

Re-thinking approaches to labour migration

Potential and Gaps in EU Member States' Migration Infrastructures

Case Study Summary — **Spain**



KEY MESSAGES

- Recent changes to the Spanish immigration legislation highlight the importance of the 'arraigo' regularisation options as a key for third-country nationals to enter the Spanish labour market. While being a powerful tool to address undocumented immigrants in Spain, it presupposes – and potentially encourages – stay and work in irregular situations.
- Students and asylum-seekers are flexibly allowed to access the Spanish labour market, making student visas and international protection the key unofficial labour pathways after the 'arraigo' option.
- Of the current priority EU Talent Partnership countries, Spain has implemented three MPF-funded projects with Morocco on skills and labour mobility. Spain is collaborating closely with the Moroccan government to address irregular migration from Sub-Saharan Africa and to hire Moroccan workforce for seasonal and circular migration schemes.
- Recommendations that could contribute to improve the Spanish immigration system include improving the quota system and labour shortages catalogue and extending the immigration and integration statistics.

BACKGROUND AND CONTEXT

Spain has long been a country of emigration. During the Spanish Civil War (1936–1939) a large number of Spaniards left the country for Latin America and Europe due to political persecution and economic crisis. Under the Franco dictatorship, Spain continued to experience high emigration and low immigration (Interview partner 7).

Immigration to Spain increased after accession to the European community, especially to fill growing demand for jobs in the construction, agriculture, and tourism sectors. Within 10 years (1994–2004), the Spanish economy produced 6 million new jobs, of which 2 million were “filled by foreign workers” (Pinyol-Jimenez, 2018, p. 7). Between 2002 and 2014 Spain received 7,3 million immigrants, making it the second largest recipient of immigrants of all OECD countries (Bruegel, 2015). Those immigrants mainly came from Europe (3,4 million), Latin America (2,5 million) and Africa (1,3 million - mostly from Morocco). During the European financial crisis Spain was hit hard, resulting in high unemployment and consequent emigration. Since 2016 the net migration balance is positive, meaning that immigration exceeds emigration.

In July 2023, Spain had a population of 48.345.223 – of which 23.679.090 (48,98%) were men and 24.666.133 (51,02%) were women (INE, 2023). Of the population, 6.335.419 (13,1%) are foreigners. The main countries of origin of foreigners are Morocco and Colombia. Geographically, the Spanish population is increasingly concentrated in and around the big cities – especially Madrid and Barcelona.

CURRENT AND FUTURE LABOUR SHORTAGES

Spain is among the OECD countries with the lowest labour shortages. At the end of 2022, there were 140.517 open vacancies, most of which were in the service sector (STEM professionals). Other officially listed labour shortages can be found in the renewable energies, health, hospitality, construction, fishing and metal repairs sectors. Many labour needs in the low-paid hotel & restaurant business, agriculture, construction work and domestic work & care sectors are not recorded in official statistics.

Recent surveys with employers in different sectors revealed that 34% of companies in Spain had labour shortages, and that low-paid sectors are particularly affected: the proportion of companies facing shortages was 49% in construction and 62% in hotel

and restaurant sectors (Estaban, 2022). According to the EURES network, Spain is one of the countries with the lowest number of labour shortage occupations. Out of the list of 38 occupation types, Spain only registered shortages in 6 categories. Only Malta (3), Luxembourg (3) and Greece (4) have less (European Labour Authority, 2022). Similarly, Spain is also the country with the highest labour surplus (measured by the ratio between high unemployment rates but relatively low vacancies rates).

In 2022, the unemployment rate was 12,87%. The youth unemployment rate continues to be high (29,26%). There are 140.517 open jobs even though there are approximately three million unemployed people in Spain. This is because many unemployed Spaniards do not want to work in less-skilled jobs in the tourism, agriculture, hotel business and construction sectors. Such employment might require them to move to other cities, which would imply additional costs for transport and housing. Furthermore, the salaries are likely so low that the efforts do not justify the minor financial difference to unemployment benefits.

