



# Re-thinking approaches to labour migration

## Potentials and gaps in four EU member states' migration infrastructures

### Case Study Summary Portugal

This summary briefing is part of a series of publications mapping legal pathways for labour migration and mobility to EU countries commissioned by ICMPD's Migration Partnership Facility (MPF) in the context of their efforts supporting the enabling environment for labour migration to the EU.

It summarises existing legal labour migration pathways and their use in Portugal. It provides suggestions for adaptations in order to better serve the needs of the Portuguese labour market and to explore potentials for migration and mobility pilots in the context of the EU Talent Partnership Framework.

The full case studies, along with an overarching policy brief which analyses the findings from all of them, can be downloaded at [www.migrationpartnershipfacility.eu](http://www.migrationpartnershipfacility.eu).

#### KEY MESSAGES

- Seasonal and low-skilled economic sectors heavily rely on labour immigrants and face increasing labour shortages.
- The Portuguese labour immigration system allows tourists and undocumented migrants to apply for a work permit in the country after having secured a job. This has been by far the most relevant entry pathway for labour immigrants, especially in the agriculture and tourism sectors.
- Shortages currently exist in sectors characterised by workers with lower-skills, and this is projected to continue in the future, especially for construction and agriculture. This is why the most commonly used pathway of entering as a tourist will remain relevant. This pathway has advantages since it has been made less bureaucratic, however measures should be taken to protect undocumented migrants.
- Portugal has recently concluded two bilateral (with India and with Morocco) and one multilateral (with the community of Portuguese-speaking countries) mobility agreements and intends to simplify visa procedures.

- Among the EU Talent Partnership pilot countries, Morocco is the most relevant. The recently concluded mobility agreement indicates the importance of Moroccan labour migrants for Portugal's economy. Cooperation with Bangladesh and Pakistan might provide avenues for reducing irregular migration and help address labour market needs in the agricultural as well as IT sectors.
- Further possible improvements in the Portuguese immigration system include operationalising the E-visa platform, enabling automatic recognition of qualifications and skills, empowering the Portuguese Employment Centre and improving the access of immigrants to healthcare, housing and education.

## BACKGROUND AND CONTEXT

Portugal is undergoing profound changes in its society, economy, labour market and migratory trends. On the one hand, the demographic ageing of the country puts pressure on the pension system and contributes to labour shortages. The Portuguese population is among the third oldest in the EU with a median age of 45,8 years.

On the other hand, Portugal receives an increasing number of immigrants. While Portugal has traditionally been characterised by large emigration waves, immigration started to exceed emigration in 2017 and reached its highest number in 2019 (72.725, Migration Observatory, 2021). Labour migrants are essential for the agricultural, tourism, hotel business, restaurant and construction sectors.

More than one out of four immigrants in Portugal are from Brazil and the rest of the immigrant stock in the country consists of European immigrants (from the UK, Italy and France), African Portuguese-speaking immigrants (from Cape Verde and Angola), Eastern Europeans (from Ukraine and Romania), as well as Asian immigrants (from China and India).

## CURRENT AND FUTURE LABOUR SHORTAGES

During lockdowns and travel restrictions linked to the COVID-19 pandemic, several sectors of the Portuguese

economy contracted. However, economic growth picked up again in the first half of 2022, with the highest growth rate (6,9%) in the EU in the second trimester (INE, 2022). At the same time, the unemployment rate is at its lowest point in the last twenty years. Only 6,1% of Portuguese between 16 and 74 are unemployed (Banco de Portugal, 2022). Against the backdrop of recovering economic growth and resurgent tourism, Portuguese employers face difficulties to fill their vacancies in the seasonal tourism, restaurant and hotel business sectors. In this context, Portugal lacks 50.000 workers (WTTC, 2022).

Similarly, the labour demand in the agricultural sector is largely seasonal and regional. During the time of harvest, there is a demand for workforce at least three times higher than during the rest of the year. Since Portuguese citizens are not interested in engaging in the physically demanding and low-paid activity, this sector relies heavily on labour immigration.

