

How policies select immigrants: The role of the recognition of foreign qualifications

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Abstract

Although immigrants' settlement and integration into the labour market are subject to a number of regulations, previous research has primarily investigated the role of admission policies in selecting immigrants. There are other policies, however – such as the recognition of foreign qualifications – that fulfil a similar role, although these policies are largely overlooked in the literature. This study explores the way these policies select among wanted and unwanted highly skilled immigrants, subsequently facilitating or hindering their integration into jobs matched to their level and type of qualifications. This article draws on semi-structured interviews with highly skilled Romanian immigrants with various professional qualifications and focuses on their experiences with recognition processes in Germany over the last decade, highlighting the procedures' effects on individuals' upward or downward employment trajectories.

Keywords: recognition of foreign qualifications; intra-EU mobility; highly skilled immigrants; labour shortages; selection mechanisms.

Introduction

Recruiting immigrants is one of the instruments that governments have used to manage skill and labour shortages. Although shortages exist at all skill levels, European Union (EU) Member States have increasingly converged over the past two decades towards implementing policies that have curbed low-skilled immigration while facilitating the settlement of highly skilled immigrants. It has generally been assumed, however, that highly skilled immigrants are homogeneous in their characteristics and labour market outcomes and that governments support their immigration and integration indiscriminately. This article demonstrates otherwise by showing how governments use recognition policies to select among highly skilled immigrants depending on the type of qualifications they possess and how well-matched they are to the demanded skills. It is, therefore, not only within the realm of admission policies that the selection of highly skilled immigrants occurs but also within the realm of integration policies. Within this framework, the role of recognition of foreign qualifications has been discounted in the literature.

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This gap in the literature is especially puzzling considering that there is broad evidence of significant underutilisation of recent immigrants' skills across the EU. This underutilisation has previously been attributed to the immigrants' human capital deficiencies, among which is the lack of transferable qualifications and skills (Chiswick & Miller, 2009). Research has thus discounted the role of regulations and practices that are relevant to the formal recognition of foreign qualifications and consequently individuals' ability to use their pre-migration skills in their host countries. Signalling and screening theoretical approaches have made headway in this direction, but they do not directly address the role of recognition policies and practices. These approaches focus on the role of qualifications *per se*, arguing that because employers cannot directly observe potential employees' productivity levels and skills, they use immigrants' formal qualifications and previous work experience as predictors to help them identify those individuals who are assessed as the most suitable (Spence, 1973, 1974). Recent immigrants in particular are at a disadvantage as employers generally do not have sufficient knowledge to objectively assess home country qualifications. Therefore, the formal recognition of qualifications is a powerful tool that governments can use to convey useful information to support employers in understanding the diversity of qualifications acquired abroad.

This article makes headway into addressing this gap and explores the role that recognition of foreign qualifications plays as part of the wider integration policy framework (Freeman, 2004: 952). It shows how recognition practices distinguish between wanted and unwanted highly skilled immigrants, thereby affecting employment trajectories. The study focuses on the experiences of recent intra-EU immigrants because of their puzzling over-representation in low-skilled jobs, despite high levels of education, and limited signs of their upward mobility after several years of residence in their host countries. Variation in the incidence of over-qualification across countries is difficult to identify because research is limited to single case studies, uses different measures, and lacks a longitudinal component that is fundamental to understanding what causes this process. Nevertheless, the existing evidence indicates that over-qualification rates vary in different countries for EU nationals, ranging from approximately 15% in Switzerland and 50% in Ireland and Cyprus (OECD/ European Union, 2015: 317). However, such comparative estimates do not distinguish between recent Central-Eastern EU immigrants and citizens of the 'old' EU Member States. Therefore, present average indicators may conceal significant intra-EU variation, which is supported by evidence emerging from single case studies (Duvander, 2001; Korpi & Tahlin, 2009; Reyneri & Fullin, 2011; Drinkwater et al., 2009; Bernardi et al., 2011; Simon et al., 2011). EU migrants' qualifications and skills may be poorly used in labour market contexts in which skills shortages are abundant. Nevertheless, not all highly skilled recent immigrants are over-qualified for the



jobs that they hold. How can this variation in outcomes between highly skilled immigrants who get well-matched jobs and those who do not be explained? This article shows that recognition practices have an important role.