The Public Employment Service (SEPE) publishes the Catalogues of Hard-to-Fill Occupations every trimester. According to recent editions of the Catalogue the economic sectors with labour shortages are: transport, construction, agriculture, sports, hospitality, maritime, harbour and shipping sector, and software development. The Catalogue is criticised by several experts interviewed for not accurately reflecting real labour market needs.

Between 2022 and 2035, there will be a forecast 15.115.900 new job openings in Spain (CEDEFOP, 2023). Of the new job openings 38% will be highly-skilled non-manual occupations, 31% skilled non-manual occupations, 12% elementary occupations, 20% skilled manual occupations (Ibid.).

Overall, Spain needs highly-skilled professionals such as data analysts, computer engineers, engineers with expertise in renewable energies, technicians related to big data and cybersecurity and experts in business intelligence and data mining (EURES 2023). In comparison to the EU average, Spain will have a relatively high demand for highly-qualified workers (67% of job openings between 2022 and 2035 require a high level of qualification in Spain, vs. 56% as the EU average).

As for medium-skilled profiles, Spain is in need of nurses and health assistants in the healthcare sector, and in some geographic areas carpenters, plumbers, lorry drivers and waiters and cooks in the hospitality

sector. 29% of job openings between 2022 and 2035 require a medium level of qualification in Spain, compared to 42% as the EU average.

LABOUR MIGRATION POLICY IN SPAIN

Spain has had a quota system since 1993. Later, the introduction of a Hard-to-fill Occupations catalogue (2009) further attempted to address the gap (Pinyol-Jimenez, 2018). Before 2002, most of the applications for work permits through the quota system were from irregular migrants already in Spain (Ibid.). After the quota system reform in 2002, the Labour Ministry was required to first screen for available workers in Spain, only after that a quota for hiring abroad could be set if there was an additional labour shortage.

LEGAL MIGRATION PATHWAYS

The recent significant change in immigration legislation - Royal Decree 629/2022 - expanded the possibilities for regularisation of irregular immigrants and the options for foreign students in Spain. The change in the law thereby further highlighted the importance of the two most significant entry pathways to Spain: 1) regularisation in Spain according to the 'arraigo' possibility and 2) entering as a student. Neither pathway is an official labour pathway but both are notable in how they facilitate access to the labour market.

The 'Arraigo' Regularisation Pathway

'Arraigo' stands for 'integration' and is an important feature of the Spanish immigration system that allows immigrants in irregular situations to obtain their work permit. There are four different types of 'arraigo'. The most important one is regularisation for social reasons (93.971 in 2023), followed by the regularisation because of family ties (62.094), regularisation by employment (19.330) and regularisation by professional training (15.019). People being regularised by family ties rooting had the shortest irregular stay in Spain (on average 1,5 years), while the social rooting regularised people who stayed longer in irregular situations (on average 3,6 years).

Entering with a Work Visa

The residence visa to undertake a professional activity under an employment contract is an appropriate entry pathway for lower- and medium-skilled workers. Even though the numbers of issued visas increased over time - 37.826 (2022) vs. 8.761

(2013) - they are still by far less relevant than other pathways. Interviewees describe this entry pathway as too lengthy and difficult, as many ministries are involved and the quota system, shaped by the catalogue of hard-to-fill jobs, is not efficient.

Temporary and seasonal migration

Agriculture, tourism and hotel business are the economic sectors that require seasonal workforce. In Spain, 6-7% of the overall workforce is engaged in agricultural production. Most of the seasonal labour demand is facilitated through the GECCO system - a 4-year visa for seasonal work for a maximum of nine months within the period of one year - and through bilateral labour mobility agreements. The dominant group in the agricultural sector are Moroccans. In the agricultural production areas Huelva and Lleida, 43% and 86% respectively of the workforce are foreigners. At its peak in 2007, approximately 50.000 workers were hired in the country of origin under the GECCO program for the seasonal harvesting work in the provinces Huelva and Lleida. By 2015, this number fell to 2.178 and then rose again - 20.000 in 2020 (Moliner, 2020).