Other sectors with high unfilled labour demand are the construction sector and the industry sector. Nine out of ten employers in the construction sector report labour shortages (Informant 1). While the tourism, hotel business, restaurant and agricultural sectors require short-term seasonal workforce, the construction and industry sectors are in need of long-term employment.

Interviewed researchers, employers and policymakers believe that large-scale immigration will be necessary to fill the increasing labour shortages (Portuguese Ministry of Planning, 2020; Informants 1, 2, 3, 10, 12, 13, 14, 15). These labour shortages in Portugal are especially related to less qualified labour. The

relative majority (27,4%) of job offers in June 2022 is for unqualified workers (IEFP, 2022). In the period 2022-2030, the job openings associated with low-skilled labour demand is twice as high as the EU average (18% of job openings in Portugal vs. 9% EU average; CEDEFOP, 2020). The projected employment growth in Portugal will be well over the EU average: 4,5% employment growth in the years 2022-2026 vs. 1,5% employment growth in the same year in EU27 average (CEDEFOP, 2020). As to employment growth per sector, in the time period between 2022 and 2030, business & other services (1,9%), construction (1,4%) and manufacturing (0,6%) will account for the largest employment growth numbers (CEDEFOP, 2020).

## LABOUR MIGRATION POLICY IN PORTUGAL

Portugal had a quota system between 2001 and 2007, which was based on the yearly 'workforce need reports'. In 2007, the yearly reports were dropped, and the quotas based on numbers per economic activity replaced by an 'overall quota'. In practice, however, neither the definition of the quotas per economic sector, nor that of the overall quota has had any practical consequences, because 'formal quotas were not fulfilled and foreign workers continued to enter irregularly in the Portuguese labour market'.

Immigration often occurs in an uncontrolled way, with immigrants being regularised a posteriori under the regularisation system established by article 88 of the Aliens Act. In other words, since it is very bureaucratic and cumbersome to receive the work permit in the Portuguese Embassy of the third country, most labour migrants prefer to enter Portugal as a tourist, making use of the in-country regularisation process after having secured a work contract (or a promise of a work contract).

## LEGAL MIGRATION PATHWAYS

### Entering as a tourist

Between 2017 and 2020, 79.562 immigrants entered the country as a tourist and obtained the work permit in Portugal from the border police (SEF) after having secured (the promise of) a work contract.

In practice, immigrants who are using this pathway are prone to end up in irregular situations, since while waiting to receive the work permit, they do not have full access to social security, to the legal housing market, to Portuguese language courses and to healthcare. From the point of view of the labour market, there are several advantages to this entry pathway. It is less bureaucratic and it is comparatively efficient for employers in the fluctuating agricultural and tourism sectors to directly hire workforce who are already in the country.

### Residence Visas

The second important entry pathway is to obtain a visa for study purposes (36.632 immigrants between 2017 and 2020; Migration Observatory 2021). The majority comes from CPLP countries (the community of the Portuguese-speaking countries) and many of them work part-time in the hotel and restaurant business to finance their studies. 51% are female and 49% are male, meaning this is the only migration pathway that is not male dominated. Importantly, foreigners who came to Portugal to study in higher education have a maximum period of one year to find a job or set up a company after the completion of their studies.

Other significant visa types in the same period 2017-2020 were for the purpose of family reunification (15.552), for retired people and religious reasons (11.469), residence visa to undertake highly qualified professional activity under an employment contract (4.264, 75% men), and the one for regular professional employed activity (3.730, 89% men).

## Temporary and seasonal migration

The relevant visa types for labour migrants in the seasonal agricultural and tourism sectors (namely, the short-stay visa for seasonal work for a period of 90 days or less and the temporary stay visa for seasonal work for a period exceeding 90 days) are difficult to obtain in practice.

Agricultural and tourism companies note that visa applications at the Portuguese Embassies in third countries take too long and cause uncertainties for human resources planning. While in most cases, companies in the agriculture sector know their labour demand 3-6 months beforehand (for instance in November the employer knows the number of temporary labour immigrants needed for the harvest starting in March), visa application processes might take more than 6 months.

