

Determination of the Demand for Foreign Labour Force in the Labour Market of Azerbaijan

November 2017



This project is funded by
the European Union

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Prepared by the International Centre for Migration Policy Development (ICMPD), Vienna - Austria
Funded by the European Union

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International Centre for Migration Policy Development • November 2017

Printed and bound in Azerbaijan

ISBN: 978-3-903120-11-2



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ACKNOWLEDGEMENTS

The MOBILAZE project team is grateful for the opportunity to exchange with and would like to extend their thanks to the project partners in Azerbaijan and in particular to Mr Elnur Suleymanov, Head of Employment Policy Department, Ministry of Labour Social Protection of Population (MLSPP), and Mr Fuad Jabbarov, Head of Labor Migration Sector, MLSPP; Mr Rza Allahverdiyev, Head of Population Statistics Department, State Statistical Committee (SSC), and Mr Nemat Khuduzade, Head of Labour Statistics Department, SSC; Dr Vilayat Valiyev, Director, the Institute for Scientific Research on Economic Reforms (ISRER) under the Ministry of Economy; and Ms Vusala Jafarova, Department of Strategic Planning and Development, the Centre for Analysis of Economic Reforms and Communication.

Preparation, review and dissemination of the report have been supported by the MOBILAZE project team in Vienna and Baku, in particular by Elnur Nasibov, Saltanat Mammadova and Aida Hasanova.

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LIST OF ABBREVIATIONS

CEC	Canadian Experience Class
CIA	Central Intelligence Agency
CIS	Commonwealth of Independent States
EU	European Union
FST	Federal Skilled Tradespersons Programme
FSW	Federal Skilled Workers Programme
GDP	Gross Domestic Product
ICMPD	International Centre for Migration Policy Development
IMP	International Mobility Programme
IOM	International Organization for Migration
ISRER	Institute for Scientific Research on Economic Reforms (Azerbaijan)
LC	Labour Code of the Republic of Azerbaijan
LMIA	Labour Market Impact Assessment
MC	Migration Code of the Republic of Azerbaijan
MLSPP	Ministry of Labour and Social Protection of Population of Azerbaijan
MOBILAZE	'Support to the Implementation of the Mobility Partnership with Azerbaijan' project
MP	Mobility Partnership
MS	Member State
OECD	The Organization for Economic Cooperation and Development
PCA	Production Sharing Agreements
PNP	Provincial Nominee Programme
SES	State Employment Service of Azerbaijan
SMS	State Migration Service of Azerbaijan
SOCAR	State Oil Company of the Republic of Azerbaijan
SSC	State Statistical Committee of Azerbaijan
TFW	Temporary Foreign Worker
UK	The United Kingdom
UNFPA	The United Nations Population Fund

The ‘Joint Declaration on a Mobility Partnership (MP) between the Republic of Azerbaijan and the European Union (EU) and its Participating Member States’¹ was signed in December 2013. The project ‘**Support to the Implementation of the Mobility Partnership with Azerbaijan**’ (**MOBILAZE**) is one of the outcomes of Azerbaijan’s continued progress in the implementation of this Mobility Partnership. The project proposal was developed by the International Centre for Migration Policy Development (ICMPD) in close cooperation with national authorities of Azerbaijan responsible for migration management as well as with EU Member States (MS) co-implementing partners (listed below), taking into account their joint priorities in the area of migration management.

The 36 months MOBILAZE project has started on 15 January 2016 and is being implemented by ICMPD together with 9 co-implementing partner institutions from 7 EU MS, namely Bulgaria (Ministry of Labour and Social Policy), the Czech Republic (Ministry of the Interior), Latvia (The Office of Citizenship and Migration Affairs of the Ministry of Interior), Lithuania (Migration Department under the Ministry of the Interior and the State Border Guard Service), the Netherlands (Immigration and Naturalisation Service and Repatriation and Departure Service, both under the Ministry of Security and Justice), Poland (Ministry of Interior and Administration) and Slovakia (Migration Office, Ministry of Interior).

The overall purpose of the project is to provide support in different migration policy areas established in the MP, namely legal migration and mobility, the fight against irregular migration, support to asylum policy and maximizing the development impact of migration.

The specific objectives of the project are corresponding with these five project components:

- To improve the monitoring, analytical and forecasting capacities of the government of Azerbaijan and the migration policy development (Component 1);
- To strengthen the management of labour migration and trade related mobility to and from Azerbaijan and to increase the public awareness about mobility between the EU and Azerbaijan (Component 2);
- To increase the capabilities of Azerbaijan’s authorities in the field of document security (Component 3);
- To strengthen the capacity of Azerbaijan’s authorities to develop and implement a national asylum policy in line with EU and international standards (Component 4);
- To strengthen the capacities of central and regional state and non-state actors in Azerbaijan to implement sustainable reintegration of returned nationals (voluntary returnees and readmitted irregular migrants) (Component 5).

1 http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/international-affairs/eastern-partnership/mobility-partnerships-visa-facilitation-and-readmission-agreements/docs/azerbaijan_05.12.2013_en.pdf

Following the conclusions and recommendations of the assessment report '**Review of legal and labour migration mechanisms in the Republic of Azerbaijan**'² (produced in October 2016) within the Component 2 of the project the current study looks into the determination of the demand for foreign labour force in the labour market of Azerbaijan. In this way, the ultimate aim of the study is *to provide an analytical basis for strengthening the management of labour migration in the Republic of Azerbaijan by taking into account needs and interests of national economy, as well as good practices of other countries.*

The Republic of Azerbaijan has been using a quota system for labour migrants entitled to come and work in the country in order to manage labour migration alongside with established rather exceptional cases when work permits are not required³. The foreign labour quota system is regulated by *the Rules of establishment of labour migration quota* that were approved by the Cabinet of Ministers of the Republic of Azerbaijan. The MOBILAZE project partners in Azerbaijan, including the Ministry of Labour and Social Protection of Population (MLSPP) and the State Migration Service (SMS), expressed a need and an interest to analyse the labour migration quota system, establish its effectiveness and suggest options for its improvement and/or alternative ways for determination of the foreign labour demand at the national labour market.

The concept of the study has been jointly developed by ICMPD and the MLSPP. The study strives to analyse the labour market in Azerbaijan and vectors of the country's economic development; the migration situation in Azerbaijan, profile of a labour migrant in the country; as well as main tools for labour migration management, to be precise the current foreign labour quota system and the labour market test. The experiences of other countries in managing labour migration have also been analysed. Based on the research conducted in these areas the study suggests proposals for revision of the current labour migration management system to enhance its efficiency.

The desk research as well as fieldwork for the present study was conducted jointly by a group of international and national experts and ICMPD. Following the analysis of legislation and background materials on the quota system and labour migration in Azerbaijan as well as the labour immigration systems of other countries, meetings with the governmental stakeholders and private companies employing foreign nationals in Azerbaijan, as well as a focus group discussion held in Baku on 28 February with the members of the Commission on Establishment of Labour Quotas for Foreigners, the experts drafted their suggestions aimed at enhancing the efficiency of the current quota system.

The report is structured as follows: Following this Introduction, Section 2 provides an analysis of the trends in the Azerbaijani labour market while Section 3 analyses labour migration trends in the context of Azerbaijan. Section 4 introduces the current labour migration system of Azerbaijan and Section 5 provides an overview of approaches, labour migration policy instruments and case studies of other countries, namely Canada, the Russian Federation and Sweden. Moreover, Annex II of the report provides a summarised overview of labour migration schemes in 12 countries (including three already mentioned) conducted by the research team. Finally, Section 6 presents the proposed recommendations for reforming the current quota-based labour migration system of Azerbaijan based on research findings.

2 Review of legal and labour migration mechanisms in the Republic of Azerbaijan. ICMPD, 2016. Available at: https://www.icmpd.org/fileadmin/user_upload/Com2_Assessment_report_FINAL_EN.pdf

3 The cases when foreigners don't need work permits are defined in Article 64 of the Migration Code (MC).

2 ANALYSIS OF AZERBAIJAN'S LABOUR MARKET

It is broadly recognised that the impact of migration on the labour market depends on various factors including the skills of migrants, the skills of the local population as well as the level of development of the human capital and the characteristics of the host economy. Therefore, it is important to start the analysis of the demand for foreign labour force in Azerbaijan with an assessment of the main features of the labour market of the country.

2.1 Macroeconomic Situation and Vectors of Economic Development

Azerbaijan has undergone significant economic transformation and development since the country's independence in 1991. The rapid economic development has been mainly attributed to the exploitation of hydrocarbon resources (through production sharing agreements with foreign oil companies and foreign direct investment); in addition, substantial reforms intended to support a market-based economy have been instrumental in facilitating growth⁴. However, in recent years, oil and gas production remained central in the Azerbaijani economy: during the oil price boom (in 2006 - 2014) hydrocarbon activity accounted for three-quarters of GDP and government income, and 90 percent of exports⁵. Certainly, such dependency on petroleum resources places the country at risk of volatility and raises concerns about macroeconomic stability.⁶

The decrease of crude oil prices in 2014 and 2015 posed significant challenges for Azerbaijan's economy due to the fact that more than half of the state budget came from oil revenues. 2015 was a difficult year for the economy due to a massive devaluation of Azerbaijan's local currency. Reflecting the economic meltdown, Azerbaijan's GDP was 5,561.5 USD per capita in 2015 compared to 7,990.8 USD in 2014. The preliminary data for 2016 shows a GDP of 3,926.5 USD.⁷

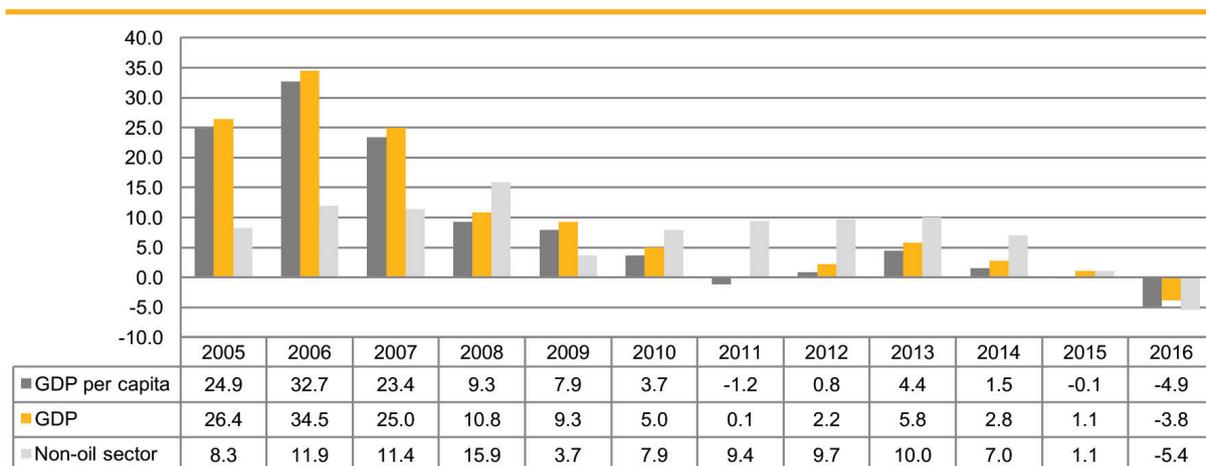
4 Economic Development in Azerbaijan. Country Partnership Strategy: Azerbaijan, 2014 – 2018. Asian Development Bank. Available at: <https://www.adb.org/sites/default/files/linked-documents/cps-aze-2014-2018-sd-02.pdf>

5 International Monetary Fund, Country Report No. 16/296, p. 10, <http://www.imf.org/external/pubs/ft/scr/2016/cr16296.pdf>

6 Economic Development in Azerbaijan. Country Partnership Strategy: Azerbaijan, 2014 – 2018. Asian Development Bank. Available at: <https://www.adb.org/sites/default/files/linked-documents/cps-aze-2014-2018-sd-02.pdf>

7 Data on system of national accounts and balance payments. State Statistical Committee. Available at: http://www.stat.gov.az/source/system_nat_accounts/indexen.php

Figure 1: Dynamics of GDP, GDP per capita and the non-oil sector (compared to the previous year, in %), 2005-2016



Source: SSC

Azerbaijan's government had been striving to diversify the economy and provide it with more sustainable sources of growth already prior to the new waves of economic crisis in 2014 and 2015. The governmental priorities for economic development are reflected in the *State Programme on Poverty Reduction and Sustainable Development in the Republic of Azerbaijan for 2008-2015*⁸ and the concept *Azerbaijan 2020: Look into the Future*⁹. In March 2016, the President endorsed *Strategic Road Maps for the National Economy and Main Economic Sectors* (further – Road Maps) aimed at adapting to new economic realities and setting the direction of Azerbaijan's economy in 11 key economic areas.¹⁰

Azerbaijan currently focuses on the development of several key sectors¹¹:

- Agriculture (i.e. production of cotton, tobacco, hazelnuts, tea and other export oriented goods);
- Tourism;
- IT (introduction of e-visa and tax-free systems shall stimulate this sector);
- Logistics and transport infrastructure (i.e. Baku-Tbilisi-Kars railway is due to start operation in 2017);
- Energy (delivery of Azerbaijani natural gas to the EU via Southern Gas Corridor Project).

8 The State Programme on poverty reduction and sustainable development in the Republic of Azerbaijan for 2008 – 2015 (September 2008). Available at: http://economy.gov.az/index.php?option=com_content&view=article&id=249:state-programme-on-poverty-reduction&catid=29:poverty-reduction&lang=en

9 Azerbaijan 2020: Look Into the Future (December 2012). Available at: http://www.president.az/files/future_en.pdf

10 Oil and gas industry (including chemicals); Production and processing of agricultural products; Production of consumer goods at the level of small and medium-sized enterprises; Heavy industry and engineering; Specialized tourism industry; Logistics and trade; Housing at affordable prices; Professional education and education; Financial services; Telecommunication and information technologies; and Public utilities (electric and heat energy, gas and water).

11 World Economic Forum. Azerbaijan's economic priorities for 2017 (by President Ilham Aliyev). Available at: <https://www.weforum.org/agenda/2017/01/azerbaijans-economic-priorities-for-2017/>

2.2 Demographic Characteristics of the Population

The population of Azerbaijan is 9.7 million people with 53% of the population living in urban areas and 47% in rural areas. 49.8% of the total population of the country are men and 50.2% women.¹²

Table 1: Age structure of the population of Azerbaijan, January 2016

Age group	%	Male (millions)	Female (millions)
0-14 years	22.7	1.2	1.0
15-24 years	16.7	0.8	0.7
25-54 years	45.2	2.1	2.2
55-64 years	9.1	0.4	0.4
65 years and over	6.4	0.2	0.3
<i>Median age, total</i>	30.5	28.9	32.2
<i>Life expectancy at birth, total</i>	72.2	69.2	75.5

Source: SSC

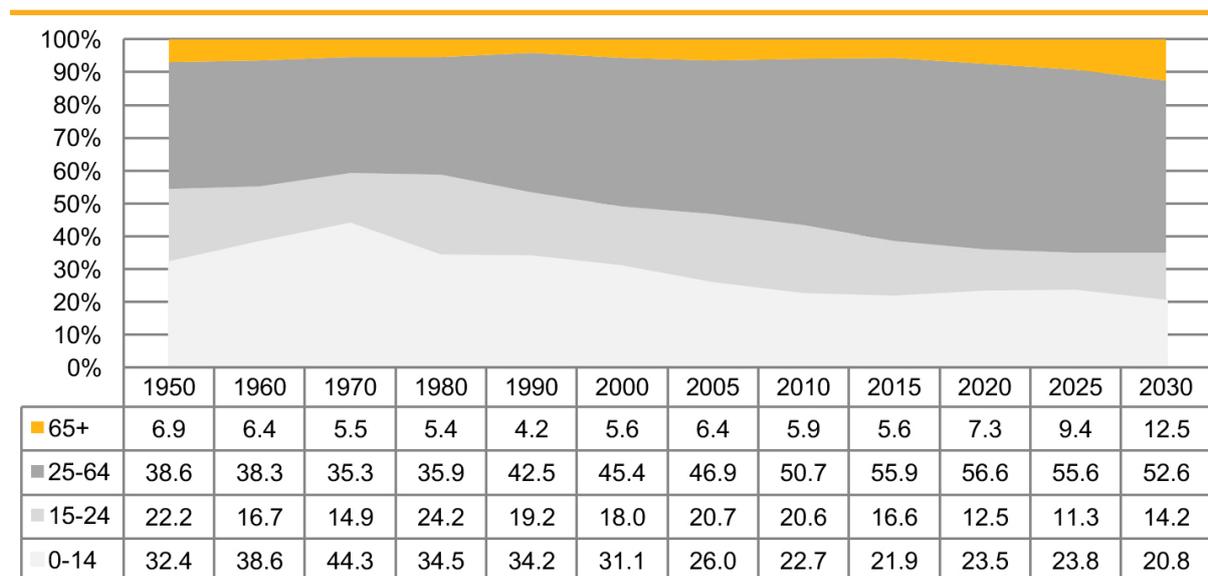
According to estimations the young population of Azerbaijan (under 15) will gradually decline in the period from 2017 to 2030 due to overall decrease of the birth-rate. At the same time the number of people of retirement age will increase.¹³ This shows that due to increase of population in median age and decrease in fertility rates, Azerbaijan will experience population ageing. Moreover, according to the United Nations Population Fund (UNFPA), demographic ageing process in Azerbaijan is accelerating, and by 2020 half of the population will be aged 32 and above, while by 2030 the median age will increase by 4.5 years, and by the middle of the 21st century half the population will be aged 40 and above¹⁴.