The recognition of qualifications obtained abroad has been one of the most commonly referenced factors to explain this outcome, but few studies have investigated the process. Several attempts have been made at presenting evidence from case studies from Europe and beyond about the recognition of foreign qualifications (e.g. Donlevy et al., 2016; Schuster et al., 2013). The studies provide valuable insights into the barriers that third country and EU nationals face in different countries. Nevertheless, the way recognition practices affect the labour mobility of EU professionals with different qualifications in Europe remains an open question. Therefore, the primary contribution of this article is to focus on these latter less-researched aspects and reflect on how individuals with different types of professional qualifications experience the interaction with the recognition institutional framework and its agents. In view of the demographic and work-related challenges that Europe is facing, it is critical to understand whether recognition regulations and practices support or impede intra-EU mobility. This question is particularly significant in view of increasing levels of mismatch between the demand and supply of qualifications and/or skills in different economic sectors across EU labour markets (Cedefop, 2010; European Commission, 2012) that were identified as a critical obstacle to economic recovery in the EU (ECB, 2012: 72; ILO, 2014: 5).

Conceptual framework

There is still considerable controversy about how the mismatch between qualifications, corresponding skills and job requirements can be measured. There are different approaches to measuring over-qualification (see for example Verdugo & Verdugo, 1989; McGoldrick & Robst, 1996; Sloane et al., 1999), as well as a resulting broad variation of estimations of the incidence of over-qualification depending on the measurement, data used, period of interest and groups of immigrants chosen.

At the core of the debate in the past few years is the contention that formal over-qualification (i.e. individuals possessing a higher level of formal qualifications than required for their jobs) is in fact a phenomenon that occurs as a result of skills deficits (i.e. insufficient relevant skills despite higher education levels). This is in line with the human capital argument in migration studies (Chiswick & Miller, 2009). A recent tendency in the literature has been to investigate over-qualification in relation to immigrants on the basis of the *Programme for the International Assessment of Adult Competencies* (PIAAC) data, which measures adult numeracy, literacy and problem solving skills in technology-rich

environments¹. Such studies suggest that over-qualification is in fact not genuine, as immigrants are found to have on average lower scores in comparison with natives (e.g. Levels et al., 2014). Nevertheless, they also emphasise that skills gaps between immigrants and natives are higher in some countries (e.g. Nordic countries and France) but not significant in others (e.g. Italy, Ireland, Cyprus) (Levels et al., 2014: 34). Other studies suggest that immigrant sample sizes can be too small to allow for reliable estimates and conclusions to be drawn for particular countries (e.g. Batalova & Fix, 2015). Another weakness is the failure to account for substantive disparities between immigrants who have diverse occupational profiles. This is important because different types of skills may be more or less relevant in the exercise of different occupations.

This study is positioned within the broader debate about over-qualification, but focuses on neither measurement methods, nor the incidence of the phenomenon. Instead, it acknowledges that there is convincing evidence that over-qualification has been increasing in recent years and that in the current economic context it represents a serious challenge to the effective functioning of European labour markets. As follows, it delves into investigating the relationship between government policy on the recognition of foreign qualifications and its outcomes for individuals with different occupational profiles.

While not all occupations are regulated (i.e. occupations that require by law a formal recognition of credentials as a condition of employment), employers may prefer to employ immigrants whose formal qualifications are formally recognised in the host country (and therefore deemed as equivalent to a degree earned there). In the case of immigrants who have no or very limited relevant employment experience in the receiving country, formal qualifications are a reliable indication of skills and may therefore matter more in recruitment processes in comparison with the natives. This is in line with the screening theory (Chiswick & Miller, 2009) and suggests that the formal recognition of qualifications is not only relevant for regulated professions, but also more widely, as a safety check that employers use to test the validity of immigrants' qualifications and skills against indigenous standards.

