

Admitting third-country nationals for business purposes



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Salvatore Petronella
ICFI - EMN Service Provider

Background

- A **growing interest** at national and EU levels in policies and programmes to attract and admit third-country nationals for business purposes
- The Study contributed to the **wider debate** on increasing EU competitiveness
- A methodology, based on a common template, allowed for comparability of results of the **contributions submitted by 24 Members States** participating in the study
- [Final Report](#) available on the Commission website of the EMN



Scope and aim of the study

- To provide an analysis and further understanding of the policies and specific conditions in place in EU Member States that regulate the admission for business purposes from third-countries of:
 - a) non-EU **investors** who are not yet present/resident in any Member State (*admitted on a long-stay visa for the purpose of making a (substantial) financial investment either in financial products or in a business but without involving in the day to day operations or in the management of business*);
 - b) non-EU **business owners** who are not yet present/resident in any Member State (*admitted on long-stay visa to the Member State to i) set up a business and be involved in its management; ii) take over the running of a business or businesses and be involved in its management; iii) or for self-employment*;
 - c) other third-country nationals who travel to the EU for business reasons ("**other business persons**") (*All categories included in (but not limited to) the "GATS Mode 4" categories admitted on a short- or a long-stay visa for the purpose of doing business*)
- To map Member States' approaches and to compare the ways, and extent to which, their existing legal and policy measures are used to facilitate the admission and stay, whilst safeguarding against misuse

Overviews of national approaches

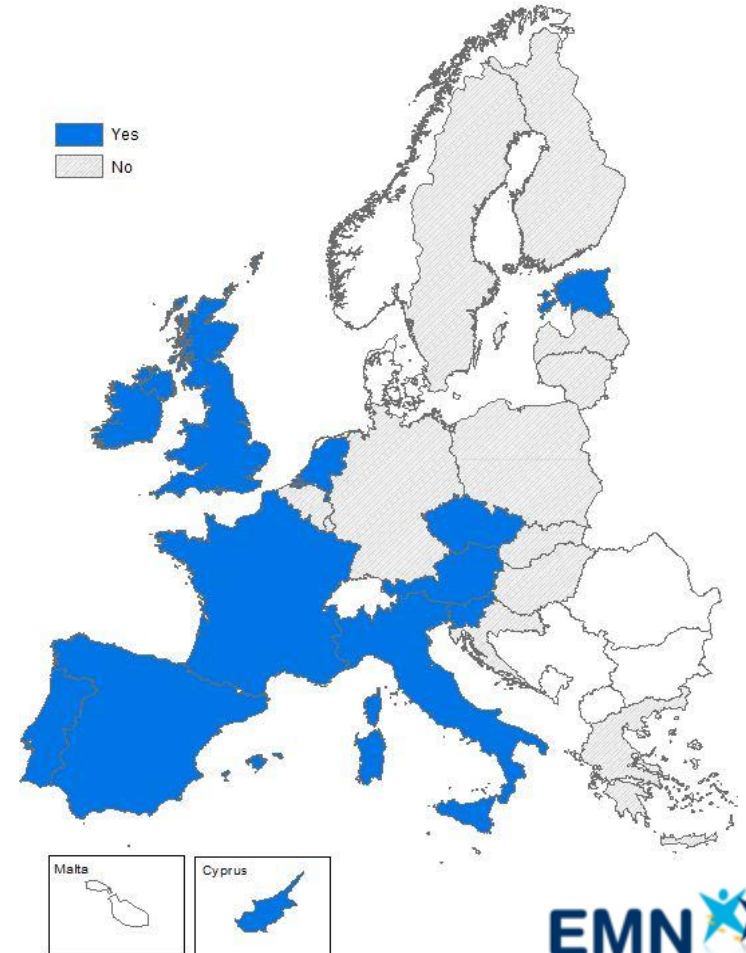
- National legal frameworks show considerable **variety with regard to the definitions and categories** of third-country nationals admitted for business purposes, and the facilitations that are made available.
- While most MS implementing policies to attract non-EU investors and business owners translate them into specific measures and/or criteria to provide incentives, **no automatic correlation** between the two can be derived.
- This means that only around half of all EU Member States **facilitate the admission** of immigrant investors and business owners, by implementing specific programmes which provide incentives and ease restrictions (visually summarised by the following maps).

