



Legal Migration Fitness Check

Economic analysis

Annex 4C



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1 Introduction

This document considers the feasibility of applying economic approaches to address the evaluation questions relating to effectiveness and efficiency, listed in Table 1).

Table 1. Evaluation questions with an economic dimension

Evaluation criterion	Evaluation questions
Effectiveness	EQ 6: What have been the effects of the legal migration Directives, and to what extent can such effects be attributed to the EU intervention?
Efficiency	EQ 9: Which types of costs and benefits are involved in the implementation of the legal migration Directives? EQ 10: To what extent did the implementation of the Directives lead to differences in costs and benefits between Member States? What were the most efficient practices?

Taking each criterion and associated question(s) in turn, the sections that follow discuss:

- The conceptual challenges involved in addressing the evaluation question concerned;
- Relevant evidence available from the literature and other secondary sources;
- The most appropriate economic approach to addressing the question in a robust and reliable manner;
- The feasibility of applying the preferred approach once data availability and other relevant factors are taken into account, and (where possible) the results of doing so.

The paper also provides a set of recommendations on what could be done to increase the opportunity for future evaluators of EU law on legal migration to apply the preferred approaches. These primarily relate to changes to migration-related data systems and targeted efforts to gather information that would help in the estimation of specific costs or benefits.

The following sources have been used to this paper:

- Review of literature specifically dedicated to the labour migration acquis. This review undertaken as part of the contextual analysis of the Fitness Check, covered all 28 EU Member States. The full literature review is available in Annex 1A to the main report.
- Additional review of literature specific to the economic impacts of migration. This was not a comprehensive and structured review, neither did it focus exclusively on the literature concerning the legal migration acquis. Rather, the main findings and results of some key studies on economic impacts of migration were used to support some of the conclusions drawn from the Fitness Check.
- Analysis of the evidence collected in Task I and II of the Fitness Check – statistical information (Annex 1Bii) and the practical application of the directives in EU Member States (Annex 2A) respectively.
- An ad-hoc survey of the European Migration Network – the survey produced limited results, which were nevertheless used to illustrate some aspects of the analysis, in particular the assessment of administrative costs.

- Finally, the Open Public Consultation provided some opinions and assessments of the costs and benefits of the EU legal migration acquis. Although not representative, the OPC provided some evidence to complement or cross-check the evidence gathered from other sources.

A thorough assessment of costs and benefits of the legal migration acquis, as well as the economic impact of the directives warrants a separate study. The broader economic impact assessment, including assessment of fiscal impacts of the legal migration acquis is outside the scope of the Fitness Check as indicated in the ToR.

The Directives have the potential to lead to many different types of benefits and costs. The table below summarises the approaches undertaken by past impact assessments, where available. Not all directives were previously subject to an impact assessment. Table 2 thus, covers five out of the nine directives in scope.

Table 2. *Typology of costs and benefits as identified in prior impact assessments of legal migration Directives.*

Directive	Cost/benefit
Proposal for a Directive of the European Parliament and the Council on the conditions of entry and residence of third-country nationals for the purposes of highly skilled employment and repealing Directive 2009/50/EC	Displacement effect on highly-skilled workers and the effect on the medium-skilled job market
	Intra-EU mobility of blue card holders
	Remittances of TCNs to countries of origin
	Impact on innovation and research in the EU
	Administrative burden on applicants (processing times, legal fees and application fees)
	Administrative burden on Member States' administration
Proposal for a Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purposes of research, studies, pupil exchange, remunerated and unremunerated training, voluntary service and au pairing Recasting and amending Directives 2004/114/EC and 2005/71/EC	Benefits (revenues from application fees and income taxes)
	Impact of researchers and students on innovation, competitiveness and growth in the EU
	Administrative costs: familiarisation with and training on new obligations
Proposal for a Directive of the European Parliament and the Council on conditions of entry and residence of third country nationals in the framework of an intra-corporate transfer	Administrative costs: implementation costs
	Administrative costs: implementation, application processing
Proposal for a Directive of the European Parliament and of the	Fiscal costs: costs of providing rights (healthcare, sickness insurance, family benefits)
	Administrative costs: implementation, application processing

Directive	Cost/benefit
Council on the conditions of entry and residence of third-country nationals for the purpose of seasonal employment	<p>Fiscal costs: costs of providing rights (pensions, disability, healthcare)</p> <hr/> <p>Cost to employers (wages) recognised but not calculated)</p>
Proposal for a Council Directive on a single application procedure for a single permit for third country nationals to reside and work in the territory of a Member State and on a common set of rights for third country workers legally residing in a Member State (source: EC)	<p>Administrative and implementation costs</p> <hr/> <p>Implementation costs savings (value of a reduction in labour input involved in the processing of initial permit applications (for work and residence) and applications for the renewal of permits.)</p> <hr/> <p>Fiscal costs: cost of public services and welfare benefits (e.g. education, health, housing, social security) taken up by TCNs</p> <hr/> <p>Fiscal benefits: tax and social security contributions of TCNs</p>

2 Effectiveness

2.1 Introduction: Evidence on the economic impacts of migration

The terms of reference require the fitness check to consider the effects of the legal migration Directives, and the extent to which such effects can be attributed to the EU intervention. As already mentioned, a comprehensive analysis of the economic impacts of migration is not within the scope of the fitness check. The text below provides a high level commentary on the issues and evidence pertinent to the Fitness check as a preamble to the consideration of the costs and benefits of the Directives. It covers:

- **Economic and social costs and benefits:** evidence taken from existing research on the economic, labour market, and social impacts of migration.
- **Fiscal costs and benefits:** evidence on the fiscal impact of third country nationals in the EU, in terms of tax, social security contributions to the government's budget, as well as the government's own direct payments to migrants (e.g. social assistance) or public services provided.

2.2 The intended impacts of the Directives

The underlying rationale for the legal migration Directives is the need to harmonise across the EU the regulation of migration from third countries for the purpose of work, living and studying in the EU. Introducing a more uniform set of migration rules across EU Member States, through the implementation of the Directives, is expected to increase the EU's attractiveness to migrants as a destination, positively affect the EU economy, improve the efficiency of application and control procedures, ensure fair treatment of the TCNs, prevent their exploitation, facilitate their integration and raise the trust in appropriate and effective migration management amongst the different Member State authorities (as to facilitate the intra-EU migration of third country nationals). The EU legal migration acquis has resulted in a number of benefits for all stakeholders concerned, as well costs to governments or migrants. The table below illustrates, which of these **overarching objectives of EU legal migration** are

applicable to which Directive, and whether it is associated only with benefits or has also a corresponding cost. The types of impacts, and resulting costs and benefits are then presented in the sections below.

Table 3. Specific objectives of each of the Directives

Specific objectives	FRD	LTR	SD	RD	BCD	SPD	SWD	ICT	S&RD	Costs	Benefits
Managing economic migration flows					X	X	X			X	X
Attracting and retaining certain categories of TCN			X	X	X			X	X	X	X
Enhancing the knowledge economy in the EU				X	X			X	X		X
Boosting economic competitiveness, growth and investment				X	X			X	X		X
Addressing labour shortages (through admission conditions)					X		X	X		X	X
Ensure equal treatment		X		X	X	X	X	X	X	X	X
Preventing exploitation and ensuring decent living and working conditions	X	X	X	X	X	X	X	X	X	X	X
Ensuring mutual enrichment and promoting better familiarity among cultures			X						X		X
Promoting integration and socio-economic cohesion	X	X								X	X
Protecting of family life and unity	X	X		X	X			X	X		X
Enhancing intra-EU mobility		X	X	X	X			X	X	X	X
Improving monitoring and control of overstaying and other irregularities						X	X		X	X	X

Source: ICF

2.2.1 Economic and labour market impacts

The Directives can be expected to generate a range of labour market and economic impacts. These differ according to each directive and according to the Member State. As an analysis of these impacts falls outside the scope of the study. The list below simply shows what could be the types of impacts (either costs or benefits) that *may* in theory have resulted from the directives. The key types of impacts are as follows:

- **Impact on labour supply:** the three Directives (BCD, SPD, and SWD) are each tools to facilitate the entry of third-country nationals to the EU labour markets. The specific impact on the Directives cannot be determined as the share of migration flows that can be attributed to them is unknown. Available evidence however, suggests that the overall impact of migration, at macro-economic level, is positive.
- The three directives have provisions to manage economic migration flows by allowing the possibility of applying volumes of admission; The Union preference principle, requiring employers to give preference to EU citizens over third-country nationals when filling a post, and labour market tests, which examine the extent to which there are labour shortages that would justify hiring third-country nationals (relevant for the Directives regulating admission for the purposes of economic migration), when applied properly, could be used to better channel the 'supply' of third-country nationals to sectors where needs are the highest (thus, minimising any labour market displacement);
- Impact on the size of the labour force and on filling the gap in **labour shortages**. All Directives, as long as they make the EU a more attractive labour migration destination can contribute to easing labour market shortages. However, linking migration policies to labour market needs is conceptually a difficult process as it is one of several policy measures that seek "to address both the existence and the root causes of labour and skill shortages".¹ In this sense:
 - The ICT may be particularly useful to quickly react to emerging needs for labour;
 - The BCD is limited to highly-skilled but, like the ICT, is sufficiently flexible to support emerging labour market needs;
 - The S&RD can be used to address needs which are forecasted to emerge in the longer term.
- Impact of migration on local wages – there have been safeguards in BCD or SWD against negative effects (e.g. suppressing local salaries).
- Impact on **employment and unemployment** rates of the native population. While the Directives' main objective is to reduce labour shortages and positively impact employment rates, existing studies, show that the impact of migration on local labour markets may have been negative in some cases (i.e. increasing unemployment rates of the resident population)
- Impact on labour productivity².

¹ IOM (International Organization for Migration) (2012). *Labour shortages and migration policy*

² Sébastien, J., Orsetta, C., Jiménez, M. and Wanner, I, (2010) Migration and Labour Market Outcomes in OECD Countries, *OECD Journal: Economic Studies Volume 2010*; West, D. (2011) The Costs and Benefits of Immigration, *Political Science Quarterly*, Volume 126, Issue 3 Fall 2011, Pages 427–443; European Migration Network (2015) Determining labour shortages and the need for labour migration from third countries in the EU: Synthesis Report for the EMN Focused Study 2015; Reymen et al. (2015) Labour Shortages in the European Union – Study for the EMPL Committee, [http://www.europarl.europa.eu/RegData/etudes/STUD/2015/542202/IPOL_STU\(2015\)542202_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2015/542202/IPOL_STU(2015)542202_EN.pdf)

- The table presenting a summary of some key studies on the impact on the EU economies from migration, is provided in Appendix 3 to this paper.

2.2.2 Competitiveness, economic growth and the knowledge economy

Boosting competitiveness, economic growth and the knowledge economy is a specific objective for BCD, ICT and SRD. Attracting highly qualified workers is widely believed to contribute to boosting economic growth, competitiveness and knowledge economy, not only through an increase in the pool of highly qualified workers within the workforce and gain in human capital, but also through spill over effects, as for example the local workforce may learn from the highly qualified TCNs and as they meet a demand for high-skilled labour, in turn, may also lead to an increased need for complementary mid- and low-skilled labour. There is also an income multiplier effect. For instance, if a TCN earns 50,000 euros, s/he will spend a large portion of that money on good and services such as housing, transport, food, utilities etc. Those places will then re-spend that money on inventory, utilities and more workers. Those workers will then spend a portion of their income and so on. By increasing aggregate demand, TCNs thus, also contribute to an expansion of economic output³.

Overall, an increase in the pool of highly skilled workers would have a positive impact on the capacity of European companies to undertake R&D and would benefit the EU's overall performance on research and innovation. It would be easier for companies in highly innovative sectors, to recruit HSWs especially in STEM (science, technology, engineering and mathematics) fields, which in turn would increase their capacity for innovation and entrepreneurship⁴.

Evidence suggests that highly skilled migrants have a small yet positive net effect on innovation in host countries by increasing workforce diversity⁵. Various studies suggest a positive impact on (a) technological development measured through patent indicators in host countries⁶, exceptional scientific contributions⁷, and (b) the innovation performance of European regions⁸.

So far, a relatively low number of Blue Cards have been issued (total number of Blue Cards issued in the EU for 2014 – 5,825; 2015 – 4,908 and 2016 – 8,907) with a significant share issued by one Member States – Germany.⁹ Given the low number of Blue Cards issued, it is unlikely that the BCD has contributed in any significant way, to boosting the growth and competitiveness in the EU. Furthermore, in some Member States, highly qualified TCNs have been attracted through alternative, attractive,

³ Amelie F. Constant, IZA world of labour (May 2014). *Do migrants take the jobs of native workers?*

⁴ Kerr, W. R. (2013). 'U.S. High-Skilled Immigration, Innovation, and Entrepreneurship: Empirical Approaches and Evidence.' National Bureau of Economic Research Working Paper Series No. 19377.

⁵ Nathan, M. (2013). 'The wider economic impacts of high-skilled migrants: A survey of the literature'. National Institute of Economic and Social Research.

⁶ Hunt, J. 2013. Are Immigrants the Best and Brightest U.S. Engineers? *National Bureau of Economic Research Working Paper Series*, No. 18696; Breschi, S., Lissoni, F., Tarasconi, G., 2013, Inventor Data for Research on Migration & Innovation, 'WIPO Experts Meeting on Intellectual Property, the International Mobility of Knowledge Workers and the Brain Drain', World Intellectual Property Organization, Geneva

⁷ Stephan, P.E., Levin, S.G., 2001. Exceptional contributions to US science by the foreign-born and foreign-educated. *Population Research and Policy Review*, 20, 59-79; Hunt, J. 2013. Are Immigrants the Best and Brightest U.S. Engineers? *National Bureau of Economic Research Working Paper Series*, No. 18696.

⁸ Ozgen, C., Nijkamp, P., Poot, J. *Immigration and innovation in European regions*. Discussion paper, Forschungsinstitut zur Zukunft der Arbeit; Niebuhr, A. 2010. Migration and Innovation: Does Cultural Diversity Matter for Regional R&D Activity? *Papers in Regional Science*, 89, 563-85.

⁹ Eurostat data on first residence permits issued to highly skilled workers is available, however many Member States do not report such data as they do not disaggregate the skill levels of the residence permits and thus, it is not possible to establish the share of EU Blue Cards of all residence permits issued to highly skilled workers. The following Member States have not issued Blue Cards in the period 2011-2016: BE, EL and CY.

national schemes which, by offering better conditions and being generally more 'publicised' by the respective Member States, may have also diminished the impact of the Blue Card as an instrument to boost competitiveness, economic growth and the knowledge economy.

With regard to ICT and SRD, given the recent adoption of these Directives, it is too early to assess their effects. Nonetheless, the ICT and S&RD can reasonably be expected to make a positive contribution to this objective (also considering that contrary to the BCD, no parallel schemes are allowed under these Directives).

Finally, in general, some Member States may benefit from the 'EU branding' of the Directives, which makes the EU as a whole, more attractive to highly skilled third-country nationals.

2.2.3 Harmonisation – minimum standards

The legal migration acquis was expected to create a **level playing field** in the EU, through the approximation and harmonisation of Member States' national legislation and establishing common admission criteria and conditions of entry and residence for TCNs. The alignment of procedures, conditions and standards across the EU Member States was expected to make the EU a more attractive migration destination and to bring related economic benefits. The research undertaken as part of this evaluation however, shows that there continues to be substantial variation in the rules concerning admission procedures across the Directives, while the 'may clauses' and the different interpretations of 'shall' clauses result in different standards across EU countries.

It has not been possible to identify research which estimates the economic benefit of harmonisation, which is only one of many (and arguably more important) factors influencing the decision making of migrants. Making such estimations would be a challenging task that cannot be undertaken based solely on available statistical data, but would require a survey of TCNs. At Member State level, no relevant surveys were identified by the national experts.

2.2.4 Equal treatment rights: costs and benefits

Equal treatment provisions in the examined Directives are a 'benefit' to the migrant and EU societies, but could be a cost to the employer and the state budget, resulting in increased government spending. Four of the examined Directives (LTR, RD, BCD, SPD) include provisions on equal treatment of TCNs with respect to nationals of the Member States, covering a number of aspects, including, *inter alia*, working conditions, social security benefits, education, tax benefits, access to goods and services and advice services. The FRD and SD do not include provisions on equal treatment.