Research Design

This article explores highly skilled EU citizens' experiences with recognition policy practices in Germany. This case study was selected on account of Germany's significant demographic changes and skills shortages, which have and are expected to continue to influence the country's immigration and integration policies. Moreover, Germany is one of the key countries of

¹ OECD, Survey of Adult Skills (PIAAC), available at <http://www.oecd.org/skills/piaac/>.



destination for immigrants from within, as well as from outside, the European Union (BAMF, 2016).

Given Germany's demographic challenges, the role of immigrants in supporting a more effective demand-supply match is critical to the health of the economy. Because the dual education and training system in Germany is considerably different from other European countries (with the exception of Austria and Switzerland), this case study raises several puzzling questions. On the one hand, it is expected that given the particular characteristics of Germany's education and training system, recognition regulations are rigid, and access to the labour market is constrained for immigrants with qualifications obtained abroad. On the other hand, given the skills shortages in the German labour market, one hypothesis to explore is whether economic conditions moderate the strictness of recognition procedures and therefore facilitate a speedier recognition of qualifications acquired abroad.

The empirical evidence is derived from original data from 22 semi-structured interviews (11 women and 11 men) that were conducted from February to April 2015 with highly skilled Romanian immigrants based in different cities in Germany. In accordance with the segmentation of major occupational groups (ISCO08), this article considers highly skilled immigrants as those who have graduated from an institution of higher education or have a post-secondary professional certificate from their home country. Romanian nationals were chosen because they have for several years been the largest intra-EU migrant group (EUROSTAT, 2016) and are also one of the recent immigrant groups that are over-represented in low-skilled occupations, despite having relatively high average levels of qualifications. As follows, Romanian nationals are a test case for understanding the role that recognition processes have in immigrants' labour market outcomes. The interviews addressed individuals' experiences with the recognition process and explored their pre- and post-migration employment history to understand the context.

This analysis is based on evidence collected from all interviews. Only a limited number were directly referenced on account of how representative they are for the interview sample in terms of qualifications, employment pathways and their experience with recognition procedures. Only 12 of the 22 individuals who were interviewed applied for and/or completed the recognition procedure (obtaining either full or partial recognition of their qualifications). The remaining interviewees found jobs in their professions without obtaining formal recognition, or they decided to pursue alternative occupational paths as a result of the perceived hurdles raised by the recognition procedures and associated factors.

The interviewees were purposefully sampled with a view to capturing key categories of professions and assessing differences in recognition outcomes.

They were selected on the basis of their occupational profile, i.e. their affiliation to the following professional categories: health care professionals (i.e., individuals working in the public or private health care system, such as doctors); engineering and IT professionals (i.e., engaged in the design and operation of machines and/ or structures, including IT systems); and social professionals (i.e., individuals whose activities focus on working with individuals and institutions, such as teachers, economists, psychologists). While this classification is not exhaustive, it seeks to highlight significant differences in recognition outcomes between different types of professions and makes headway into developing analytical models that focus on immigrants' types of qualifications, rather than their level, as a key determinant of their labour market outcomes. This sample includes ten engineers and IT professionals, six medical doctors, and six individuals with a range of what is defined above as social professions (i.e., teachers, economists and psychologists). The participants were recruited via various social media channels and snowballing techniques, as well as based on recommendations from different key contacts in the Romanian community. There are inherent sources of bias caused by the use of this type of nonprobability sampling techniques, which result in non-representative results. Despite the relatively small sample size, the empirical regularities are notable, however. They contribute to the emerging hypothesis which is discussed in the concluding section, but would require further testing with additional data, particularly in a comparative setting involving additional types of occupations, a longitudinal perspective, and other country case studies.