The Royal Decree 629/2022 brought important changes for the seasonal labour force. From now on, seasonal workers can be hired abroad through the GECCO system and can receive a 4-year visa. Importantly, this visa type allows the holder to work in Spain for a maximum of nine months per year. Subsequently, the worker is obliged to leave Spain and is only able to come back for the next nine months in the next year. If the individual respects those nine-months-periods and works in Spain seasonally for four years, he or she can apply for a two-years work and residence authorisation (Rosas, 2022). This innovation makes it easier - especially for agricultural, and hotel & restaurant business enterprises - to satisfy their seasonal workforce demand.

European legal provisions and their use

The EU Blue Card accounted for only 0,1% of first residence permits issued in Spain in 2021 (European Migration Network, 2023). While the previous EU Blue Card Directive from 2009 was included in the Spanish Immigration Law (2000), the recent 2021 EU Blue Card Directive was included into the Spanish Law 14/2013 for highly-skilled professionals, intra-corporate transfers, investors and entrepreneurs (KPMG, 2023). According to the updated transposed legislation, Spain will have a double-regime regarding highly-skilled immigration: the Spanish national highly-qualified professionals permit and the EU Blue

Card (an EU highly-qualified professionals permit) exist in parallel (KPMG, 2023). For the EU Blue Card, the company or the employer can apply and the permit has a validity of three years. The EU Blue Card has higher requirements than the Spanish highly-skilled permit – for the EU Blue Card an education level 6 of the European Qualifications Framework, or five years relevant and specialised work experience is required, while for the Spanish national highly-qualified professional visa education level 5 or three years work experience suffice (KPMG, 2023).

Spain was the first EU MS to transpose the intra-corporate transferees Directive (2014/66/EU). The directive is included in the visa type for highly-skilled professionals, intra-corporate transfers, investors and entrepreneurs (Spanish Law 14/2013). During negotiations on the directive, Spain was intensively attempting to create new ways for third-country nationals to come to Spain to stimulate the economy which was suffering from the economic crisis after the crash in 2007-8. The relevance of intra-corporate transfer for labour immigration to Spain is minor. In 2021, approximately 1.600 authorisations of this type have been issued (accounting for 7% of this visa type).

Spain is planning a legislative reform in 2024 to include the revised rules for the single permit and the long-term residence permit (Paralnmigrantesinfo, 2023).

Policies and schemes targeting highly-skilled workers

As to highly-skilled professionals, the visa types for entrepreneurs - for investors, for the purpose of establishing a business, to purchase real estate and for highly-qualified professionals according to law 14/2013, is the main entry pathway. In 2021, 30.531 such visas were issued at Spanish consulates abroad. Importantly, only approximately 60% of this number are individuals who are fulfilling the criteria of this visa type, the other 40% are their family members. This number increased significantly since the start of the visa in 2014: 25.243 (2019) 12.252 (2016) 4.131 (2014). Since this visa type accommodates several different categories, it is important to understand their relative importance. In 2019, 33,4% of the visas type for highly-qualified professionals were issued to highly qualified workers, 18,7% to investors, 14,2% for intra-corporate transfers, 11,6% for the sake of searching for employment, and 1,2% for entrepreneurs (OPI, 2020).

Bilateral or special labour agreements and partnerships

Recent mobility agreements have been concluded with Morocco, Senegal, Colombia, Guatemala, Ecuador, Honduras and Dominican Republic. All of these agreements have the objective of operationalising the GECCO system – except for Morocco, which besides making it a GECCO partner country also has an important component on controlling irregular migration. As outlined in previous sections, GECCO is the Spanish system for hiring seasonal labour in the country of origin. As the basis for hiring abroad, agreements with the partner country are required. While labour immigrants under the GECCO system have been mainly for the agricultural sector, current plans to extend the recruitment for other seasonal areas, such as tourism, hotel & restaurant business, are ongoing.

