

## *Executive summary*

Labour migration is identified as one means, among several, to help meet future labour demand and skill shortages caused by a shrinking German working-age population. Recent reforms have put Germany among the OECD countries with the fewest restrictions on labour migration for highly skilled occupations. Permanent inflows of managed labour migration have risen recently, but relative to other countries and to the size of the German labour market continue to be low. Permanent inflows for employment from within the European Union, albeit much larger than managed labour migration flows, are also low in spite of significant growth since 2010. Temporary inflows are among the largest in the OECD, but are almost entirely intra-European. This review addresses the question of whether the German labour migration policy ensures that international recruitment helps meet those needs in the labour market which cannot be met locally. It examines key issues in the design of the German labour migration system, explores obstacles to labour migration on the demand and supply side, and identifies areas where Germany can reinforce its strengths in attracting the workers it needs.

German employers can recruit persons with university-level education from abroad for any job requiring matching their qualifications. Germany's policy for highly skilled migration is among the most open in the OECD, with no numerical limit and broad exemptions from the labour market test. Yet even employers declaring shortages have rarely recruited from abroad. There is a widespread perception that international recruitment is complex and unreliable. Germany's system does involve many actors and is not fully transparent for applicants, but its negative reputation is unjustified: processing times are fast in international comparison; the procedure is inexpensive; and refusal rates are low. Recent provisions open up more of the skilled occupations for accelerated recruitment. Nonetheless, the system still essentially presents itself as a series of exemptions from a general recruitment ban, and a restructuring of the corresponding employment ordinance would greatly enhance transparency of the system.

More than the system itself, issues in matching employer demand with potential recruits have limited use of labour migration channels. Efforts by public and private bodies to support employers in their efforts to meet

critical skill shortages through recruitment from abroad have only recently expanded. Employers, especially in the small and medium enterprises where a large part of the demand is expressed, appear to insist on German-language skills and highly specific qualifications, difficult to find abroad, even in traditional basins such as Central and East European countries. The German-language training infrastructure abroad has not traditionally been oriented towards supporting skilled labour migration, and is currently oversubscribed.

Restrictions still prevent recruitment for most skilled occupations requiring post-secondary vocational training, even as there are labour shortages in these occupations, shortages employers expect to increase. The existing shortage list mechanism could be broadened to allow identification of non-university level skilled occupations to open for recruitment. Germany's new recognition framework is well-suited to verify the qualifications of potential recruits. In addition, recent provisions allowing employers to retain foreign graduates of the German dual system are a positive step to meet medium-skill needs, but will require measures to attract and select young people from abroad into the system and to support and safeguard them during and after apprenticeships, including through language training. Finally, Germany is expanding its horizon for recruitment beyond the traditional origin countries in Europe, but faces challenges. It has lagged behind in competing internationally for highly skilled workers and for ensuring that it is on the radar screen as a destination, although recent public communication efforts and outreach are a positive step. For other categories of workers, Germany's well-developed models for bilateral agreements could face novel constraints if they are to involve origin countries outside Europe, where much of future recruitment will have to occur.

International students trained in Germany appear well positioned to circumvent employer resistance to hiring from abroad, as they speak the German language, hold domestic qualifications, and benefit from favourable access to the permit regime. The number of international students in Germany is increasing, albeit more slowly than in other OECD countries. Germany has several strong points – well-regarded universities, low tuition costs, favourable work/study provisions and a generous post-graduate job-search period – but could do more to leverage these strengths, both in linking graduates with employers and in promoting Germany in a competitive international study market.

In summary, the existing framework for labour migration in Germany is no obstacle to skilled migration, but it could be improved and better matched to evolving needs. In order to further improve the system and to prepare it for labour shortages that are not immediate, but on the horizon, the following actions are recommended (Box 0.1).

## **Summary of the recommendations to facilitate better management of labour migration flows in the future**

### **A. Facilitate administrative procedures**

- Restructure the labour migration ordinance, by limiting the number of categories and shifting its structure from “no admission, except for...” to “labour migration is admitted, subject to a number of clearly specified conditions”.
- Provide an internet-based platform for filing and tracking applications.
- Include regional elements in the shortage lists and account for prior recruitment efforts more globally in applying the labour market test.

### **B. Open new pathways for labour migration**

- Consider salary thresholds differentiated by age for highly skilled occupations.
- Further promote the dual system as a channel for medium-skilled migration while developing appropriate support for international apprentices and ensuring that costs are equitably shared.
- Consider the extension of bilateral agreements beyond Europe and beyond current sectors, including into the apprenticeship system.
- Allow labour migration into medium-skilled shortage occupations for recognised qualifications.

### **C. Better target efforts to promote labour migration to Germany**

- Make existing possibilities for labour migration better known to employers.
- Focus more closely on the needs of small- and medium-sized enterprises, namely with respect to administrative support.
- Develop training abroad in conjunction with employer representatives.
- Provide facilities for language learning by labour migrants, co-ordinated with employers.
- Encourage international students to learn German and promote German-language training in key origin countries.

### **D. Improve the monitoring of labour migration**

- Enhance control and enforcement measures, both pre- and post- recruitment.
- Improve data collection and monitoring of labour migration, including by a better data linkage between the administrative procedures in the Employment and Foreigners Offices.



**From:**  
**Recruiting Immigrant Workers: Germany 2013**

**Access the complete publication at:**  
<https://doi.org/10.1787/9789264189034-en>

**Please cite this chapter as:**

OECD (2013), "Executive summary", in *Recruiting Immigrant Workers: Germany 2013*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264189034-3-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).