Recognition of Foreign Qualifications in the EU and Germany

The recognition of foreign qualifications has evolved considerably in the past three decades from a series of unstandardised criteria and methods for evaluation to a relatively articulate policy field that has benefited from cross-national coordination and policy learning (Dalichow, 1996). In the European region, the Bologna Process – which is aimed at facilitating the establishment of a harmonised structure in the higher education system of European countries – has been developing in parallel with EU directives on the recognition of foreign qualifications². Changes in educational structures are not, however, necessarily equivalent to changes in the content of the subjects that are taught, their content, the credit points system, or the learning outcomes and acquired

² For example, Directive 2005/36/EC on the recognition of professional qualifications establishes three types of systems of qualification recognition in the EU: automatic recognition (which applies to several professions with harmonized minimum training requirements, such as architects, doctors, dentists, general care nurses, pharmacists, and veterinarians), a general system of recognition (which is carried out by comparing the training requirements in the home and host countries and can impose measures of compensation if they differ), and recognition based on professional experience (such as vocational professions). The recognition process is therefore highly Member State-dependent; available at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32005L0036&from=EN>, accessed in October 2017.



competences. As a result, a variety of common standard-setting, evaluation, guidance and monitoring tools have been put into place over the past decades. However, regulations and implementation processes remain subject to national legislation and institutional practices vary considerably with respect to the recognition of qualifications acquired in higher and vocational education in EU Member States (Garben, 2010: 208; European Commission/ EACEA/ Eurydice, 2015: 84).

Germany has a complex system of regulations in place that distinguishes between regulated and non-regulated qualifications³ and consequently ascribes different types of procedures for the recognition of professional and academic qualifications (BMBF, 2012: 6), which fall within the responsibility of a range of public institutions (BMBF, 2012: 32-40). A significant legal development occurred in December 2011, when the Federal Recognition Law⁴ was adopted. It represents a major step towards standardising the recognition procedures for both regulated and non-regulated professions in Germany at the federal level (approximately 450 professions, including those occupations that require formal training in the dual training system, i.e., *Ausbildungsberufe*). Extensive regional variation in regulations and implementation processes nevertheless remains, as professions – such as teachers, early childhood educators, engineers, architects, social workers – and on-the-job vocational training continue to be regulated by the federal states (BMBF, 2012: 6). For immigrants with similar qualifications who live in different federal states in Germany, this is indicative of a potential variation in the results of the recognition process and consequentially their labour market outcomes.

Given its current demographic challenges (Grünheid, 2015), Germany is facing significant skills shortages in a variety of high-skill (*Fachkräfte*) occupations, among which the key categories are engineering and IT professionals (especially those with qualifications in the automotive industry, electrical engineering, construction and scale modelling, and communications infrastructure), doctors,

³ Regulated professions are those that can be exercised only if formal recognition of specific competencies that are linked to the educational and/or training pathway is granted by the responsible institution in Germany. Non-regulated professions are those for which there is no mandatory recognition requirement but for which recognition can be initiated if the individuals so choose or are asked to do so by employers who wish to evaluate their competencies relative to those acquired at the end of their training period by individuals in the same profession yet educated in Germany. A list of regulated professions in Germany is available at http://ec.europa.eu/internal_market/qualifications/regprof/index.cfm?fuseaction=regProf.listCountry, accessed in October 2017.

⁴ In German, Gesetz zur Verbesserung der Feststellung und Anerkennung im Ausland erworbener Berufsqualifikationen [Federal Recognition Law aimed at improving the assessment and recognition of professional qualifications acquired abroad], which was subsequently amended. For details, see the official website of the Federal Ministry of Education and Research dedicated to recognition regulations and procedures in Germany at https://www.anerkennung-in-deutschland.de/html/de/anerkennungsgesetz_des_bundes.php, accessed in October 2017.

and a range of life science specialisations (e.g., chemists and geophysicists).⁵ At the same time, a similar listing of medical, engineering and technical personnel appears on the shortage lists for skilled workers (*Facharbeiter*), including nurses and other categories of caregivers and technicians trained in electronics and machine engineering, logistics, transport and operating technologies.⁶ Overall, this finding suggests that the main gaps in skills in the German labour market are in engineering, IT and medical services.