12 Statistical yearbook 2016: Population (SSC). Available at: <http://www.stat.gov.az/source/demography/ap/indexen.php>

13 CIA World Factbook: Azerbaijan. Available at: <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/aj.html>

14 UNFPA, Population Situation Analysis: Beyond the Demographic Transition in Azerbaijan, 2015, p.41, <http://eeca.unfpa.org/sites/default/files/pub-pdf/UNFPA%20Azerbaijan%20PSA%202015.pdf>

Figure 2: The dynamics of the age structure of the population, 1950-2030



Source: CIA World Factbook

2.3 Employment Statistics

The economically active population in Azerbaijan comprised 4.9 million people as of January 2016. The official unemployment rate is relatively low at 5.2%. In 2015, the unemployment level among women was 5.9% and for men 4.1%, whereas the youth unemployment rate (age 15-24) was 13.4%. For the same year the number of employed population reached 4.67 million people. About 75% work in the private sector and 25% in the public sector.¹⁵

Table 2: Employed population by economic activities (in thousands), 2005-2015

Economic activity	2005	2010	2011	2012	2013	2014	2015
Employed, total	4062.3	4329.1	4375.2	4445.3	4521.2	4602.9	4671.6
Agriculture, forestry and fishing	1573.6	1655.0	1657.4	1673.8	1677.4	1691.7	1698.4
Mining	42.3	41.5	41.2	41.8	42.3	41.5	39.1
Manufacturing	198.4	208.9	210.3	215.6	224.1	227.1	229.8
Electricity, gas and steam production, distribution and supply	27.9	30.6	30.8	31.2	32.3	29.8	27.1
Water supply; waste treatment and disposal	23.9	25.2	24.6	24.7	25.7	25.8	25.4
Construction	211.9	287.5	308.9	321.8	325.5	334.1	336.4

15 Statistical yearbook 2016: Labour market (SSC). Available at: <http://www.stat.gov.az/source/labour/indexen.php>

Trade; repair of transport means	634.8	626.7	635.4	646.8	664.0	681.9	693.7
Transportation and storage	174.6	179.1	181.8	182.7	183.8	185.1	197.1
Accommodation and food service activities	25.1	46.9	48.1	48.9	49.2	55.7	61.5
Information and communication	32.3	55.8	58.0	58.7	58.1	59.2	60.3
Financial and insurance activities	18.1	24.4	26.3	26.9	30.6	32.8	33.0
Real estate activities	82.1	69.6	71.2	74.8	79.4	85.6	89.7
Professional, scientific and technical activities	43.4	45.6	46.7	54.6	56.3	58.5	59.6
Administrative and support service activities	38.7	46.5	47.4	49.2	52.4	53.7	55.2
Public administration and defence; social security	256.6	279.1	281.0	281.7	282.3	285.2	287.3
Education	345.1	349.8	349.9	349.0	366.2	367.3	373.5
Human health and social work activities	188.8	170.3	165.2	165.4	171.8	176.5	180.8
Art, entertainment and recreation	52.4	59.6	60.3	61.1	61.8	67.8	69.6
Other service activities	92.3	127.0	130.7	136.6	138.0	143.6	154.1

Source: SSC

It is also interesting to see how the general ageing of population process will affect ageing of the labour force in Azerbaijan. UNFPA experts calculated that in Azerbaijan the average working age increased from 36.5 years in 1999 to 38 years in 2011. This trend of rapid increase is expected to continue until 2025 when the median age of working-age population will exceed 40 years, but thereafter it will slow down, increasing only to 41 - 42 years by the middle of the 21st century¹⁶.

16 UNFPA, Population Situation Analysis: Beyond the Demographic Transition in Azerbaijan, 2015, p.42, <http://eeca.unfpa.org/sites/default/files/pub-pdf/UNFPA%20Azerbaijan%20PSA%202015.pdf>

2.4 Qualifications and Skills in the Labour Market

Qualifications and skills of the population, as well as quality of the education are one of the key factors for increasing competitiveness and productivity in the labour market. According to data from the SSC, more than 30% of the employed population in Azerbaijan have respective vocational qualifications: 16.3% have higher education degrees, 10.6% - secondary specialized education and 5.5% - initial vocational education. This demonstrates that the number of graduates of vocational schools falls significantly below the level of demand in the economy. In addition, every year, around 40% of graduates from secondary education enter the labour market without a specific qualification.¹⁷As a result, the country obviously lacks a qualified workforce with the skills and knowledge required by the evolving labour market, in particular taking into account the necessity of economic reforms described in the Sub-chapter 2.1 above.

Table 3: Employed population by education level (data from 2015)

	Total (in thousands)	Of which women	Total (in %)	Of which women
Total	4671.6	2263.4	100.0	48.5
Higher education	763.3	307.2	16.3	40.2
Secondary specialized education	497.5	302.3	10.6	60.8
Vocational education	256.0	82.5	5.5	32.2
Secondary education	2820.5	1359.4	60.4	48.2
Basic education	292.2	178.9	6.3	61.2
Primary education	42.1	33.1	0.9	78.6

Source: SSC

2.5 Labour Market Related Challenges

Although Azerbaijan has reached significant improvements in poverty and unemployment reduction since 1991, the country is facing several challenges, in particular, in times of economic recession. The selected challenges include the following:

- › Employment growth has been mainly in less productive, lower paying sectors, and in the informal economy. Moreover, employment is foremost concentrated in those sectors of the economy that have been most influenced by the economic crisis (agriculture, forestry and fishing; construction; and trade). Sectors that generate the highest shares of GDP do not generate equivalent shares of employment¹⁸.

17 Azerbaijan: Education, Training and Employment Developments 2016. European Training Foundation, 2017. Available at: [http://www.etf.europa.eu/webatt.nsf/0/70A0886C718AB188C12580E6005261B8/\\$file/Azerbaijan%202016.pdf](http://www.etf.europa.eu/webatt.nsf/0/70A0886C718AB188C12580E6005261B8/$file/Azerbaijan%202016.pdf)

18 Economic Development in Azerbaijan. Country Partnership Strategy: Azerbaijan, 2014 – 2018. Asian Development Bank. Available at: <https://www.adb.org/sites/default/files/linked-documents/cps-aze-2014-2018-sd-02.pdf>

- Development of skills and knowledge required for a competitive and innovative non-oil based economy has been going too slow compared to actual needs in the labour market.
- Youth employment is one of the main challenges. The projected decline of the young population has not started yet and currently the economy cannot accommodate the young generation entering the labour market.
- The government has made a decision to gradually increase the retirement age: from 60 to 65 years for women by 2027 and from 63 to 65 years for men by 2021. This adds extra pressure for the labour market in terms of creation of new work places, as well as with regard to already existing employment challenges for young generation.

3.1 Overall Migration Situation

Based on data collected by ICMPD for the *Baseline Study on Migration in Azerbaijan*¹⁹ (forthcoming), levels of migration to Azerbaijan have been decreasing in recent years. But due to a similar trend in emigration, the net migration balance has turned positive from 2008 onwards. During 2015, 2,649 immigrants got permission to enter the country for permanent residence and in that same year, 1,557 emigrants left the country permanently.

In general, Europe and the EU-28 are increasingly becoming attractive destinations for migrants from Azerbaijan – at least 42,000 Azerbaijanis currently live in the EU, – although the Russian Federation remains both the main country of destination of immigrants and origin of returning migrants – Azerbaijani nationals. For instance, in 2015, 81% of the total immigrants from Azerbaijan received permanent residency in Russia and Kazakhstan.

Among the post-Soviet countries, Azerbaijan has had one of the highest emigration rates – but with a decreasing trend since the 1990s. The emigration influences the labour market situation, but the real impact is difficult to assess due to data collection challenges.

Remittance inflows to Azerbaijan peaked in 2012 and showed a sharp decrease in 2015, which may be explained by the devaluation of the Manat against the USD. Similarly, remittance outflows peaked in 2012 and have exceeded inflows since that year.²⁰

At the same time, a growing number of (temporary) migrants come to Azerbaijan: 53,954 residence permits were issued in 2015, mostly for citizens of Turkey, the Russian Federation and Georgia. Residence permits are issued for one year, whereas permanent residence permits may only be issued after two years of residence in the country. More than 2,600 of these permits were issued in 2015. 76% of the total permanent residency holders (not differentiated by the purpose of stay) were again citizens of the Russian Federation, Turkey, Georgia and also Iran.

3.2 Labour Migration Trends

Since regaining its independence the Azerbaijani economy developed rapidly reaching the unprecedented growth in 2007 as a result of an oil export boom (see more in the section 2 of this report). This turned Azerbaijan into a migrant receiving country with the majority of migrants coming to the country for labour purposes and took the management of labour migration to a new level. Following the adoption of the comprehensive migration legislation, the Migration Code, in 2013 the main principles on the labour migration quota

¹⁹ The Baseline study on migration in Azerbaijan has been drafted within the MOBILAZE project Component 1 and is currently undergoing a final round of review.

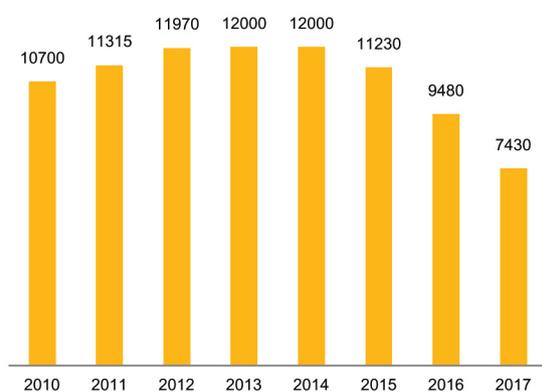
²⁰ Ibid.

(initially introduced in 2010) were set in the *Rules of Establishment of Labour Migration Quota* (the Regulation of the Cabinet of Ministers dated 14 March, 2016).²¹

In parallel to Azerbaijan’s economic growth, the foreign labour quota increased by 12% between 2010 and 2014. This was mainly due to the development of the construction sector and subsequent increased quotas for this sector (37%). In response to economic challenges the quotas have been decreasing since 2015. The quota approved for 2017 is 62% (7,290) of that in 2014 (12,000). The quota has mainly been cut for the construction sector: the number allocated in 2016 is 70% (4,000) of the quota in 2014 (5,650).²²

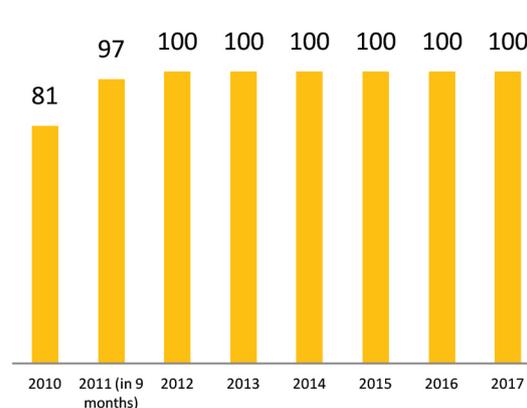
Since 201 the quotas have always been fully filled to 100%. According to the MLSPP about 48% of the allocated quota has been used for importing semi-skilled and skilled workforce. The demand for semi-skilled foreign workforce remains high, especially in the construction and mining sectors.

Figure 3: Dynamics of quota, 2010-2016



Source: MLSPP

Figure 4: Quota usage (in %), 2010-2016



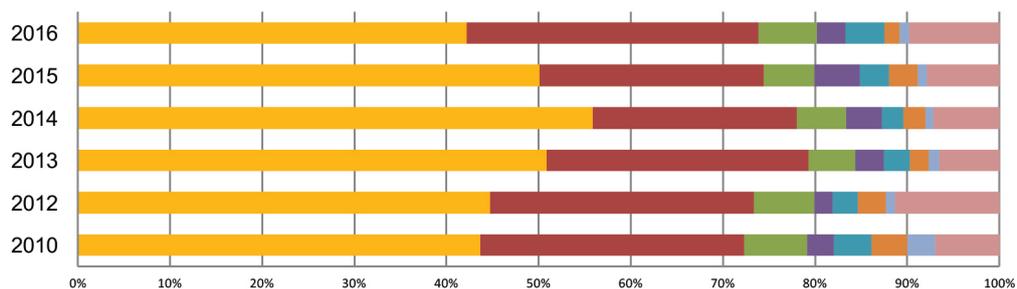
Source: MLSPP

Foreign labour quotas are mainly allocated to the construction and mining sectors (more than 70%). However, quotas are also used in the manufacturing, accommodation and food, education, and transportation industries.

21 Regulation on Determination of Quotas for Labour Migration from 2016. Available at: <http://e-qanun.az/framework/32546>

22 The data received from the SSC upon request of ICMPD in March 2017.

Figure 5: Distribution of quota by sectors, 2010-2016

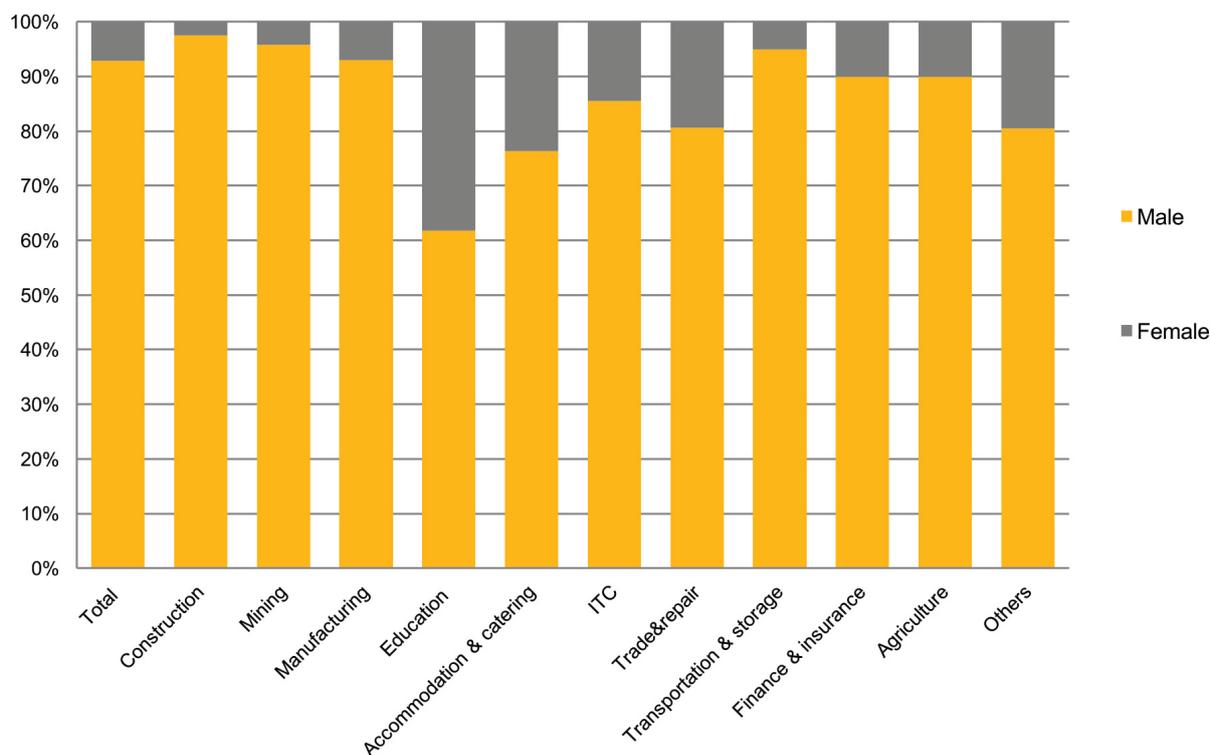


	2010	2012	2013	2014	2015	2016
Construction	44	45	51	56	50	42
Mining	29	29	28	22	24	32
Manufacturing	7	7	5	5	6	6
Accommodation & food	3	2	3	4	5	3
Education	4	3	3	2	3	4
Trade; repair of transport means	4	3	2	2	3	2
Transportation and storage	3	1	1	1	1	1
Others	7	11	7	7	8	10

Source: MLSP & SSC

In 2016, the gender distribution among labour migrants in Azerbaijan was largely dominated by males, with women comprising only 7 % (data from 2016). Female labour migrants are represented in such sectors as education, accommodation and food, as well as and trade.

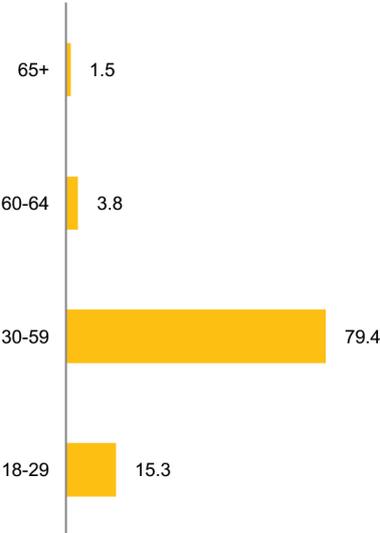
Figure 6: Distribution of quota by gender, 2016



Source: SSC

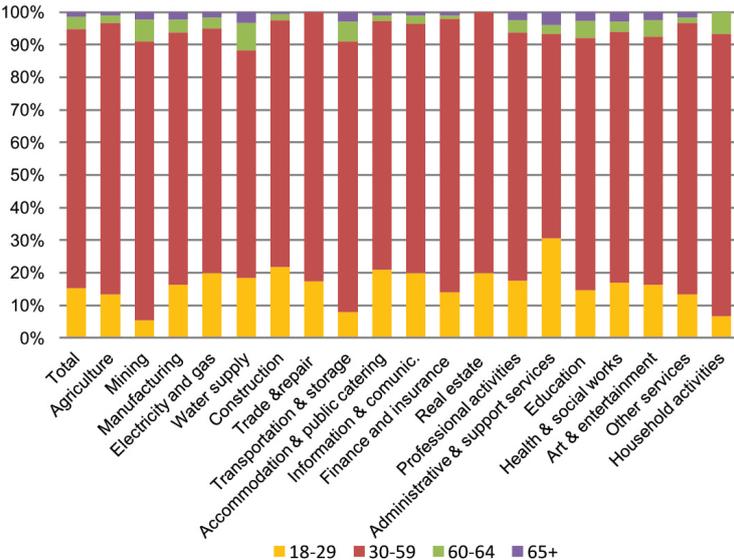
The majority of labour migrants are between 30 and 59 years old (79%), whereas 15.3% of labour migrants belong to the age group between 18 and 29 and only 5.3% are older than 60 (Figure7). The ratio of young labour migrants (18-29) is above average in administrative and support services, construction, accommodation and food, information and communication, real estate as well as the electricity and gas industries. The ratio of middle aged labour migrants (30-59) is high in mining, agriculture, transportation and storage, finance and insurance, and household activities.