The equal treatment of migrant workers makes the EU a more attractive migration destination, which has indirect economic impacts as discussed above. In addition, these rights contribute to improved social cohesion (i.e. relations with majority population) and the integration of migrant workers within host communities. There is no reliable data that allows for quantification of these impacts and related (indirect) economic or fiscal impacts.

Equal rights provide conditions for migrants to make income tax and social benefit contributions (e.g. unemployment, social security, or healthcare contributions) to the government budget. In return, this sets the ground for related government spending (outlays) on providing various social benefits and services. The difference between the migrants' contributions to the budget and government's fiscal outlays is called 'net fiscal' effect. It is discussed in more detail in section 3.3.

2.2.5 Integration and socio-economic cohesion

Promoting integration and socio-economic cohesion is an explicit objective of the FRD and LTR (which together represent over 45% of all residence permit holders in the EU in 2016). Integration and socio-economic cohesion are associated with a number of short and long-term economic effects, including higher employment rates and labour market participation levels.

The fiscal impact of the integration measures is discussed in the next chapter on efficiency.

2.2.6 Intra-EU Mobility

Enhancing and promoting intra-EU mobility, with the overall aim of making the EU an attractive destination, is a specific objective of several Directives. Provisions regulating intra EU-mobility of third country nationals from one Member State to a second one for the purpose of taking short or long-term residence and work can be found in six Directives (LTR, BCD, ICT, SD, RD, and S&RD). The intended impact was that simple, inexpensive and swift access to residence permits in a second Member State, would make the EU a more attractive migration destination, and more flexible in responding to changes in labour market demand. However, the limited level of facilitation that has been achieved with the intra-EU mobility clauses (discussed in the next chapter) may only have resulted in a minimal, if any measurable economic impact.

In several Member States, migrants are more likely to move in response to labour market opportunities than natives, which implies that mobile TCN could help meet specific labour market needs and respond to labour market changes. This can however, only work in practice if mobility is facilitated and does not lead to a reduction of the rights they acquire in the second Member State. Indeed, research found a positive causal effect between long-term resident TCN (and naturalised TCN) statuses, which confer greater opportunities for mobility within the EU, and TCN mobility, with third country long-term residents being 5% more likely to be mobile than TCNs without the status. The study suggested that the fewer the legal and the practical constraints faced by other migrants living in the EU, the higher the likelihood that they will engage in intra-EU mobility¹⁰

2.2.7 Preventing exploitation at the labour market

Preventing exploitation and ensuring decent living standards are explicit aims of the SWD, FRD and ICT. The prevention of exploitation contributes to preventing a distortion of the EU labour markets by ensuring equal treatment of third-country nationals (workers mainly), notably as regards pay and working conditions, or social security. In practice, all Member States have adopted different measures for the prevention, identification and sanctions of employers for exploitation of TCN workers. These provisions in the Directives give generate various enforcement costs for the government, as well as costs for employers.

For instance, in twenty Member States, TCNs who are found to be illegally employed (regardless of whether they are residing regularly or irregularly) can make claims against their employer for compensation of unpaid wages for the duration of their employment on the same terms as a valid employment contract (including in cases when the TCNs have been returned). In most Member States, third parties with legitimate interest (such as trade unions, organisations of migrant workers), may act on behalf or in support of third country nationals. In addition to employers, direct contractors and other immediate subcontractors can be liable and obliged to pay any outstanding taxes to the state and remuneration due to the TCN.

¹⁰ Poeschel, F. (2016), *Raising the mobility of third-country nationals in the EU. Effects from naturalisation and long-term resident status*, Documents de travail de l'OCDE sur les questions sociales, l'emploi et les migrations, no. 187, Éditions OCDE, Paris

2.2.8 Retention of students

International student retention rates are low in the European Union. Depending on the method used for calculating those who stay on, the rates are estimated to be in the range of 16% to 30%¹¹ and vary significantly from one EU Member State to another. The SD introduced temporary residence permit that allows international students to stay in the Member State temporarily after completing their studies¹².

International students who remain in the Member State (or in the EU) after graduation, contribute to marginal supply shift of tertiary educated labour. The rate at which such tertiary educated migrants remain in the EU depends largely on the labour market demand for them¹³. In 2012, the OECD study, showed that at the time, there was little demand for staying international students. Only a minority of them pursued studies in STEM (science, technology, engineering, and mathematics), for which there is a growing demand in the EU.¹⁴ After 2012, though, continuously falling unemployment rates in the EU contributed to higher demand for labour, and the stay rates are likely to have increased. One reliable proxy indicator is the change of status from education to remunerated reasons: the number of status changes increased from 23 107 in 2012 to 42 847 in 2016 for EU 27 (without the UK)¹⁵. The long-term benefits to the EU economy though, is not certain, as studies have shown that some students take-up this first post-graduation job to gain some work experience before returning to their home countries.¹⁶

2.2.9 Circular migration

Few (seven) Member States have established measures to encourage circular migration as per SWD (recital 34).¹⁷ Measures encouraging circular migration in two Member States are mainly targeted at allowing seasonal work in specific sectors such as agriculture and/or tourism.¹⁸ The economic benefit from these provisions mainly concerns third countries, where the migrants impact upon local economies.

2.2.10 Demographic impacts

A number of empirical studies find a positive relation between emigration flows and migrant age: young people tend to emigrate more than older people, as they expect to reap the expected benefits of emigrating over a longer period¹⁹. Therefore, labour migration can positively impact the size of the labour force, and hence the dependency ratio, the working age-population (15-65) and the population not in the labour force (0-15 and 65+). In the long-term, though, the

¹¹ Weisser, R. (2016), "The Impact of International Students and Post-Graduation Internal Mobility: An Analysis of Student Mobility and Retention Rates", *OECD Social, Employment and Migration Working Papers*, No. 186, OECD Publishing, Paris, <http://dx.doi.org/10.1787/1815199x>.

¹² BE, BG, DE, EE, FI, LT.

¹³ Weisser (2016) "Internationally mobile students and their post-graduation migratory behaviour: an analysis of determinants of student mobility and retention rates in the EU", OECD; <https://www.oecd-ilibrary.org/docserver/5jlxwxbvmb5zt-en.pdf>

¹⁴ Ibid. p.24-25

¹⁵ Eurostat data migr_reschange -- see the Annex 1Bii, section 3.3.2 for detailed country breakdown for 2016.

¹⁶ Op.cit. (Weisser 2016), p.50

¹⁷ DE, EL, ES, IT, PL, PT and SE.

¹⁸ ES and IT.

¹⁹ Tranos, E., Gheasi, M., & Nijkamp, P. (2015). International migration: a global complex network. *Environment and Planning B: Planning and Design*, 42(1), 4-22.; Mayda, A. M. (2010). International migration: A panel data analysis of the determinants of bilateral flows. *Journal of Population Economics*, 23(4), 1249-1274.

“overarching consensus is that international migration cannot offset the negative effects of population and labour force aging”.²⁰

It is anticipated that the projected increase in life expectancy, and low fertility rates in EU²¹, and the corresponding **ageing of the EU population** will inevitably lead to labour shortages²², for which there will be a demand for a younger working population. Between 2023 and 2060, the EU labour supply is expected to decrease by 8.2 %²³: this will represent a population deficit of approximately 19 million. The steepest declines in the size of the labour force will take place, if a ‘zero migration’ scenario is played out – from around 245 million to 190 million in 2060.²⁴

As shown in the statistical overview, between 2008 and 2016, EU migration directives have contributed annually between 1.4 and 2.4 million migrants, which obtained first permits (Annex 1Bii, Table 24, p.40). The bulk of first permits were issued to migrants aged from 15 to 64 years in these countries in 2016. Their share on average was 85%. The TCNs aged 65 years and more only accounted for a marginal share of the first permits. The impact of third-country migrants on labour markets across the EU varies significantly between countries and between different occupations. The impact on net employment growth by third country nationals has been most pronounced in highly qualified professions (ICT, science, business and legal occupations) as well as in low-qualified occupation, such as cleaners and personal services workers – in all cases contributing to less than 2 percentage points of the net changes.²⁵

2.3 Measuring the impacts of EU legal migration directives

This section considers the scope to move from the general analysis of the economic and fiscal impacts of migration provided above, to the specific impacts of the legal migration Directives in the EU.

2.3.1 Measuring the direct costs and benefits of the EU Migration Directives

Direct costs refer to the costs incurred by stakeholders directly affected by the EU Migration Directives (namely, public administrations, businesses and Third Country Nationals) in familiarising themselves with the new rules and implementing these .

The direct measurable benefits of the EU Migration Directives are the cost savings accruing to the above stakeholders from simpler and streamlined administrative procedures for application and processing of permits.

For each of the direct costs and benefits identified, Table 1 provides an overview of:

- The methodological approaches to quantification of these costs and benefits; and

²⁰ Spielvogel, Michela Meghnagi (2018) The contribution of migration to the dynamics of the labour force in OECD countries: 2005-2015, OECD, <http://www.oecd.org/els/mig/wp203.pdf>, p.9-10

²¹ European Commission, ‘The 2015 Ageing Report: Underlying Assumptions and Projection Methodologies’, 2015. A EUROPOP2013 projection suggests an increase of 7.1 years and 6.0 years for men and women respectively, from 2013 to 2060.

²² Ibid.

²³ ‘The 2015 Ageing Report: Underlying Assumptions and Projection Methodologies’.

²⁴ Wolfgang Lutz, Anne Goujon, Samir KC, Marcin Stonawski, Nikolaos Stilianakis (2018) Demographic and human capital scenarios for the 21st century: 2018 assessment for 201 countries, European Commission - Joint Research Centre, p.47. <https://ec.europa.eu/jrc/en/page/reports-migration-and-demography-180390>

²⁵ Op. cit. Meghnagi (2018), p.25

- The feasibility of applying these approaches.

The basic approach to quantifying each cost or benefit is as follows:

Change in quantity or volume (such as the number of migrants) X unit cost (e.g. cost per migrant) or the average monetary value of benefit (e.g. cost savings per permit)

The relevant quantity is therefore the difference between the observed level of the relevant indicator and a baseline or counterfactual, i.e. the estimated scale of that indicator in the absence of the Directives. To quantify the impact of the Directives we therefore need data on:

- The actual change in the indicator of interest;
- An estimation of what would have happened to that indicator in the absence of the legal migration Directives.

For monetisation of the cost or benefit it is also necessary to have an estimate of the unit cost or benefit (such as the administrative cost per migrant for a given process). Differences in income, labour costs and other factors across the EU (and uneven distribution of impacts among Member States) mean that it is often helpful to have empirical data on unit costs (or benefits) gathered at Member State level.

Table 4. Quantification of the direct costs and benefits of the EU Migration Directives

Type of impact	Stakeholder affected	Nature of impact	Approach to quantification of impact	Feasibility of applying approach		Conclusion on feasibility
				Data requirements	Data available from secondary sources	
Administrative costs	Public administrations – national interior ministries/ home offices and migration authorities	Familiarisation costs	<ul style="list-style-type: none"> Cost of legal experts Monetisation of the time spent by staff on familiarising themselves with the EU Directives 	<ul style="list-style-type: none"> Cost of legal experts Number of FTEs requiring familiarisation Average time spent (hours) per FTE on familiarisation Hourly wages 	Only the data on hourly wages by sector is available from Eurostat. Directive specific data on costs is not available from secondary sources	Due to non-availability of data from secondary sources, the EMN survey included several questions to collect Directive specific data on costs and FTEs. However, Member States either did not respond to these questions or were unable to provide any cost estimates
		Cost of training staff on new obligations	<ul style="list-style-type: none"> Cost of external trainers Monetisation of the time spent by staff on training activities related to the EU Directives 	<ul style="list-style-type: none"> Cost of external trainers Number of FTEs requiring training Average time spent (hours) per FTE on training Hourly wages 		
		IT costs – development of IT tools to meet the requirements of EU Directives	<ul style="list-style-type: none"> Cost of making changes to the IT systems 	<ul style="list-style-type: none"> Number of administrative units making changes to IT systems Average unit cost of IT changes (software + hardware) 		
		Reduction in the cost of processing permits	Two potential approaches: <ul style="list-style-type: none"> Calculating the difference between the cost of processing permits pre and post implementation of the Directive 	<ul style="list-style-type: none"> Number of permits issued Number of Rejected Applications Average cost per decision or Number of staff hours per application x hourly wages 	The following data is available from Eurostat: Number of permits issued	

Fitness Check/REFIT Evaluation

Type of impact	Stakeholder affected	Nature of impact	Approach to quantification of impact	Feasibility of applying approach		Conclusion on feasibility
				Data requirements	Data available from secondary sources	
			<ul style="list-style-type: none"> Self-assessment by national authorities on the impact of the EU Directives on the cost of processing permits <p>The latter approach was adopted in this study due to minimise burden on EMN survey respondents</p>	<ul style="list-style-type: none"> Number of appeals Average cost per appeal 	<p>Hourly wages</p> <p>Directive specific data on costs is not available from secondary sources</p>	<p>permit schemes in respect to the time of staff is often not possible. Often, the same unit processes both types of permits. Such difficulty has been clearly indicated by some respondents in the EMN survey.</p> <ul style="list-style-type: none"> Some Member States simply do not calculate time in terms of FTE or keep track of precise time taken to process each permit application In a number of Member States more than one government agencies is involved in the approval of the permit, making the calculation of actual FTE difficult. Our report therefore, provides estimates for three Member States that have provided sufficient information on the processing times and costs to enable some form of quantification: Germany, Finland and the third MS.
	Businesses	Familiarisation	<ul style="list-style-type: none"> Cost of legal experts 	Same as public administration, but	Only the data on	These will require a company

Fitness Check/REFIT Evaluation

Type of impact	Stakeholder affected	Nature of impact	Approach to quantification of impact	Feasibility of applying approach		Conclusion on feasibility
				Data requirements	Data available from secondary sources	
		costs	<ul style="list-style-type: none"> Monetisation of the time spent by staff on familiarising themselves with the EU Directives 	hourly wage data for private sector required	hourly wages by sector is available from Eurostat.	survey due to the variety of directives and availability of parallel schemes in Member States.
		Cost of training HR staff on new obligations	<ul style="list-style-type: none"> Cost of external trainers Monetisation of the time spent by staff on training activities related to the EU Directives 	Same as public administration, but hourly wage data for private sector required	Directive specific data on costs is not available from secondary sources	
		Reduction in the cost of preparing and following up permit / visa applications	<p>Three potential approaches:</p> <ul style="list-style-type: none"> Calculating the difference between the time spent on preparing and following up applications pre and post implementation of the Directive Self-assessment by businesses on the impact of the EU Directives on the time spent on preparing and following up applications Educated guesses on the reduction in time spent by businesses on 	<ul style="list-style-type: none"> Number of applications made Number of successful applications Reduction in the time spent on preparing and following up applications <p>Average hourly wage of an administrative clerk in the private sector</p>	<p>Only the data on hourly wages by sector is available from Eurostat.</p> <p>Data on the number of permits issued by reason is available from Eurostat</p>	<p>Rough estimates have been produced on the basis of data available from secondary sources and some educated guesses with respect to missing data:</p> <p>Reduction in the average number of hours spent per application</p>

Fitness Check/REFIT Evaluation

Type of impact	Stakeholder affected	Nature of impact	Approach to quantification of impact	Feasibility of applying approach		Conclusion on feasibility
				Data requirements	Data available from secondary sources	
			<p>preparing and following up applications</p> <p>The third approach was adopted in this study as a survey of businesses was not envisaged</p>			
	Third Country Nationals (TCNs)	Reduction in the cost of time spent on preparing and following up visa applications	Due to non-availability of pre and post data, reduction in costs could be calculated on the basis of estimated reduction in time spent on preparing and following up visa applications as a result of the EU Directives	<ul style="list-style-type: none"> Number of applications received by authorities Reduction in the time spent on preparing and following up applications Share of applicants that are employed Average hourly wages of those in employment 	<p>As data on number of applications is not available, it could be derived as follows:</p> <ul style="list-style-type: none"> Number of permits issued X 1/ success rate Data not available for remaining variables 	This impact could not be estimated due to non-availability of data. Too many assumptions would need to be made in order to compensate for the missing data (e.g. share of applicants that were employed in home country, average hourly wages which would vary by country of origin and profession etc.). Hence not feasible to make a robust calculation
		Reduction in legal costs	<p>Due to non-availability of pre and post data, reduction in legal costs could be calculated as follows:</p> <p>Share of applications where legal experts were involved X Average reduction in legal cost per application</p>	<ul style="list-style-type: none"> Number of applications received by authorities Share of applications where legal experts were involved (it could be assumed that x% of cases are complex and thus, requiring legal experts) Average reduction in legal 	<ul style="list-style-type: none"> As data on number of applications is not available, it could be derived as follows: Number of 	This impact could not be estimated due to lack of data or any basis (expert judgement or existing studies) for making educated guesses

Fitness Check/REFIT Evaluation

Type of impact	Stakeholder affected	Nature of impact	Approach to quantification of impact	Feasibility of applying approach		Conclusion on feasibility
				Data requirements	Data available from secondary sources	
				cost per application	permits issued X 1/ success rate <ul style="list-style-type: none"> ▪ Data not available for remaining variables 	

2.3.1.1 Quantifying the wider macroeconomic and fiscal impacts of the EU Migration Directives

There are significant conceptual issues as well as data availability constraints that make it impossible to assess the wider impacts of the EU Migration Directives in a robust and reliable manner. These issues have also limited the scope of costs and benefit analysis undertaken as part of past impact assessments, which have generally focused on assessing the direct costs and benefits linked to the administrative process of issuance and processing of applications under the different Directives²⁶. An exception is the impact assessment of the SPD, which makes an attempt to provide some crude estimates of the implementation costs for governments (indirect fiscal).