Overview of national approaches

Figure 1 Overview of Member States with programmes that facilitate the admission of **immigrant investors**



Figure 2 Overview of Member States with programmes that facilitate the admission of **immigrant business owners**



Typologies of programmes (I)

- The overview consider a **categorisation** of programmes made on the basis of the following four elements:
 - **Incentives** i.e. policy measures tailored to attract immigrant investors such as marketing actions, dedicated information portals, favourable tax regimes,
 - **Procedural facilitations** i.e. measures to fast-track or ease restrictions to admission such as shorter examination procedures / residency requirements or exemptions from “*integration contracts*”,
 - **Qualifying criteria** i.e. programme entry requirements such as minimum size of investment, evidence of capital, impact on the national economy or evidence of certain entrepreneurial / language skills,
 - **Enhanced rights** i.e. accelerated family reunification, direct granting of long-term residence permits or accelerated access to citizenship.
- **Nature of investements:**
 - Private-sector transactions (investing in local business or properties);
 - Private-public transaction (cash to development funds or government bonds);
 - High variation in the size of the investments

Typologies of programmes (II)

- The combination of the four elements provide an indication of the **level of openness** to investments and mobility as well as the breadth of target groups Member State wish to attract.
- MS exercise their competence to design policy to favour economic migration, by **picking and choosing measures and criteria** they deem will best meet their national needs whilst also meeting the requirements of and acting as incentives to business persons
- In terms of **migration policy design**, MS strive to find the right balance between mutual benefits (incentives and rights offered versus admission criteria which guarantee effective controls and secure borders)
- MS focus on some common broad **policy objectives**, such as contribution to economic performance, creation of more jobs and growth; investing in innovative businesses.



Main findings(I)

- **Higher-rate immigration Member States** have developed and / or adapted tailored programmes for business persons with the aim to better meet the needs of their national markets and seek higher economic benefits.
- **Lower-rate immigration MS** tend to offer more relaxed requirements (lower investment thresholds), while adapting to circumstantial factors (i.e. post-economic downturn recovery) or to act as (regional) hubs for investments.
- Many programmes have been **introduced recently**, and in response to the economic crisis, which accounts for the limited availability of statistics. However, available data show **low shares** of overall immigrant populations.
- **Investments generated** by non-EU business owners in Member States where data was available amounted to nearly **EUR 8 billion** and support the creation of nearly **53,000 jobs**
- Though evaluations to assess the contribution of such programmes to the national economy are limited, some Member States have **adapted their programmes** to refocus on specific priorities.

Main findings (II)

- Controls applied at admission stage are used by Member States to detect **potential** cases of **misuse/abuse** of the business channels , while it is at the moment of the renewal of the residence permit or when specific inspections are carried out, that **actual** misuse/abuse becomes manifest.
- Regardless of the system in place, **few specific instances of misuse/abuse of the investor route** was reported, while **for business categories, some incidences have been identified in specific sectors** (mainly construction and catering / restaurants).
- The main issue is to ensure a **balance** between selective admission criteria able to prevent and reduce misuse/abuse and yet provide for favourable channels for genuine investors and business owners.
- **Challenges** were mostly reported in the design and implementation of policies/programmes, while some MS are concerned by the difficulty to **counteract the establishment of bogus economic activities**.
- From an immigrant perspective challenges are reported for **complex administrative procedures** and obstacle at **business start-up** phase.

Do migration policies matter?

- Business migration set in the wider **global competition** for talent/investments
- Labour and skill shortages do not necessarily equate to **migration needs**:
 - There's need to unlock the human capital inside the EU;
 - Activation of people out of the labour market won't sufficiently cope with the demographic ageing and unemployment rates affecting EU economies;
 - "Highly-skilled" TCNs cannot alone be an adequate response: the internal demand of skills concerns larger categories of skills (regardless of the level).
- **Immigration policies** structure the flows of third-country nationals:
 - But other socio-economic factors (remuneration, family link, language, hiring systems) are more attractive and influence immigrants' choices;
 - They are most effective at early (st)ages ("path dependency");
 - Hybrid systems (demand-driven and points-based) prove more effective in filtering demands and attracting the desired human capital;
 - Investors Programmes being evaluated/reviewed in implementing countries.
 - New Zealand: "Expression of interest" (EOI) and "Invitation to apply" (ITA);
 - *"The Commission will look at the possibility of developing, with MS, an "expression of interest system", to allow for the creation of an "EU-wide pool" of qualified migrants"* (EU Agenda on Migration)



Thank you

Salvatore.Petronella@icfi.com