Figure 7: Work permit receivers by age groups (in %), 2016



Source: SSC

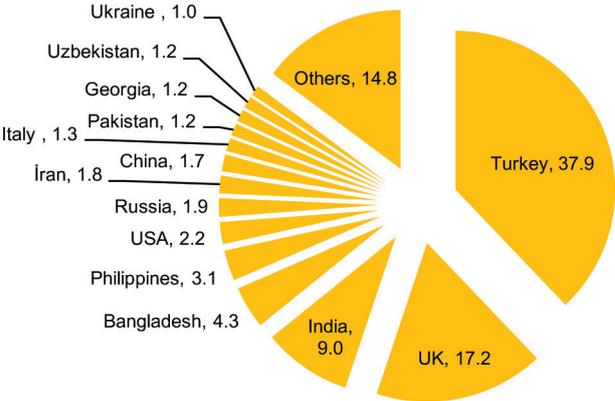
Figure 8: Work permit receivers by age group and economic activities (in %), 2016



Source: SSC

When differentiating migration flows by types, 68% of labour migrants in Azerbaijan originate from Turkey, the UK, India and Bangladesh. The majority of labour migrants from the UK are engaged in the mining industry, whereas Indians and Bangladeshis work mainly in the construction sector.

Figure 9: Distribution of work permits by countries (in %), 2016



Source: SSC

Summarising the current status quo of labour migration in Azerbaijan one could underline a reduction of the foreign labour quota (number of regular labour migrants) in the country in response to an economic recession (decreased oil revenues, reduced public investments and limited creation of new work places) and the need to provide jobs to the local population in the first instance.

4.1 Legislative Framework for Labour Migration

The Migration Code²³ of the Republic of Azerbaijan (MC) is the main legal act regulating migration management and specifically labour migration in the country. The document that entered into force on 1 August 2013 contains the norms for implementing the state migration policy, regulating migration processes and establishing the legal situation of foreigners and stateless persons in Azerbaijan. Section IV is dedicated exclusively to labour migration issues.

One of the significant steps in improvement of migration processes management in the country, also taking into account international experience, was the introduction of the 'one-stop shop' principle (the Decree signed by the President of the Republic of Azerbaijan on 'Application of the 'one-stop shop' principle in the management of migration processes). This allowed for more prompt and flexible mechanisms and lead to more efficiency and transparency in this area. In the framework of the 'one-stop shop' principle the State Migration Service issues permits for temporary and permanent residency in Azerbaijan as well as relevant cards to foreigners and stateless persons, we well as work permits for engaging in paid labour activity in the country.

The Labour Code²⁴ of the Republic of Azerbaijan (LC) addresses all issues related to the social and economic rights of workers, employment relationships, occupational safety and health, collective bargaining and other matters.

The Regulation on Determination of Quotas for Labour Migration²⁵ compliments other legislative norms in place relating to labour migration in Azerbaijan. The document defines the conditions, procedures and rules for setting the annual labour migration quota (i.e. limit on the number of foreigners and stateless persons authorised to be employed in Azerbaijan).

In addition to the aforementioned laws and regulations, Azerbaijan is a party to **international conventions** and other bilateral and multilateral agreements relevant for labour migration:

- International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (ratified in 1998);
- Convention on the legal status of migrant workers and members of their families, coming from the CIS participating states (in force since 2010);

23 Migration Code of the Republic of Azerbaijan from August 2013. Available at: <https://migration.gov.az//images/pdf/2a699048de80e870085a78f6615ff110.pdf>

24 Labour Code of the Republic of Azerbaijan from 1999. Available at: <http://www.mlsp.gov.az/en/pages/4/125>

25 Regulation on Determination of Quotas for Labour Migration from 2016. Available at: <http://e-qanun.az/framework/32546>

- Agreement on cooperation in the field of labour migration and social protection for migrant workers, adopted by the CIS member states (in force since 1996);
- Protocol on amendments to the Agreement on cooperation in the field of labour migration and social protection for migrant workers, adopted by the CIS member states (signed in 2005);
- Agreement between the EU, its Member States and the Republic of Azerbaijan on Partnership and Co-operation (in force since 1999);
- ILO conventions and protocols ratified by Azerbaijan (with the recently adopted Decent Work Country Programme for the period until 2020);
- European Convention on Human Rights (ratified in 2002).

Azerbaijan has also concluded a number of **bilateral agreements** with other countries on the social protection of migrant workers. Agreements are primarily signed with the countries of destination for Azerbaijani citizens and the countries of origin for immigrants in Azerbaijan.

For instance, in 2004 Azerbaijan signed an agreement with **Ukraine** on the employment and social security of Ukrainian citizens working temporarily in Azerbaijan and Azerbaijani citizens temporarily working in Ukraine. The agreement regulates the recognition of professional experience, social security, pension rights and health insurance. Azerbaijan signed similar bilateral agreements on cooperation in labour migration with **Moldova** and **Belarus**. In addition, there are two agreements between Azerbaijan and **Turkey**: one on general migration matters and the other on social protection. At the time of writing, Azerbaijan was in progress of negotiating an agreement with **Russia** dedicated to social protection issues.²⁶

4.2 Institutional Management of Labour Migration

The **State Migration Service (SMS)**, the main body responsible for the management of migration processes in Azerbaijan, was created in 2007. The core areas of responsibility of the SMS relate to labour migration specifically including the registration of foreigners and issuance of work permits.

The **Ministry of Labour and Social Protection of Population (MLSP)** is the main governmental authority responsible for managing the national labour market. The Department for Employment Policy and Demography specifically works on labour migration issues and the State Employment Service (which functions within the framework of the Ministry) facilitates professional integration of immigrants. The MLSP is the main focal point for concluding international bilateral agreements in the area of labour migration. The Minister of Labour and Social Protection of Population is also the head of the Commission on Establishment of Foreign Labour Quotas.

²⁶ Assessment report: Review of legal and labour migration mechanisms in the Republic of Azerbaijan, ICMPD, 2016. Available at: https://www.icmpd.org/fileadmin/user_upload/Com2_Assessment_report_FINAL_EN.pdf

4.3 The Current Quota System of Azerbaijan

The current labour migration management system of Azerbaijan is largely demand-driven and aims at managing migration in order to protect the local labour market. In order to ensure that available jobs are foremost filled by local nationals, the existing quota system is complemented by a labour market test.

4.3.1 Foreign Labour Quota System

The *Regulation on Determination of Quotas for Labour Migration* was approved by the Cabinet of Ministers on 14 March 2016 and comprises the main legal document regulating work of foreign nationals in Azerbaijan within the quota system.

The foreign labour quota is an upper limit of the number of foreigners allowed to be engaged in paid labour activities within the territory of Azerbaijan in a given year. Foreign nationals can be employed only if a vacant position cannot be filled by citizens of Azerbaijan (provided that this is not an exceptional case as defined by Article 64 of the MC when a foreigner can work in Azerbaijan without a work permit).

The final proposals for the labour migration quota are defined by the relevant Commission set up under the Cabinet of Ministers based on annual forecast information of employers on their demand for foreign labour force. The *Commission on Establishment of Labour Quotas for Foreigners* is responsible for the forecast preparation and consists of representatives of the Ministry of Labour and Social Protection of Population (the Minister heads the Commission), the Ministry of Economy, the Ministry of Foreign Affairs, the Ministry of Education, the State Migration Service and State Oil Company of the Republic of Azerbaijan (SOCAR). Representatives of social partners (i.e. the Azerbaijan Trade Unions' Confederation and the National Confederation of Entrepreneurs (Employers') Organisation), specialists and other experts of scientific research institutes, concerned public authorities can also be invited to the meetings of the Commission.

Figure 10: Determination and approval mechanism of labour migration quota



The members of the Commission are responsible for submitting of following relevant information, analysis and reports to the Commission:

Employers	Demand for foreign work force no later than 1 May for the next year. The professions shall be in line with the official employment classifications. The projection information on the demand for foreign work force is then summarised by the State Migration Service.
MLSPP	<ul style="list-style-type: none"> ➤ Labour market and demographic development forecasts for the next year; ➤ Current labour reserves potential as well as a forecast on unemployed and self-employed individuals; ➤ A projection report on meeting the demand for workers owing to local labour reserves, as well as opportunities to involve the unemployed and self-employed population in vocational training and re-training in professions for which involvement of foreign work force is intended; ➤ A report on relevant professions of those recorded as unemployed or job-seekers in the State Employment Service.
Ministry of Economy	<ul style="list-style-type: none"> ➤ Data on the country's economic development prospects; ➤ A forecast on the country's macroeconomic, social and economic growth, employment and the economy's distribution by sectors for the next year.
Ministry of Education	Data on the number of citizens, who are going to complete their education by professions and specialities at higher, specialised secondary and initial vocational educational institutions in the coming year.
SMS	<ul style="list-style-type: none"> ➤ Data on the number of foreigners who arrived, left, temporarily stayed and temporarily resided in Azerbaijan during the current year as well as data for the previous year; ➤ Data on foreigners who have been detected as being engaged in illegal labour activities during the current and previous year, including the types of economic activities they were involved in; ➤ Data on the number of foreigners who received work permits including a breakdown by countries of origin and economic activities; ➤ A forecast on the number of work permits expected to be extended within a year based on trends in the extension of work permits; ➤ Data on the state of application of the quota approved for the current and the previous year; A general projection report on the demand of employers for foreign workforce based on the information shared by the employers.
State Oil Company SOCAR	<ul style="list-style-type: none"> ➤ A projection report on the demand for foreign work force by professions and specialities including contracting and subcontracting companies for the next year in connection with the implementation of Production Sharing Agreements (PCA); ➤ A report on the state of keeping ratio between local and foreign work force established by PCA.

The *MLSPP* prepares summary based reports and information submitted to the Commission and distributes them among members of Commission. The Commission in its turn shall forecast the demand for foreign work force, make proposals related to the quota for next year by types of economic activities and submit it to the Cabinet of Ministers. The quota is approved on an annual basis by the Cabinet of Ministers at least three months before the beginning of the next year.

The public authorities and other central executive authorities that are involved in the Commission are authorised to make proposals for changing the approved quota and the set quota can be amended by the Cabinet of Ministers throughout the year in case of identified and justified needs.

4.3.2 Labour Market Test

According to the MC (Article 62.2) the main prerequisite for a foreign national or a stateless person to be employed in Azerbaijan is that a qualified Azerbaijani citizen who meets the criteria set in a job description cannot fill the vacancy and the State Employment Service cannot fill this position using local labour resources. Therefore, the quota system has another layer of control, namely the *labour market test* which is carried out by *MLSPP* within the below described procedure. The objective of the labour market test is to ensure that the local labour market does not have an employee with qualifications and skills necessary for the vacancy in question.

Employers submit work permit applications for foreigners to the SMS and the latter in its turn is responsible for coordinating the decision-making with the *MLSPP*.

The *MLSPP* has five working days to review an application (overall time of work permit application review with the SMS is 20 working days).

In practice, the Department for Employment Policy and Demography of the *MLSPP* has a function to check if the requested work place or position could be filled in by the Azerbaijani national, however, the criteria and methodology for this procedure is not defined in the legislation.

The *MLSPP* receives roughly 10,000 work permit requests from SMS for conduction of labour market test a year. About 60% of these requests are rejected (majority of the rejections relate to low-skilled workers in the construction sector) as there are local workers who can fill the positions.²⁷

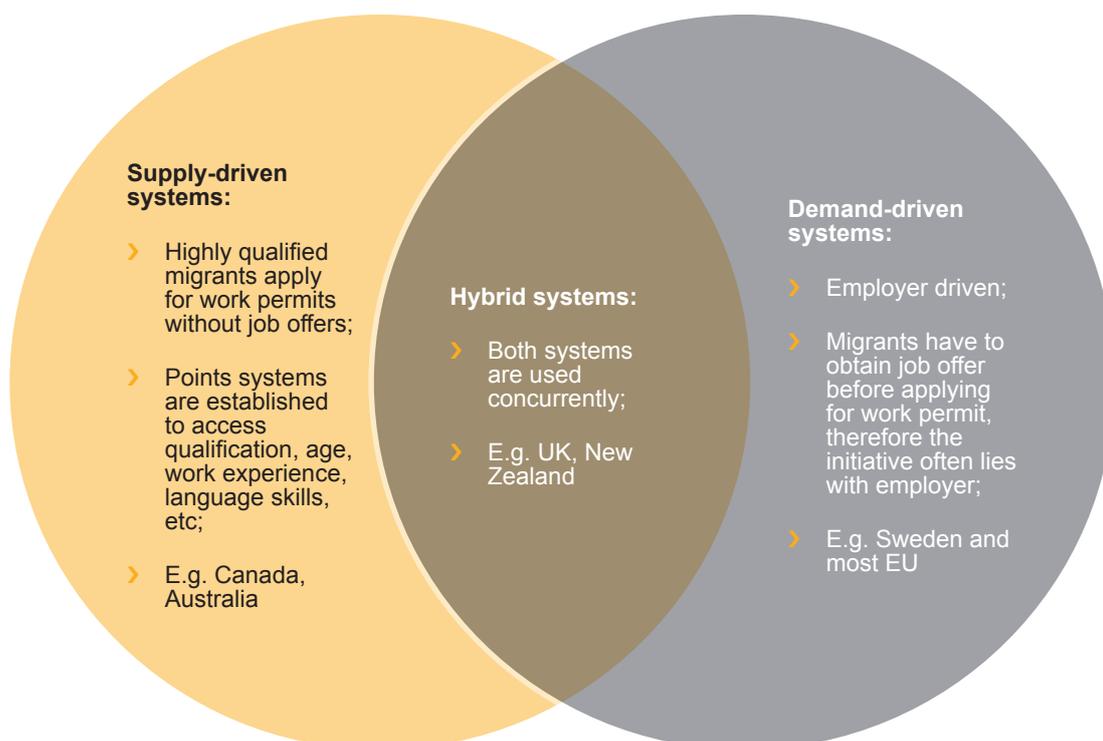
27 Data received from the *MLSPP* at an expert meeting with ICMPD in February 2017.

Labour migration is an inherent part of globalisation and as such affects most countries in the world in one way or another. In reaction to immigration and emigration of workers, different approaches to labour migration policy have developed across countries that have a diversity of labour market and migration contexts. In terms of immigration, some countries use a “laissez faire” approach, where the inflow of foreign workers is determined only by employers’ demand for foreign workers without specific regulation of the state (e.g. the Kafala system used in several Gulf countries). The majority of countries in Europe and the rest of the Global North, on the other hand, have implemented some form of regulation of the number of foreign workers (Ruhs, 2013). The main reasoning of such regulations is two-fold:

1. To meet labour market needs while avoiding unemployment among labour migrants.
2. To avoid negative impacts on the local workforce.

Generally, systems for labour immigration management can be divided into demand versus supply-driven systems. Combinations of different elements of such systems are increasingly being used by states, but most countries’ policies are still based mainly on one of them (Chaloff & Lemaitre, 2009; Papadimitriou & Sumption, 2011).

Figure 11: Overview of labour migration management systems



In addition to the above described two main approaches, countries also may set numerical limits in the form of quotas or otherwise established target levels for immigration. The following sub-sections will provide a brief overview of quotas, supply- and demand-driven systems and the kind of policy tools that are used respectively.

5.1 Quotas

Quota as such is not a separate labour migration management approach or model; it is rather a tool which is used by both of the above mentioned systems to regulate and/or limit labour migration into the country. Moreover, quotas or numerical target limits for immigrant workers are the most direct form of limiting immigration. Countries use a variety of different kinds of quotas, which aim at controlling the level of immigration as well as the composition of the migrant population. Such limits can be set on annual migration inflows, net migration flows or on the size of the migrant stock. They may be in absolute numbers or as a relative share of the population or the workforce. Some countries set quotas as hard limits (when no work permit will be issued once the annual quota is fulfilled), while other see them as target levels that are more of a guideline and when necessary more migrants can be admitted (e.g. in **Canada**, for highly skilled migrants). At the same time, quotas may be set for the country as a whole (e.g. in the **United States**, for H-1B visa²⁸) or for specific administrative units within countries (e.g. in **Canada's** Provincial Nominee Programme²⁹), for migrants with specific education levels or skills as well as for concrete occupations or economic sectors. A further option is to set a quota on employers or enterprises that limits the share of foreigners that they can employ (e.g. **Singapore's** Dependency Ratio Ceiling for foreign labour³⁰) (OECD, 2006; Ruhs, 2013).

5.2 Supply-driven Migration Systems

Supply-driven systems are characterised by the implementation of policies that regulate the criteria that individuals interested in working in a specific country have to meet. This enables states to select those workers with a profile that matches the needs of the local labour market. Commonly countries using such an approach implement a points-based system. If applicants reach a certain number of points based on the assessment of a set of indicators, they are awarded a residence permit – in the classic examples of points-based systems, namely Australia and Canada, permanent residence permits.