This section firstly discusses the general conceptual issues and data limitations. It then discusses the specific methodological challenges involved in the quantification of the following impacts (see Table 5):

- Impact on migrant flows;
- Labour market effects; and
- Fiscal impacts

2.3.1.2 Conceptual issues: isolating the impact of EU Directives from other factors

To estimate the economic impacts of the Directives it is necessary to identify the changes within the observed data that are attributable to the Directives themselves. For example, any estimate of costs or benefits of EU's legal migration *acquis* needs to take into account of:

- National migration schemes that existed for all categories of migrants prior to the adoption of each of the Directives and which generated (and continue to generate) costs and benefits to Member States.
- National schemes that have existed alongside the Directives, such as those for long-term residents, highly skilled workers, and business investors.

These national schemes are relevant to the attribution of impact to the EU *acquis*. For instance if, following the introduction of a particular EU legal migration Directive, there was an increase in the number of first permits issued from 1000 to 1200 per year (and no other factors changed), we could attribute to the Directive only the costs and benefits linked to the 200 additional permits / migrants.

The most basic approach to estimating impact is to assess the situation before and after the adoption of the EU *acquis*. For this, as a minimum, 'before and after' data of the number of first permits issued are needed.

The weakness of this approach is that many other factors (in addition to the new EU law) would have influenced the number of permits issued over a given period. These factors have been described in the paper on **Drivers of Migration**. Examples are labour shortages, economic and political developments in third countries, and environmental factors.

A family of techniques collectively known as counterfactual analysis can be used to try to isolate the influence of policy on observed outcomes and impacts by ruling out alternative explanations, thus providing more rigorous and definitive evidence of the causal effects of policy. Counterfactual approaches are, however, methodologically demanding. As the counterfactual cannot be empirically

²⁶ There have been no such assessments for the SD, RD, FRD, and LTR.

observed it must be approximated with reference to a comparison group or other intelligence. The choice of identification strategy, control and explanatory variables has to be carefully thought through to avoid bias or generate misleading results. Extensive data are required on policy outcomes before and after the intervention, control and explanatory variables. The feasibility of applying counterfactual approaches is influenced by factors that include:

- The nature and circumstances of the policy being evaluated – not all interventions lend themselves to counterfactual approaches;
- The nature of its target population which determines the feasibility of constructing reliable control groups or comparison groups;
- The outcomes or effects of interest;
- The data available and the constraints on collecting new data.

Few attempts have so far been made to use counterfactual analysis to assess the impact of migration policies (a review can be found at De Haas and Czaika 2015). Existing efforts have largely been limited to the impact of migrant support measures (integration), the impacts of migration (McKenzie and Yang 2010), the development impact in countries of origin of different migration policies (see for instance IOB 2014) or to very specific aspects of migration policies for which there are good data such as visa policies (see Czaika and De Haas 2016).

In principle the **classical approach to counterfactual analysis** could be used to compare countries where a policy, i.e. a legal migration Directive, has been implemented (“treatment group”) with countries where the same Directive has not been implemented (“non-treatment comparison group”).

Spatial counterfactual analysis is the classical counterfactual analysis based on the comparison of migration policy outcomes between countries where the Directives have not been implemented and those where they were. For the counterfactual analysis to be useful, any selection bias, i.e. any difference between the treatment group and the comparison group, has to be ruled out or removed. For the analysis of Directives, this implies that the countries subject to the counterfactual analysis should be homogeneous, i.e., factors other than the EU migration Directives affecting the migration policy outcomes have to produce the same effect across all compared countries. In reality, labour market structures, skills shortages, and employer needs, existing national schemes, migration-destination preferences of migrants as well as other factors differ substantially across EU Member States. While in theory one could construct a cross-country regression or other quantitative model to ‘control for’ these broader factors, in practice this exercise would not produce meaningful results. This is because the effects of the structural and broader policy factors on migration flows are expected to be so much larger than the effect of the variable that is of interest (change in administrative procedures due to EU directive), as is clear from a reading of the existing research literature on the determinants of migration. As a result, any attempt to identify the ‘residual’ effect of EU policy after accounting for the main determinants of migration would be extremely sensitive to choices of how to measure the larger determinants. It is the statistical equivalent of looking for a needle in a haystack.

Temporal counterfactual analysis can be used to examine the development of migration policy outcomes (e.g. higher numbers of highly skilled TCN workers arriving in a country) before and after the implementation of the migration Directives. A change in the trend of any selected migration policy outcome observed shortly after the implementation of a specific policy measure may reflect the impact of that policy - *provided that there is no other alternative explanation accounting for such a change*. Temporal counterfactual analysis does not rely on a

comparison between different countries; the analysis can be conducted on the same countries using econometric methods (such as regression analysis) when reliable time series of data are available for the selected migration policy outcomes.

In the particular case of EU legal migration Directives, where a high degree of discretion is typically left to Member States, another useful evaluation method involves comparing countries which opt for a “restrictive” approach to the implementation of the Directive with countries which take a more “flexible” approach. Countries that use their discretionary power to limit as much as possible the impact of the Directive are compared with countries that aim to make full use of the Directive in order to maximize its impact. The two sets of countries can almost function as a “**quasi-experiment**” and provide insights into the impact of the respective Directive similar to those of counterfactual analysis (in particular, when countries with similar structural features in relation to the legal migration dimension at issue implement the same Directive in a restrictive vs. a flexible way). This requires a previous definition of the criteria to assign countries to the “restrictive” or “flexible” implementers groups, but this is something that can be done on the basis of objective factors. This kind of “counterfactual” analysis cannot be used in the cases where the margin of discretion left to Member States in the implementation of the EU Directive is very limited. In the migration Directives discretion, or ‘may clauses’, is given in relation to multiple dimensions of the implementation of the Directive.

The fitness check study team has conducted a detailed analysis of the scope to apply these approaches. The findings are summarised as follows:

- The review concluded that the conceptual problems of temporal counterfactual analysis to measure the impacts of the EU directives on migration are fundamentally similar to those described above for spatial counterfactual analysis. There are significant year-on-year fluctuations in the number of applications for residence permits, driven by multiple factors such as family networks, economic growth, labour market shortages, developments in relevant countries of origin, etc. For example, the number of permits issued in EU-25 for family reasons fluctuated from 1% to 20% on a year on year basis (Table 3.1 of the statistical report). Even if perfect data exists before and after the directives were implemented, it is highly unlikely that the confounding factors that drive permit applications could be controlled for with sufficient precision to identify the small expected impacts of the directives. This problem is exacerbated by the fact that some directives were implemented in all Member States over a fairly short period of time, providing limited variation in the underlying structural conditions at the time of implementation in different Member States. In other words, this is not fundamentally a question of data availability but rather an absence of appropriate statistical methods.
- The quasi-experimental approach that looks at differences in how Directives were implemented is feasible only if Member States align themselves in a consistent way as “restrictive” or “flexible” implementers across *all relevant dimensions of discretion*. This is not case and as a result the method is not viable.
- Issues such as possible reverse causality²⁷ further add complexity to econometric approaches.

²⁷ For example, reverse causality between income and migration (increasing immigration increases GDP per capita or increasing GDP per capita leads to more immigration)

2.3.1.3 Practical constraints: data availability

A significant barrier to application of the relevant estimation methods (including the simple before and after approach) is the lack of comprehensive data on permits. Time series data on student, researchers, family members, or long-term residents prior to the introduction of the respective Directives are not readily available for EU-28. The OECD data are very patchy, being available only for some countries and for some categories of migrants. For instance, OECD data on first permits for family reasons, issued prior to the adoption of the Directive in 2003 is only (partially) available for 5 EU MS (PT, DE, NL, FR, and SE).

The following statistics and data that could be used for the purpose of the analysis are available:

- *Stock of third country nationals* - migration stocks in the period between 2008 and 2016, measured in terms of the total number of third-country nationals with a valid permit by reason for migration (family reasons, education reasons, reasons of remunerated activities, and 'other' reasons), characteristics of TCNs holding valid permits, including gender and age as well as education and labour market characteristics;
- *Flow of third country nationals* - migration flows between 1999 and 2016, measured in terms of the number of first residence permits issued to third-country nationals per year, including information on all first permits issued, (i.e. including family reasons, education reasons, reasons of remunerated activities, and 'other' reasons), characteristics of first permits issued for the different reasons of relevance to the fitness check. The data on first permits issued include permits issued under the EU legal migration Directives as well as immigration status regulated by Member State national schemes. The share of permits issued under the EU legal migration Directives out of the total number of permits issued (by reason) is also available.
- *Data on fees for permits or visas charged by different Member States* collected within Task II of the present evaluation by country researchers.
- *Data on implementation choices of 'may clauses' by Member States* collected within Task II of the present evaluation by country researchers

There are some significant limitations to the statistical data on stock and flows of migration. These have been discussed in more length in the introductory section of the paper on Statistics, provided as part of this Fitness check. They include:

- Data on new permits issued prior to 2008 is not available in Eurostat, but only via OECD, where a number of comparability issues have been highlighted.
- Member States that have national permit schemes for remunerated activities typically do not provide a breakdown on the type of remunerated activities, and classified most permits as 'other'. This makes attribution analysis for EU Directives difficult. In the case of many Member States, it is impossible to know how many permits were issued for different categories of remunerated activities prior to the introduction of an EU permit. Therefore drawing a conclusion if a given Directive had any impact on the number of new permits issued is not possible.

Overall, given the conceptual issues described above and the general paucity of data quantitative counterfactual approaches cannot be reliably applied to isolate the impact of EU Migration Directives on migration volumes or other outcomes of interest.

The table below summarises these issues for each type of impact.

Table 5. Quantification of the wider impacts of the EU Migration Directives

Type of impact	Approach to quantification of impact	Feasibility of applying approach			Conclusion on feasibility
		Conceptual challenges	Data requirements	Data availability constraints	
Impact on migration flows	<p>There is vast body of academic literature on determinants of migration. We know from this literature that main determinants are economic and labour market factors, social factors (e.g. access to networks of friends and families) and political (e.g. conflict) etc.</p> <p>There is a debate on the impact of recipient country's migration policy on migration flows. Even if we assume that migration policy is assumed to have an impact, it is mainly factors such as how 'open' or 'closed' the recipient country's migration policy might be. In theory, impact of EU Migration Directives on flows is possible, but in reality likely to be low for the reasons discussed</p>	<p>Migration flows are influenced by several factors such as macro-contextual economic and political factors and meso-level factors (e.g. social networks, economic growth and job creation at different skill levels) alongside policy (both migration and non-migration policies such as welfare policy, labour market institutions and education/training of the domestic workforce).</p> <p>In theory, a model that attempted to changes in flow of migrants due to policy changes from other factors could be constructed. Research questions of this size and scope have been addressed before, but in the form of multi-year, multi-million euro research projects (such as DEMIG). It would involve an enormous volume of data collection on exactly what changed in different Member States at what point, generation of a coding scheme for different implementation choices,</p>	<p>Dependent variable:</p> <ul style="list-style-type: none"> ▪ Migration flows to EU <p>Explanatory variables:</p> <ul style="list-style-type: none"> ▪ National Member State migration policy before and after the introduction of Directives ▪ Per capita income ▪ Income inequalities ▪ Labour market factors e.g. wages, unemployment rate, skills shortages ▪ Social factors e.g. cultural-political links, share of migrant population in host 	<p>Data on the following variables is available from Eurostat:</p> <ul style="list-style-type: none"> ▪ Migration flows to EU ▪ Per capita income ▪ Income inequalities ▪ Labour market factors e.g. wages, unemployment rate, skills shortages ▪ Share of migrant population in host country <p>Information on national Member State migration policy before and after the introduction of Directives is available for legal analysis of transposition. This would need to be converted into a quantifiable indicator</p>	<p>It is not feasible to quantify these impacts due to the conceptual challenges described here and data availability constraints. At a fundamental level, available statistical methods simply do not equip us to identify the impact of something very small (EU Directives) relative to other significantly more important factors</p>

Type of impact	Approach to quantification of impact	Feasibility of applying approach			Conclusion on feasibility
		Conceptual challenges	Data requirements	Data availability constraints	
	<p>above.</p> <p>Counterfactual approaches (discussed above) could in theory be applied to isolate the impact of EU migration Directives on migration flows to the EU</p>	<p>collation of many different data sources for each of the confounding factors, and so forth.</p> <p>In the specific case of an attempt to identify effects of the Directives, the above research would likely be unsuccessful because the magnitude of the effect that is plausibly expected from the Directives is dwarfed by the other factors that affect MS economies. How to measure the structural effects is already contested (hence e.g. whole projects like DEMIG), and any attempt to 'control for them' would be subject to huge error that would likely greatly exceed the magnitude of effects of the Directive.</p>	<p>country</p> <ul style="list-style-type: none"> ▪ Political instability ▪ Migration policies in other regions ▪ Non-migration policies²⁹ 	<p>There are no quantifiable indicators for:</p> <ul style="list-style-type: none"> ▪ Political instability ▪ Migration policies in other regions ▪ Non-migration policies <p>In theory, one could plug in quantitative indicators for variables such as migration policies in country of origin or other regions, but any such indicator – not matter how artfully constructed – will be crude and there will be many different (and contestable) ways of constructing them..</p>	

²⁹ Non-migration policies affecting flows could include education and training policies. These policies affect the domestic supply of labour into different jobs, and thus the relative need for employers to hire outside of the domestic labour market. Second, housing policy may affect migration. Any factors that affect the cost of housing will also affect the cost of living for migrants seeking to move to a country, as well as the domestic supply of labour in high versus low-cost areas—with complex effects on the relative willingness of migrants versus the resident population to live and work in particular areas. Third, fiscal policy may affect migration. For example, budget constraints that prevent public sector authorities from increasing salaries in key roles such as adult social care or nursing could make jobs less attractive to local workers and thus increase reliance on migrants willing to work for lower wages

Type of impact	Approach to quantification of impact	Feasibility of applying approach			Conclusion on feasibility
		Conceptual challenges	Data requirements	Data availability constraints	
Labour market effects (unemployment rate, filling skills shortages)	The EU migration Directives can only be expected to produce labour market effects through their impact on net flows of migrants attributable to the Directives	Furthermore, there is no single, established methodology for measuring labour shortages and different analytical choices lead to different results. Arguably the most sophisticated attempt to measure shortages have taken place in the UK under the Migration Advisory Committee (MAC). However, even after years of intensive work on this issue, the MAC ²⁸ recognises that there is no single way to do it and has continued to make changes to its methodology over time. A comprehensive analysis of differences in labour shortages across EU MS would be an enormous undertaking whose results would depend fundamentally on measurement choices, and would thus not be suitable as a way to provide an objective 'control variable' to measure the impacts of a wholly	<p>Dependent variable:</p> <ul style="list-style-type: none"> Labour market factors e.g. wages or unemployment rate <p>Explanatory variables:</p> <ul style="list-style-type: none"> Net flows of migrants attributable to EU Directives Labour market structures Skills shortages Labour market policies Migration-destination preferences of migrants Social factors e.g. cultural-political links, share of 	As above	

²⁸ Migration Advisory Committee (2017) Assessing labour market shortages: a methodological update. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/586110/2017_01_26_MAC_report_Assessing_Labour_Market_Shortages.pdf