Therefore, in practice the schemes that allow for temporary and seasonal labour migration to Portugal, especially in the agricultural sector, often involve illegal migration networks (Informant 2, Informant 7, Informant 13). The COVID-19 pandemic has revealed the extent of the irregular migration phenomenon - including labour exploitation - especially of Asian immigrants in the agricultural sector.

Citizens of some countries, such as Brazil, do not need a visa for entering Portugal as a tourist. Labour migrants who are able to enter Portugal as a tourist do not apply for a seasonal work visa in their country of origin but rather obtain their work visa after arriving and after having secured a job.

## European legal provisions and their use

Portugal transposes the EU legislation into national law. Most of the Portuguese legislation on asylum is based on EU directives. Portugal has transposed the **seasonal workers directive** in its amendment to the Aliens Act Law 102/2017. However, the visas for seasonal workers, as well as their protection and inclusion into social security and healthcare are not

functioning efficiently. Different to other EU MS where the work permits for seasonal workers were issued for a duration of 1-90 days, in Portugal, the seasonal workers permits under the EU directive were issued for periods of 7-9 months mostly (EMN 2020). While in 2017 and 2018 there were 0 seasonal workers permits issued under this modality in Portugal, the number rose to 2.035 in 2019 (EMN 2020).

As for the **Blue Card**, Portugal transposed the EU legislation into national law in 2012. The legal basis of the EU Blue Card for Portugal is Article 121-A paragraph 3 of the Aliens Act. However, it has not been a significant entry pathway to Portugal until now. In 2018, only four Blue Cards to Portugal have been issued. In 2020, Portugal was in the group of EU MS who issued and renewed the least Blue Cards. Portugal only issued eight blue cards in 2020, while Poland issued 2251 and Germany even 5586 Blue Cards. In the same year, Portugal only renewed eleven Blue Cards, while France renewed as many as 1765.

Portugal also transposed the EU **Single Permit Directive** in 2011. Portugal is among the countries where both the employer and the employee can apply for the single permit. In 2020, Portugal was the fifth state in the EU with the most single permits issued (170.000 in total; 6.3% of all single permits issued by EU countries in 2020).

Lastly, interviewees mention the great benefit of the **network EURES** for the Portuguese labour market. The collaboration of IEFP with the national employment centres of the other EURES member states has been described as efficient in sharing job offers, communicating labour market needs and recruiting workforce in the EURES partner country.

## Policies and schemes targeting high skilled workers

Even though the majority of workforce demand in Portugal is in the low-skilled sectors, there is some demand for qualified workers in the IT, programming and service sectors. Due to an envisioned digitalization

process of the Portuguese government, this need might be further highlighted. The Portuguese IT sector pays an average salary only slightly above the minimum wage and is therefore not in a good position to compete with the IT sectors of other industrialised countries.

To attract these high-skilled individuals, the **TECH VISA** came into existence in 2019, the **Start-Up visa** exists since 2017, and individuals can enter Portugal with the residence visa to undertake a highly qualified professional activity under an employment contract.

The **TECH VISA** is not used as much as an entry pathway to Portugal as other visa types. Between 2019 and 2021, approximately 800 TECH Visas were issued. There is a list of "TECH Visa certified" companies in Portugal, to which citizens from third countries who are over 18 years old and have a bachelor's degree (or high school degree with five years of experience) in specialised technical functions can apply.

With the **StartUp Visa**, which was introduced in 2017, immigrants who open a business in Portugal have to generate 325,000€ turnover per year after the incubation period of five years. During the application process for the StartUp Visa, the quality of the business plan, its likelihood for success and the potential for innovation the start-up can bring will be assessed by the Portuguese Agency for Competitiveness and Innovation (IAPMEI).

The **residence visa to undertake a highly qualified professional activity** under an employment contract is for scientists in the field of physics, biology, mathematics, medicine, for engineers, for CEOs, private company board members and high-level functionaries of public institutions. The applicant for this visa type needs to have exceptional technical competences, relevant for the secured job contract, which should have a duration of at least one year and the remuneration should be more than 1,5 times national average gross annual salary. This visa type was issued 4.264 times between 2017 and 2020.

In October 2022, Portugal announced a **digital-nomad visa and residence permit** which will be available for people employed outside of Portugal who are able to provide a contract of employment, tax residency documents and proof of an average monthly income over the past three months equivalent to at least four times the minimum wage in Portugal.

