<sup>12</sup> This is especially true for the health sector, as half of the MDGs are health-related.

#### *Temporary migration*

The return of highly skilled migrants will produce benefits for their home countries only if migrants return before the end of their working lives. According to the European institutions that have designed and drafted the Blue Card proposal, in practice the brain drain will be limited because the card provides for temporary migration. But there is no proof that this idea of temporary migration will translate into reality. Pilot projects still have to be set up. Moreover, the proposal offers no concrete incentives either in the EU or in developing countries to ensure that Blue Card holders return home, whereas if migrants work in the EU for five years they will be given the option of applying for permanent residence there.

#### *Ethical recruitment*

Under the Blue Card proposal a code of conduct for ethical recruitment should be drawn up, to prevent active recruitment in sectors suffering from a lack of human resources, such as the health sector. This code, however, will not be able to stem the tide of workers flowing to developed countries. Key constraints on it will be the lack of a legal status and the lack of an efficient framework for implementing or monitoring it. Sanctions for non-compliance will therefore be ineffective, and unenforceable. Moreover the proposed code of conduct will not cover recruitment practices in the private sector. Finally, the United Kingdom, Ireland and Denmark are not taking part in the Blue Card negotiation the UK being a country known for its active recruitment in the health sector in developing countries to compensate for its shortage of health personnel at home.<sup>13</sup>

#### *Educational expenses*

The EU stresses the importance of educational investment in developing countries. When highly skilled workers, whose education has been provided by their home countries, migrate to the EU, the developing countries lose their educational investment and EU member states profit from it. This could be regarded as a form of cheap, subsidised education for the EU states. Countries of origin that have provided training and education should therefore be compensated appropriately. At present, however, there are no arrangements for offsetting this loss.

#### *Benefits of migration*

The EU recognises the potentially negative effects of highly skilled migration on developing countries, but argues that it would also benefit them. This, however, is

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<sup>12</sup> Österreichische Forschungsstiftung für Internationale Entwicklung: Brain Drain und Seine Auswirkungen auf Entwicklungsländer: 16.

<sup>13</sup> Pagett, C. and Padarath, A. A review of codes and protocols for the migration of health workers.

doubtful. First, the EU argues that the sending countries would benefit from reduced pressure in their domestic labour markets. It is true that the Blue Card might indeed reduce domestic labour-market pressure in some sectors, but it would also attract workers from sectors already suffering from a labour shortage, such as education and health. Secondly, the EU says that developing countries would benefit from remittances sent home by migrants working abroad. There is, however, no consensus that remittances contribute significantly to actual development in their home countries. Also, highly skilled migrants are known to send back less money than low-skilled ones.<sup>14</sup> Finally, the migrants education is generally paid for by their home countries governments, but the money that is sent back does not benefit the public sector.

Fair Politics EU underlines the fact that people have the right to migrate. At the same time, it recognises that developing countries need their highly skilled people in order to reduce poverty and achieve the MDGs, which are the main goals of the EUs development policy. The EU Coherence Programme also acknowledges the positive impact that migration policy may have on development and on the MDGs. However, the EUs plans to develop a Blue Card in order to attract highly skilled migrants are not consistent with these development goals, as there is a danger that the card will increase the brain drain in key development sectors such as education and health, thereby impairing developing countries capacity to achieve the MDGs. The EU Coherence Programme would therefore like to suggest several changes to the Blue Card proposal that are necessary to make the EUs migration policy in general, and this proposal in particular, coherent with the EUs development objectives.

### **Policy recommendations**

- To address the internal push factors for migration, the EU should provide adequate assistance to developing countries and achieve the target of 0.7% of GDP for development cooperation. It should help developing countries to devise effective strategies to retain highly skilled workers, e.g. through development programmes aimed at improving local employment opportunities and working conditions. This is especially necessary in the health sector.
- The EU should provide targeted investments to train, deploy and retain staff in developing countries who are working in sensitive sectors such as education and health. The EU should also provide long-term budgetary support to underpin the domestic financing of those sectors.
- The EU should ensure that all its member states sign a legally binding commitment that includes the private sector in order to prevent active recruitment in

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<sup>14</sup> OECD: Policy Coherence for Development. Migration and Developing Countries: 11.

developing countries. Such a code of practice should address country- or region-specific needs. Furthermore, in order to ensure compliance, the EU should set up a formally constituted body with an oversight and watchdog role in the EU and developing countries.

- To prevent a negative impact on source countries, the EU should introduce concrete measures to encourage the permanent return of Blue Card holders. Within the EU the portability of social rights should be facilitated. In developing countries, migrants should be offered benefits in order to encourage their return.
- If the EU attracts workers whose education and training have been provided by their home countries, then these countries of origin should be appropriately compensated for having provided these skills.
- The EU should encourage its member states to strengthen their own (national) workforce policies in all sectors in order to become less dependent on foreign workers from less developed countries.

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