Type of impact	Approach to quantification of impact	Feasibility of applying approach			Conclusion on feasibility
		Conceptual challenges	Data requirements	Data availability constraints	
		different factor on migration.	migrant population in host country ▪ Political instability		
Fiscal impacts – Government-funded direct transfers to migrant households	Modelling approaches would need to be used to quantify these impacts – see data requirements	Conceptual challenges described above in relation to estimation of net migrant flows attributable to the EU Directives	(1) what every Member State offered in the way of entitlements/benefits before and after the policy change, i.e. what actually changed at the point of transposition; (2) net migrant flows attributable to the EU Directives (3) share of migrants who actually exercised these entitlements as a result of the policy change, e.g. by making assumptions about	Large scale research would need to be undertaken to determine (3) and (4) There are studies that examine the take up of public services/entitlements by immigrants ³⁰ . These studies however, do not provide any data or information on the extent to which immigrants take up benefits as a result of the EU level directives. The conceptual issues relating to attribution of impact thus, remain	It is not feasible within the scope of the study to undertake the research needed to quantify these impacts

³⁰ Eurofound (2015) Social dimension of intra-EU mobility: Impact on public services. Available at: <https://www.eurofound.europa.eu/publications/report/2015/labour-market-social-policies/social-dimension-of-intra-eu-mobility-impact-on-public-services>

Type of impact	Approach to quantification of impact	Feasibility of applying approach			Conclusion on feasibility
		Conceptual challenges	Data requirements	Data availability constraints	
			average levels of service use for people with similar demographic characteristics, and (4) the cost of those services		
Fiscal impacts – taxes on migrant incomes	Additional entitlements for migrants would be expected to have both costs and benefits – e.g. access to vocational training may mean costs of training but also possible benefits of higher employment and productivity, thus generating higher taxes	Conceptual challenges described above in relation to estimation of net migrant flows attributable to the EU Directives	(1) what every Member State offered in the way of entitlements/ benefits before and after the policy change, i.e. what actually changed at the point of transposition; (2) net migrant flows attributable to the EU Directives (3) share of migrants who actually exercised these entitlements/ benefits as a result of the policy change, e.g. by making assumptions about average levels of	Large scale research would need to be undertaken to determine (3), (4) and (5)	It is not feasible within the scope of the study to undertake the research needed to quantify these impacts

Type of impact	Approach to quantification of impact	Feasibility of applying approach			Conclusion on feasibility
		Conceptual challenges	Data requirements	Data availability constraints	
			service use for people with similar demographic characteristics (4) The benefits of those entitlements e.g. employment, increase in income etc. (5) Estimation of the monetary value of benefits (average income of migrants, average income increases etc.) (6) fiscal implications e.g. income tax rates		

3 Efficiency

3.1 Introduction

The Terms of Reference requires the study to:

- Identify the costs and benefits involved in the implementation of the legal migration Directives;
- Examine whether the implementation of the Directives has led to differences in costs and benefits across Member States;
- Identify the most efficient practices.

This sub-section considers each of these items in turn.

3.2 Evidence on costs and benefits

The literature and other evidence gathered for the fitness check was reviewed for existing estimates of the costs and benefits of the EU legal migration directives. The literature review paper, which is part of this fitness check, assessed the available literature in detail. At EU level, very few **secondary sources** were identified with insight on the specific issue of costs and benefits of EU legal migration Directives.

As discussed in the section above, there are methodological and data-related constraints to estimation of the specific benefit/cost economic, fiscal and other impacts of the Directives. This section therefore focuses on a supplementary analysis in two areas:

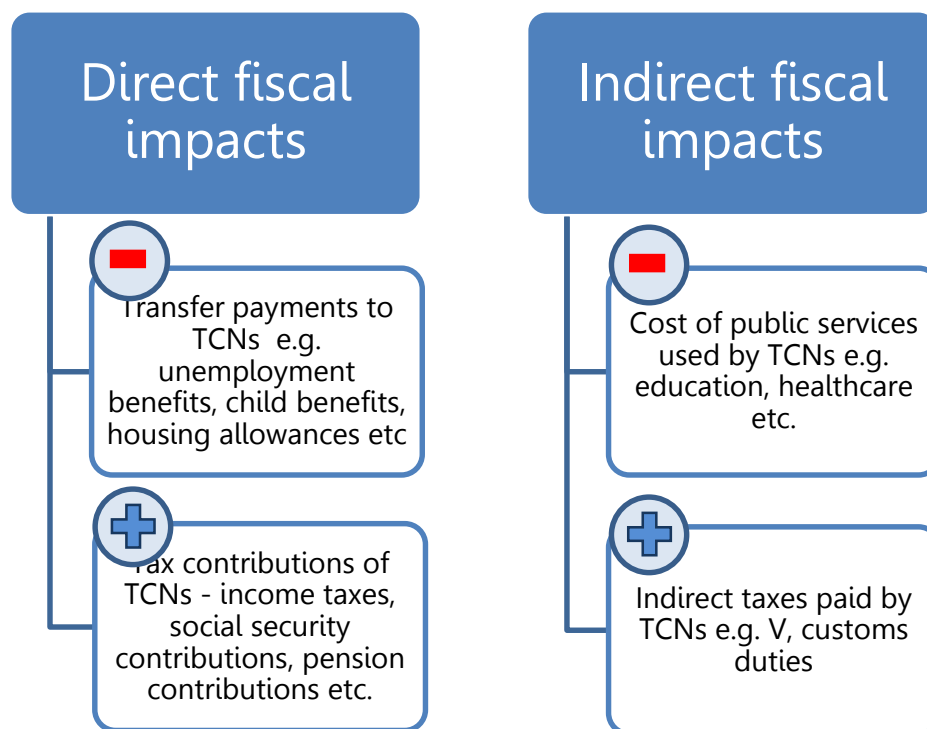
- A qualitative appraisal of the benefits of the *acquis*; and
- Evidence on changes in administrative costs associated with the implementation of each of the Directive.

3.3 Fiscal costs and benefits

The fiscal impact of the Directives could be direct or indirect³¹:

³¹ OECD (2013) 'The Fiscal Impact of Migration in OECD Countries' in *International Migration Outlook*, pp.125-189

Figure 1. Fiscal impacts of migration



- The **direct fiscal impact** includes fiscal contributions by migrants and government expenditure resulting from the Directives. Fiscal expenditure may include government-funded transfers to migrant households (or households where one of the members is a third-country national) such as: family and children related allowances; social assistance payments; housing allowance; unemployment benefits; pensions / old age benefits; disability benefits; education related allowance / scholarships. Fiscal contributions, or transfers from third country nationals to the government, include income taxes (including corporate income tax by migrant entrepreneurs), social security contributions, health coverage, or local taxes.
- **Indirect fiscal impact** may include indirect taxes paid by migrants via consumption (e.g. VAT or excise tax payments), as well as consumption of social goods, such as healthcare, education, or active labour market policies, or other public goods, such as criminal justice or defence systems, etc.

The various methods³² used to calculate the *net* fiscal contributions show that the picture varies between Member States. OECD analysis shows that in some Member States (Italy, Greece, Spain, Belgium, Portugal, UK, Slovenia, Austria, Hungary, Finland, and Estonia) migrants (including mobile EU citizens) have contributed more than they have used (in terms of benefits), while in others (Ireland, France, Slovakia, Germany, Poland) it's vice versa³³. A quantitative analysis of the net fiscal contributions of third country nationals falls outside the scope of the Fitness check. This section however, provides a qualitative assessment of the fiscal impacts of the EU directives.

³² Ibid.

³³ Ibid. p.147

3.3.1 Migrant contributions

As noted above, there are a number of different fiscal contributions that migrants make:

- Income taxes;
- Social security contributions;
- Pension contributions.

As indicated in Table 5, in theory it is possible to quantify the direct fiscal contributions of TCNS using the following data:

- The number of permits issued
- Gross earnings of migrants
- Tax levels, social security contribution levels, or pension contributions levels for each Member State

However, in practice, it is extremely difficult to come up with reliable estimates due to the following reasons:

- Data on the number of permits issued - in order to have a full understanding, one needs to consider not only the permits for remunerated reasons (BCD, RD, SWD, ICT) should be used, but also data on the number of work permits and. Moreover, employment levels among family members, student, or long-term residents also needs to be factored in. The latter data are not readily available for all Member States.
- Gross earnings of migrants - gross earnings data for each category of permit will need to be assessed, as highly skilled workers, seasonal workers and students are likely to have significantly different earning levels. Moreover, the earnings will vary by Member State. It is difficult to come up with a reliable average on the basis of available data.

In addition, to direct taxes, indirect tax payments (VAT) from consumption could also be calculated, based on data on various levels of disposable income or consumption from Eurostat.

3.3.2 Equal treatment costs

As already noted, equal treatment provisions are a 'benefit' to the migrants and EU societies, but could be a cost to the employer and the state budget. Four of the examined Directives (LTR, RD, BCD, and SPD) include provisions on equal treatment of TCNs with respect to nationals of the Member States.

3.3.2.1 SPD

The SPD provided a common set of rights to third-country workers legally residing in a Member State. These included: (a) working conditions (b) freedom of association (c) education and vocational training; (d) recognition of diplomas (e) branches of social security (f) tax benefits (g) access to goods and services made available to the public (e.g. housing) (h) advice services afforded by employment offices. The Impact Assessment delivered in 2007³⁴ showed that the adoption of the SPD resulted in costs

³⁴ Accompanying document to the Proposal for a Council **Directive on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a**

and benefits only in respect to certain types of equal treatment rights, and only in some Member States, as other Member States already had such rights in place.

- **Working conditions:** The **baseline assessment** for the SPD found that third-country workers and nationals generally had access to equal working conditions. In all Member States, both nationals and third-country workers enjoyed equivocal access to the right to dignity at work, the right to safe and healthy working conditions and specific rights for workers with disabilities³⁵. Moreover the vast majority of Member States as already had the following rights in place for TCNs: the right of employed women to protection of maternity; freedom in treatment in payments/ wages and treatment in terms of taxation. The only areas where there were some differences in the treatment were in respect to social protection in the case dismissal and termination of a job (BG, BE). Therefore, the introduction of the rights to “equal pay and dismissal as well as health and safety at the workplace” under the SPD, had a very limited incremental effect in terms of benefits or costs to employers / state budget.

Access to education: in general, third-country workers and family members enjoyed equal treatment in access to education. The baseline assessment showed that, in the majority of Member States, full access to vocational and academic training was enjoyed by both groups (EU nationals and TCNs), with the exception of CY, DE and LV. In all Member States access to linguistic training was granted to third-country workers under the same conditions as to EU nationals. The additional costs or benefits arising from this provision would therefore, have occurred only in three Member States (CY, DE, and LV).

- **Social security:** Third-country workers could be excluded from a range of social security benefits or be subject to different eligibility criteria in the case of unemployment benefits, occupational diseases and accidents at work, sickness benefit, maternity leave, old age pension, invalidity, family benefits, and social assistance. The baseline assessment showed that prior to the adoption of the SPD, **some Member States** (EE, EL, ES, RO, SI, SK) **fully recognised access to these rights and benefits, while** others (BE, FI, FR, PT, UK) **provided for exceptions related to a single criterion**. For the rest, the picture was mixed, with various conditions being applied for different countries and types of benefits. For instance, in some Member States (CZ UK), TCNs were only eligible for unemployment benefits if they had acquired long term residence status or if a bilateral agreement with the country of origin was in place. In some Member States (BG, DE, CZ, LT, LV, UK), third-country workers could be excluded from maternity leave as employees eligible for maternity benefit needed to have accrued six months of work. Family benefit was also limited to long term residents. The practical application analysis undertaken as part of Task II, showed that in several Member States³⁶, **access to various types of social security benefits** continues to be subject to different conditions, practically limiting access to some third country nationals. Quantification of the costs and benefits of these would therefore, require a very detailed understanding of the specific situation in each member State with respect to each right and benefit (before and after the implementation of the EU Directive), the take up of each benefit and the cost of providing each type of benefit and right (which vary per country).

common set of rights for third-country workers legally residing in a Member State: Impact Assessment: Volume II – Annexes’, Brussels, 23.10.2007.

³⁵ With the exception of FI, which did not respond.

³⁶ BE, CY, HU, LV, PL, SI

- **Access to public services** concerns three types of services: right of access to employment placement services, right to access to services of general economic interest and the right to access to other public services, including public housing. The baseline assessment provided only a partial picture of the situation in terms of access to public services, as six Member States did not respond, and six provided only a partial picture in response to a survey undertaken as part of the study. Several limitations were noted in the access of third-country workers to public services as compared to EU nationals. The right to access services of general economic interest was observed in five Member States (CZ, EL, FR, IT, LT), while the right to access other public services, including public housing, was granted only in FR and EL, while IT requested that the residence permit be held for at least one year in order for TCBS to avail such services.

3.3.2.2 LTR

As shown in the practical application study, in five Member States, **equal treatment** issues result from non- or partial transposition of equal treatment provisions, which gives rise to uncertainty. For example, in Italy, although reference is made to “equal treatment between nationals and legally staying foreigners as regards all types of relations with the public administration”³⁷, there is no specific reference to equal treatment as regards to the public supply of goods and services made available to the public. In Cyprus, the LTR permit holders are entitled only to ‘basic benefits of social assistance’ which are not defined, resulting in uncertainty as to the eligibility of the exact benefits.

The LTR has however, brought **uniformity across Member States** in ensuring the right to equal treatment. Although most Member States had overall ensured equal treatment on par with nationals, some areas of equal treatment were not covered before the introduction of the Directive.

3.3.3 Integration costs

Two Directives (FRD and LTR) stipulate that Member States may require compliance with integration ‘measures’ (FRD) and ‘conditions’ (LTR). The Directives do not define integration ‘measures’ and ‘conditions’. These requirements may generate fiscal costs (if they need to be provided by the state free of charge) or they have may be fiscally neutral or even generate revenue for the government (depending on cost coverage ratios of the service being provided), if the third country nationals are required to pay for these (e.g. language course). These requirements may also generate indirect benefits e.g. a TCN gaining employment as a result of having learnt the language.

Integration requirements and measures, and the associated costs, differ significantly across Member States. In 12 Member States³⁸, there are mandatory integration requirements, while in the remaining Member States, integration measures (such as language and integration courses) are voluntary. In five of these³⁹, the mandatory integration requirements only concern applicants for **long-term residence**, who need to demonstrate integration through knowledge of national language(s) and knowledge about society and culture of the country.

In **Belgium, Germany** and **the Netherlands**, not attending the integration and language courses may also result in a financial fine. Refusing to participate in the planning (30 days) or not attending the scheduled planning session (15 days) or

³⁷ Art. 2(5) D. Lgs. 286/1998

³⁸ AT, BE, BG, CY, DE, EL, FI, HR, IT, LU, MT, NL

³⁹ CY, EL, HR, LU, MT

refusal or failure to participate in the planned activities (60 days) may also result in the withdrawal of social benefits for a certain period.

3.4 Simplified administrative procedures

The EU Directives are considered to have **simplified administrative procedures for some Member States**, merging the various national procedures or reducing the duration of such procedures. On the one hand, this gives rise to direct reduction of costs to applicants, and potentially creates some economic benefits. Indirectly, this may enhance the attractiveness of the EU for TCNs when taking the decision to migrate, even if it does not create new channels of entry.

3.4.1 SPD

The SPD established a single application procedure for third country nationals to acquire work and residence permits, with the purpose of simplifying the administrative burdens associated with such admission procedures. The single application procedure did not change the entire process: applicants still have to provide the same evidence, while national immigration services have to perform the same assessments. The main improvements concern a concentration of activities, resulting in shorter processing times, and the elimination of information exchange between different authorities.⁴⁰

The Impact Assessment published in 2007⁴¹ assessment showed that more than half of Member States (CY, DE, EE, EL, ES, FI, FR, IT, NL, PT) had a single application procedure, in some Member States (DE, EE, EL, ES, FI, FR, IT, PT) it took the form of a residence permit allowing access to the labour market. Therefore, cost-savings can only be expected in countries which had separate procedures for obtaining work and residence permits ((AT, BG, BE, CZ, LT, LV, RO, SI, and SK). The baseline impact assessment showed that the legal deadline for a decision on an application varied between 50 and 65 days, and it was expected to be reduced by 15 days (i.e. to fall to 35 - 50 days). The present analysis undertaken under Task 2 showed that the processing times for the eleven Member States where the SPD was adopted had not changed significantly, except in RO and SI, where it was 30 days.