### Bilateral or special labour agreements and partnerships

The Portuguese Socialist Party (PS), in power since 2015, is committed in its political agenda, as well as in strategic documents, such as the National Implementation Plan of the UN Global Pact on Migration, to the conclusion of bilateral mobility agreements. Additionally, cooperation on migration with CPLP countries is mentioned separately and with extra emphasis. In fact, the Portuguese government of António Costa is delivering on this commitment. In the last twelve months, the Portuguese government signed three mobility agreements: with **CPLP** in July 2021, with **India** in September 2021, and with **Morocco** in January 2022. In their nature, the agreements with Morocco and India are bilateral agreements, while the CPLP is a community of nine countries.

While the agreement with India is about mobility in both directions, the agreement with Morocco is only about entry, regularisation and integration of Moroccans in Portugal. The principal objective of the two mobility agreements is to recruit Indian and Moroccan workforce and to address labour shortages in the Portuguese labour market. The key innovation lies in the match-making of Portuguese job offers with Indian and Moroccan job seekers through the collaboration of IEFPP (Portuguese Employment Agency) with the Indian and Moroccan employment platforms.

The CPLP mobility agreement is broader in its scope and will have to be complemented by several individual and thematic successor agreements. In July 2022, the Portuguese government proposed simplified visas and entry pathways for CPLP citizens to Portugal. The new legislative package will introduce

a work procurement visa, simplify the student visa and allow a special authorisation for remote work in Portugal. The package has been approved by the Portuguese Parliament and has entered into force, although the visa is not currently ready to be issued due to institutional arrangements.

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

### *Expanding and improving the operationality of the digital visa application platform*

The Portuguese Ministry for Foreign Affairs introduced a new E-Visa platform in March 2020. Since that moment, labour immigrants can apply for their work visa (or for a tourist visa) online. A well-functioning E-Visa platform would address several of the current problems in the context of labour immigration to Portugal.

One of the current problems is the large distances that migrants may have to travel to the nearest Portuguese Embassy, which is especially the case for Asian migrants. Secondly, abuse and exploitation of labour migrants would be addressed by the online platform's improvement of transparency. The relevant ministries and government agencies together could explore the possibility of directly posting job offers or labour needs figures of economic sectors on the E-Visa platform. Potential immigrants could directly apply to these calls online, upload qualifications and certificates, and this way get the work visa issued in a purposeful manner. This would enhance transparency and the rights of the immigrant as he or she could see from the beginning what the working conditions are, how high the wage is, etc. This could be an effective way of skills-matching of the immigrant even before the arrival to Portugal. It could also address the issue of irregularity and protection.

The introduction of the E-Visa platform is a good first step. However, until now it is not a relevant instrument for the big chunk of labour immigrants to Portugal. The entry pathway of entering as a tourist remains by far the dominant pathway. In this context, if the Portuguese government does not follow-up and intentionally enforces its use and operationality, it could remain a good idea without relevance in practice.

### *Increasing budget and human resources of the Portuguese National Employment Centre (IEFP), in order to ensure its role in the new mobility agreements*

The IEFP has an important role in the recently signed mobility agreements with India and Morocco. IEFP will coordinate job postings and labour needs with the Moroccan National Employment Centre and with the Indian Platform for Jobs and Workforce.

Several interview partners mentioned the positive experience of IEFP collaborating with other European employment centres in the network EURES (Informant 6, Informant 7, Informant 15). Having the direct connection with the national employment centre of another country, which in turn has the information of the workforce and labour market needs of that country, is a powerful tool for recruiting abroad. Applying the working logic of EURES to the relation of IEFP with third countries could be an important puzzle piece for addressing labour shortages in the Portuguese economy with immigration from third countries.

A limitation to this idea, however, is IEFP's shortage in terms of human resources in order to manage all these exchanges and additional responsibilities. In this sense, a budget increase and more human resources for IEFP could help to fully untap the potential of efficiently communicating and coordinating workforce needs and job offers with third countries.