The typical factors that are checked in such a points system aim at assessing the human capital of the applicant and their potential contribution to the country's economy. The common criteria controlled for in supply-driven systems include (Ruhs, 2013):

5.2.1 Skills Requirements

Skills requirements are likely the most important criterion in supply-driven migration systems as this is the indicator that ensures a match of the applicant to the local labour market. It

28 H-1B Specialty Occupations, DOD Cooperative Research and Development Project Workers, and Fashion Models. Available at: <https://www.uscis.gov/working-united-states/temporary-workers/h-1b-specialty-occupations-dod-cooperative-research-and-development-project-workers-and-fashion-models>

29 Provincial Nominees. Available at: <http://www.cic.gc.ca/ENGLISH/immigrate/provincial/index.asp>

30 Immigration Glossary. Available at: <http://www.mom.gov.sg/~media/mom/documents/press-releases/2012/annex%20c%20-%20glossary%20of%20terms.pdf>

is important to mention that skill requirements do not only exist for highly skilled migrants. The term skills in itself is rather unclear and can refer to many different characteristics of an individual migrant. Therefore each country needs to operationalise it for their specific context when they want to select immigrants based on skills. Education level, specific trainings and qualifications, work experience are just some examples that can be assessed and used in the admission process. Rather open systems may only require a minimum level of education, such as completed high school, university or a vocational training. More restrictive and specified systems may be checking for specific professional skills. This is the case in most points-based systems, where points are awarded increasingly with levels of education and experience. In some cases, admission may even be limited to only those that have skills that are in high demand in the country. In addition, prior work experience in the respective country can also be awarded extra points.

5.2.2 Language Requirements

Language is an important factor for migrants to be able to integrate and contribute to the economy of the destination country. Some countries therefore already screen for language skills during the admission process. Many English-speaking countries require a minimum proficiency level of English. While in the United Kingdom not having this level will prevent admission, other countries see it more as an added benefit if an applicant does. Australia and Canada, for example, award extra points in the system for language skills, but if the applicant does not have them, this does not mean an automatic rejection.

5.2.3 Nationality Restrictions

Nationality restrictions are particularly present when there are bilateral migration agreements between countries that give preferential treatment to visa/ permit applicants and migrants from that country. Spain, for example, has the so-called *Contingente Programme* for low-skilled workers, which is based on bilateral agreements with a small set of countries such as Morocco and Ecuador (OECD, 2009).

5.2.4 Age Restrictions

Restrictions on migration based on age are less common, but are considered in some countries. For example, migrants may only be admitted if they are under a certain age threshold (e.g. 50 in Singapore). More commonly, age is used as an indicator in points-based systems, where more points are awarded to younger applicants (e.g. Australia, Canada, New Zealand and the United Kingdom).

5.2.5 Gender and Marital Status Restrictions

Gender and marital status only influence the admission of foreign workers in a small number of countries. In the case of Saudi Arabia, for example, jobs that women can do are overall limited, which also applies to immigrant women. Marital status may matter in countries that admit based on a points-based system. Australia, for example, awards bonus points based on the skills of an applicant's spouse.

5.2.6 Self-Sufficiency Requirement

Considering the concerns many countries have regarding immigrants and access to social services in the destination country, some countries do require potential migrants to show that they will be self-sufficient once in the country during the admission process. This means they will have to prove that they have resources to support themselves, and where they can bring them their family members. To do so, they may be asked to show a certain amount of savings. Other countries consider an applicant to be self-sufficient if they already have a confirmed job offer in the country that pays a certain salary, which will ensure that living costs for the migrant and any dependents are covered.

5.3 Demand-driven Migration Systems

In contrast to the supply-driven systems, in demand-driven migration systems it is largely the employers who decide what kind of migrants are needed in the economy. As such, migration is limited to those workers that already have a job offer upon arrival in the country. This serves to avoid any initial periods of unemployment and dependency on destination country resources.

The typical tools used in demand-driven systems therefore aim at ensuring that labour migrants only enter the country when there is a need for them and they can make a contribution to the national economy. The common restrictions in demand-driven systems include (Ruhs, 2013):

5.3.1 Job Offer

The majority of temporary, demand-driven migration systems require the migrant to have a confirmed job offer at the time of application. Without this they cannot be admitted. As a consequence, it is usually the employer that has to start the application process for their desired migrant and not the migrant her-/himself. Permanent labour migration schemes and those for highly skilled migrants in general, on the other hand, commonly do not require a job offer at the time of application for a permit by the migrant. In point systems, having a job offer often does bring additional points for the migrant, however, and therefore makes it easier for them to be granted their permit. In cases where highly skilled migrants are admitted without a prior job offer, the reasoning behind this is that countries are now in a race for mobile and specialized workers as a result of economic and demographic changes. Therefore some countries see giving migrants the chance to come and settle and then look for a job while already in the country as a comparative advantage. In such cases admission is usually temporary and the status can be changed once employment has been secured.

5.3.2 Labour Market Test

Large shares of demand-driven systems aim to ensure that migrants are not brought into the country to replace locals. Instead they are supposed to complement the native labour supply when certain labour demands cannot be satisfied internally. In order to ensure that there are no locals available to do the jobs migrants are supposed to come for, many countries therefore use labour market tests. Often, labour market test includes obligation of employers to prove that there is no available resources at the local labour market, i.e. employers first make a real effort to find a local for a vacancy, usually requiring the employer to have a job advertisement

public for a certain amount of time. In the European context, this does not only apply for own citizens, but before a third country national can be brought in employers needs to check European Economic Area-wide (EU MS as well as Liechtenstein, Norway and Iceland).

There are two main types of labour market tests that can be distinguished. The first is rather weak and is based simply on the attestation by the employer that attempts have been made to find someone to fill their vacancy internally, but that this was not successful. The responsible authorities do not further confirm this. Other countries conduct a stricter labour market test, where the employer has to prove this effort to an official body. Only with a confirmation from, for example the public employment agency, is the employer able to apply for a work permit for a foreign worker.

5.3.3 Sectoral and/ or Occupational Restrictions

The restriction of, specifically low-skilled, migration to certain sectors or occupations is becoming increasingly common across countries. This means that only individuals working in these sectors or occupations have the chance to be admitted through such channels. This is specifically a common practice in seasonal employment in agriculture, but also sectors such as construction or hospitality.

5.3.4 Permit Fees

Many countries that use demand-driven systems require the (potential) employer and/ or the applicant to pay a fee when applying for a work permit. Specifically charging the employer a fee, ensures that employers only apply for work permits for immigrants when they are serious about hiring them. A small number of countries have also introduced economic fees in relation to immigrant workers. For example, Singapore has introduced foreign-worker levies that employers have to pay for each respective migrant worker. The volume of this fee is dependent on the qualifications of the migrant and the economic sector, but also the company itself and the share of their workforce that is composed of immigrants. The government uses these fees as a way of micro-managing the incentives for employers and the volume of migrant workers recruitment (Ruhs, 2013).

5.3.5 Wage Restrictions

Requiring a certain wage level for immigrant labour is another factor that highly influences labour migration and as such serves to protect local workers. Countries utilize different kinds of wage restrictions. The most basic one requires that migrants are employed and earning at least the minimum wage in the specific sector or occupation that they work in. More restrictive schemes require employers to pay migrant workers' wages at the level of collective wage agreements as they are common in coordinated market economies. A middle route is to request employers to pay at least the average or prevailing wage in their respective occupation. This is usually not easy to determine and therefore highly context-specific. There are also countries that do not have any restriction on wages, for example in the Middle East. However, this is not desirable in the interest of protecting the domestic labour force.

5.3.6 Trade Union Involvement

In a variety of countries trade unions also play a role in the management of migration for labour purposes. This is used as a further control mechanism with the interest of protecting the national labour market. Considering the role of trade unions in the protection of workers, it can be assumed that they are eager to not let migration affect the employment conditions and wages of locals. While they may not generally be opposed to migration, they generally have an interest in maintaining a beneficial level. In some countries, trade unions are directly involved in the assessment of each application by a potential immigrant worker, while in other countries they have a more passive role in terms of lobbying or no role at all.

5.4 Case Studies

Overall, the research team reviewed the migration system of twelve countries in detail and several others for specific characteristics. An overview of this review is presented in Annex II of this report. In this section the labour migration systems of three case studies are further elaborated upon: Canada, the Russian Federation and Sweden. These were chosen for different reasons: Canada and Sweden are globally seen as two countries with strong labour migration systems that use very different kinds of approaches. Both systems have been found to be relatively easy to replicate in other countries with adjustments to reflect the relevant country context. The Russian Federation, on the other hand, is the main destination country for workers from Azerbaijan as well as an important origin country for returning migrants. Due to these strong linkages, it may be helpful to understand the way Russia manages labour migration in some detail. In addition, the economies of these three countries rely on different economic sectors and do not depend entirely on the oil sector. While the oil industry is important in both Canada and Russia, it is not the main basis of the economy in these countries - many other sectors are more or as important. Considering that Azerbaijan is currently in the process of diversifying its economy as a consequence of oil sector crises, it is therefore relevant to see how other countries with more diverse economies manage migration.

5.4.1 Canada

Canada is a country deeply shaped by migration. Historically, Canadian migration policies have been influenced largely by economic factors, specifically addressing the needs of the Canadian labour market (Abu-Laban & Gabriel, 2002). Migrants come to Canada from more than 200 countries, with the main origin countries being China, India, the Philippines, Pakistan, and the United States.

Since the abolition of immigrant selection based on preferred source countries (mainly Europe) in 1967, Canada has operated a point-based system admitting applicants based on personal characteristics, especially education and skill qualifications. With the modification of the Immigration and Refugee Protection Act of 2002 (IRPA), several new objectives are followed, directing migration policy towards improving the economic and social outcomes of immigrants, a better response to short-term regional labour market shortages and a desire to shift migration away from the three largest Canadian cities to other regions seeking economic immigrants. In order to achieve these objectives, more emphasis was put on rewarding skills, education, language ability and experience through points.

The general labour migration system under IRPA has been complemented by various other programmes developed to meet more specific labour needs, such as the temporary foreign worker programme for lower skilled migrants, or the provincial nominee programme intended to draw migrants to provinces with specific labour needs.

Canada keeps adjusting its migration policy to adapt to the developments of the labour market. Most recently, the Express Entry system was launched in January 2015. This is an application management system for individuals wanting to come to Canada under the Federal Skilled Workers (FSW) Programme, Federal Skilled Tradespersons (FST) Programme, Canadian Experience Class (CEC) or certain streams of the Provincial Nominee Programme (PNP). The FSW programme is aimed at migrants with skills in managerial, professional or high-skilled occupations on the basis of their prospects ability to become economically established in Canada. The FST Programme facilitates the migration of skilled tradespersons, emphasizing practical training and work experience. The CEC programme enables in particular international students that graduated from a Canadian university to temporarily stay and gain working experience. After they have at least one year of full-time work experience after graduation they may switch to permanent residency. The PNP is designed in a way that allows provinces and territories to respond to their particular economic needs. It is a channel through which they are able to nominate individuals suited to specific local labour market needs. The aim of this is to spread the benefits of migration across all regions of Canada by promoting migration to areas that are not traditional immigrant destinations.

Applicants in all of these programmes have to fill in an Express Entry profile and then must receive an invitation before they can apply for permanent residency. In the system, applicants are scored and ranked through a system, which awards points for human capital criteria such as age, language proficiency, education and work experience. In addition, Express Entry entails a direct element of labour market responsiveness as it awards points for pre-arranged employment.

While the Canadian system has a strong focus on permanent residents, temporary labour migration is equally important for Canada's economy. Temporary migrants are able to fill gaps in the labour market of the country. Their migration is facilitated by two programmes: the Temporary Foreign Worker (TFW) Programme and the International Mobility Programme (IMP).³¹ Under the TFW Programme foreign workers are admitted to Canada based on a request of an employer and following the approval of a Labour Market Impact Assessment (LMIA) issued by Employment and Social Development Canada.

Since 1967, Canada has operated a point-based system admitting applicants based on personal characteristics, especially education and skill qualifications which aim at directing migration policy towards improving the economic and social outcomes of immigrants, a better response to short-term regional labour market shortages and a desire to shift migration away from the three largest Canadian cities to other regions seeking economic immigrants. The system is a subject to regular adjustment to adapt it to the developments of the labour market.

Studies of the Canadian labour migration system have shown that it is among the most elaborate and efficient.

³¹ The IMP facilitates the entry of foreign nationals holding work permits that are not subject to an LMIA and whose primary objective is to advance Canada's broad economic and cultural national interests. By exempting such foreigners from needing an LMIA before being able to work in Canada, the IMP aims to provide competitive advantages to Canada and reciprocal benefits to Canadians in the form of work, study or travel opportunities abroad.

The LMIA is a document stating that the employer is allowed to hire the temporary worker. When an LMIA is issued, it has been checked that there is a need for a worker and that there is no Canadian available for the respective job. As such, the LMIA enables employers to fill acute labour shortages.

Studies of the Canadian labour migration system have shown that it is among the most elaborate and efficient. Regarding permanent migration, the introduction of Express Entry has strengthened the competitiveness of Canada in comparison to other countries as it admits those with skills in high demand globally with an easy and relatively quick way of gaining admission to Canada and its labour market. The strong link of this system with the labour market is an additional benefit for the migrants as it ensures their labour market integration, but also for the Canadians as it has a high rate of responsiveness to labour market needs (OECD, 2016).

5.4.2 Russian Federation

Based on absolute numbers of migrants, the Russian Federation (hereafter: Russia) is one of the leading immigrant receiving countries in the world. In 2015, only the United States and Germany took in more migrants (UN DESA, 2016). However, this trend is relatively new as until the end of the 1980s Russia only received minimal immigrant inflows as during the times of the former Union of Soviet Socialist Republics (USSR) migration generally took place within its borders (IOM, 2008).

Nowadays, Russia is by far the main migrant receiving country in the region: in 2015, 12 million migrants were residing in the country (UN DESA, 2016). For comparison, this number exceeds the number of entire population of Belgium or Cuba. The majority, 85%, of these migrants are labour migrants, mainly from the Eastern Partnership countries and Central Asia. The main countries of origin are Uzbekistan, Ukraine, Tajikistan, Azerbaijan and Armenia. Official statistics indicate that 2.4 million labour migrants were registered in Russia in 2014. However, it is important to note that migration statistics for Russia based on citizenship might not be reliable. People born in the other regions of the USSR who then migrated to Russia after the dissolution of the USSR are counted as international migrants based on their citizenship, although they might be ethnic Russians as well. At the same time, migrant numbers based on foreign births are even higher and also problematic, especially for Ukraine as many of those born in Soviet Ukraine returned to Russia after 1991 and have Russian citizenship.

In terms of policy, Russian migration legislation started developing in the early 1990s. Policies regulating migration for work purposes and the employment of foreigners in Russia were initially included into the Federal Law On the Legal Status of Foreign citizens in the Russian Federation (Art. 13: Conditions of Participation of Foreign Citizens in Labour Relations). This article stipulated that foreign citizens (except for those in possession of a permanent residence permit) were only allowed to work for employers that had been granted a permission to attract and employ foreign workers.

Russian migration policy was significantly reformed in 2010, when policies differentiating migrants by skill level were introduced. While prior a highly specialised engineer had to go through the same application procedure as an immigrant working in a low-skilled construction job, access was now eased for specialists.

The migration system of Russia distinguishes between three categories of foreign citizens: temporary stayers, temporary residents and permanent residents. Most foreign nationals who intend to immigrate to Russia for the purpose of work fall in the category of temporary stayers. With the exception of citizens of visa-free countries³², labour migrants can either apply for a work permit or a permit for highly qualified specialists. While permits for highly qualified specialists are not limited, work permits are given out based on an annual state-defined quota which lay at 275,856 in 2015. The quota includes a regional distribution component, which aims to reflect labour market demands to some extent, as permit costs vary by district, and are cheaper in areas where labour is more urgently needed (Bisson, 2016).



A further change that was introduced in 2010 was the introduction of Work Patents. These Patents have regularised the situation of migrants from the visa-free countries who had previously stayed in Russia for the purpose of work irregularly. The Patent therefore addresses another specific category of migrant workers, which is independent of the work permit quota. It is mostly applicable for migrant workers that work for individuals in Russia in jobs such as construction, gardening or childcare.

5.4.3 Sweden

Sweden reformed their labour migration system during the financial crisis in 2008 to become the most liberal, demand-driven system for third country nationals in Europe. The country abolished any form of skill requirements and salary thresholds to make the system open for all types of labour migration (OECD, 2011). As such, migration is driven solely by the needs of Swedish employers. The system is also characterized by a lack of a set (annual) numerical limit or quotas for migration. It is the decision of employers when they need to hire from abroad and the only requirement they have to fulfil is to advertise the position that is to be filled first at a national as well as EU-wide level. Where there is a lack of applications or not one that is satisfying, the employer can choose to open the position to third country nationals and hire them without any further labour market test (Parusel & Tamas, 2016).

The employer, however, then has to consult the applicable labour union regarding the terms of employment. This is to ensure that the potential contract is in accordance with relevant collective agreements or customary conditions where such agreements are not available. With the respective approval by the unions, the application for work and residence permits is then processed by the Swedish Migration Agency. The Agency generally grants permits based on the duration of the employment contract or where a permanent contract is concluded for an initial period of two years. There are possibilities for extension, but during those first two years the permit is bound to the employer that brought the migrant into the country for a specific occupation.

³² Citizens of many neighbouring, former USSR, countries do not require a visa to enter Russia. These countries are Armenia, Azerbaijan, Belarus, Kazakhstan, Kirghiz Republic, Moldova, Tajikistan, Ukraine and Uzbekistan.

Swedish simple and flexible labour migration regulation system is *driven solely by the needs of Swedish employers* where no labour migration quotas are established. The system provides with following types of regulations or restrictions:

- › Obligation to employer to advertise position for a specific time before hiring a foreigner;
- › Agreement with applicable labour union on terms of contract;
- › First two years in the country, migrant is bound to employer and specific occupation;
- › Health and social benefits are applicable after one year of legal residence.