Immigrants' Experiences with Recognition Practices in Germany

This section illustrates immigrants' experiences with recognition practices in Germany. This analysis is structured in a way that reveals differences across several major occupational groups: health care, engineering and IT, and social. Evidence is presented to show that the recognition process is swifter and less convoluted for immigrants who have qualifications that are on the shortage list (i.e., health and engineering professionals), whereas for immigrants with qualifications that are less sought after (social professionals), recognition procedures are significantly more protracted, generally involve additional compensatory measures and often result in downward recognition.

Recognition of healthcare professions

The acute demand for doctors in Germany is reflected in the relative ease with which immigrant doctors are employed in healthcare establishments. For doctors who are specialists and for medical school graduates who want to embark on a specialisation programme, a certain level of language skills is necessary in order for the procedure of recognition to begin (B2 or C1, depending on the state). The interviewees indicated that once the formal language certificate was obtained, the next step was the submission of formal degrees and certificates from the home country to the Medical Councils in the respective federal states in Germany. This procedure is called *Approbation*.⁷ The interviewees indicated that no additional exams were necessary and that after three weeks to three months, the applicants were allowed to exercise the medical profession in Germany as resident doctors or specialists. In all cases, the interviewees reported a very swift and uncomplicated recognition procedure, as well as receiving several job offers over a very limited period of time.

⁵ Mangelberufe für Fachkräfte, available at <http://www.mangelberufe.de/akademiker/>, accessed in October 2017.

⁶ Mangelberufe für Facharbeiter available at <http://www.mangelberufe.de/facharbeiter/>, accessed in October 2017.

⁷ Annerkennung in Deutschland [Recognition in Germany], information available here https://www.anerkennung-in-deutschland.de/html/en/doctor_of_medicine.php, accessed in April 2016.



For example, in Mecklenburg-Vorpommern, [...] I was only asked for a general level of B2 in German. I sent a lot of documents, and then I was granted the right to practice medicine in 2-3 weeks. [...] I did approximately 20-25 applications. I received interview invitations for about half of them. (OJ, Germany, April 2015)

Interviewee experiences illustrate that health care establishments are eager to respond to applications for a resident or specialist medical position and call the applicants for interviews even in cases in which the formal requirements for employment are not yet fulfilled (including the formal recognition of qualifications). The job application and interviewing process is extremely swift, which demonstrates the acute need for medical personnel and the pressures these shortages place on employers.

I ended up collaborating with one of those companies that was recruiting for Germany, and I attended interviews [...] It lasted about two weeks from the time I had obtained the language certificate until they arranged the interviews [...] They organised 4 interviews for me [...] I received job offers from all four medical establishments, and I chose one. (AB, Germany, April 2015)

Even in cases in which the recognition process takes longer or the doctors do not have an adequate level of German language skills (i.e., minimum B2), the interviewees indicated that health care establishments are willing to take them on. This process indicates that employers are certain (based on previous experience) that medical degrees from Romania will be fully recognised in Germany, and they can find alternative options to attract medical personnel to their hospitals or clinics pending formal recognition of their degrees. Foreign doctors or medical school graduates can be temporarily hosted in the form of a practice called *Hospitation* (sitting in).⁸

This alternative and temporary route to formal employment allows EU doctors to contribute to hospital work and learn how the system works before being formally granted the right to work in Germany as doctors. This process is clearly facilitated by the certainty that there is a reliable recognition procedure for medical degrees within the EU, and it constitutes a telling example of how simple recognition procedures can significantly improve the demand-supply match.

Even in cases in which the interviewees had graduated from medical school more than five years before immigration and had not worked as a doctor during that time, there are no reported problems with recognition. Evidence from the interviews also indicates that significant gaps in individuals' working lives

⁸ See Hospitation, <https://www.klinikum.uni-heidelberg.de/Gastaerzte-Hospitanten.117545.0.html>, accessed in February 2016.

(closing in on five years) neither constitute a barrier to employment as a doctor in Germany nor to the recognition of their suitability to work as doctors in Germany (VC, Germany, February 2015).

