



## **Global Employer Services** Immigration and social security

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### **Macron presidency: immigration, social security and Brexit**

After Brexit, Sunday 7 May 2017 proved to be another pivotal day for Europe. French citizens were to choose between the extreme right-wing candidate Marine Le Pen and the centre-left candidate Emmanuel Macron.

Le Pen had proposed a referendum to have France leave the European Union ("Frexit"), a complete immigration freeze and the re-establishment of France's internal borders. Frexit and further disruptions on a European level were therefore a possibility, however, it was Macron who was elected.

#### **Immigration and European border control**

Macron's program focuses on four aspects of immigration. Firstly, it underlines the importance of integration (French language skills and understanding of the values and functioning of public institutions and the labour market). Macron promises that France will take up its fair share of refugees, provide fast processing times of asylum cases (a total of 6 months between the launch of the asylum cases and a final decision in appeal, if applicable) and a more efficient rejection policy.

A third block of Macron's program focusses on attracting talent by simplifying the procedure and decreasing processing times for France's "talent visa". It also aims at simplifying access to the labour market for students who obtained a Master's degree in France and by having faster processing times for employers,

scientists and other profiles registered in a so-called "bona fide list" kept by the local chamber of commerce or the embassy's regional economic department.

Lastly, Macron wants more European action to protect its borders and irregular migration. To achieve the former, he will push to reinforce Frontex, the European Border and Coast Guard Agency and increase Frontex's on-the-ground border inspectors to 5000 agents. Additionally, Macron wants more checks at European external borders, an increase in tackling smugglers and European programs to discourage irregular travel to the European Union.

## Stance on Brexit

Now that the UK has triggered article 50, Brexit negotiations can finally proceed (an alert covering the Council's negotiation guidelines will follow at a later time). At the negotiating table, all 3 European institutions will be present: the European Council (chief-negotiator Didier Seeuws), the European Parliament (chief-negotiator Guy Verhofstadt) and the European Commission (chief-negotiator Michel Barnier). A Brexit-agreement will have to be accepted by all 3 institutions. (For a Brexit update, a [recording](#) of the webinar "Brexit: what does it mean for employers and the global workforce?" is now available).

It is likely that Macron and Merkel will join forces at European level as Sarkozy and Merkel previously did. Merkel has already expressed her strict intent and – when campaigning – Macron indicated that he will be equally "tough" on the UK, calling Brexit a "crime" and saying that "Britain will have to face the consequences". When visiting London in November, Macron was clear about the details and principles of Brexit: "the UK is not to enter the single market unless it respects all four freedoms including the free movement of persons. There is no access to the single market or any passporting rights for financial services without financial contributions to the EU. There will be losses but they have to be heaviest for the UK. The Anglo-French Le Touquet agreement regulating the UK-French border in Calais will need to be revisited".

## European Social security and the posted workers directive

Posted workers are sent from one EU-country to another to temporarily provide services at the host member state. The directive foresees the worker earning the minimum wage of the host country, however, remaining subject to home social security contributions (more information on the directive can be found in the [15 February 2017 alert](#)).

Approximately 285,000 European citizens are seconded to France and almost 85% of them are Blue collar workers (50,000 Polish workers, 45,000 Portuguese workers, 35,000 Spanish workers and 30,000 Romanian workers). This means that those 300,000 employees are paid a French minimum wage and that social security contributions are paid in their home country. Those contributions are often lower than when French social security contributions are due, making those workers cheaper. This would then lead to unfair competition.

Given that a similar number of French citizens work abroad (in Belgium, Germany, Luxembourg, the Netherlands, Spain), Macron does not aim to repeal the Posted workers directive but wants to limit the posting of workers to a one year period. This would have a considerable impact on employee mobility.

## What this means for employers

Macron's election as French president could mean relaxed rules regarding skilled migration: decreased administrative burden and faster processing times. It may also imply a tougher stance on border control, Brexit and posted workers, which could lead to stricter compliance checks.

Deloitte will continue to monitor changes in policy that affect employers and employees.

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