Migrants are able to bring with them spouses and children up to 21 years of age. These also have full access to the labour market. After having stayed and worked in Sweden for one year, migrants are eligible to health care and welfare systems with equal rights to Swedish citizens. Permanent residence permits can be applied for after having resided in Sweden for four years. Such a permit then grants the migrant labour market mobility.

This Swedish system has proven to be simple and flexible, which may make it attractive as a model for other countries. It is, however, also not without problems and unintended

side-effects. The main concern is that migrants have often ended up in vulnerable positions, where employers took advantage and evaded relevant labour market regulations concerning working conditions and wages. In addition, despite the fact that Sweden maintains a Labour Shortage list, only about 50% of the foreign recruitment is for a job on this list. Currently there is little understanding of why this is the case and what should be done to change it. The Swedish authorities are aware of these problems and in the process of reviewing the current regulations in a way that increases the protection of migrant workers and that leads to more responsible recruitment choices of employers (Parusel & Tamas, 2016).

Based on the interviews and desk review, it became clear that there are several shortcomings of the current quota system for the determination of the demand for foreign labour in Azerbaijan. In line with the motivation of this study, the relevant institutions should strongly consider revising the current system to make it more flexible, efficient and transparent. Three proposals for this are presented below.

Independent of the way chosen for the reform of the current labour migration regulation system in Azerbaijan, it is important that the country introduces several changes to the general migration management system. The following steps seem necessary in order to ensure that the admissions process for labour migrants becomes more efficient, objective and transparent:

1. **Clear definition of some specific categories of migrants.**
2. **Revision of the labour market test.**

These two points need to be addressed to ensure that the determination of the foreign labour demand can be strengthened in the future. The definition of migrant categories and a stronger labour market test are the basis for all of the following proposals for the overall system. They will therefore be discussed in the coming sections before moving into the specific proposals for changes of the current labour migration system afterwards.

6.1 Migrant Categories

Regarding skill levels of immigrants, two closely related concerns were identified that are important to be addressed:

1. Azerbaijan particularly needs highly skilled/ skilled migrants with skills that are not present in the country.
2. There is a lack of a clear definition in the national legislation of who can be considered a highly skilled or skilled worker in contrast to low-skilled workers.

Currently, the Migration Code in Article 51 (paragraph 51.6) mentions a “necessity of attracting **highly qualified** foreign specialists”, but there is no explanation of what characterises a highly qualified specialist. In order to further develop the migration policy of Azerbaijan, it is therefore important to introduce a definition of such specialists and to facilitate the migration of the persons with skills for which there is a specific demand in the country.

Generally, the definition of what makes a migrant highly skilled is not clearly defined and it is therefore important for each country to define it for the respective context. Commonly, migrants are perceived to be highly skilled when they have at least tertiary education.

However, other and more nuanced definitions are possible, particularly on the basis of the nature of the occupation in which they are employed. Wage-levels are also often used as an indicator for highly skilled employment.

Before introducing such a definition it is important to analyse in detail the kind of skills that are in demand in Azerbaijan now and those that will likely be in demand in the future. Many countries increasingly realise that their labour needs span across a much broader segment of workers than those with tertiary education. Other certifications, especially in technical occupations, may be equally important. It is therefore important that an understanding of this is developed on which a skills-based classification of migrants can be based. Taking this into account, it is also important to consider, which legal act would provide such definition in order to be flexible enough to change it in case of changing labour market climate.

Country-context specific definitions need to be developed for:

- High-skilled migrants;
- (Medium-)skilled migrants; and
- Low-skilled migrants.

This distinction of migrants by skill level is particularly reflected in the second proposal below, but it will be important to work on developing this classification independent of the specific system adopted in the future. Most European Union countries facilitate the migration of highly skilled workers through specific policies. These range from granting such workers temporary access into an otherwise closed labour market to completely open access for permanent residency. The specific policy choices are conditioned by the respective underlying migration policy framework and objectives.

In the case of Azerbaijan, revision of migrants' categories definition means that access to the labour market should be given to those highly skilled and skilled workers that are in demand and that can contribute to the economic development of the country as per the Road Maps, which state that a "strong, highly qualified and innovative workforce will play a significant role in strengthening positions of Azerbaijan in global value chains".

This does, however, not mean that low-skilled workers may not also be needed. In order to protect local workers, migration of these should, however, be subject to stricter controls. One mechanism for this is a strengthened labour market test.

6.2 Labour Market Test

As described above, labour market tests are commonly used by countries in the framework of labour migration programmes, especially where these are temporary. A labour market test is also already part of the Azerbaijani migration system as described in Section 4.3.2. During the interviews conducted as well as in the Assessment report³³, it was identified that the current labour market test conducted by the MLSPP does not have a clearly defined procedure, nor it imposes obligations to employer as practices in many other countries.

This test is not directly elaborated in the Migration Code or other policy documents, but Article 61 (paragraph 61.2) states the principal conditions for foreigners and stateless persons carrying out paid labour activities in Azerbaijan. These are two-fold:

- The availability of a vacancy that cannot be filled by citizens of the Republic of Azerbaijan who has the professional skills or qualifications required for such job.
- The inability of employment services to meet employers' needs for manpower at the cost of local labour resources.

The MC also states that the respective authorities have the power to restrict labour migration to Azerbaijan based on the demand of the local labour market (Article 62). There are, however, no clear guidelines on how this should be ensured and how the labour market test should be conducted. A clear timeframe for the duration of the labour market test is also lacking. In addition, it seems that the responsibilities and tasks of the employer, the potential foreign employee and the government authorities are not clearly assigned in the current labour market test procedure. Considering these findings it is therefore important that the current labour market test will be improved to be more transparent, predictable and understandable for those that have to use it.

In order to ensure that migration is controlled, it is in fact addressing the labour market needs, and finally provides an adequate protection of the interests of own nationals at the labour market, a strong labour market test is an important tool. The review of other countries' migration schemes has shown that labour market tests can be designed to be more or less strict. Keeping in mind the main aim of protecting the domestic workforce, it is suggested that in the case of Azerbaijan the control through the labour market test should be strengthened.

33 Review of legal and labour migration mechanisms in the Republic of Azerbaijan. ICMPD, 2016. Available at: https://www.icmpd.org/fileadmin/user_upload/Com2_Assessment_report_FINAL_EN.pdf

Several steps are proposed for strengthening the labour market test in Azerbaijan:

- The involvement of different government authorities in the labour market test is currently not clearly defined in official documents. In particular, the role of the State Employment Service (SES) is unclear. It seems, however, that this government institution shall be stronger involved in the labour market test for foreign workers. **It is suggested to establish that all vacancies in Azerbaijani companies should obligatory be registered with the SES.** This ensures that when a company applies for a labour market test for a foreign worker, the government authority has access to the vacancy in question and can see its content and how long it has been posted.
- **In order to ensure objectivity, a shared electronic system for the processing of applications for work permits should be installed.** The labour market test should be a part of this system. There should be an electronic form with a checklist, where the respective official clicks applicable buttons and enters any additional information that is needed for others to understand the outcome of the labour market test. This would ensure checks and balances between the different authorities and improve the transparency of the labour market test.
- **In terms of the timeline, it is important to define this for the different stages of the labour market test.** Currently the overall duration of a review by the SMS of an application for a work permit is 20 working days, wherein the MLSP has 5 days to conduct the labour market test. This seems like a feasible timeframe. However, the labour market test starts much earlier, when the vacancy first becomes available. Regulations should be established for the period during which employers should look among the domestic labour force for a worker for their respective vacancy, before applying for a work permit. This timeframe should be set at four to six weeks as employers cannot wait too long to fill vacancies, but do need to give locals enough time to apply.
- In addition, **specific criteria for the job advertisements that employers need to publish to attempt and recruit local labour for their vacancies before they can apply for a permit for a migrant worker need to be developed.** In order to be eligible for this labour market test, the job advertisement needs to satisfy certain criteria to ensure that qualified natives will apply. Suggested required information includes:
 - The name of the company with the job opening;
 - The specific job and a description of the tasks it entails;
 - The nature of the position (e.g. project-based, seasonal, permanent);
 - The location of the job;
 - The wage range of the job, including the prevailing or average wage for this type of position;
 - The knowledge and skills required for the performance of the job.
- In order to ensure that employers are serious when they request a labour market test, they may be asked (by SES) to provide additional information with their application. An example of this is a foreign language requirement. These only make sense when they are essential for the job to be conducted. If they are, however, not actually necessary, the only effect of adding such a requirement may be to deter domestic workers from

applying for the position. **Employers should therefore explain the relevance of such factors in their documents.** In the interest of protection of domestic labour, the failure to justify specific requirements that may not be obviously related to the work to be conducted would lead to an automatic rejection of the application. Where an explanation is provided, the official needs to judge based on it whether these criteria are justified or not.

- **The wage information that is part of the domestic job advertisement needs to be reflected in the application for the work permit for the foreign worker.** This means that the same salary that would have been offered to a local, should be received by the immigrant. In general, this should be the prevailing or average wage for the occupation that the application is for. Having equal wage standards for locals and immigrants ensures that employers cannot use foreign labour to undercut the local labour force with cheaper labour from abroad.
- An additional measure to ensure the serious intent of employers is to charge a fee for the conduction of the labour market test. Employers currently already have to pay such fee of 1,000 AZN when applying for a work permit for a foreign worker for one year. This should be kept up to ensure that applications are done in a serious manner.
- Ensure that once reformed, **employers and potential migrants have access to the information about the procedure of the labour market test.** It needs to be easy for them to understand what the criteria for success are and what needs to be done from their side.

Considering the importance of protecting the local population and their access to the labour market and the need for highly skilled/ skilled migrants, it is extremely important to find the right balance between these two priorities. It is therefore extremely important to carefully consider for what type of jobs the labour market test in Azerbaijan should be required.

6.3 Proposals for Revision of the Quota Migration System of Azerbaijan

The following sections will present the three proposals for the revision of the current migration quota system of Azerbaijan that the experts developed based on the desk review and fieldwork. Namely these are:

1. **A revised quota system;**
2. **A skill-sensitive migration system;**
3. **An open demand-driven migration system.**

Due to the priority of Azerbaijani authorities to ensure that jobs are foremost filled by domestic workers, all three of these proposals are based on demand-driven models of immigration management. There is as such no room for a supply-driven system in Azerbaijan at the moment, which would grant access to the labour market of the country to anyone with a specific set of characteristics.

The three demand-driven proposals therefore provide a more viable way forward for the management of the determination of foreign labour demand in Azerbaijan. These proposals constitute three options for the future development of the current quota system. Once a decision is made on which proposal will be taken forward, the specifics of that option need to be further developed and then translated into the legislative and institutional migration framework of Azerbaijan.

What is important as a basis for all three proposed system is, as discussed above, a strengthened labour market test and the introduction of skill-based migrant categories for the country context. In addition, it is very important that there should not be any ambiguity in the future legal and policy frameworks. Currently the Migration Code contains a list of professions for which a work permit is not required in Article 64.

Depending on the interest of the Azerbaijani stakeholders, MOBILAZE project could further organise more detailed presentations, workshops, round-table discussions and/or study visits (if applicable) on each of the below proposals.

Reflecting on the current quota system, it seems that the procedure for setting the quota is not efficient and addressing the short, mid and long-term needs of the labour market and the economy. It is also difficult to understand for those that use the quota system to hire foreign workers. As such, it is important that, should the government decide to keep a quota mechanism in the future labour migration regulation system, the current system is revised to be more transparent, objective and efficient for all that it concerns.

Several most important considerations on revision of the existing quota system are listed below.

A. Broader discussion round among the stakeholders on labour market needs

Most importantly, it needs to be ensured and clear in what ways the quota reflects the priorities established by the *Strategic Road Maps for the National Economy and Main Economic Sectors*. Therefore, factors that should be taken into account when setting the quota include:

- The current economic development agenda;
- The number of officially registered unemployed population;
- The existing and expected qualifications of the local population;
- Demographic developments;
- The employment needs of companies.

For this to be successful, it is crucial that data is shared among different stakeholders collecting and analysing figures that are relevant to these components.

B. Mid- and long-term labour force forecast; stronger relations between labour force demand and educational (vocational) system

A clear concern is that in the past demands for labour that were foreseeable were not considered in the determination of the quota. This was for example the case when there were plans to build offshore pipelines a few years ago. Despite this announcement far in advance, there was no room in the quota to bring welders into the country that had the required skills for this work. Therefore such big projects, which are usually known in advance, should in the future always be taken into account when determining demand for labour.

The fact that this project was also not taken into account in educational development shows that the link between the quota and domestic human resource development can also be strengthened. While the development of the educational system is beyond the scope of this study, in the medium to long run the quota and domestic education and training capacities should be complementing each other much more than they currently are. Migrants can be brought in for training purposes that educate local workforce to carry out the jobs in the longer term. At the same time, forecasts for the demand for labour should be conducted for longer periods of time, for example five years, so that domestic training can try to address the needs first and foremost. This way, migrants will only be needed where things are not foreseeable and can act as a compliment to domestic labour as intensioned by Azerbaijani migration policy.

The Institute for Scientific Research on Economic Reforms (ISRER) under the Ministry of Economy was recently commissioned to conduct a forecast of the demand for vocational education needs. The Institute has modelling platforms (impact analysis, balance models, intersectional-balance model, social accounts matrix, and multi-regional models beside others) and if given relevant labour market and migration data could provide a similar forecast for the demand for foreign labour. It is therefore advised that options to conduct such a forecast are explored and that beyond this ISRER is brought into the Commission to engage in developing the quota for coming years.

C. Quota or target level of migration?

Overall, it is clear that determining actual labour needs is difficult. These needs are not static, which makes it a real challenge. Specific issues that are hard to take into account when estimating the future demand or foreign labour include:

- Labour markets adjust to changes of supply.
- The correct timeframe for which to estimate the demand.
- Employer projections of their own labour needs may not necessarily reflect their actual requirements.
- Procedures are in-transparent (historical migration levels, population and participation rates as well as employer surveys often provide some guidance).

Other countries also face difficulties in the process and adjust their quotas or target level constantly. Unfortunately, it is generally not clear how other countries arrive at their target levels. The procedures behind this are often not transparent and not shared with the public. Overall a review of such quotas has, however, shown that this can rarely be done in a suitable time frame as labour market needs are not static. They change constantly, sometimes also at very short notice. This is where temporary labour migration programmes are ideal to address immediate short-term shortages, which may not have been predicted when setting the quota.

It may therefore be worthwhile to consider changing the hard limit that the current quota presents to a target level of migration. This would mean that if the level is met and there is still a demand for labour, applications can still be accepted and permits granted when the need for the worker can be proven by the employer. With the use of the strengthened labour market test this can easily be done.

It is clear that, even as a hard limitation, the quota alone does not serve as a protection mechanism for the local population. However, being such a hard limitation, quota may even represent a threat for economic development when immediate needs of foreign labour force are not met. In order to be an efficient control mechanism, quota system needs to be combined with other tools such as an elaborated labour market test. Experience from other countries shows that it is not necessary to set a hard limit on the number of immigrants, but rather to be more flexible by setting a target level. This still signals that the labour market is not completely open for foreign workers, but that they will be carefully selected to ensure they are the best matches to the demand of the domestic labour market.

D. Work permit duration

Another point for revision is the duration of the work permit. The current system only allows for permits to be issued for one year. This time frame should be extended. Generally, work permits should be given out for more than one year at a time. The administrative burden for both the employer and the authorities having to grant an extension is currently significant. It would therefore be a good option to link the validity of the work permit to the work contract, especially in the case of highly skilled and skilled foreign workers.

E. Simplified transparent procedure

Administratively it is important that the quota is approved by the Cabinet of Ministers before it can be implemented. It should, however, not be the case that the Cabinet makes adjustments without further consultations with the Commission. This is a further reason why the procedure needs to be simplified and more transparent, so that the Cabinet members can easily comprehend the requested quota. If there are still disagreements, the proposal should be sent back to the Commission with a commentary. This can then be addressed by adjusting the proposal or further strengthening the arguments for why the estimations are correct. In the end, when it is approved both sides should agree on the quota.

F. Avoiding challenges for companies caused by rapid and unexpected changes in quota

It should also not happen that quotas are reduced without prior notice and proper reasoning from one year to another. This is a big challenge for the companies depending on foreign workers. Such changes need to be considered well and explained in a transparent way, so that the users of the quota can understand why changes have been made and act accordingly.

In the past it has also been the case that the quota filled up before the year for which it was set was over. In this case the Commission can ask the Cabinet for an increase of the quota throughout the year. Such requests are, however, not always accepted, especially when they are not well justified. A current gap in the understanding is what happens when the quota is filled and companies cannot hire foreign workers any longer. There is no evidence that this increases the employment of locals. A study should be conducted to see how companies deal with such challenges, also in the light of considering a target level instead of a cap for foreign workers that would avoid such problems where there is a real demand.

G. Clearer role and involvement of private sector in quota determination

It is a positive practice that it is not one institution that decides on the quota, but that there is responsibility sharing and accountability between different stakeholders. As the main institution responsible for migration processes management in Azerbaijan, the State Migration Service along with the Ministry of Labour and Social Protection of Population should play a key role in the development of the quota.

Regarding the composition of the Commission on Quotas, it does not seem clear what the role of private sector actors or rather users of the quota system in this Commission is. During the interviews conducted for the present study respondents wondered why SOCAR is currently the only representative of the users of the quota system. There are other state owned and also private companies that employ significant numbers of foreigners. The way the current quota system works does, however, not directly take into account what the companies need. Companies have a chance to indicate what their demand for foreign labour will be in the coming year, but the quota can still not be in line with what the companies have said. In order to ensure their demands can be met and later increases will not be necessary, the information they share should be more seriously considered.