### *Create platforms of frequent, systematic exchange between the relevant ministries, government agencies and representatives of the different economic sectors*

Currently, there is no systematic and sufficient exchange between the relevant governmental agencies and ministries on the one side, and the representatives and business associations of the economic sectors on the other side. Interviewees from sectoral business associations (Informant 7, Informant 14) report that there is the possibility of mentioning needs, problems or obstacles that a sector faces to the relevant ministries. However, according to these business associations, there is no sufficient follow-up to these requests.

Therefore, there should be one platform per economic sector that brings together officials from the relevant ministries, government agencies and representatives of the different economic sectors. Each of these sectoral platforms should meet at least every third month and should furthermore have surveys and data collection mechanisms in place to frequently update numbers on labour shortage, as well as to be aware of challenges faced, labour profiles required, etc. These statistics and data should then be systematically shared with the aforementioned public actors of the Portuguese immigration and integration system.

***Promote automatic recognition of academic qualifications and skills of labour migrants***

The list of automatic recognition of academic qualifications does not include institutions, degrees, and qualifications from many of the main countries of origin of labour immigrants in Portugal. Therefore, it should be a priority to expand this list and to try to facilitate the automatic recognition for degrees and qualifications obtained in countries like Angola, Cape Verde, Mozambique, Sao Tome and Principe, Timor-Leste, India, Nepal, Bangladesh and Pakistan.

Next to academic qualifications obtained in third countries, professional qualifications obtained in third countries should be recognized more rapidly, as well. Currently, there is not such a list as in the case of automatic recognition of academic qualifications and professional skills obtained in third countries are assessed on a case-by-case basis. It would therefore be advantageous to create such a list, in which certain

technical and vocational skills issued by certain schools, institutes or companies in third countries could be listed and recognized in a fast-tracked way.

***Enquire the possibility of a pilot-project of immigrant work in the agricultural sector***

New working methods for immigrants working in the agricultural sector in Portugal could be developed, in order to address two of the main problems that come with seasonal immigration to the Portuguese agricultural sector: firstly, the difficulty for employers to recruit the necessary workforce from abroad, and secondly, the fact that immigrants in this sector frequently stay in vulnerable, irregular situations. Since agriculture is a seasonal work, there should be better models of circulating the immigrant from one harvest to the next one throughout the country and engaging him or her in different types of harvests of different crops and products, which take place at different times of the year. Portuguese companies who are involved in the production of each of these crops have immense difficulties in recruiting the workforce for the harvests. Instead of having this workforce come for one of these harvests to Portugal and stay for one to three months only, there could be a major coordination between the companies to circulate the immigrant workforce.

***Improve access of immigrants to social security, the housing market, and language courses***

Next to the abuse and exploitation of undocumented labour migrants, the difficulty to access social security, healthcare, the housing market and language courses contributes to the vulnerability of their lives in Portugal. While the points about language courses and access to training and the education system are more related to successful integration of the immigrant, healthcare and the housing market are fundamental and essential needs for migrant welfare. Facilitating easy access, for example by dropping requirements like needing a residence permit or a job contract to be treated at the hospital and to be able to officially rent a room or an apartment would improve the situation of labour migrants in irregularity.

**Considerations regarding collaboration with TP priority countries**

Among the TP countries, Morocco is the most relevant one for Portugal. There has been a mobility agreement concluded, which indicates that Portugal counts on Moroccan labor immigrants. Immigrants from Tunisia, Egypt, Senegal and Nigeria are small in numbers. Since Portugal favours the Portuguese-speaking African countries Angola, Cape Verde, Guinea-Bissau, Equatorial Guinea, Mozambique and Sao Tome and Principe, engagement with Senegal and Nigeria seems less relevant to Portugal.

There is a growing influx of Pakistani and Bangladeshi immigrants, especially in the agriculture sector. Since immigrants from these two countries often work and live in Portugal without work permits, an increased collaboration, for example bi-lateral mobility agreements would increase the situation of these immigrants. At the same time, collaboration with those countries might help to address labour market needs in the agricultural, but also in the IT sector. The mobility agreement with India could be used as a template and could be replicated with India's neighbouring countries Pakistan and Bangladesh.



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