Extended career breaks generally constitute a negative signal for employers, who perceive these as negative cues that indicate loss of skills, when screening potential employees. However, the example above indicates that in situations in which the demand for skills exceeds supply, employers' recruitment behaviour may change and eligibility criteria may diminish significantly. In cases as those discussed here, recognition procedures support the speedy labour market integration in matched jobs of individuals who have the right skills for the vacancies.

Recognition of engineering and IT professions

As previously illustrated, engineering professionals are highly sought-after in the German labour market and top the shortage list. Interviewees who specialised in automotive, IT and communication systems described strikingly similar employment pathways, starting from job application to interviews, recruitment, and recognition. In this sense, the engineers' straightforward trajectories are very similar with those experienced by the doctors in the interview sample, and at the same time they are very dissimilar to those experienced by social professionals.

The interviewees reported hearing confusing information about recognition requirements, including hearing about different procedures and outcomes from friends who had graduated from similar or identical programmes of study. Some interviewees mentioned that they knew that they were not under legal obligation to have their degrees in engineering recognised but that they felt they had to do so because prospective employers were asking for the recognition certificates as a means to evaluate their qualifications. Following full recognition after a swift procedure, interviewees with an engineering degree were entitled to use the professional title of engineer and, with it, to practice the profession according to regulations in Bavaria⁹ (RC, Germany, February 2015). Others were employed in matched positions in Germany without having their engineering degrees recognised (VV, AK, TR, Germany, February 2015). In their cases, employers did not request an official certificate of recognition.

⁹ The Bayerisches Verwaltungsverfahrensgesetz [General Administrative Procedures Act]: Anerkennung von Universitätsabschlüssen, akademischen Graden und Hochschultiteln, Bayerische Staatsministerium für Bildung und Kultus, Wissenschaft und Kunst [Recognition of academic degrees, titles, the State Ministry for Education and Cultural Affairs, Sciences and Art in Bavaria] at <https://www.km.bayern.de/studenten/studium-und-abschluesse/annerkennung-von-auslandsstudien-und-graden.html>, accessed in October 2017.



A number of interviewees also mentioned feeling confused about whether they had to fulfil the recognition procedure when they were hired, as they had heard from other colleagues that the procedure was mandatory. This confusion signals the fact that the distinction between procedures is not well-known, that information is confusingly provided and/ or interpreted by the recipients and that local variations triggered by legislation as well as by how local bureaucrats interpret these regulations represent obstacles to adequate information and actions on the part of the immigrants (RD, Germany, February 2015).

Recognition of social professions

The experience of an interviewee who finished a five-year Bachelor's degree in Economics illustrates the problems that individuals working in social professions (as defined in Section 3) might have in obtaining recognition for their studies. After working for a period of time after arrival in Germany at the beginning of the 2000s in different office occupations for which she was over-qualified and attempting to find alternative professional routes, the interviewee decided to resume her pre-migration profession in Germany. Her university degree was not fully recognised; thus, in order to enrol in a Master's programme, she had to first take compensatory exams at the Bachelor level to qualify for enrolment in a Master's programme. This process took three years to complete, which is tantamount to completing an additional Bachelor's programme (DC, Germany, February 2015).

The recognition of degrees for teaching professionals is a regulated occupation in Germany at the level of the federal states. One interviewee who had a teaching qualification from Romania that was obtained over the course of a Bachelor's degree had also taught in Romania for several years before migrating to Germany. As part of the recognition process, this person was required to take additional courses and exams, which would have taken several years. Unsure of the end result and the likelihood of getting a job at the end of the process, she eventually accepted the downward recognition that was granted her (as a *Kindertpflegerin*, i.e., childcare assistant) and chose another occupational route at a lower skill level, for which she also had to undergo a period of training. By comparison, this only took one year (OM, Germany, February 2015).

Another interviewee faced a similar situation. Despite possessing a Bachelor's and Master's degree in educational studies, being proficient in German, as well as having several years of work experience as a teacher at a German kindergarten, the interviewee could not work in a similar position in Germany. Full recognition would be granted only if she passed additional compensatory measures over the course of one academic year (RM, Germany, April 2015).