H. Company quotas

A further suggestion based both on interviews and desk review is to consider a target level, specifically for low-skilled workers, regarding the share of foreigners working in Azerbaijani companies in contrast to setting sector quotas. For example, the limit could be set at 10% of employees working in a company that can be foreigners. This would allow companies to be more flexible to address short-term needs in different occupations and does not limit them to the sector quotas if the needs change throughout a year.

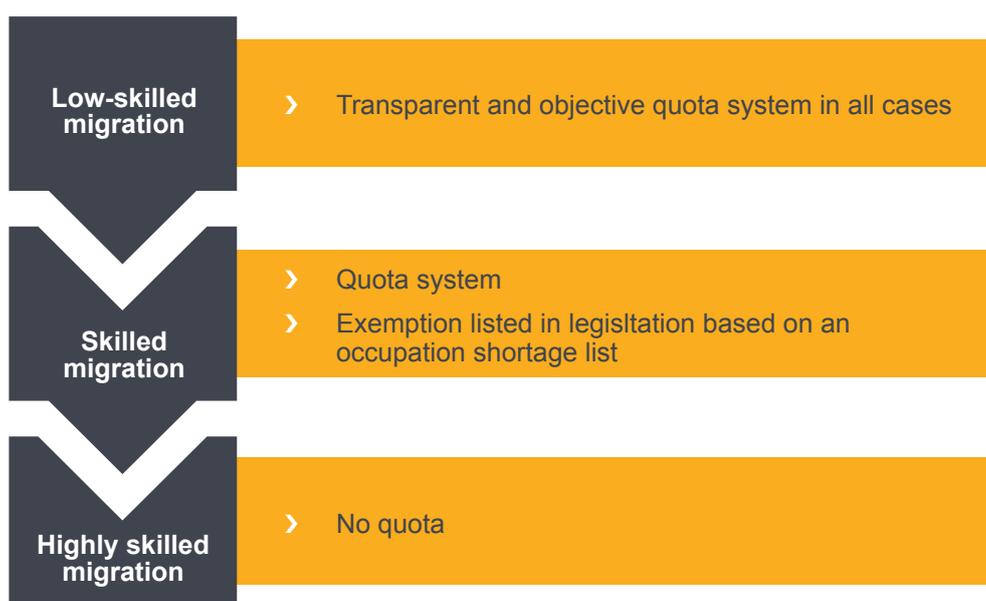
It should be clear that establishing a numerical limit of foreign workers is only one measure that can be used to protect the local workers and control the inflows of immigrants. It is therefore important to really consider if the quota as the main tool for migration management should be kept up or if it should be complemented with other elements or replaced. However, seeing such company quotas as the target level of possible low-skilled migration and combining it with a revised labour market test, may indeed be a good, flexible solution to ensure that labour migration to Azerbaijan is driven by the demand for labour but avoiding displacement of local workers by immigrants.

Proposal 2

SKILL-SENSITIVE MIGRATION SYSTEM

The practice shows that there is an increased interest and demand for highly skilled migration in Azerbaijan (see migration categories above), therefore, it may be more plausible and efficient to distinguish labour migration streams for highly skilled (1), skilled (2) and low-skilled (3) foreign workers than to apply a quota to all labour immigrant or to have exceptions from the quota for migrants, which are not clearly defined in the policy.

It is proposed that in this case labour migration of three above mentioned categories of immigrants would be regulated differently by the migration legislation. Migration of low-skilled workers would be managed through the revised quota system as described in 6.3.1. In the case of skilled migrants a quota would be kept in place also, but with exemptions based on an occupations shortage list (described further below). For highly skilled migrants, on the other hand, there will be no quota. Such scheme would obviously require clear and transparent distinction of the immigrant categories in the legislation and practice.



A. Highly skilled: General

High-skilled migrants bring skills to Azerbaijan that are needed in the light of the economic development of the country. Their migration is therefore very much in the interest of the country and it should be relatively easy for this group of migrants to receive a work permit. Tough criteria will deter their interest in coming to Azerbaijan in times where many countries are opening migration channels specifically for highly skilled individuals.

**B. Highly skilled:
Admission
Procedure**

Generally, if such a system is chosen, highly skilled migrants can only be admitted if they have a job secured with an Azerbaijani employer. Based on the definition for highly skilled migrants that is developed as discussed in Section 6.1, it would then be necessary to provide evidence that the respective individual does indeed qualify as highly skilled. In the application for the work permit for a highly skilled migrant the employer would therefore need to provide documents about the qualifications of their potential employee, the work they will be doing and/ or the associated wage level. This could then serve as proof that they meet one or more of the following criteria:

- They have completed a certain level of education (e.g. tertiary);
- The job in which they will work in Azerbaijan has a wage level above a set threshold;
- The occupation in which they will be working is qualified as highly skilled in the context of Azerbaijan.

Should this type of system be of interest to the authorities of Azerbaijan, the exact criteria that should be assessed for admission of highly skilled/ skilled foreign workers need to be carefully selected to ensure the best matches will be made between the migrants and the local labour market needs.

**C. Highly skilled:
Duration**

It is also especially important for highly skilled migrants that the duration of the work permit is extended beyond one year. In the interest of making Azerbaijan an attractive destination, the validity of work permits should be tied to the duration of the respective work contract. In addition, reducing the administrative work for the renewal of a work permit would also ease the work of the respective authorities.

D. Skilled: General

For skilled migrants (according to newly established definition), generally a labour quota would be applied under general conditions. However, if the foreign worker's qualification is mostly needed in Azerbaijani labour market and is therefore included in the "occupation shortage list" (see below), such application would be excluded from quota. The labour market test is also not necessary in this case as the occupations shortage list verifies that there is indeed a need for people in this specific occupation. This speeds up the process for such applications and facilitates relatively quick admission to Azerbaijan for the employees.

In any case, foreigner can be admitted only if he/she has job offer and secured job in Azerbaijan.

E. Skilled: Occupation Shortage List

A further suggestion is to develop a list of those skills that are needed in the short to medium-term in the labour market of Azerbaijan. This is specifically applicable to jobs that may not be so much related to formal education, but rather technical experience, so to those that may be classified as (semi-) skilled workers.

In order for an occupation to be put on the list it would have to satisfy at least the three following criteria:

- › The occupation requires specific skills.
- › There is an identified shortage domestically for this occupation.
- › It would be feasible to bring in foreigners to work in this occupation.

In order to assess these three criteria both macro-level data and input from employers can be used. With the support of the State Statistical Agency, employer organisations and other stakeholders, the MLSPP and the SMS could develop such a list. It should be periodically reviewed and updated, for example once a year, to ensure responsiveness to developments in the labour market.

Besides being a tool that is flexible in responding to the demands of employers for labour, a occupations shortage list can also be used to respond to the supply of labour. Changes in educational planning may lead to the ability to address certain demands for labour with domestic labour after some time. Such changes can be taken into account when defining the occupations for which there are foreseen shortages and that are put on the list. This will then close the channel for immigrants for such occupations and open up the vacancies for qualified native workers.

An occupations shortage list should be established independent of the way the quota system is revised as it is an important tool to identify highly skilled and skilled occupations, which are of special importance to meet Azerbaijan's medium and long term economic development goals.

D. Low-skilled: General Procedure

For low-skilled migrants, general procedure would be applied, including revised quota system and labour market test. This is necessary to protect the interests of local labour force.

The final proposed system is one following the open labour migration model of Sweden with specific checks and balances. As globalisation intensifies, the movement of people across borders will keep increasing and this also applies to the CIS region and Azerbaijan specifically. As described above, total net emigration from Azerbaijan has been declining in magnitude recently and it can be expected that this trend will continue. As such a simple and flexible labour migration system may be a worthwhile option to consider to adapt to developments in the local labour market quickly.

Such a system would be based **solely on the skills needs of Azerbaijani employers and combined with the revised comprehensive labour market test**. This would ensure that migration is not used as a substitute for local labour where this is available, but as a compliment where there is a true need for foreign labour. Specifically, this would mean that:

- Labour migration will be possible for all migrants independent of skill level or occupation.
- There will be no hard quantitative limitation of migration in form of a quota.
- Labour migration will be purely demand-driven and based on the recruitment needs of Azerbaijani employers.
- To protect local workers, employers will have to undergo the Labour Market Test before they can hire a foreign worker.
- Working conditions and wages shall not differ between local and foreigners and therefore the labour market standards need to be controlled and protected.
- Work and residence permits will be bound to the employment for which the immigrant was brought into the country, meaning immigrants cannot switch employers without prior approval by the State Migration Service.
- The work permit is also granted only for a specific occupation. Changing occupations is equally not possible without approval by the State Migration Service.
- Residence permits will initially be issued for limited time periods, usually the duration of the employment contract.
- As is currently the case, initially only short-term residence permits will be issued. Permanent residence permits may only be issued after two years of continuous employment and residency in Azerbaijan.
- Once permit residency is obtained, foreign workers are able to move freely in the labour market.

Overall, this may be a more significant change to the system for determining the demand for foreign labour for the labour market of Azerbaijan, but it is the one that is most demand-driven, flexible and responsive to the needs of the labour market in the short-, medium- and long-term.

7 THE WAY FORWARD: DEMAND-DRIVEN TWO-TIER SYSTEM FOR THE ADMISSION OF FOREIGN WORKERS TO AZERBAIJAN

Based on the above proposals, a meeting between the project team and the partners in Azerbaijan took place in Baku on May 22, 2017. The purpose of this meeting was to discuss the different components of a revision of the current quota system and to decide on a way forward. Based on these discussions, this final section of the report presents the concrete advice given by the research team on the way to revise the current system for the migration of foreign labour force in the labour market of Azerbaijan.

The suggested revision will lead to a **demand-driven two-tier system for the admission of foreign labour to Azerbaijan**. This system establishes two corridors (two tiers) of obtaining labour and residence permission for workers with different skill levels. Specifically, migration should be made easier for those who can be considered highly skilled, while stricter guidelines will remain in place for other immigrants. The logic behind such a reform is that there is a need specifically for highly skilled foreign workers in the labour market of Azerbaijan. Considering the increasing global competition for talent, it is therefore important to not deter such migrants by making their migration process unnecessarily complicated. Instead, easy and quick access should be possible for those foreigners that meet criteria of **highly skilled migrants** set by the Azerbaijani government. Such individuals will be able to obtain a work permit through **Tier 1** of the new labour migration system. At the same time, any foreigner that does not qualify as being highly skilled still is able to work in Azerbaijan if there is a justified demand for this worker. This demand is ensured by implementing a strict labour market test that aims to protect the domestic work force against replacement by immigrants; therefore such individuals will be obtaining the work permit through **Tier 2** of the proposed system. The main features of both tiers include:

Tier 1: High Skilled	Tier 2: (Low-) Skilled
✓ Job offer	✓ Job offer
✓ Accelerated access	✓ Protection of domestic workers
✓ No quota	✓ Quota
✓ No labour market test	✓ Labour market test
✓ Longer-term residence permit	✓ Residence permit matches work contract duration

The proposed two-tier system kept the existing rules for those migrants who fall under special agreements such as PSA. As no revisions are suggested here, this group of migrants will not be further addressed in the remainder of this report. Instead, the following sections will respectively elaborate on the rules and regulations that should be introduced for the two tiers for admission of foreigner workers to Azerbaijan.

Overall, it is important that the cooperation and coordination between involved stakeholders is made stronger and that the administrative processes are kept as simple as possible. One important step for this is a **joint electronic system for the management of the admission of foreign workers**. This needs to be accessible by all involved government institutions (at least MLSP, SES and SMS) and should be an environment where all processes related to labour migration are bundled. This starts with the application by an employer for a work permit and includes the labour market test as well as the work and residence permit.

7.1 Tier 1: Highly skilled

Since there is clearly an increased interest and demand for highly skilled migrants in the Azerbaijani labour market, it is important to make the country an attractive destination for such individuals. The process of receiving a work permit should therefore be made especially **efficient and effective** for this specific group of migrants that is in high demand in many countries around the world. Further, it is essential that the country efficiently communicate the changes in the labour migration regulation to the external world in order to attract highly skilled migrants.

a. Definition of highly skilled migrants

The reform of the existing labour migration regulation shall start with the establishment of a definition of what criteria a highly skilled migrant needs to meet in order to be entitled to the accelerated admission. As discussed above, many countries consider migrants to be highly skilled when they have at least tertiary education, but other factors, such as wages and experiences, are also used by different countries. For the case of Azerbaijan the following is proposed to be implemented as a definition of highly skilled migrants:

For migrants to be eligible to apply for a work permit as a highly skilled migrant they need to:

- Have completed tertiary education in a relevant field;
 - Have the agreed number of years³⁴ of experience relevant to the field in which the job contract is going to be signed, for which recommendations of former employer are provided; and
 - Have to earn a minimum monthly salary of 10 times average monthly salary in Azerbaijan³⁵.
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³⁴ For example, at least three years of practical experience.

³⁵ The amount of the minimum monthly salary for a high skilled migrant shall be defined at a later stage. There are several ways to define this amount. For instance, one can take an average monthly salary for a specific type and field of occupation as a base and multiply it by a certain amount. An alternative could be to build upon the amount of a minimum wage – also multiplied. The proposal included now is defined by the MOBILAZE project counterparts at the MLSP.

These criteria are administratively relatively easy to control and as such are good indicators that will enable a smooth admission process. Experiences and their relevance are in many cases difficult to assess and it is therefore not suggested to take this into account in order to keep the decision on highly skilled status simple.

All migrants that meet these criteria, shall be considered highly skilled and as such receive preferred treatment when accessing the labour market in Azerbaijan.

A. Education Level	Applicants will need to submit a verified and legalised copy of the degree that shows that they have completed tertiary education. This includes Bachelor, Master and Doctoral degrees. Further, the diploma should be issued by the educational institution which is included in the list of accepted and formally recognised foreign educational institutions approved by the Ministry of Education in Azerbaijan.
B. Wage Level	In order to verify the salary level, a draft of the employment contract needs to be submitted with the application for the work permit. This needs to clearly state the wage the migrant will receive once the permit is granted and the contract is signed.
C. Experience	In addition to the above criteria applicants shall provide proof of having a certain agreed number of years of practical professional experience relevant for the vacancy that one is applying for. The years necessary for different vacancies shall be specified in vacancy announcements. Moreover, a highly skilled migrant shall provide a recommendation letter from his/her former employer.

b. Accelerated procedure for work and residence permit for highly skilled migrants.

For migrants that qualify as highly skilled there should be **no quota** and **no labour market test**. Instead, any highly skilled migrant that **has a job offer** from a company based in Azerbaijan should be able to receive a work permit relatively quick.

This job offer is important as it is based on this that the **employer can apply for the work permit** for the potential employee from abroad. The Azerbaijani employer and foreign employee need to agree on a **draft work contract or an official letter of intent to conclude a contract** prior to the work permit application. This needs to specify the skills required for the respective job as well as the salary that will be paid to the migrant. The **contract can only be signed once the work permit is granted**, but needs to be submitted in draft form (or in form of letter of intent) with the application as it will serve to verify that the foreign worker does indeed qualify as being highly-skilled in the context of Azerbaijan.

It is also important that highly skilled migrants are able to receive **longer-term work permits**. Generally, work permits should be given out for the duration of the work contract up to five years. The administrative burden for both the employer and the authorities having to grant an extension is currently significant. In addition, a longer duration of such a permit would make Azerbaijan more attractive for potential highly skilled migrants. It would therefore be a good option to link the validity of the work permit to the work contract for up to five years, especially in the case of highly skilled foreign workers. Alternatively an initial duration of work permits of up to three years should be considered.

As stated above the contract can only be signed once the work permit is granted. Once this has been done, it should be uploaded by the employer to the database and checked by SES to ensure that nothing was changed in the contract after the permit was awarded.

In terms of distribution of responsibilities across institutions, the following is proposed:

- SES to conduct the checks on the education level, experience level and wage level of any application for admission of a highly skilled worker. Based on this assessment, the MLSPP should then submit its opinion on issuing of a work permit to SMS;
- SMS to issue both residence and work permits (applying the 'one-stop shop' principle and the role of the SMS defined by the Presidential Decree N69 'Application of the 'one-stop shop' principle in the management of migration processes', March 4, 2009) keeping its responsibility to refuse issue of both permits in cases established by laws and other legal acts (such as threat to public security and order, etc.).

The timeframe that is currently applicable for the assessment of an application for a foreign worker (20 working days) should be kept. The time for the conduction of the labour market test is not applicable in this case, shortening the overall process in contrast to that of (low-) skilled workers as detailed below.

Under the suggested system the MLSPP will have a supervision function over the SES on confirming the qualifications and other relevant criteria of highly skilled migrants. The supervision function can be exercised in a form of regular monitoring.

Once the new provisions are in place the new regulations could be communicated externally both inside and outside of Azerbaijan. For instance, through an information campaign involving mass and social media so that high skilled specialists abroad can learn about opportunities and foreign employment procedures in the country, whereas local companies can receive information about regulations to follow when hiring high skilled migrants. Eventually this would be beneficial both to the government and the system users.

7.2 Tier 2: (Low-) Skilled

Following a deep analysis of *Strategic Road Maps for the National Economy and Main Economic Sectors* it is suggested that in the case of all foreign workers that do not qualify as highly skilled, a system similar to the current quota system will remain in place. In practice, this level will be a demand-driven system with an annual quota for migration, which in combination with a strong labour market test will ensure that immigrants do not displace local workforce. Instead, migrants will only be admitted to satisfy needs of the Azerbaijani labour market that cannot be met by locals. Practically this means that the following points should be taken into account when revising the current system:

A. Job Offer

- **No labour migrant is able to enter the country without a concrete job offer by an Azerbaijani employer.** To ensure that this is the case, the employer has to be one applying for the work permit and the labour market test for the potential migrant.