Table 6. Number of days to process and application

	BCD	FRD	SD	RD	SPD	Baseline (2007)
AT	56	183	183	183	183	-
BE	90	274.5	-	-	-	-
BG	37	33.5	14	7	52	-
CZ	90	270	60	60	60	90-120
LT	60	120	122	60	60	30-60
LV	-	-	-	-	-	30
RO	-	30	30	30	30	10-30

⁴⁰ 'Accompanying document to the Proposal for a Council Directive on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State: Impact Assessment: Volume II – Annexes', Brussels, 23.10.2007.

⁴¹ Ibid.

	BCD	FRD	SD	RD	SPD	Baseline (2007)
SI	30	30	30	30	30	-
SK	30	90	30	30	90	90
Average	56.14	128.88	67.00	57.14	72.14	

Source: Task II – data collected by local researchers; Impact Assessment (2007)

The administrative simplification and shortened processing time was expected to generate several additional types of benefits:

- *Implementation cost savings*: resulting from a reduction in the labour input involved in the processing of initial permit applications (for work and residence) and applications for the renewal of permits.
- *Economic cost savings*: the value of the time saved by third country workers and potential employers in waiting for the decision on an application, resulting from a reduction in the processing time of applications.
- *Public revenues*: additional tax revenues and social security contributions generated by third country workers, resulting from a reduction in the processing time of applications, which would allow third country workers to start employment in the EU earlier.

SPD impact on flows

Following the adoption of the SPD, the overall volume of single permits issued increased from 1.7 million in 2013 to 2.6 million in 2016. The impact of the Directive on simplified administrative procedures and related in-direct benefits could be most clearly demonstrated by the single permits issued by the Member States that had no prior single permit scheme (data was not available for Belgium) – see section below.

Table 7. *Single permits issued by Member States without prior single permit scheme (2013-2016).*

	2013	2014	2015	2016
Bulgaria	0	96	189	267
Czech Republic	:	2,293	13,574	10,923
Latvia	:	29,685	32,931	27,397
Lithuania	:	:	2,753	6,017
Austria	:	78,590	87,332	86,365
Romania	1,312	1,948	8,164	13,967
Slovenia	:	:	5,442	12,805
Slovakia	7,126	8,498	12,936	12,794
Total	8,438	121,110	163,321	170,535

Source: Eurostat (migr_ressing)

3.4.2 Long Term Residents Directive

Potential administrative benefits for the TCNs and the national administration include reduction of costs to prepare / follow up applications as a result of harmonisation and simplification of procedures in some Member States. There is no evidence from research that this has in fact occurred. As it can be seen above, the majority of residence permits issued are based on national legislation rather than EU LTR and no evidence of simplification has been identified. On the contrary, the fact that Member States have two parallel schemes makes the framework more complex.

Another potential benefit is the reduction of waiting times due to improved processing efficiency of administrations in some Member States. However, the threshold for processing the application in the Directive has been set very high at 6 months⁴², so there is no real benefit of reducing waiting times from this Directive. In practice, this timeframe varies significantly across countries: 15 Member States⁴³ have not set timeframe to deliver the permit following the notification of the positive decision on the application. The Member States which require the lowest number of days to deliver the permit are Lithuania (10 days) and the Netherlands (14 days), followed by Italy (20 days). Five Member States⁴⁴ have indicated a timeframe of 30 days, while Latvia has the longest with 65 days. Where Member States have a set timeframe, this is generally made public to applicants.

3.5 Intra-EU mobility

One of the key expectations about possible efficiencies was the expectation that the introduction of intra-EU mobility provisions would lead to simplify procedures and fewer documentation requirements for applicants that want to move from one Member State to another, rather than going through the full first-time applicant procedure.

These include, for example, shorter application processing times, an exemption from the need to provide proof of sickness insurance, as well as exemptions from integration measures, proof of accommodation and labour market tests.

These efficiencies are supposed to generate savings from the time spent on the applications, as well as the related economic and fiscal benefits.

Table 8. *Extent to which the conditions and procedures for admission in a second Member State differ for 'mobile' third-country nationals compared those for a first time applicant third-country nationals under EU Directives*

	EU Blue Card Directive	Family Reunification Directive	Students Directive	Researchers Directive	Long-term residents Directive
Procedures and conditions to request a residence permit	Yes AT, BG, CZ, DE, EE, EL, FI, IT, LV, MT, NL, PT, RO, SK,	DE, EE, FI, LT, LV, NL, SK,	BG, DE, EE, FI, IT, LU, LV, MT, NL,	BG, DE, EE, FI, IT, LU, LV, NL, PL, RO, SK,	AT, BE, BG, CZ, DE, EE, ES, FI, IT, LT, LV, MT, NL, PL, PT, SE, SK,

⁴² Art. 7(2): The competent national authorities shall give the applicant written notification of the decision as soon as possible and in any event no later than six months from the date on which the application was lodged.

⁴³ AT, BE, CZ, DE, EL, FI, HU, LU, MT, PL, PT, RO, SE, SI, SK

⁴⁴ BG, CY, EE, ES, HR

		EU Blue Card Directive	Family Reunification Directive	Students Directive	Researchers Directive	Long-term residents Directive
	No	BE, ES, HR, HU, LT, LU, PL, SE, SI,	AT, BE, CY, CZ, EL, ES, HR, HU, IT, LU, MT, PL, PT, RO, SE, SI,	AT, BE, CY, CZ, EL, ES, HR, HU, LT, PL, PT, RO, SE, SI, SK,	AT, BE, CY, CZ, EL, ES, HR, HU, LT, MT, PT, SE, SI,	CY, EL, HR, HU, LU, RO, SI,
	N/ACY,		BG,			
Procedures and conditions to request a work permit	Yes	BG, EE, EL, IT, MT, NL, RO, SE	NL, SK,	LU, NL,	DE, EE, IT, LU, NL,	BE, BG, DE, ES, IT, NL, SE, SK
	No	AT, BE, CZ, DE, ES, HR, HU, LT, LU, LV, PL, PT, SI, SK,	AT, BE, CY, CZ, DE, EE, EL, ES, HR, HU, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI,	AT, BE, CY, CZ, DE, EE, EL, ES, HR, HU, LT, LU, LV, PL, PT, RO, SE, SI, SK,	AT, BE, CY, CZ, EL, ES, HR, HU, LT, LU, LV, MT, PL, PT, RO, SE, SI, SK,	AT, CY, CZ, EE, EL, HR, HU, LT, LU, LV, MT, PL, PT, RO, SI,
	N/ACY, FI,		BG, FI,	BG, FI, IT, MT,	BG, FI,	FI,

Source: ICF research

Overall, with regard to work permits, the majority of Member States apply the same procedure for intra-EU mobility as for the first time applicants. For residence permits this is less pronounced, and the procedures are much facilitated. In terms of the documents needed, again, in the majority of Member States there is no difference between first time applicants and mobile third-country nationals.

Our research showed that the cost-savings that may have been generated from this provision would differ between Member States and between Directives, and would be highly individualised, as the facilitation provisions that Member States chose to adopt differ across the EU. There are no reliable assessments of the cost savings in terms of the time saved for each Directive and each Member State. Moreover, there are no statistics on intra-EU mobility, making the actual assessment of this potential cost saving difficult at this point.

3.5.1 LTR

Facilitating intra-EU mobility is an administrative benefit for third-country nationals. Art. 14 of the LTR provides long-term resident with the right to move to another Member State under certain conditions. Art. 15 is where, the conditions for intra EU mobility are listed, and where most of the conformity issues and differences with first time applicants arise. According to art. 15.1 long term residents may enter the territory of another Member State for up to three months without a visa, and may submit while in the second Member State their application for a residence permit. Art. 15.2 of the LTRD regarding the evidence of stable and regular income and sickness insurance⁴⁵, as well as Art.15.4 regarding the documentary evidence needed to show that the conditions for intra-EU mobility are met are where most conformity issues arise.⁴⁶ Mobile third-country long-term residents in some Member States are required

⁴⁵ BE, ES, IT, MT, PL, PT, SK are all partially compliant

⁴⁶ EI, FI, LU, LV, MT, PT, RO, SE all comply partially

to submit additional documents in comparison to first time applicants in order to obtain residence or work permit. These can include medical certificate / insurance (BE,MT); criminal record (BE, SK⁴⁷); evidence of sufficient means (BE, MT); a certificate issued by the educational institution in first Member State (BG, MT); evidence of accommodation (MT); language test score (MT); and residence permit from first Member State (NL SI).

3.6 Administrative costs and benefits

The administrative costs and benefits linked to the implementation of the legal migration Directives are accrued by the authorising bodies on one side and the applicants (third-country national or employers / university) on the other. Calculations on both sides are challenging. On the applicants' side, systematic data collection on the costs that employers or migrants accrue has not been carried out so far. In the process of the open public consultation and the review of requirements as part of Task II, it became clear that such costs may far outweigh the cost of the application fees, which is the only known cost across EU Member States and across different legal migration Directives. In regards to the authorising bodies' costs, an attempt to collect data in order to make calculations needed for the standard cost model, via an EMN ad-hoc survey, resulted in only three MS (DE, FI and a third MS) providing sufficient information.

In respect to benefits, the authorising bodies generate income from the permit application fees, while the migrants and employers have a range of other benefits in terms of increased personal income (for migrants), optimised labour skills or costs, or improved productivity. Again, while on the permit fee income, systematic data can be calculated, there is no systematic data on migrant and employer benefits. Clearly though, the process generates sufficient expected benefits that far outweigh the costs associated with the administrative process itself.

In the sections below, we provide some estimates for costs accrued by employers, migrants, and authorising bodies for 2016, the latest year for which complete statistical data on the number of permits issued is available. The estimates for employers and migrants are only indicative, as there is no statistical information on the share of the resident permit applications that were paid for by the employers and the share that were paid for by migrants. These two costs, cannot be added. Also, within the permit application process itself (e.g. Blue Card) certain costs are accrued by the employers (e.g. legal fees for assistance with the application) and others, by migrants (e.g. collection of documents). No systematic data is available to explain how these costs are exactly shared.

The costs and benefits are only partially estimated for a number of reasons:

- Only the cost and benefits for first permits are considered- not renewals / extensions.
- Data on rejected applications is very limited (see next section below) and diverges to such an extent that 'averages' or estimates are not appropriate to use.
- For a range of different types of costs for administration, migrants, and employers (training of personnel to deal with a new Directive scheme, or the development of IT systems to incorporate a Directives), there is no data available, and no credible estimates can be provided to include in the calculations.

⁴⁷ This requirement is at the discretion of Slovak authorities, and is not mandatory.

3.6.1 Cost and benefits to the administrations

As outlined in Table 4, applying the Standard Cost Model (SCM) to understand the total costs of EU Legal Migration Directives for the Member States administrations is difficult for several reasons:

- Differentiation between EU Directive and national permit schemes in respect to the time of the officers is often not possible. Often, the same unit processes both types of permits. Such difficulty has been clearly indicated by some respondents in the EMN survey (FI).
- Some Member States simply do not calculate time in terms of FTEs or keep track of precise time taken to process each permit application (HU / HR).
- In a number of Member States more than one government agency is involved in the approval of the permit, making the calculation of actual FTE difficult.

The table below summarizes the data gathered via the EMN survey. Authorities replying to the EMN survey were specifically asked to indicate the number of hours spent (FTE) on processing an application. Finland provided such information in FTE per **year** while two others (DE, third Member State) provided data on the FTE **hours** needed to process an application. The remainder provided data on the number of days and the waiting times / formal legal deadlines to process applications (for instance around 110 days in France, or between 7 days and up to 270 in Belgium) which cannot be used in such a unit cost model analysis.

Table 9. Average time spent on processing applications for the following types of permits in all institutions involved (in 2016)

	Unit of measurement ⁴⁸	Highly skilled workers (BCD)	Students	Researchers	Other labour migrants (covered by SPD)	Family members of TCNs	Long term residents (LTRD)	Intra-corporate transfers	Seasonal workers
BE	Days	7-14	1 - 90	7-14	up to 270	up to 270	up to 120	n/a	n/a
HR	n/a	No info	No info	No info	No info	No info	No info	No info	No info
FI	FTE (year)	0,0017	0,0008	0,0017	0,0017	0,0024	No info	0,0017	No info
FR	average days	110	110	110	110	110	110	110	110
HU	-	No info	No info	No info	No info	No info	No info	No info	No info
DE	minutes	157.1	113.4	113.4	113.4	113.4	105.9	113.4	113.4
EL	days	7	14	7	14	14	60	14	7
IE	days	21	No info	No info	n/a	26		10	n/a
LV	days	10	30	30	30	30	30	30	10
LT	-	No info	No info	No info	No info	No info	No info	No info	No info
MT	days	10	30	No info	42	42	60	No info	No info

⁴⁸

	Unit of measurement ⁴⁸	Highly skilled workers (BCD)	Students	Researchers	Other labour migrants (covered by SPD)	Family members of TCNs	Long term residents (LTRD)	Intra-corporate transfers	Seasonal workers
PT	days	30	30	30	30	30	30	30	30
SK	-	No info	No info	No info	No info	No info	No info	No info	No info
3 rd MS	hours	3	2	2	3	4	4		1

Source: EMN Ad-hoc survey

Two significant and inter-related costs that could not be fully captured in the estimates presented in this chapter are the costs linked to processing applications that were rejected, and the closely linked costs of appealing rejected applications. As the table below indicates, in the few countries that provided data, the rejection rates vary significantly. These rates seem to be high for family and long-term resident permits (e.g. Malta, Hungary, Czech Republic, and Belgium (Flemish region only)). Although France was not able to provide systematic data, the national expert indicated that 2,100 residence permit applications have been rejected by the French authorities. Once, rejected, further costs were accrued as applicants appealed these decisions. Only Croatia and Finland provided the data on appeals: in Croatia – 60% of rejected family applications were appealed, while in Finland the rate of appeals for rejected applications for family and long-term residence was close to 100%, and it was 25% for rejected student permit applications. In France, there were 60,189 contentious appeals filed in the first instance in 2016.

Table 10. Permit application rejection rates (2016)

	Highly skilled workers (BCD)	Students	Researchers	Family members of TCNs	Long term residents	Intra-corporate transfers
BE*	3.70%	2.3%*	1.20%	15.80%	36%	n/a
HR	0%	0.10%	0%	1.60%	No data	No data
CZ	12.90%	7.80%	7.60%	23.40%	35.70%	n/a
FI	4.10%	8.60%	2%	12.90%	0.80%	n/a
HU	6%	4%	0%	3%	30%	n/a
DE	No data	No data	No data	No data	No data	1.30%
IE	n/a	No data	No data	18.70%	No data	5.30%
LT	0%	0.30%	2%	2.90%	1.10%	n/a
MT	0%	5.10%	n/a	46%	47%	n/a
SK	0%	3.30%	3.30%	2.20%	0.80%	0.90%

	Highly skilled workers (BCD)	Students	Researchers	Family members of TCNs	Long term residents	Intra-corporate transfers
FR, AT, EL, LV, PT	No data	No data	No data	No data	No data	No data

Source: EMN survey; *Belgium's data is only for the Flemish Region except for BCD, where Brussels Region also provided data (Walloon and Germany speaking community) could not provide data.

Due to the above listed limitations, the SCM data reported below is limited to providing the estimates for three Member States that have provided sufficient information on the processing times and costs: Germany, Finland and the third MS, The total estimated administrative costs for processing permits in Germany, Finland and the third MS was EUR 26 million, which represents an insignificant part of the general public spending (0.0009% of Germany's, 0.002% of the third MS', and 0.008% of Finland's government spending)⁴⁹. In all cases, the costs seem to be approximately the same or even higher than the income from application fees.

In the cases of Germany and the third MS, no information was provided on rejected applications or on the cost of appeals. Therefore, the cost estimates are based solely on the number of permits granted. Such an approach underestimates both the costs as well as the benefits #, as it excludes the fee income from the rejected applications as well as the costs of processing rejected applications. Data from Finland, as well as some other countries (HR, CZ, IE, LT, and SK) indicate that the rate of rejections vary significantly between categories of permits and Member States.