Discussion and Conclusions

This article identifies and discusses instances of highly skilled immigrants' experiences with recognition practices. Although estimates regarding the pull effects of recognition procedures that are in place in EU Member States are available¹⁰, they do not provide any indication about the proportions of highly skilled immigrants who do not pursue recognition. As follows, there is very little information regarding why the latter never initiate recognition procedures or fail to obtain recognition. It is here that this article makes its strongest contribution, by highlighting these previously neglected dynamics and showing that recognition procedures can be a powerful deterrent, as well as a significant aid for finding matched jobs, depending on immigrants' professions and how well they match the labour market demand at the time.

This article has brought forth evidence which indicates that recognition practices operate as selecting mechanisms among wanted and unwanted immigrants. These practices act as a 'pull' factor that channels those individuals with the rights set of skills to take up jobs that are matched to their level and type of qualifications (i.e., the wanted immigrants). On the other hand, recognition is constrained for those immigrants with qualifications that are not in demand in their respective host country. In this case, there are negative incentives for those individuals who possess those qualifications to take up matched jobs in the host country (i.e., the unwanted immigrants). In effect, this article highlights the multiple policy layers that can be used to select highly skilled immigrants into different jobs, even in the absence of admission policies and within the framework of intra-EU free movement. In the case of those immigrants who are willing to or are compelled to accept jobs that are not matched to their level or type of qualifications, policies of recognition of foreign qualifications act as a 'push' factor towards other types of jobs for which labour shortages at the lower end of the labour market exist. In this sense, restriction of recognition of foreign qualifications also – albeit indirectly – serves the purpose of addressing national labour shortages, although it conveys negative individual-level effects that are brought on by over-qualification.

Despite a relatively limited sample with few professional categories analysed, the observed regularities indicate that recognition procedures facilitate the access to matched jobs for immigrants with qualifications that are at the top of the skills shortage list (i.e., engineering and healthcare medical professionals). In contrast, immigrants in the sample with qualifications that were not on the shortage lists (especially those trained in social professions) have had substantively different and more negative experiences with the recognition

¹⁰ For example in the European Commission Regulated Professions Database, analysed by Capuano S., Migali S. (2017). The migration of professionals within the EU: Any barriers left? *Rev Int Econ.*, 25: 760-773, available at <https://doi.org/10.1111/roie.12283>, accessed in October 2017.



process or have decided to pursue an alternative employment pathway because of the perceived obstacles.

In the German case, recognition procedures may prove to be especially disruptive to immigrants' career pathways because qualifications that are acquired in other types of education and training systems are unlikely to match the German framework on account of its specificities. As such, the consequences may be particularly negative if extensive additional measures are imposed in order for full recognition to be granted. These measures constitute a considerable hurdle that may become insurmountable because of prohibitive costs and anticipation of low likelihood of success on the labour market in the event in which the individual chooses to undergo the recognition process to its full extent. This barrier results in a considerable loss of human capital that is detrimental not only to the individuals but also the local economies where their skills could be used to fill existing shortages.

The role of the EU in the harmonisation of higher education systems is significant. It has led to increasing coordination in the establishment of minimum standards in relation to degree structures and duration, but EU-wide recognition is not automatic and a majority of recognition procedures remain in the remit of national legislation. There are, undeniably, skills sets that travel more easily across state borders, e.g. information technology, engineering. These types of skills overlap with the current shortage lists in many EU countries, including Germany. However, the remaining pervasive differences between education systems as well as different levels of technological development across countries explain why degree structures and the content of curricula continue to diverge and thus result in the formation of diverse skills that require adaptation upon transferral to other labour markets.

The human capital literature has argued that the imperfect transferability of skills at the international level is the main factor that causes over-qualification (see Chiswick & Miller, 2009). On the whole, this literature disregards the role of relevant state policies and assumes that immigrants' circumstances improve only with increased language skills and work experience. This study challenges these assumptions by showing that governments are also key players in facilitating the transferability of skills, with policies that regulate the recognition of foreign qualifications operating as key intervention tools that support the integration of individuals with skills sets that are matched to existing shortages.

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