



Labour mobility in the EU: Recent trends and policies

Executive summary

Introduction

Migration within and between EU Member States is low: in 2010, the annual cross-border migration rate for the European working age population (15–64 years) was just 0.3% of the EU27 population, rising to around 1% for interregional migration. By comparison, the migration rate across the four main regions of the USA is 1.2%, while the rate across US states is 2.4%. Nonetheless, there is evidence that an increasing share of migration flows in the EU is accounted for by EU mobile workers, partly in response to differing labour market conditions across Member States.

This report is based on data from correspondents in 28 EU Member States and Norway. It provides an overview of migration patterns and trends in the EU (both between and within countries) during the economic downturn. It also reviews recent policy initiatives and measures implemented or promoted by national, regional and local governments and social partners that directly or indirectly facilitate interregional and cross-border mobility of EU nationals.

Policy context

Despite the economic crisis and the rise in unemployment, there are still labour and skill shortages in some European countries and regions. The European Commission, accordingly, has maintained its focus on increasing geographical mobility as a strategy to reduce discrepancies between supply and demand in European labour markets. This stance is emphasised by the Europe 2020 growth strategy and the 2012 Employment Package, where the efficient allocation of labour within the EU Member States is mentioned as a key driver for future growth and an important adjustment mechanism for distorted labour markets. Information-sharing about job vacancies in other countries or regions could enhance mobility. Increased resources for the European Employment Services, EURES, will make it easier for job-

seekers to contact employers looking for particular skills.

Despite the renewed impetus for promoting geographical mobility at EU level, it is often overshadowed at national level by concerns over the negative effects of migrant inflows to the labour market. These include possible social dumping, the potential abuse of welfare systems and the financial burden that inactive migrants may put on welfare systems in the receiving countries.

Key findings

The crisis reduced intra-EU mobility, but there has been a rebound since 2011. General and labour mobility across borders within the EU decreased sharply during the immediate crisis period in 2008–2010. There is consistent evidence of a rebound in mobility since 2011, but mobility rates remain lower than before the crisis.

Migration to EU Member States is accounted for increasingly by internal EU mobility. There are decreasing stocks of working third-country nationals in the EU and increasing stocks of EU migrant workers. In 2008–2012, the EU migrant worker population increased by over 800,000 (to 6.6 million), even though overall employment fell by over 5 million. According to EU-LFS data, the share of EU mobile workers of the total working population in the EU increased from 2.6% in 2008 to just over 3% in 2012.

Nonetheless, mobility within the EU is comparatively low by international comparison. In spite of EU policies facilitating free movement, European and national data suggest that the level of mobility remains low, especially if compared to that of the US. Language and cultural barriers are the main impediment to cross-border mobility in Europe.

East–west cross-border mobility flows dominate south–north flows. Germany and the UK are the main destination countries for increased migrant flows from the distressed economies of southern Europe and Ireland. Outflows from Greece and Spain, for example, more than doubled in the period 2007–2011. However, these are still relatively minor compared to flows from the eastern European Member States westwards.

The labour market situation deteriorated during the crisis for EU migrant workers relative to native-born workers. Unemployment increased by 5.5 percentage points for EU migrant workers between 2008 and 2012, compared to 3.3 percentage points for native-born workers. Employment rates also declined more for EU migrant workers. Nonetheless, the employment rate of EU migrant workers (66%) remained higher than that of nationals (64.5%) in 2012.

Interregional mobility rates are higher than cross-border mobility rates. As a rough indication, the annual rates for cross-border labour mobility (approximately 0.2%–0.3%) are lower than those for interregional labour mobility within countries (approximately 1% between major economic regions).

Interregional mobility is higher in countries with higher GDP per head. Interregional mobility rates are lower in eastern European Member States and higher in Austria, Germany, the Nordic countries and the UK. Interregional mobility increased after the crisis in Austria, Germany and Sweden – three Member State economies whose labour markets and economies recovered fastest post-crisis, indicating a positive correlation between mobility and growth.

Policy pointers

- Increased free movement of workers could help address labour market imbalances and bottlenecks, in light of large divergences in labour market performance across the EU, as well as contracting working-age populations in many Member States.
- National and regional policy instruments targeting geographical mobility are not common even in countries with labour shortages. Active labour market policies that provide financial incentives encouraging job-seekers to move to take up jobs

have a role in addressing such geographical mismatches. On the other hand, attention should also be paid to possible disincentive effects – activation ‘traps’ – where workers remain in schemes rather than take advantage of better employment opportunities elsewhere.

- Very few of the national policy initiatives that directly or indirectly facilitate geographical mobility have been evaluated. Hence, there is little evidence of the effectiveness of these policies. Evaluation of such policies should be promoted to support evidence-based policy development and the dissemination of best practice initiatives.
- Studies have shown that lack of proficiency in the native language is one of the main barriers to the integration of immigrants, especially where there are legal obligations for proficiency in the native language in order to access some jobs. In 14 EU Member States, publicly funded language courses are available free to EU newcomers. Consideration should be given to improving access to language training for mobile EU workers, by providing courses for free or for a modest fee that could be reimbursed once a certain level of competence was achieved.
- Implementation of the European Qualifications Framework (EQF) needs to be accelerated. Difficulty in having foreign qualifications recognised is a significant barrier to cross-border mobility. Whereas there is probably little scope for extending the reach of the Directive on the mutual recognition of professional qualifications, as it requires a certain harmonisation of curricula, the EQF with its ‘common-currency’ approach does not require the same extent of reform. The EQF is implemented through national qualification frameworks that are referenced to the common framework, making a ‘translation’ of levels of qualifications possible, helping national employers and authorities to understand foreign qualifications. It is important to maintain momentum in implementing the EQF in countries that have not yet done so, which was originally expected to be completed by 2012.

Further information

The report *Labour mobility in the EU: Recent trends and policies* is available at <http://www.eurofound.europa.eu/publications/htmlfiles/ef1456.htm>

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