Finland

Finland provided information on the total number of applications processed, including the number of rejected applications. Finland estimated FTEs for the different types of permits as follows:

- Students: 0,0008 FTE/application; 6.2 FTEs in total for processing residence permit applications for students.
- Highly skilled workers / Researchers / Other labour migrants covered by Single Permit: 0,0017 FTE/application; 12.3 FTE:s in total for processing residence permits for all employment categories
- Family members of TCNs: 0,0024 FTE/application; 26.2 FTEs in total for processing residence permits for family reasons.
- LTR – no data was provided as these permits were handled by the Police

These fees, correspond to an estimated staff costs of EUR 40 for student applications, and EUR 128 for family applications⁵⁰. In the EMN survey, the Finish authorities admit that they have not conducted a comprehensive analysis of costs. Nevertheless, they have provided an average estimated cost per decision of EUR 279 for 2016 and an average cost of appeals of EUR 1400. Additional costs such as overhead or capital costs are unlikely to exceed staff costs⁵¹. There is however, no information available

⁴⁹ Data for public spending: Eurostat (gov_10a_main), accessed 8.6.2018

⁵⁰ if one considers FTE costs per year 53,450€ (1610 hours * 33.2€)

⁵¹ Examples of the types of additional costs (some of which significant) that may explain the high average costs include for instance some costs linked to the processing of family reunification applications (there is no available data on how often they are accrued): (1) **Interview** to investigate the grounds for granting a residence permit. (2) **DNA analysis** to investigate biological kinship (3) **Age test** (dental and carpal bone examinations by X-ray and clinical examination) to investigate the true age of the applicant or the sponsor.

on how this estimate was derived and what it includes. Using the Finish government's estimated average costs (i.e. the 279€ unit cost figure), we calculated that the total costs (9.6 million €) approximately equal the application fee income (9.7 million €). This should be considered as a higher bound estimate of the costs⁵². With a more nuanced cost estimate (i.e. based on the time reported in FTE, see above), the fee income would exceed costs by 35%.

The table below providing average assessment of the administrative costs in Finland is based on the following calculations:

$$\text{Total Cost to Administration} = (\text{Number of residence permits} + \text{Number of Rejected Applications}) \times \text{EUR 279} + (\text{Total number of appeals} \times \text{EUR 1400})$$

$$\text{Total Benefit (fee income) to Administration} = \text{Number of Resident Permit Applications} \times \text{Application fee}$$

Table 11. Finland - Estimated Costs and Benefits 2016

Category of permit	Highly skilled workers (BCD)	Students	Researchers	Family members of TCNs	Long term residents (EU LTR only)	All permits
Number of permits issued	992	6348	603	7957	7210	
Number of rejected applications	18	615	12	1370	155	
Average cost per decision	€ 279	€ 279	€ 279	€ 279	€ 279	
Total cost of decisions	€ 281,790	€ 1,942,677	€ 171,585	€ 2,602,233	€ 2,054,835	€ 7,053,120
Number of appeals	0	159	3	1554	119	
Average estimated cost of per appeal	€ 1,400	€ 1,400	€ 1,400	€ 1,400	€ 1,400	
Cost of appeals	€ 0	€ 222,600	€ 4,200	€ 2,175,600	€ 166,600	€ 2,569,000
Total number of applications	1080	7161	599	10579	8573	
Application fee	€ 485	€ 330	€ 485	€ 470	€ 187	
Total fee income	€ 523,800	€ 2,363,130	€ 290,515	€ 4,972,130	€ 1,603,151	€ 9,752,726
Total costs (decisions + appeals)	€ 281,790	€ 2,165,277	€ 175,785	€ 4,777,833	€ 2,221,435	€ 9,622,120

Source: EMN Survey Data / Task II Research

It should be highlighted in the Finish case that a large part of the total cost (27%) relate to the cost of appeals, in particular related to family reunification.

Germany

⁵² Not only because of using the 279€/permit unit cost but also because applying it to the numerous long-term residence permits for which there is no information about whether this type of permit cost as much as that for the Finish administration.

In 2015, the Federal Statistical Office in Germany conducted a detailed study to assess whether the fees charged by the migration offices around the country covered costs (109 offices were consulted). The assessment showed that on average, the cost for processing an application was EUR100.91, while it took, on average, about 2 hours to process an application.

Table 12. Average time and costs for permit processing and issuance

	Time for activity (minutes)	Wage for activity	Cost per case (EUR)
Staff costs per activity			
Receipt and allocation of the application	0.9	41.74	0.66
Review responsibility and obtain file	12.4	34.51	7.11
Fact check			
Viewing the file, completeness check, consultation	51.1		
Additional requirements	8.9	34.97	42,25
Final decision	12.1		
Permission to enter	20.5	35.98	12.29
Billing	7.7	33.85	4.35
Completion of the file	15.7	33.66	8.79
Total Staff costs	129.7	34.91	75.45
Overheads	X	X	15.09
Material costs office workplace	X	X	10.37
Total cost per case	X	X	100.91

Source: Schweizer and Ginter (2015)⁵³

Further analysis revealed that:

- On most types of permits, with the exception of long term residence, the fees sufficiently covered the actual costs;
- The costs for extensions and renewals of permits is practically equal to the costs of the initial issuance. Yet, this had not been taken into account, and a total of EUR 7.7 million of costs had not been recovered.

⁵³ Schweizer, P. and Ginter, D (2015) Überprüfung der Gebühren im Ausländerrecht (Federal Statistical Office)
https://www.destatis.de/DE/Publikationen/WirtschaftStatistik/2015/06/UeberpruefungGebuehrenAuslaenderrec ht_062015.pdf

Table 13. Fees and actual costs for permits in Germany

Type of permit	Total cost per case (EUR)	Fee (EUR)	Cost to recover per case (EUR)	Number of cases	Total of cost to recover (EUR)
§ 44 Settlement permit					
For highly qualified	146.22	250.00	103.78	1,106	114,762
For self-employment	123.06	200.00	76.94	777	59,786
For the award in all other cases	112.09	135.00	22.91	307,300	7,041,031
§ 44a Permit permanent residence - EU	108.13	135.00	26.87	5,681	152,616
§ 45 Residence Permit and EU Blue Card					
No. 1a Grant up to one year	98.68	100.00	1.32	179,870	237,938
No. 1b Granting more than a year	99.70	110.00	10.30	394,828	4,064,948
No. 2a Extension up to three months	95.15	65.00	- 30.15	8,247	- 248,646
No. 2b Extension more than three months	92.64	80.00	- 12.64	611,692	- 7,733,899
No. 3 change of residence purpose including extension	97.17	90.00	- 7.17	32,336	- 231,916
§ 47 (3) Residence card and permanent residence card					
Set 1 from 24 years	86.23	28.80	- 57.43	15,805	- 907,662
Set 2 under 24 years	86.23	22.80	- 63.43	5,123	- 324,980

Source: Schweizer and Ginter (2015)⁵⁴

The cost-benefit estimates for DE presented in the table below are based on the EMN response and Eurostat data, complemented by data (staff costs per hour, overhead and office costs) from the above quoted research:

Total Cost to Administration = Number of residence permit x Number of hours per application x average cost per hour x overhead (15%) x office costs (10%)

Total Benefit to Administration = Number of Resident Permit Applications x Application fee

⁵⁴ Schweizer, P. and Ginter, D (2015) Überprüfung der Gebühren im Ausländerrecht (Federal Statistical Office)
https://www.destatis.de/DE/Publikationen/WirtschaftStatistik/2015/06/UeberpruefungGebuehrenAuslaenderrecht_062015.pdf

Table 14. Germany -- Estimated Costs and Benefits 2016

Category of permit	Total number of permits delivered	Total time per application (hours)	Average cost per hour	Overhead	Other office costs	Total cost	Application fee	Total fee income
Highly skilled workers	6189	2.6	34.91	1.15	1.1	€ 715,170	100	€ 618,900
Students	46,083	1.9	34.91	1.15	1.1	€ 3,832,731	100	€ 4,608,300
Researchers	370	1.9	34.91	1.15	1.1	€ 30,773	100	€ 37,000
Family members of TCNs	87,469	1.9	34.91	1.15	1.1	€ 7,274,811	100	€ 8,746,900
Intra-corporate transfers	7,474	1.9	34.91	1.15	1.1	€ 621,614	100	€ 747,400
LTR	600	1.8	34.91	1.15	1.1	€ 46,767	135	€ 81,000
						€ 12,521,865		€ 14,839,500

Source: EMN Survey Data / Task II Research / Schweizer and Ginter (2015)

The third Member State

Regarding the data on the estimated time to process an application, the authorities of the third Member State indicated that it refers to the average time spent by the authorities. In some cases, additional work stages may be required which leads to the involvement of additional authorities and subsequently additional waiting time for responses (additional requests for documents, right to a hearing, involvement of police authorities, municipalities, Public Employment Service).

Table 15. Third MS: Estimated Costs and Benefits 2016

Category of permit	Total number of permits delivered	Total time per application (hours)	Average cost per hour	Total cost	Application fees	Total benefit
Highly skilled workers (BCD)	163	3	33	€ 16,137	120	€ 19,560
Students	4,549	2	33	€ 300,234	120	€ 545,880
Researchers	286	2	33	€ 18,876	120	€ 34,320
Family members of TCNs	6,593	4	33	€ 870,276	120	€ 791,160
Long term residents (EU LTR only)	20,809	4	33	€ 2,746,788	120	€ 2,497,080

Total				€ 3,952,311		€ 3,888,000
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Source: EMN Survey Data / Eurostat data on salaries / Ministry of Interior of the third MS

3.6.2 Costs to third country nationals

The main costs incurred by employers or migrants in the application process include the application fee, the costs of compiling the required documentation, or the costs linked to legal counsel that may be needed to assist with the application process. More specifically, the following types of costs were identified in the process of collecting data as part of Task II on the application process:

- Permit application fee
- Permit card fee
- Residence permit fee
- Other fees: postal (IT) or 'biometric data processing fees'
- Opportunity cost of time spent to collect necessary documents from institutions / and prepare the application
- Translation fees
- Certification fees
- Legal fees for external legal council
- Fees for acquiring required documents: copies of birth or marriage certificates; criminal record affidavits
- Travel expense to consulates or other institutions
- Entry visa fees
- Sickness insurance
- Renewal fee (for permits or for residence cards)

These costs differ according to:

- Member State (fees / additional fees / types of documents vary)
- Directive / type of permit
- Country of origin of migrant – obtaining, translating and certifying documents cost differently across the world.

The calculations below, take into account only some of the costs that migrants accrue in the legal migration process. The calculation is based on the 2016 data for first permits being issued. In order to **avoid duplication between the data on first single permits and the data on first permits**, we took the total number of *first permits* for each category (education, family, employment (BCD and Researcher Directive permits) as the starting point. Then the *first single permits* for each category (education, family, remunerated activities) were subtracted from the total number of first permits. The sum of the first single permits plus the first permits (for which there is no corresponding single permit) thus, equals the *total number of permits issued*, which was used in the calculation. Long-term resident permits were then added to it.

The formula used for the calculation is as follows:

Migrants Cost = Number of residence permit issued x Permit fee + (Number of residence permit issued x estimated hourly wage x f(b) estimated time to complete / prepare application x f(a)(complexity of procedure))

The **complexity of the procedure** is based on an assessment of the steps required to complete the application procedures (this information was collected as part of the Task II data collection). The sources used for the calculations include:

- Eurostat (migr_resfirst; migr_resedu; migr_resfam; migr_resocc; migr_resoth)

- Data from EMN survey
- Annex 2 Task II Overview tables EU synthesis, Phase 3 – Factual, Q3(d)(i)
- f(b) the estimated time takes into account (1) estimated time to complete the application form from Phase 2 – experimental (2) interviews with migrant agencies (3)
- f(a) takes account of the **complexity of the procedure** for the specific stakeholder based on assessment of procedures carried out in Task II of the fitness check.

Based on the above inputs and our calculations, the cost to third country nationals in 2016 was estimated to be in the range of EUR 396 to 832 million.

The table below presents a summary of the lower bound estimates of the costs per type of reason, while the full cost is presented in Annex 4 to the report.

Table 16. Migrant Costs (2016)

	Family reasons	Education reasons	Remunerated reasons	LTR	Total
Belgium	€ 5,334,244	€ 2,092,596	€ 103,544	€ 132,812	€ 7,663,196
Bulgaria	€ 410,388	€ 253,018	€ 122,096	€ 3,022	€ 788,523
Czech Republic	€ 5,952,175	€ 5,078,403	€ 1,607,034	€ 78,792	€ 12,716,405
Germany	€ 26,051,293	€ 15,510,295	€ 14,736,451	€ 2,260,562	€ 58,558,601
Estonia	€ 362,266	€ 283,402	€ 349,368	€ 165,120	€ 1,160,155
Greece	€ 6,142,782	€ 284,130	€ 4,410	€ 1,708,290	€ 8,139,612
Spain	€ 25,898,348	€ 20,001,952	€ 12,816,317	€ 1,125,398	€ 59,842,015
France	€ 29,100,735	€ 25,913,387	€ 8,926,184	€ 2,890,394	€ 66,830,700
Croatia	€ 415,726	€ 157,008	€ 737,629	€ 104,842	€ 1,415,205
Italy	€ 11,990,434	€ 5,460,113	€ 1,007,774	€ 34,411,496	€ 52,869,816
Cyprus	€ 479,895	€ 616,740	€ 1,303,840	€ 5,420	€ 2,405,895
Latvia	€ 579,289	€ 508,741	€ 692,310	€ 41,808	€ 1,822,149
Lithuania	€ 283,554	€ 247,776	€ 832,584	€ 722,222	€ 2,086,136
Luxembourg	€ 351,655	€ 97,104	€ 232,125	€ 182,620	€ 863,504
Hungary	€ 587,193	€ 1,645,981	€ 1,202,021	€ 7,857	€ 3,443,052
Malta	€ 270,369	€ 609,840	€ 1,341,321	€ 7,854	€ 2,229,384

	Family reasons	Education reasons	Remunerated reasons	LTR	Total
Netherlands	€ 6,647,424	€ 7,763,648	€ 1,840,282	€ 16,282,709	€ 32,534,063
Austria	€ 1,938,342	€ 1,516,356	€ 120,420	€ 11,557,095	€ 15,132,213
Poland	€ 1,766,996	€ 7,729,665	€ 8,355,758	€ 570,603	€ 18,423,022
Portugal	€ 2,393,858	€ 978,819	€ 1,295,371	€ 17,726	€ 4,685,775
Romania	€ 635,700	€ 1,389,300	€ 436,020	€ 299,981	€ 2,761,001
Slovenia	€ 826,415	€ 417,872	€ 1,650,240	€ 510,204	€ 3,404,730
Slovakia	€ 633,848	€ 553,925	€ 607,183	€ 185,493	€ 1,980,449
Finland	€ 3,320,899	€ 3,888,143	€ 3,783,455	€ 43,342	€ 11,035,839
Sweden	€ 16,638,700	€ 2,152,729	€ 5,315,800	€ 45,735	€ 24,152,964
Total	€ 149,012,528	€ 105,150,942	€ 69,419,537	€ 73,361,395	€ 396,944,402

Source: ICF Calculations; Amounts per reason include single permit data; amounts for LTR use permits reported by 17 MS in data collection "Long-term residence permits issued during the year [migr_resltr]". For Czech Republic, Belgium, and MS (: estimation based on the increase in the stock of EU LTR permit (2015-16).

The above estimated total cost of EUR 396 million should be seen as an absolute minimum: of this EUR 210 million is the cost of the application fees, EUR 186 million is the cost of the time spent on the preparation of the application. The estimated time (24 hours⁵⁵) and hourly wage (5 euro) are also a lower bound estimation of the cost. For instance, if one assumes one full week (40 hours) to gather all documents, and 5 euros/hour equivalent wage, then the total cost would increase to EUR 521 million, and to EUR 832 million for the upper bound when assuming 40 hours and EUR 10 hourly wage opportunity cost.

In the course of the research undertaken for Task 2, country experts were asked about the estimated time needed to complete an application: the maximum time was estimated to be 3 hours. The collection of supporting documentation took additional days, and here, the time differs significantly across countries (See Annex 4), ranging from 3 days to several weeks (some experts though included the waiting time of the administration). We therefore, provide estimates for 24 and 40 hours.

The costs for migrants vary significantly across directives, and Member States. On average, fees for the blue card permits are the highest, while those for the long-term residents the lowest (see Table below). As the analysis on efficiency in Q7.3 of the Final Evaluation Report on the documentary evidence required shows, there are significant differences amongst Member States. These differences are further accentuated as some documents are costlier to acquire in some third countries than in others. On average though, FRD or BCD include conditions (such as completion of integration measures, interviews, professional qualification attestations) that are

⁵⁵ National researchers in Task II were only able to calculate the time needed to fill the application, which in most cases was between 1 and 3 hours. No estimates were collected on the time needed to collect the documents.

costlier than the documentary requirements for students and researchers, which also explains the difference in fees and overall costs for these categories of migrants.