B. Quota

- A quota will still be used to determine **the number of migrants** that can be admitted annually under this tier. This quota should, however, allow for an increase in the admission levels when there is a proven increased demand for a specific profession.
- A hard quota can be a threat to economic development when immediate needs of foreign labour force cannot be met due to a quota already being full for a given year. A target level still signals that the labour market is not open to all foreign workers and that migration is controlled. At the same time, it provides more flexibility to address short-term needs in the labour market and in **combination with a strong labour market test** still serves to protect the local work force. It is therefore suggested that the quota is only kept for an initial period of three to five years after introduction of the new labour migration system and it is then considered to replace it with a target level.
- Most importantly, it needs to be ensured and clear in what ways the quota reflects the priorities established by the Strategic Road Maps for the National Economy and Main Economic Sectors. Therefore, factors that should be taken into account when setting the level include:
 - The current economic development agenda;
 - The number of officially registered unemployed population;
 - The existing and expected qualifications of the local population;
 - Demographic developments;
 - The employment needs of companies.

- › For this to be successful, it is crucial that data is shared among different stakeholders collecting and analysing figures that are relevant to these components. Overall, the cooperation between the different institutions involved in the determination of the quota should be strengthened.
- › It is equally important to work more closely with companies in the determination of the quota. A company survey in which they indicate their current and potential future labour demands is one way to do so.
- › A clear concern is that in the past demands for labour that were foreseeable were not considered in the determination of the quota. Big projects, which are usually known in advance, should in the future always be taken into account when determining demand for labour.
- › While the development of the educational system is beyond the scope of this study, in the medium to long run the quota and domestic education and training capacities should be complementing each other much more than they currently are. Migrants can be brought in for training purposes that educate local workforce to carry out the jobs in the longer term. At the same time, forecasts for the demand for labour should be conducted for longer periods of time, for example five years, so that domestic training can try to address the needs first and foremost. This way, migrants will only be needed where things are not foreseeable and can act as a compliment to domestic labour as intended by Azerbaijani migration policy.
- › The Institute for Scientific Research on Economic Reforms (ISRER) under the Ministry of Economy was recently commissioned to conduct a forecast of the demand for vocational education needs. The Institute has modelling platforms (impact analysis, balance models, intersectional-balance model, social accounts matrix, and multi-regional models beside others) and if given relevant labour market and migration data could provide a similar forecast for the demand for foreign labour. It is therefore advised that options to conduct such a forecast are explored and that beyond this ISRER is brought into the Commission to engage in developing the quota for coming years.
- › All above mentioned recommendations for the review of the labour migration quota system, actually, confirm that Azerbaijan needs to strengthen the *implementation* of the procedure rather than changing the procedure itself. A summarised vision of the reformed labour migration quota establishment procedure and possible project support is provided in the Annex III of this publication.

C. Labour Market Test

- **Revisions of the institutional arrangements** concerning the admission of migrants to Azerbaijan should be undertaken. Like in the case of the highly skilled, it should be the SMS that issues the residence and work permits for engaging in paid labour activity in the territory of the country. In addition, the labour market test should be conducted by the SES.
- **All vacancies in Azerbaijani companies should be obliged to register with the SES.** This ensures that when a company applies for a labour market test for a foreign worker, the government authority has access to the vacancy in question and can see its content and how long it has been posted.
- **In order to ensure objectivity, a shared electronic system for the processing of applications for work permits should be installed.** The labour market test should be a part of this system. There should be an electronic form with a checklist, where the respective official clicks applicable buttons and enters any additional information that is needed for others to understand the outcome of the labour market test. This would ensure checks and balances between the different authorities and improve the transparency of the labour market test.
- **In terms of the timeline, it is important to define this for the different stages of the labour market test.** Currently the overall duration of a review by the SMS of an application for a work permit is 20 working days, wherein the MLSPP has 5 days to conduct the labour market test. This seems like a feasible timeframe. However, the labour market test starts much earlier, when the vacancy first becomes available. Regulations should be established for the period during which employers should look among the domestic labour force for a worker for their respective vacancy, before applying for a work permit. This timeframe should be set at four to six weeks as employers cannot wait too long to fill vacancies, but do need to give locals enough time to apply.
- In addition, **specific criteria for the job advertisements that employers need to publish to attempt and recruit local labour for their vacancies before they can apply for a permit for a migrant worker need to be implemented.** In order to be eligible for this labour market test, the job advertisement needs to satisfy certain criteria to ensure that qualified natives will apply. Suggested required information includes:

- The name of the company with the job opening;
 - The specific job and a description of the tasks it entails;
 - The nature of the position (e.g. project-based, seasonal, permanent);
 - The location of the job;
 - The wage range of the job, including the prevailing or average wage for this type of position;
 - The knowledge, skills and possible qualifications required for the performance of the job.
- › In order to ensure that employers are serious when they request a labour market test, they may be asked (by SES) to provide additional information with their application to justify one or another specific requirement. An example of this is a foreign language requirement. This only makes sense when it is essential for the job to be conducted. If the specific requirements are, however, not actually necessary, the only effect of adding such a requirement may be to deter domestic workers from applying for the position. **Employers should therefore explain the relevance of such factors in their documents.** In the interest of protection of domestic labour, the failure to justify specific requirements that may not be obviously related to the work to be conducted would lead to an automatic rejection of the application. Where an explanation is provided, the official needs to judge based on it whether these criteria are justified or not.
- › **The wage information that is part of the domestic job advertisement needs to be reflected in the application for the work permit for the foreign worker.** This means that at least the same salary that would have been offered to a local, should be received by the immigrant. In general, this should be the prevailing or average wage for the occupation that the application is for. Having equal wage standards for locals and immigrants ensures that employers cannot use foreign labour to undercut the local labour force with cheaper labour from abroad.
- › An additional measure to ensure the serious intent of employers is to charge a fee for the conduction of the labour market test. Employers currently already have to pay such fee of 1,000 AZN when applying for a work permit for a foreign worker for one year. This should be kept up to ensure that applications are done in a serious manner.
- › Ensure that once reformed, **employers and potential migrants have access to the information about the procedure of the labour market test.** It needs to be easy for them to understand what the criteria for success are and what needs to be done from their side.

D. Work Permit Duration

The **validity time frame of work permits should match the contract duration**. Generally, work permits should be given out for more than one year at a time. The administrative burden for both the employer and the authorities having to grant an extension is currently significant. It would therefore be a good option to link the validity of the work permit to the work contract

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27 February – 1 March 2017

Baku, Azerbaijan

Time	Meetings	Counterparts
Day 1 – Monday- 27 February		
11:00 – 12:00	Internal coordination meeting	Experts and ICMPD
14:00 – 15:00	The Institute for Scientific Research on Economic Reforms (ISRER) under the Ministry of Economy	ISRER officials
15:30 – 16:30	State Statistical Committee	Mr Rza Allahverdiyev, Head of Population Statistics Department Mr Nemat Khuduzade, Head of Labour Statistics Department
Day 2 – Tuesday – 28 February		
09:30 – 10:30	Center for Analysis and Communication of Economic Reforms	Ms Vusala Jafarova, Strategic Analysis and Planning Manager
11:00 – 12:00	Meeting with the Ministry of Labour and Social Protection of Population	Employment Policy Department Mr Elnur Suleymanov – Head of Employment Policy and Demography Department Mr Fuad Jabbarov – Head of Labour Migration Division

14:00 – 17:00	Focus group discussion	<ul style="list-style-type: none"> • Meeting with the Ministry of Labour and Social Protection of Population • State Employment Service • State Migration Service • Ministry of Foreign Affairs • Ministry of Economy • Ministry of Education • Azerbaijan Trade Union Confederation (ATUC) • National Confederation of Entrepreneurs (Employers') Organisations • State Oil Company (SOCAR)
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Day 3 – Wednesday – 1 March

09:00 – 10:00	Azersun Holding	Azersun Holding representatives
10:30 – 11:30	BP Azerbaijan	Mr Jeyhun Karamov, Nationalisation and Immigration Manager, AGTR HR
14:30 – 16:00	Internal coordination meeting	Experts and ICMPD
16:00 – 17:00	Meeting with the Ministry of Labour and Social Protection of Population	<p>Employment Policy Department</p> <p>Mr Elnur Suleymanov – Head of Employment Policy and Demography Department</p> <p>Mr Fuad Jabbarov – Head of Labour Migration Division</p>

SUMMARY OF THE REVIEW OF LABOUR IMMIGRATION SCHEMES OF OTHER COUNTRIES

Canada

Migration Context

Relative Size of Immigrant Population: 21.86%

Percentage Female Migrants: 52.16%

Main Countries of Origin: China, India, Philippines, Pakistan, United States

Labour Migration System

Since the abolition of immigrant selection based on preferred source countries in 1962, Canada has operated a point-based system admitting applicants based on personal characteristics, especially education and skill qualification. This system only applies for principal applicants seeking admission as part of the economic migrant class. Until the 1990s, selection took into account preferred occupations, with more points attributed to preferred occupations as intended by the migrant, without a requirement to comply with the intention. With the modification of the Immigration and Refugee Protection Act of 2002 (IRPA), several new objectives are followed, directing migration policy towards improving the outcomes of entering immigrants, a better response to short-term regional labour market shortages and a desire to shift migration away from the three largest cities to other regions seeking economic immigrants. In order to achieve these objectives, more emphasis was put on the rewarding skills, education, language ability and experience through points. The general labour migration system under IRPA, which since 2015 is called Express Entry, has been complemented by various other programmes developed to meet more specific labour needs, such as the temporary foreign worker programme for rather low-skilled migrants, or the provincial nominee programme intended to draw migrants to provinces lacking labour.

Overall, the Canadian labour migration system is among the most elaborate and efficient in the OECD. Regarding permanent migration, the recent introduction of Express Entry has further enhanced the competitive edge of the selection system relative to other countries and ensures that those with the skills to succeed are admitted to Canada in a quick and efficient way. The new Express Entry system has a strong link with the labour market, which is a positive feature as it ensures labour market integration for new arrivals and responsiveness to labour market needs. The Canadian labour migration system has shown to provide positive education and economic success of the children of immigrants, mainly due to the large number of highly skilled immigrants admitted. In addition, the country has been able to avoid a significant deterioration of social cohesion related to migration and instead has exhibited a continued pro-migration stance among Canadians.

Programme	Express Entry	Temporary Foreign Workers	
Target group	Skilled migrants	Low-skilled migrants	
Quota	Yes, target level	Yes, limit	
Supply-driven	<i>Skills</i>	Yes	No
	<i>Language</i>	Required	Assessed case by case
	<i>Nationality</i>	No	No
	<i>Age</i>	Yes	No
	<i>Gender/ Marital Status</i>	No	No
	<i>Self-sufficiency</i>	Yes	Yes
Demand-driven	<i>Job offer</i>	Extra points	Required
	<i>Labour market test</i>	Yes	Yes
	<i>Sectoral/ occupational restrictions</i>	No	No
	<i>Permit fees</i>	Yes, applicant	Yes
	<i>Wage restrictions</i>	Yes	Yes
	<i>Trade union involvement</i>	Low priority	Low priority

Italy

Migration Context

Relative Size of Immigrant Population: 9.50%

Percentage Female Migrants: 54.90%

Main Countries of Origin: Romania, Albania, Morocco, China, Ukraine

Labour Migration System

Similar to other countries of the EU, Italy also runs a dual system for the admission of labour migrants. Free movement is guaranteed for EU nationals, while non-EU nationals are required to apply for work permits. Work permits are given out depending on various quotas in different categories. Especially in the early 2000s Italy has conducted various amnesty programmes providing irregular migrants with the opportunity to regularise their stay.

During 2012 the immigrant workforce continued to contribute to the national labour market, especially in the fields of personal care and agriculture. Government action has therefore given priority to these sectors by strengthening cooperation with countries of origin and promoting circular migration through seasonal employment. To better match the demand and supply of labour in Italy, Local Coordination Offices (UCL) were established within embassies in countries of origin with whom Italy has signed bilateral agreements on migration for employment purposes. The aim is to facilitate the operation of the bilateral agreements for labour migration.

Programme		Work Permits	EU Blue Card
Target group		Third country nationals not already in Italy	Highly skilled third country nationals
Quota		Yes	No
Supply-driven	<i>Skills</i>	Depends on quota category	Yes
	<i>Language</i>	No	No
	<i>Nationality</i>	Yes	No
	<i>Age</i>	No	No
	<i>Gender/ Marital Status</i>	No	No
	<i>Self-sufficiency</i>	Yes	Yes
Demand-driven	<i>Job offer</i>	Yes	No
	<i>Labour market test</i>	Yes	Yes
	<i>Sectoral/ occupational restrictions</i>	Yes	No
	<i>Permit fees</i>	Yes	Yes
	<i>Wage restrictions</i>	Yes	Yes
	<i>Trade union involvement</i>	Yes, weak involvement	Yes, weak involvement

New Zealand

Migration Context

Relative Size of Immigrant Population: 22.62%

Percentage Female Migrants: 51.64%

Main Countries of Origin: United Kingdom, South Africa, India, China, Philippines

Labour Migration System

New Zealand's migration policy initially focused on the management of colonial population growth and after World War II evolved into a system to address the country's labour market shortages. The Immigration Act of 1987 introduced a merit-based acceptance system, abandoning the preferential source logic that had previously been operated, while placing priorities on certain occupations. In 1991, New Zealand moved towards a human capital-based selection realised through a point system with an migration target, which reflects a goal rather than a limit. In its current system New Zealand generally distinguishes between temporary and permanent migration and the corresponding visas. The Essential skills visa represents the major programme of the temporary labour migration system and is handed out to both high- and low-skilled migrants based on the labour market needs. They are thus tightly linked to the demand side. Other temporary programmes include the working holiday scheme, recognized seasonal employer scheme, work to residence visas, study to work visas or long-term business visas. Most permanent residence permits are handed out through the skilled migration category. Applicants are given points on the basis of various criteria. Permanent residence visas are limited by a target, or a quota for various preferential migration regimes, such as for Samoa.

Overall, the New Zealand labour migration regime has shown to be flexible in adjusting to the labour market needs.

Programme	Essential Skills	Recognized Seasonal Employment	Permanent residency	
<i>Target Group</i>	Temporary labour migrants	Low-skilled, temporary migrants	Skilled migrants	
<i>Quota</i>	No	Yes, cap	Yes, target level	
<i>Supply-driven</i>	<i>Skills</i>	Yes	No	Yes
	<i>Language</i>	No	No	Yes
	<i>Nationality</i>	No	Yes, Pacific Islanders have priority	No
	<i>Age</i>	No	No	Yes
	<i>Gender/ Marital Status</i>	No	No	No
	<i>Self-sufficiency</i>	No	No	Yes
	<i>Demand-driven</i>	<i>Job offer</i>	Yes	Yes
<i>Labour market test</i>		Yes	Yes	No
<i>Sectoral/ occupational restrictions</i>		Yes	Yes	No
<i>Permit fees</i>		Yes	Yes	Yes
<i>Wage restrictions</i>		Yes	Yes	Yes
<i>Trade union involvement</i>		Yes, weak involvement	Yes, weak involvement	Yes, weak involvement

Nigeria

Migration Context

Relative Size of Immigrant Population: 0.66%

Percentage Female Migrants: 45.14%

Main Countries of Origin: Benin, Ghana, Mali, Togo, Niger

Labour Migration System

Nigeria began the development of an official national migration policy in 2006, and of a labour migration policy in 2008. While a draft of the national migration policy was presented, it was never enforced. In 2014, it still remained before the Federal Executive Council for approval. Similarly, the developed labour migration policy has not yet been approved or implemented. The current migration system operates under a dual policy. The *ECOWAS Protocol on Free Movement of Persons, Residence and Establishment* dictates that nationals of ECOWAS member countries are free to enter Nigeria without a visa, and work there after obtaining a residence permit. However, the right to seek residency and establish oneself in employment has not yet been fully implemented. Nationals of all other countries are required to obtain a visa to enter Nigeria. For labour migrants, two visas exist, one for short-term temporary stay (temporary work permit) and another for longer-term stay (subject to regularisation).

Programme		Temporary work permit	Subject to regularisation
Target group		Temporary labour migrants	Medium to long-term labour migrants
Quota		No	Yes
Supply-driven	<i>Skills</i>	Yes	Yes
	<i>Language</i>	No	No
	<i>Nationality</i>	No	No
	<i>Age</i>	No	No
	<i>Gender/ Marital Status</i>	No	No
	<i>Self-sufficiency</i>	No	No
Demand-driven	<i>Job offer</i>	Yes	Yes
	<i>Labour market test</i>	No	No
	<i>Sectoral/ occupational restrictions</i>	No	No
	<i>Permit fees</i>	No	Yes, company pays
	<i>Wage restrictions</i>	Yes, weak wage restrictions	Yes, weak wage restriction
	<i>Trade union involvement</i>	Weak involvement	Weak involvement

Russian Federation

Migration Context

Relative Size of Migrant Population: 8.08%

Percentage Female Migrants: 50.91%

Main Countries of Origin: Ukraine, Uzbekistan, Tajikistan, Armenia, Kyrgyzstan

Labour Migration System

The migration system of the Russian Federation distinguishes between three categories of foreign citizens: temporary stayers, temporary residents and permanent residents. Most foreign nationals who intend to immigrate to Russia for the purpose of work fall in the category of temporary stayers. They can either apply for a work permit, given out based on a yearly state-defined quota which lay at 275,856 in 2015, apply for a permit for highly qualified specialists not subject to a quota, or obtain a work permit if they stem from visa-free countries. In 2015, an integration exam for all migrant labourers was introduced that also includes language courses. Up until 2010, Russian employers were only allowed to hire foreign nationals if they had previously obtained an employment permit. A 2010 amendment introduced an exception for highly skilled workforce, for which employers do not need a specific permission anymore. The introduction of the work permit for residents of visa-free countries regularised the stay of many irregular migrants.