SUGGESTIONS FOR POSSIBLE FUTURE ADAPTATIONS TO LEGAL MIGRATION POLICY AND MAKING USE OF EXISTING PROVISIONS

Address the challenges and downsides that come with the 'arraigo' regularisation pathways

Even though not officially a labour pathway, the 'arraigo' regularisation pathways are the most significant way to enter the labour market for immigrants from third countries. They constitute a significant potential of ending the irregular situation of many individuals and improve their access to social services and fair working conditions. Furthermore, the newly established 'arraigo' by training regularisation option couples regularisation with professional training, capacitating immigrant workers and addressing labour shortages. However, the earliest 'arraigo' option is possible after two years (except 'arraigo' integration by family ties). By strengthening this pathway, the Spanish immigration system may encourage prospective immigrants to enter Spain and to stay in irregular situations. Depending on the autonomous community, access to healthcare, and education (for their children) can be hampered. Therefore, it is important to address the downsides and further improve the 'arraigo' pathway. Concretely, irregular work in low-skilled sectors, the working conditions in those sectors, and a simplification of the

work visa issued at Spanish consulates abroad are recommended to decrease the risks that come with promoting the 'arraigo' integration option.

Further improve the Catalogue of Hard-to-Fill occupations

The Catalogue of Hard-to-Fill occupations informs the visa regime in Spanish consulates and therefore is an important element of the Spanish labour immigration system. While the catalogue was criticised for many years, important changes were made in 2022. The criticism revolved mainly around the fact that most important job shortages were not reflected in the catalogue and that other jobs - such as Football trainers - were shown as priorities of the labour market.

In the recent legislative changes, the catalogue has been improved: the point of reference now is the number of applicants of certain job postings and not the unemployed population in Spain who theoretically could fill that job. Furthermore, the employer can now personally confirm the urgency and the difficulty to cover a job posting. SEPE can confirm this difficulty if after eight days on the platform 'Empléate' the position cannot be filled. In this context, there are some improvements and in 2021, for the first time the catalogue listed some jobs from the construction sector.

It is recommended that SEPE includes more profession types in the catalogue based on studies and surveys. Surveys have shown that 62% of employers in the hotel and restaurant sector face difficulties finding the needed workforce. However, these professions are not in the catalogue. Consequently, it is almost impossible for immigrants wanting to work in these sectors to come to Spain with an adequate visa. Even though a majority in the parliament would be required to significantly change the functioning of the catalogue (which is hard to obtain), SEPE should explore avenues how methodologically rigorous studies could include more professions into the catalogue.

Extend and enhance the existing statistics related to labour immigration

Another obstacle for efficient immigration and integration policy making is related to the lack of detailed statistics. Some policymakers mentioned

that due to the lack of rich statistical information, some policy discussions are based on anecdotes rather than on data. Longitudinal and constant data collection approaches are missing. Furthermore, the autonomous communities have their own research and statistics departments. Consequently, some data regarding immigration, integration and related fields is fragmented and hard to systematically compare between the different autonomous communities. Therefore, this study recommends harmonising the data collection, data analysis and data presentation processes throughout the different autonomous communities of Spain. Furthermore, the statistical data regarding issued visas per category and per nationality, numbers regarding recognised academic titles and professional skills, integration of immigrants at the local level, access to social services of immigrants, and statistical information regarding immigrants working in different job sectors, among others, could be deepened.

Considerations regarding collaboration with Talent Partnership initiatives countries

Of the current prospective EU Talent Partnership countries, Morocco is one of the top priorities for Spain. There have been three MPF-funded projects that are aligned to the approach encouraged under Talent Partnerships (Global Skills Partnership/"triple win") with Morocco: "[Women As Financially Independent Rural Actors](#)" (WAFIRA), "[MOVE_GREEN](#)", and Young Generation as Change Agents.

Furthermore, mobility agreements show that Moroccan immigration - especially to work in the agricultural sector - is a cornerstone of Spanish immigration policy.

In the future, Spain will have a relatively high demand for highly-qualified workers. In this context, the EU Talent Partnerships and envisaged EU Talent Pool can be highly valuable to address these workforce demands. Cooperation on mobility between Spain and Morocco includes circular migration schemes in the highly-skilled renewable energy sector. Spain could leverage on these experiences, and include training to address the other mentioned labour shortages in highly-skilled sectors.



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