Table 17. Average residence permit fee per type of permit (in €)

	Family	Education	BCD	Research	LTR	Single Permit
Average fee	149	148	208	140	118	203

Source: ICF research

There is no reliable data on the costs involved in translating, certifying, and submitting the documents required to prove professional the qualifications. If one uses the average *total expense* for the application provided by OPC respondents -- 700 euros -- (this also includes the application fee), then the total cost to migrants, based on the number of permits issued, could be as high as EUR 529 million, which is much closer to the upper bound estimates provided above. Similarly, if one uses the average amount provided by third country nationals for recognition of qualifications only for the employment permits -- 350 euros --, then for the 18.842 BCD and RD employment permits issued in 2016, the additional amount that should be added is EUR 6 million to the above estimates. If one adds the same calculation for 176,193 single permits, issued for remuneration reasons, this would result in an additional EUR 68 million in costs.

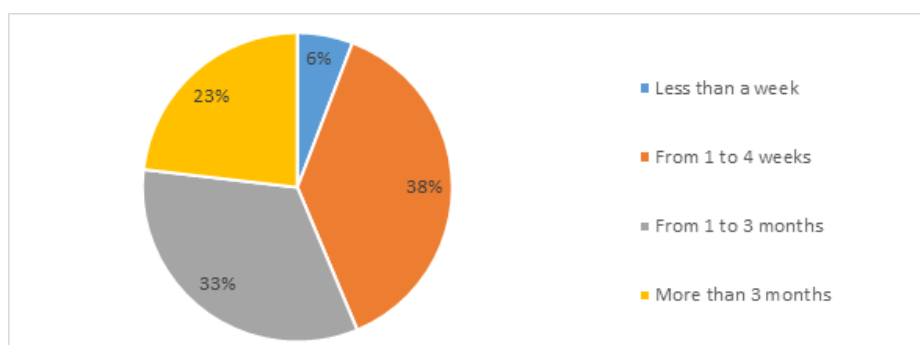
OPC Responses: Costs to Migrants

In the Open Public Consultation, non-EU citizens residing or having resided in the EU were asked to specify whether the **cost and time incurred in applying for entry and residence** in the EU are reasonable. Almost 60% (n=191) agree to a small extent or do not agree at all that the costs of current immigration and residence procedures in the EU are reasonable, while around 40% of the respondents from this category said that they agreed to a (very) large extent.

Regarding the cost of application, the average cost is around 700 Euro (n=160) [2] the cost to obtain recognition of qualifications is on average 350 Euro (n=88) [3].

Regarding the time taken for applying, for 38% of respondents (n=190) it took one to four weeks to prepare their application and for further 33% it took one to three months. Around 20% needed more than three months and only 6% prepared their application in less than a week. This is the waiting time, rather than the time for actual preparation, and it has therefore not been used in the calculations presented above.

Figure 1. Question 31: Can you estimate how much time you needed to prepare your application, including getting all supporting documents?



Source: Open Public Consultation

3.6.3 Cost to employers

This cost refers exclusively to the overall expenses that accrue in the application process. The present data provided by Member States to Eurostat does not distinguish between the applications submitted by companies and by migrants. We therefore, made the simplifying assumption that only the applications for blue cards, researchers, and single permits might have been submitted by businesses. Even though it is possible that some of the family reunification costs may also have been borne by the employers, overall this was not the case in the majority of cases. Therefore, these applications have not been included in our estimates.

Based on these assumptions, the total costs for employers are estimated to be in the range of EUR 66 million to EUR 132.4 million, depending on the amount of time assumed to be spent on preparing an application.

The formula includes several variables such as the number of residence permits issued, a complexity factor (see Appendix 4 for an explanation), the average hourly wage of an administrative clerk in the private sector and an estimation of the time required for

the administrative process. The estimated cost for all Member State's employers is provided in the table below. The formula used to make the calculations is as follows:

Employers Cost = (Number of permits for remuneration reasons issued x application fee) + (Number of permits for remuneration reasons issued x hourly wage of an administrative clerk in the private sector x f(b) x f(c bis))

Where,

- Number of residence permit for BCD, Researchers, and single permits for remuneration reasons
- Application fees for BCD, Researchers, and SPD
- Average hourly wage of an administrative clerk in the private sector (*lc_lci_lev*)
- f(b) represents the time taken to prepare all administrative requirements (e.g. documentations).
- f(c bis) takes account of the **complexity of the procedure** for the specific stakeholder group based on assessment of procedures carried out in Task II of the fitness check.

The table below present calculations based on the assumption that it takes between 8 and 24 hours, or 1 and 3 working days to prepare an application. The total cost thus derived ranges between EUR 66 million (for 8 hour-estimate) and EUR 132 million for the 24 hour estimate. Additional costs, such as external legal counsel to prepare the applications, training of in-house HR staff for familiarisation with new Directives, or one-off costs for 'qualifying' to recruit third-country nationals (e.g. recognised sponsorship scheme fee in NL), have not been included, as no reliable estimates (or basis for making assumptions) are available.

Table 18. Estimated Costs to Employers

	BCD	Researchers	SPD	Total costs
Belgium	€ 0	€ 340,202	€ 0	€ 340,202
Bulgaria	€ 58,758	€ 1,040	€ 13,563	€ 73,361
Czech Republic	€ 56,992	€ 370,080	€ 1,498,488	€ 1,925,561
Germany	€ 4,303,335	€ 384,057	€ 24,862,878	€ 29,550,271
Estonia	€ 4,771	€ 25,002	€ 533,688	€ 563,461
Greece	€ 0	€ 17,023	€ 0	€ 17,023
Spain	€ 8,364	€ 643,632	€ 23,992,791	€ 24,644,787
France	€ 514,633	€ 4,040,944	€ 16,563,384	€ 21,118,961
Croatia	€ 6,481	€ 21,117	€ 803,361	€ 830,960

	BCD	Researchers	SPD	Total costs
Italy	€ 187,374	€ 398,137	€ 1,726,199	€ 2,311,710
Cyprus	€ 0	€ 4,276	€ 3,645,936	€ 3,650,212
Latvia	€ 34,740	€ 5,500	€ 701,916	€ 742,156
Lithuania	€ 32,654	€ 13,685	€ 858,043	€ 904,382
Luxembourg	€ 238,108	€ 46,497	€ 178,760	€ 463,365
Hungary	€ 1,215	€ 39,102	€ 1,370,915	€ 1,411,232
Malta	€ 739	€ 0	€ 1,846,310	€ 1,847,050
Netherlands	€ 66,675	€ 3,190,616	€ 0	€ 3,257,291
Austria	€ 132,750	€ 322,344	€ 0	€ 455,094
Poland	€ 182,022	€ 268,064	€ 9,113,128	€ 9,563,214
Portugal	€ 33,777	€ 0	€ 1,793,455	€ 1,827,233
Romania	€ 19,872	€ 14,323	€ 347,484	€ 381,679
Slovenia	€ 6,511	€ 11,209	€ 2,845,769	€ 2,863,489
Slovakia	€ 1,545	€ 13,887	€ 725,815	€ 741,247
Finland	€ 38,379	€ 854,952	€ 5,343,114	€ 6,236,445
Sweden	€ 11,938	€ 908,412	€ 15,783,468	€ 16,703,818
Total	€ 5,941,635	€ 11,934,101	€ 114,548,465	€ 132,424,202

Source: ICF Calculations

The principal sources for the above calculations are:

- Eurostat (migr_resfirst; migr_resedu; migr_resfam; migr_resocc; migr_resoth)
- Task II data from Phase 1- Experimental, Questions: Q1(a)(iv), Q1(a)(v), Q1(a)(vi), Q1(b)(ii) & Q1(b)(iii)
- Dataset [Database], Product code: lc_lci_lev, updated on 08-Jun-2017.
Statistical books, Product code: KS-EI-17-001, published on 10-Oct-2017

3.7 Evidence on whether implementation of the Directives has led to differences in costs and benefits across Member States

The report on the stakeholder consultation conducted by the European Commission on the Green Paper on family reunification mentions that the administrative costs incurred when issuing permits varied by Member State. It notes that a number of Member States asked for fees to reflect this. It suggests that the harmonisation of family reunification fees via the Directive could lead to inconsistencies in the costs of different residence permits within the country. In discussing the implementation of the 2005 Researcher Directive, the EC reports that ten Member States have made use of the provision (Art. 6(3)) giving them the discretion to regulate the need for research organisations to provide the researcher with an individual statement of financial responsibility for the costs that would be incurred by public funds should there be an illegal stay and return⁵⁶. These examples show the extent to which Member States are concerned with the potential administrative burden on their respective public services arising from the implementation of EU legal migration Directive. At the same time, Member States appreciate considerably the “flexibility and options provided for in the Directives to control costs and maximise in their own ways the benefits of having common EU rules”.

Savings and benefits from the new Directives were also not reported by Member States in their response to the EMN survey. The German Federal Employment Agency only indicated that following the simplified EU Blue Card Directive procedure, the savings to the Agency were approximately EUR 986,000 per year.

3.8 Evidence on the most efficient practices

3.8.1 Literature

The literature review conducted for this study identified 24 EU level publications that provided insight into the factors that can influence the efficiency of implementation of EU Directives. These include EC reports on the application of various Directives (Family Reunification, LTR, Students, Researchers), an EC stakeholder consultation report on the green paper for a new Family Reunification Directive, academic studies (one on the Blue Card Directive, one on the Single Permit Directive and one on circular migration). The factors influencing efficiency that are identified by these sources include:

- aspects associated with the rules established by the Directives,
- the role of different approaches to implementation chosen by Member States,
- good external relations with third countries,
- general lack of information about the Directives among third-country national applicants,
- discrimination faced by third-country nationals in particular as regards access to the labour market, and
- The fragmented nature of the EU legal framework on legal migration.

3.8.2 Methods for assessing efficiency and their application

The analysis of steps of the migration process shows that Member States often make implementation choices that hinder efficiency. The implementation options provided by the legal migration Directives include a range of options that may increase or decrease

⁵⁶ COM(2011) 901 final: Report on the application of [Researchers] Directive 2005/71/EC

the costs to applicants and the administration in the implementation of the acquis. The table below presents the various types of implementation options, the types of costs or benefits they give rise to, and the data required to quantify them. Section 7.2 and 7.3 of the report provide a detailed description and analysis how these options were adopted by the different Member States, and to which Directives they refer.

Table 1. Efficient practices and related costs

Stage / activity	Efficient practices identified	Efficiency gains / losses	Quantification data required
Pre-application phase	<p>Provision of information in multiple languages</p> <p>Provision of information that is reached by less than three 'clicks' from main sites.</p> <p>Reduced number of required documents</p>	Reduced overall application cost to companies, migrants	<ul style="list-style-type: none"> - Costs to migrants for third party legal counsel or other services to prepare and submit application - Before and after data on the Time spent to find relevant information - average wage of administrative clerk in private sector or average wage of third country national - Time required to obtain documents per category of permit - Cost / fees for obtaining documents in third countries - Certification costs - Translation costs
Application process	A full online submission (i.e. the necessary information is entered and submitted online) can be made in five Member States – as opposed to making available downloadable application forms (see also the pre-application phase above) - while in seven Member States it is only possible to lodge an application via post.	Reduced overall application cost to companies, migrants	<p>Cost savings from online submission</p> <p>Data requirements:</p> <ul style="list-style-type: none"> • Time taken for preparing and submitting application online • Time taken for preparing and submitting application via a downloadable form • Time taken for preparing and submitting application via post • Opportunity cost of time – wages lost or leisure time lost

Stage / activity	Efficient practices identified	Efficiency gains / losses	Quantification data required
Processing time	<p>The variety of standard durations to process applications shows that there is scope for further optimization of the application process and, therefore, for reducing costs to businesses and third-country nationals: either because in practice in some MS take less time than foreseen in the Directive (e.g. FRD) or because sufficient number of Member States demonstrate that time could be significantly shorter (e.g. LTR). The fact that some Member States (e.g. PT) have shorter processing times for equivalent national status, further highlights the possibility to reduce processing times</p>	<p>Cost savings to public administrations from shorter processing times Additional tax revenues from migrants starting work earlier Additional income of migrants starting work earlier Reduction in productivity losses of businesses facing labour shortages</p>	<p>Cost savings to Public administrations = Time saved X cost of time X number of permits</p> <p>Income gain for migrants = number of days gained due to shorter processing times x average income of economic migrants per day (average annual income / 365 days) x number of permits issued x share of migrants getting a job</p> <p>Tax revenues = income gain for migrants x average income tax rate</p> <p>Reduction in productivity losses of businesses facing labour shortages = number of new migrants getting into employment x average turnover per employee of businesses x number of days gained due to shorter processing times / 365 days</p>

Stage / activity	Efficient practices identified	Efficiency gains / losses	Quantification data required
Time taken to deliver the permit	<p>The time taken to deliver the permit, adds to the overall time of the application process and presents costs to businesses which incur productivity losses while awaiting the arrival of the third-country national.</p> <p>15 Member States do not have a set timeframe to deliver the permit following the notification of the positive decision on the application. The Member States which require the lowest number of days for the delivery of the permit are Lithuania (10 days) and the Netherlands (14 days), followed by Italy (20 days). Five Member States have indicated a timeframe of 30 days, while Latvia has the longest with 65 days. Streamlining and reducing the times it takes to deliver the permits will increase the efficiency of the process.</p>	<p>Additional tax revenues from migrants starting work earlier Additional income of migrants starting work earlier Reduction in productivity losses of businesses facing labour shortages</p>	As above

Stage / activity	Efficient practices identified	Efficiency gains / losses	Quantification data required
<i>Additional fees</i>	While 11 Member States do not apply any additional charges in addition to the application fee, 13 Member States charge for the act of issuing and / or delivering the permit and for the biometric features on the permit, for the loss of the permit, etc. These charges vary across the Member States from a minimum of around 10 euro in Croatia and Poland to a maximum of around 200 euro in Portugal (for the issuance of a new permit). From an administrative service point of view including all fees in a single application fee, would optimize the process and reduce the time spent in processing multiple payments.	Increased costs of application	Time spent in processing multiple payments X Hourly wages X Permits per country where multiple payments are required

Stage / activity	Efficient practices identified	Efficiency gains / losses	Quantification data required
Duration of residence permits	<p>Member States have adopted a wide variety of approaches to duration of residence permits. The short duration of permits may add significant and unnecessary costs to both the third-country national and the administration. A more flexible approach that some Member States adopt for students and researchers, which is linked to their overall duration of studies or research project, could be applied to other permits by linking the permit length to the work contracts of third-country nationals or their sponsors, or making it indefinite for LTR. Setting a fixed term not linked to the needs of third country nationals adds additional costs for repeated issuance of permits, and time lost in administrative procedures</p>	<p>Reduced costs of renewal applications for applicants Reduced costs and fee income from processing applications</p>	<p>Duration of permits by reason and by Member State Renewal fees by type of permit Time spent by applicant (migrant / company) on preparing a renewal applications Other costs for applicants (translation, certification) Time spent on processing renewal application Additional costs to process applications (overhead or technical costs)</p>

Stage / activity	Efficient practices identified	Efficiency gains / losses	Quantification data required
Submission of application	<p>Another aspect where there is room for optimisation concerns the modus operandi for launching the application for renewal. In 13 Member States, the application for renewal can only be submitted in person. In addition to those Member States, that allow submission only in person or those which allow submission via post but require physical presence for capturing biometric data (FI and SI), in only a few countries the application can also be submitted via post (CZ, EE, IT, LU, SE); e-mail (EE) and online (NL, RO and SE). Clearly, keeping in mind that electronic identification is already common throughout the EU, and biometrics are taken during the initial application process, there is scope to further expand the possibility for online application, thus reducing costs to both the third country national and the administration.</p>	<p>Reduced costs of submission / renewal applications for applicants</p>	<p>Same approach as application submission - see row 3</p>

Stage / activity	Efficient practices identified	Efficiency gains / losses	Quantification data required
Renewal of application / Intra-EU mobility	<p>In terms of the documents needed in the majority of Member States there is no difference between first time applicants and mobile third-country nationals.</p> <p>In other Member States, mobile third-country nationals are exempted from certain requirements that first time applicants need to meet, such as exemption from integration conditions (language, culture) if already met in the first Member State (NL); exemption from permit procedure if evidence of sufficient means is presented (NL). Another facilitating factor mentioned is the shorter time for processing the application (CZ, PT). In Portugal, there is an entirely different residence permit scheme for EU LTRs.</p>	<p>Reduced costs of renewal applications for applicants</p> <p>Reduced costs in processing applications</p>	<p>Average time for migrants / employers to obtain or prepare different types of documents</p> <p>Average time to process certain types of documents</p> <p>Costs of integration courses</p> <p>In theory cost savings could be estimated with reference to:</p> <ul style="list-style-type: none"> - Shorter facilitation time - PT type scheme - Exemption from integration conditions

Appendix 1 Questions for EMN survey

Q1. What is the average time spent on processing applications for the following types of permits in all institutions involved?