Programme		Work Permit	Blue Card	Work patent
<i>Target group</i>		Immigrant workers	Highly skilled specialists	Workers from visa-free countries
Quota		Yes	No	No
Supply-driven	<i>Skills</i>	No	Yes	No
	<i>Language</i>	Yes	No	Yes
	<i>Nationality</i>	No	No	Yes
	<i>Age</i>	No	No	No
	<i>Gender/ Marital Status</i>	No	No	No
	<i>Self-sufficiency</i>	No	Yes	No
Demand-driven	<i>Job offer</i>	Yes	Yes	No
	<i>Labour market test</i>	No	No	No
	<i>Sectoral/ occupational restrictions</i>	No	Yes	No
	<i>Permit fees</i>	Yes	No	No
	<i>Wage restrictions</i>	No	Yes	No
	<i>Trade union involvement</i>	Yes, weak involvement	Yes, weak involvement	Yes, weak involvement

Singapore

Migration Context

Relative Size of Immigrant Population: 43.00%

Percentage Female Migrants: 55.80%

Main Countries of Origin: Malaysia, China, Indonesia, India, Pakistan

Labour Immigration System

Singapore ranks as one of the countries with the highest proportions of foreigners in its population and among its workforce in the world. Foreigners (not counting those who have become citizens and permanent residents) make up over one third of its workforce. Over the years, the country has developed a rather elaborate system for managing the inflow and utilisation of foreigners to augment its potentially diminishing population and workforce.

The management of the recruitment and use of foreign manpower in Singapore is governed by the Immigration Act, the Employment of Foreign Manpower Act (EFMA) and the Employment Agencies (EA) Act. These three acts regulate the entry and exit of foreigners and spell out the rights and obligations of employers and migrant workers and those of the employment agencies involved in the recruitment of migrant workers.

Work passes are a key instrument for regulating the employment of foreigners in Singapore. The EFMA requires foreigners who wish to work in Singapore to possess work passes issued by MOM's Work Pass Division. The three main types of work passes are the Employment Pass (EP), Work Permit (WP) and S Pass.

Programme	Employment Pass	Work Permit	S Pass	
Target group	Highly skilled migrants	Medium-skilled migrants	Low-skilled migrants	
Quota	No	Yes, company quota	Yes, company quota	
Supply-driven	<i>Skills</i>	No	Yes	No
	<i>Language</i>	No	No	No
	<i>Nationality</i>	No	Yes	Yes
	<i>Age</i>	No	No	No
	<i>Gender/ Marital Status</i>	No	No	No
	<i>Self-sufficiency</i>	Yes	Yes	Yes
Demand-driven	<i>Job offer</i>	Yes	Yes	Yes
	<i>Labour market test</i>	Yes	No	No
	<i>Sectoral/ occupational restrictions</i>	No	Yes	Yes
	<i>Permit fees</i>	Yes	Yes	Yes
	<i>Wage restrictions</i>	Yes	Yes	Yes, maximum salary
	<i>Trade union involvement</i>	Yes, weak involvement	Yes, weak involvement	Yes, weak involvement

Spain

Migration Context

Relative Size of Immigrant Population: 12.60%

Percentage Female Migrants: 51.20%

Main Countries of Origin: Romania, Morocco, United Kingdom, Ecuador, Italy, Colombia

Labour Migration System

Like all European countries, Spain also runs a dual system with freedom of mobility for EU nationals. It is unclear whether Spain still operates the quota system that was implemented in the 1990s and ran at least until 2003. More than other countries, the Spanish system is marked by bilateral agreements with other countries (that are given preference in quota system).

During the economic crisis, admission numbers for immigrants declined. However, the decline occurred not due to more restrictive admission criteria, such as lowered quotas, but can be explained by declining demand for foreign workers, thus regulating itself.

Programme		Work Permits	EU Blue Card
Target group		Third country nationals	Highly skilled third country nationals
Quota		Yes	No
Supply-driven	<i>Skills</i>	No	Yes
	<i>Language</i>	No	No
	<i>Nationality</i>	Yes	No
	<i>Age</i>	No	No
	<i>Gender/ Marital Status</i>	No	No
	<i>Self-sufficiency</i>	No	Yes
Demand-driven	<i>Job offer</i>	Yes	Yes
	<i>Labour market test</i>	Yes, unless job is on shortage occupation list	Yes
	<i>Sectoral/ occupational restrictions</i>	Yes	No
	<i>Permit fees</i>	No	No
	<i>Wage restrictions</i>	Yes	Yes
	<i>Trade union involvement</i>	Yes, weak involvement	Yes, weak involvement

Sweden

Migration Context

Relative Size of Immigrant Population: 16.73%

Percentage Female Migrants: 50.59%

Main Countries of Origin: Finland, Iraq, Poland, the Islamic Republic of Iran, Bosnia and Herzegovina

Labour Migration System

Labour migration opportunities in Sweden are neither restricted to persons with certain skills or workers in shortage occupations, nor are there any quantitative limitations to recruitment from abroad. Since the rules were liberalized in 2008, migration of migrant workers has been almost entirely dependent on the recruitment needs of Swedish employers. They can decide whether or not they need to recruit from abroad, and the controlling powers of government agencies are limited to a minimum. The previous agency-based labour market needs test was abolished.

According to the current system, if an employer has a vacancy, they are first obliged to advertise the position publicly and EU-wide. If there is no response, or if an employer still prefers to recruit somebody from abroad, they may employ a job applicant from any country in the world. After consulting the responsible labour union about the terms of employment, the Swedish Migration Agency accepts and processes applications for residence and work permits. The terms and conditions for the job must be based on the applicable collective agreements or, in the absence of such agreements, on what is customary for the occupation at hand. Permits are granted for the time of employment, or – in case the position is permanent – for a maximum of two years, with the possibility of an extension. During the first two years, the residence permit is linked to a specific employer and a clearly defined occupation. After that, the foreign worker may change employer, but not occupation. After a total time of four years, a permanent residence permit can be granted, which then allows for full labour market access. Moreover, labour migrants who stay at least one year have access to welfare and the health care system on equal terms with the rest of the population. They are also allowed to bring close relatives, such as spouses or partners as well as children up to the age of 21.

Programme		Labour immigration
Target group		All labour migrants
Quota		No
Supply-driven	<i>Skills</i>	No
	<i>Language</i>	No
	<i>Nationality</i>	No
	<i>Age</i>	No
	<i>Gender/ Marital Status</i>	No
	<i>Self-sufficiency</i>	Yes
<i>Job offer</i>		Yes
<i>Labour market test</i>		Yes, weak labour market test
Demand-driven	<i>Sectoral/ occupational restrictions</i>	No
	<i>Permit fees</i>	Yes
	<i>Wage restrictions</i>	Yes
	<i>Trade union involvement</i>	Yes

Switzerland

Migration Context

Relative Size of Immigrant Population: 29.43%

Percentage Female Migrants: 51.00%

Main Countries of Origin: Italy, Germany, Portugal, France, Kosovo

Labour Immigration System

Switzerland has gradually opened up access to its labour market to foreign nationals between 1999 and 2004, when it allowed for cross-border migration with neighbouring states. Switzerland has a dual system for granting foreign nationals access to the Swiss labour market. Persons from EU or EFTA member states, regardless of their qualifications, are granted easy access to the Swiss labour market under the Agreement on the Free Movement of Persons. By decree of the Federal Council, workers from all other states— third states, as they are referred to— are admitted in limited numbers to the labour market in Switzerland, if they are well qualified. Experience has shown that this category of workers has a better chance of professional and social integration than less qualified persons. In 2014, Swiss nationals voted in a referendum on a stricter immigration policy for EU27. However, such a policy has not yet been implemented as it stands in conflict with EU decrees on the free movement within EU and EFTA regions.

Programme		Free movement	Labour migration
	Target group	EU nationals	Third country nationals
Quota		No	Yes
	<i>Skills</i>	No	Yes
Supply-driven	<i>Language</i>	No	Yes
	<i>Nationality</i>	Yes	No
	<i>Age</i>	No	Yes
	<i>Gender/ Marital Status</i>	No	No
	<i>Self-sufficiency</i>	Yes	No, but indirectly guaranteed through job requirement
	<i>Job offer</i>	Yes	Yes
	<i>Labour market test</i>	No	Yes
Demand-driven	<i>Sectoral/ occupational restrictions</i>	No	Yes, only highly skilled
	<i>Permit fees</i>	No	No
	<i>Wage restrictions</i>	Yes	Yes
	<i>Trade union involvement</i>	No	No

United Arab Emirates

Migration Context

Relative Size of Immigrant Population: 88.40%

Percentage Female Migrants: 25.33%

Main Countries of Origin: India, Bangladesh, Pakistan

Labour Migration System

The UAE operates the system of Kafala, essentially a sponsorship system for migrants, which was introduced in 1971. The Kafala system allows nationals, expatriates and companies to hire migrant workers. It allows the country to sustain economic growth and its high standard of living. Any migrant has to be sponsored by a UAE national or company which thus assumes legal and financial responsibility for the respective migrant, while the right to issue visas remains with the UAE government. The Ministry of Interior is responsible for foreign-born domestic workers, excluding these workers from national labour laws. All other foreign workers are dealt with by the Ministry of Labour. The Kafala system applies both to high-skilled and low-skilled migrants. Low-skilled migrants work mostly in service sectors (men) and domestic services and retail sector (women). High-skilled workers dominate private oil and gas, education, finance and investment sectors. More than 90% of the private workforce is comprised of migrant workers, while Emirati nationals dominate the public sector. In recent years, the laws governing this system have been changed in favour for a regularisation of migrant work and migrant rights. Foreign workers are in general viewed as temporary contractual workers rather than as migrant workers, which explains the limitation of their rights and limited access to and integration into UAE society.

Programme	Kafala system	
Target group	Labour migrants	
Quota	Yes	
Supply-driven	<i>Skills</i>	No
	<i>Language</i>	No
	<i>Nationality</i>	No
	<i>Age</i>	No
	<i>Gender/ Marital Status</i>	No
	<i>Self-sufficiency</i>	No
Demand-driven	<i>Job offer</i>	Yes
	<i>Labour market test</i>	Yes
	<i>Sectoral/ occupational restrictions</i>	No
	<i>Permit fees</i>	Yes
	<i>Wage restrictions</i>	No
	<i>Trade union involvement</i>	No

United Kingdom

Migration Context

Relative Size of Immigrant Population: 13.12%

Percentage Female Migrants: 52.47%

Main Countries of Origin: Poland, India, Pakistan, Republic of Ireland, Germany

Labour Migration System

Being part of the European Union, the United Kingdom operates a dual system for the migration of foreigners. Nationals of EU or EEA state are free to move to the UK to live and work and the UK cannot restrict their migration. With regards to nationals of countries outside the union, the UK put in place a five tier points system for admission in 2008, replacing an elaborate system of more than 80 visas. Each of the 5 tiers represents a different category for migrants and uses its own point allocation scale, requirements and respective visas. While technically a tier exists for the admission of unskilled workers from non-EU countries, it has never been in operation and was completely abolished in 2013. Some argue, that the point system of the UK is largely symbolic, as points are allocated only to mandatory requirements to be fulfilled, and an applicant cannot as in other point systems, make up for a loss of points in one category with another. With the vote to leave the EU, the admissions systems for EU nationals will be reformed. Discussions are currently under way concerning the conception of a new migration system for EU nationals, with possible options being point systems, free movement without access to benefits, or free movement with a provision to leave the country if no employment can be found within a few months.

Programme		TIER 2	TIER 5
Target group		Skilled third country workers	Temporary workers
Quota		Yes	No
Supply-driven	<i>Skills</i>	Yes	No
	<i>Language</i>	Yes	Yes
	<i>Nationality</i>	No	No
	<i>Age</i>	No	No
	<i>Gender/ Marital Status</i>	No	No
	<i>Self-sufficiency</i>	Yes	Yes
Demand-driven	<i>Job offer</i>	Yes	Yes
	<i>Labour market test</i>	If not on shortage occupation list	Yes
	<i>Sectoral/ occupational restrictions</i>	No	Yes
	<i>Permit fees</i>	Yes	Yes
	<i>Wage restrictions</i>	Yes	Yes
	<i>Trade union involvement</i>	Yes, weak involvement	Yes, weak involvement

Venezuela

Migration Context

Relative Size of Immigrant Population: 4.51%

Percentage Female Migrants: 49.91%

Main Countries of Origin: Colombia, Spain, Portugal, Italy, Peru

Labour Migration System

According to various sources, for labour migration to Venezuela a work permit has to be acquired. The employer has to apply for the work permit for the foreign national to be hired. Upon granting of the work permit, the foreign national can apply for an employment visa, called the TR-L visa. Rules to attain both permit and visa seem to not be clearly defined and vary in time and by nationality of the applicant.

Programme		Non-resident work permit and TR-L Visa
Target group		All labour immigrants
Quota		N/A
Supply-driven	<i>Skills</i>	N/A
	<i>Language</i>	N/A
	<i>Nationality</i>	N/A
	<i>Age</i>	N/A
	<i>Gender/ Marital Status</i>	N/A
	<i>Self-sufficiency</i>	Minimum salary requirement
Demand-driven	<i>Job offer</i>	Yes
	<i>Labour market test</i>	No
	<i>Sectoral/ occupational restrictions</i>	No
	<i>Permit fees</i>	N/A
	<i>Wage restrictions</i>	N/A
	<i>Trade union involvement</i>	N/A

CURRENT PROCEDURE	PROPOSED CHANGES/ADJUSTMENTS	PROJECT SUPPORT
<p>1 Employers forecast information on demand for foreign workers to SMS (01 May)</p> <p>1.1 Consider submission of the reports directly to the MLSPP as the chair of the Commission (until 01 April)</p> <p>1.2 Unified template of report shall include:</p> <ul style="list-style-type: none"> > a section on future projects initiated/planned by employers that imply recruitment of foreign nationals, including long-term forecast for such projects (up to 5 years); > Proper justification for the need of foreign nationals' employment for each of the types of economic activities. <p>1.3 Include possibility of an interview to get additional information between MLSPP and employer. In case such an interview took place, findings are properly documented and are available publicly. The interviews shall take place within one month after the submission deadline</p> <p>1.4 Development of the report template including additional elements mentioned above (in close cooperation with MLSPP and SMS experts);</p> <p>1.5 Ideas for potential follow-up (after MOBILAZE) – joint piloting of a new template</p>	<p>2 Reports of the Commission Members on demand, socio-economic issues (01 August)</p> <p>2.1 Commission members shall receive the Employers reports (updated in case of interview) before they prepare their own analysis (additional step to be included);</p> <p>2.2 Data which should be analysed by each of institutions shall be specifically established by the legislation and specifically linked to (not generalised):</p> <ul style="list-style-type: none"> > Established needs of employers as well as their provided justification of foreign labour force demand; > Current economic priorities in the country; <p>2.3 There is no need for a separate report of MLSPP – all information needed from this ministry shall be included in summarized report. Therefore, the deadline for other Commission members could be shortened (01 July)</p> <p>2.4 Support in review of content of the reports of the Commission members established by the Labour Migration Quota Rules (2016);</p>	
<p>3 MLSPP's Summary Report on Labor Migration Quota (15 August)</p> <p>3.1 The summarised report on the labour migration quota drafted by the MLSPP is the most important element: a strong analytical component is indispensable. Deadline needs to be extended (01 July – 15 August);</p> <p>3.2 The report shall include a summary of all submitted data and the evidence-based calculation of the foreign labour demand including long-term forecasting:</p> <ul style="list-style-type: none"> > based on data from the Commission Members and employers reports; > prepared by an analytical unit (either on the base of the MLSPP or a partner institution, i.e. ISRER); > The calculation shall include ad-hoc labour force demand predictions <p>3.3 The report shall be circulated to Commission members, employers' associations and other stakeholders for their comments (additional step)</p> <p>3.4 The methodology for the calculation can be defined through a capacity-building pilot support offered through the MOBILAZE project (end of 2017 - 2018): impact analysis; balance models, inter-sectional-balance model; social account matrix, etc.</p> <p>3.5 Additional support to the analytical unit includes workshops in Azerbaijan and missions to the EU MSs that implement the methodology similar to the one that will be selected as the most efficient one for Azerbaijan;</p> <p>3.6 The first cycle, implementation of the new methodology to define the number of foreign labour quotas (drafting of the report – suggestion to the Cabinet of Ministers), can be implemented with the support of the international expert group, if needed (within MOBILAZE of potential follow-up project).</p>	<p>4 Commission's final proposal on Labour Migration Quota (15 September)</p> <p>4.1 The Commission's final proposal shall be done in accordance with the MLSPP summarised report and comments received before the Commission meeting from different stakeholders;</p> <p>4.2 In case of need, a possibility to invite external experts (employers' associations, business representatives, etc.) to the meeting needs to be considered;</p> <p>4.3 In case of need, a possibility to carry out interviews of any stakeholders who submitted comments to the proposal needs to be considered;</p> <p>4.4 An additional step shall be included: publication of the MLSPP report including long-term forecast once the Commission approved the proposal</p> <p>4.5 General review and revision of the Rules of establishment of labour migration quota (approved by the decision Nr. 124 from March 14, 2016)</p>	
<p>4 Approval of the Labor Migration Quota by the Cabinet of Ministers</p>		

Determination of the Demand for Foreign Labour Force in the Labour Market of Azerbaijan

International Centre for Migration Policy Development, 2017

The study looks into the determination of the demand for foreign labour force in the labour market of Azerbaijan. The Republic of Azerbaijan has been using a quota system for labour migrants entitled to come and work in the country in order to manage labour migration. The need to analyse the current system was stressed by the Azerbaijani state institutions - MOBILAZE project partners, and confirmed one more time in project's Assessment Report on Legal and Labour Migration in Azerbaijan.

In this publication a group of international and national experts together with ICMPD project team analyse the labour migration quota system, describe its effectiveness and suggests options for its improvement.

ISBN: 978-3-903120-11-2