Category of third country migrant permit	Full-time equivalent hours
Highly skilled workers (Blue card)	
Students	
Researchers	
Seasonal workers	
Family members of TCNs	
Long term residents	
Intra-corporate transfer	

Q2 In 2016 what was the total number of applications processed and the total number / or approximate share of rejected applications for the following types of permits?

Category of third country migrant permit	Total number of applications	Total number of approved permits	Total number / share of rejected applications	Total number of appeals	Estimated cost of appeals (per appeal)
Highly skilled workers (Blue card)					
Students					
Researchers					
Seasonal workers					
Family members of TCNs					
Long term residents					

Category of third country migrant permit	Total number of applications	Total number of approved permits	Total number / share of rejected applications	Total number of appeals	Estimated cost of appeals (per appeal)
Intra-corporate transfer					

Please explain the reasons for your answer.

Q3. Please indicate, if there are official assessments as to how the implementation of the EU Migration Directives in your Member State has directly affected the following stakeholder groups?

Affected group	Cost/ benefit	Direction of change	Order of magnitude
National authorities (immigration and other services)	Cost of adapting visa rules and procedures in line with EU Directives	E.g. increase	E.g. appx 100000 euros
	Cost of adapting IT systems		
	Cost of training and familiarising staff with the new rules, systems and processes		E.g. Around 500 casework staff will need to be trained in the new rules and guidance and around 4,000 staff that will need basic familiarisation
	Number of permits applicants under EU Directive in a year		
	Annual permit fee income	Increase	E.g. 10%
	Average cost of dealing with permit application appeals and judicial		

Affected group	Cost/ benefit	Direction of change	Order of magnitude
	reviews		
	Annual caseload of permit appeals and judicial reviews		
	Cost of returning visa overstays		
	Visa application fees for TCNs		
	Impact on application costs due to simplification and harmonisation of entry and residence conditions		
	Reduction in processing time for different types of visas/ permits		

Q4. Are there any official assessments as to the impact of the implementation of the EU Migration Directives in your Member State on the following stakeholder groups?

Affected group	Cost/ benefit	Direction of change	Order of magnitude
Industry	Employers - Cost of familiarisation with new rules		
	Immigration advisers – cost of training and familiarising staff with the new rules and guidance		
	Potential costs to employers of upskilling resident workers to replace lost migrants		
	Lost output due to unfilled vacancies / skills shortages		

Affected group	Cost/ benefit	Direction of change	Order of magnitude
Universities	Cost of familiarisation with new rules		
	Annual income from third country student fees		
	Number of third country students accepted per year		

A1.1 Wider economic effects

Q5 Have there been any official evaluations of the wider economic effects of implementation of the EU Migration Directives in your Member State? If not, can you provide an estimate, based on your expert opinion?

Nature of effect	Direction of impact	Order of magnitude	Underlying evidence, reasoning or assumptions
Labour market shortages			
Shortage of skilled workers			
Labour market displacement - displacement of EU workers by TCNs			
Tax contribution of migrants			
Benefit payments to TCNs			
Cost of public services used- health, education			
Impact on research and innovation			
Growth and productivity			

Nature of effect	Direction of impact	Order of magnitude	Underlying evidence, reasoning or assumptions
Other:			

A1.2 Data on returns

Q6. Could you please provide data on following data regarding the returns of TCN, who have held permits under EU Legal Migration Directives, but were then subject to voluntary or forced returns:

Average number of returnees with former permits of EU legal migration Directives (for 2016)
Average cost of returning visa overstays (euros / per migrant)

Appendix 2 Counterfactual analysis

Counterfactual analysis enables evaluators to attribute cause and effect between a particular policy intervention and the observed outcomes and impacts. A counterfactual is an estimate of the circumstances that would have prevailed had a policy intervention not been introduced. By comparing counterfactual outcomes with the observed outcomes measured for the target group(s) subject to the policy intervention, the causal effects of policy can be determined.

Counterfactual approaches are used to determine causality i.e. the impacts that can be *attributed* to a specific policy intervention. Most observed outcomes and impacts (e.g. scale of migration) are affected by a range of factors (“confounding factors”), not just a particular policy intervention. To isolate the effect of EU migration Directives from all other potential influences, it is necessary to estimate what would have happened in the absence of the EU Directives. This is known as the “counterfactual”. Counterfactual approaches thus, seek to answer the question: ‘what would have happened without the intervention?’ by comparing an observable world with a theoretical one, where the latter is intended to be identical to the former except for the presence of the cause and effect. This involves measurement of both what has happened as a result of the policy intervention (although not always easily identified or measured) as well as what might have happened in its absence.

A counterfactual can be constructed quantitatively using experimental approaches (Randomized Control Trial), quasi-experimental approaches (e.g. Difference in difference, propensity score matching etc.) or qualitatively (e.g. the development of alternative histories, scenarios, experimental thinking, Delphi or beneficiary self-assessment⁵⁷).

Counterfactual analysis can be conducted at a micro (at the level of individual entities such as migrants or employers or migration authorities) as well as at a

⁵⁷ asking experts or beneficiaries what would have happened in the absence of the intervention

macro level (at the level of a country or groups of countries). In the context of this study, micro level analysis is neither necessary nor feasible (due to time, budget and data constraints).

Appendix 3: Economic impact of legal migration – evidence from the literature

Table 19. Economic impact of legal migration

		EU Economy / Society		EU Citizens	
		Qualitative	Quantitative / monetary	Qualitative	Quantitative / monetary
Impact on wages ⁵⁸ of native-born population	Studies estimate how the increase of 1% of third-country nationals' share in the labour force affects the wages (in terms of % change) of local population. IA-Unexpected			No significant impact; No impact in: FR, PT, ES, UK, DE	AT: +2.1%-3.7% for low-skilled labour IT: +0.1% NL: -0.4 /+0.6
Impact on employment ⁵⁹	Studies estimate how the increase of 1% of third-country nationals' share in the labour force affects employment levels (in terms of % change) of local population			No significant impact in: FR, ES, PT,	DE: -0.13% to -0.35%
Impact on unemployment	Studies estimate how the increase of 1% of third-country nationals' share in the	All post-1998 studies show no statistically significant impact on unemployment			

⁵⁸ Report under benefits any actual savings, including REFIT savings predicted in the IA. Potential savings identified as a result of the evaluation findings should be reported in a separate table.

⁵⁹ OECD (2016) The Economic Impact of Migration: Why the Local Level Matters, *International Migration Outlook 2016*. The review of studies on the impact of migration on labour markets shows that migration has had a very limited impact on either wages or employment / unemployment rates. It also shows that the outcomes differ from country to country and depend on local economic specificities

	EU Economy / Society		EU Citizens	
	Qualitative	Quantitative / monetary	Qualitative	Quantitative / monetary
	labour force affects unemployment levels (in terms of % change) of local population	nt		
Impact on size of tertiary educated labour force	Migration contributes to the expansion of the workforce	Medium impact	14% of increase in tertiary educated labour force is third-country nationals	
Impact on labour shortages ⁶⁰			15% of entrants into strongly growing occupations (STEM + Health).	

Source: Comparative analysis of studies in OECD (2016) *The Economic Impact of Migration: Why the Local Level Matters*

Appendix 4: Administrative Costs

Estimated time need to fill the application and collect required documents

	Form fill in (hours)	Documentation acquisition
Poland	1.75	7 days to 6 months
Germany	2	1.5 weeks
France		
Italy	1.5	60 days (average)
Spain	1	1 month the least (3-6 months for translations criminal records etc.)
Sweden	1	36 hours
Netherlands	<1	around 8 weeks
Czech Republic	1	1 month

⁶⁰ Reymen et al. (2015) Labour Shortages in the European Union – Study for the EMPL Committee, [http://www.europarl.europa.eu/RegData/etudes/STUD/2015/542202/IPOL_STU\(2015\)542202_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2015/542202/IPOL_STU(2015)542202_EN.pdf)

	Form fill in (hours)	Documentation acquisition
Belgium	<1	family (month) student and researchers (weeks) blue card(days)
Austria	1	Immediately to unknown (depends on the country of origin)
Greece	>1	>15 days
Finland	1.5(average)	days to weeks
Hungary	1.5	5-30 days (additional 15 days for criminal records etc.)
Cyprus	2	7-10 working days
Slovenia	0.5	2 days to 4 days
Romania	0.1	3 days to 2 weeks
Slovakia	1	several months
Malta	0.75	1.5 - 3.5 weeks
Bulgaria		
Lithuania	1	2-3 days to weeks or more
Latvia	3	from 1 month to several months
Luxembourg	<1	2-3 weeks (might be prolonged)
Croatia	several hours	several days
Estonia	1	30 days for assessment 30 days for translating, legislation etc. 45 days average
Portugal	0.05	3 days to 1 month

Source: ICF Research (Task 2 – Country data collection)

Complexity procedure

The **complexity procedure** considers five questions of the Task II questionnaires: Phase 3 - Application Phase – Factual. Each one of them was assigned an index score between 0-2 points. The individual scoring of each question was added to the score of the following one. In the end, each country receives an individual score of 1 to 10 depending on the answers the respondents provided. The index scores assigned to the questions were the following:

- “Easiness of finding websites and other information channels” - It was easy to find websites and other information channels on legal migration. When the respondents were asked to score this statement from 1-5 the equivalent score in the scale used was: 1 → 2, 2 → 1.5, 3 → 1, 4 → 0.5 and 5 → 0
- “Easiness of finding information on the websites and other information channels” It was easy to find the information needed from the websites and information channels. When the respondents were asked to score this statement from 1-5 then: 1 → 2, 2 → 1.5, 3 → 1, 4 → 0.5 and 5 → 0
- “Easiness of finding information on the websites and other information channels” Did the websites provide easy access: could you find the information

you needed in less than 4 clicks? When the respondents were asked to answer a question with yes or no, then: yes → 2 and no → 1

- “Following receipt of information from the respective authority (or after three weeks have passed following your request and you have not received a response), please explain the results of the experiential question in terms of: “How many days did it take? When the respondents were asked to answer a question with several days, then: 1 day → 2, 2 days → 1.9, 3 days → 1.8,20 days → 0
- “Please rate your agreement with the following statements”: The process for obtaining the information was user-friendly When the respondents were asked to score this statement from 1-5 then: 1 → 2, 2 → 1.5, 3 → 1, 4 → 0.5 and 5 → 0

If responses were missing, the averages of the respective question were taken into consideration and was transformed in the equivalent score of the scale used.

The complexity factor is a decimal number of 1. If the scores received from all the questions sum up to 10 (highest score given) then the complexity factor will take the value of 1. For any other value the first decimal digit depends on the score that the individual country has gathered. For instance, if the country received a score of 9 the first decimal digit will be 1 (i.e. 1.1), if the country received a score of 8 the first decimal digit will be 2 (i.e. 1,2) etc. If the score achieved consists of a second decimal (e.g. 8.28), then the score is derived from the exact following integer and the difference is placed in the second digit (i.e. $9 - 8.28 = 0.72$, hence the complexity factor will be $f(c\text{ bis})=1.272$ etc.) In that way all the complexity factors are calculated. An upper threshold of 2 is placed for this computation.

Migrant costs per Member State and Type of Procedures

Table 20. Migrant Costs (2016)

	Family reasons	Education reasons	Blue Card	Researcher	LTR	Family reasons-SPD	Education reasons-SPD	Remunerated reasons-SPD	Total
Belgium	€ 5,334,244	€ 2,092,596	€ 0	€ 103,544	€ 132,812	€ 0	€ 0	€ 0	€ 7,663,196
Bulgaria	€ 410,388	€ 253,018	€ 64,746	€ 254	€ 3,022	€ 0	€ 0	€ 57,096	€ 788,523
Czech Republic	€ 5,952,175	€ 5,078,403	€ 49,648	€ 57,288	€ 78,792	€ 0	€ 0	€ 1,500,098	€ 12,716,405
Germany	€ 10,487,449	€ 1,275,530	€ 1,517,543	€ 90,724	€ 2,260,562	€ 15,563,844	€ 14,234,764	€ 13,128,185	€ 58,558,601
Estonia	€ 0	€ 0	€ 2,909	€ 5,818	€ 165,120	€ 362,266	€ 283,402	€ 340,642	€ 1,160,155
Greece	€ 6,142,782	€ 284,130	€ 0	€ 4,410	€ 1,708,290	€ 0	€ 0	€ 0	€ 8,139,612
Spain	€ 3,639,154	€ 20,001,952	€ 4,800	€ 211,200	€ 1,125,398	€ 22,259,194	€ 0	€ 12,600,317	€ 59,842,015
France	€ 0	€ 226	€ 207,168	€ 1,379,456	€ 2,890,394	€ 29,100,735	€ 25,913,161	€ 7,339,560	€ 66,830,700
Croatia	€ 0	€ 9,522	€ 5,676	€ 4,131	€ 104,842	€ 415,726	€ 147,487	€ 727,822	€ 1,415,205
Italy	€ 0	€ 5,460,113	€ 73,177	€ 93,633	€ 34,411,496	€ 11,990,434	€ 0	€ 840,964	€ 52,869,816
Cyprus	€ 440,115	€ 35,700	€ 0	€ 1,000	€ 5,420	€ 39,780	€ 581,040	€ 1,302,840	€ 2,405,895
Latvia	€ 147,873	€ 0	€ 28,792	€ 1,274	€ 41,808	€ 431,416	€ 508,741	€ 662,244	€ 1,822,149
Lithuania	€ 283,554	€ 247,776	€ 28,448	€ 3,136	€ 722,222	€ 0	€ 0	€ 801,000	€ 2,086,136
Luxembourg	€ 348,418	€ 97,104	€ 76,990	€ 10,173	€ 182,620	€ 3,237	€ 0	€ 144,962	€ 863,504
Hungary	€ 585,939	€ 1,645,981	€ 1,050	€ 7,980	€ 7,857	€ 1,254	€ 0	€ 1,192,991	€ 3,443,052
Malta	€ 260,568	€ 609,840	€ 366	€ 0	€ 7,854	€ 9,801	€ 0	€ 1,340,955	€ 2,229,384

Fitness Check/REFIT Evaluation

Netherlands	€ 6,647,424	€ 7,417,040	€ 45,066	€ 1,168,816	€ 16,282,709	€ 0	€ 346,608	€ 626,400	€ 32,534,063
Austria	€ 1,938,342	€ 1,516,356	€ 40,500	€ 79,920	€ 11,557,095	€ 0	€ 0	€ 0	€ 15,132,213
Poland	€ 1,063,639	€ 6,369,203	€ 157,213	€ 58,400	€ 570,603	€ 703,358	€ 1,360,462	€ 8,140,145	€ 18,423,022
Portugal	€ 1,547,437	€ 968,615	€ 24,208	€ 0	€ 17,726	€ 846,422	€ 10,204	€ 1,271,163	€ 4,685,775
Romania	€ 0	€ 175,500	€ 22,080	€ 3,840	€ 299,981	€ 635,700	€ 1,213,800	€ 410,100	€ 2,761,001
Slovenia	€ 805,211	€ 415,728	€ 3,400	€ 2,200	€ 510,204	€ 21,204	€ 2,144	€ 1,644,640	€ 3,404,730
Slovakia	€ 160,502	€ 60,098	€ 1,274	€ 3,823	€ 185,493	€ 473,346	€ 493,827	€ 602,085	€ 1,980,449
Finland	€ 546,680	€ 0	€ 20,955	€ 373,380	€ 43,342	€ 2,774,219	€ 3,888,143	€ 3,389,120	€ 11,035,839
Sweden	€ 1,867,998	€ 2,140,982	€ 3,582	€ 207,138	€ 45,735	€ 14,770,702	€ 11,747	€ 5,105,080	€ 24,152,964
Total	€ 48,609,891	€ 56,155,412	€ 2,379,591	€ 3,871,538	€ 73,361,395	€ 100,402,637	€ 48,995,529	€ 63,168,409	€ 396,944,402

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