



Eurofound

Labour mobility in the EU: Recent trends and policies



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Country groups used in the report

EU12	12 EU Member States that joined in 2004 and 2007 (Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia)
EU15	15 EU Member States prior to enlargement in 2004 (Austria, Belgium, Denmark, Germany, Greece, Finland, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom)
EU27	27 EU Member States (as at 2012)
EU28	current 28 EU Member States

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.

Introduction

This report examines the phenomenon of labour migration between and within countries in the European Union. The aim is to provide an overview of migration patterns and trends in the EU, as well as a summary of policy initiatives and measures introduced with a view to enhancing the interregional and cross-border mobility of workers. The report draws on a range of sources identified at EU and national level and is compiled on the basis of individual national reports from Eurofound's network of correspondents, covering all 28 EU countries plus Norway. For some countries, the findings are supplemented with information from interviews with national stakeholders.

Report structure

The first chapter describes the current political climate and public debate on migration in EU countries, based on relevant policy documents, media reports and data sources. It also gives a short account of the most relevant EU policies and instruments aimed at promoting the geographical mobility of workers. It highlights the contribution of the European Employment Services (EURES), set up by the European Commission in 1994 and further enhanced over recent years.

The second chapter discusses the extent, patterns and characteristics of geographical mobility across countries. Using European Union Labour Force Survey (EU-LFS) data as well as national statistics, this section focuses mainly on recent trends and explores the impact of the economic crisis on free movement. Labour market outcomes of EU migrant workers (compared with those of native-born workers) and their sociodemographic characteristics are also examined based on EU-LFS data.

The third chapter draws on national statistical sources to explore the extent and characteristics of interregional mobility within EU Member States. Given the limited data availability on the specific phenomenon of labour mobility in some Member States, recourse is made to data on general mobility as a proxy of labour mobility for these countries. The focus is restricted to mobility outside the travel-to-work region; in other words, it excludes commuting and covers moves beyond the home region involving a change of residence.

In Chapter 4, the issue of potential barriers to cross-border and interregional mobility is examined, both at EU level and at the level of individual countries. After reviewing key barriers and obstacles identified in previous research, the chapter outlines a range of policy initiatives and schemes that impede geographical mobility by restricting labour mobility for nationals from other EU countries.

The focus in the fifth chapter is on policy initiatives implemented or promoted in recent years by national, regional and local governments and social partners to facilitate geographical labour mobility both within and across EU countries. These include, for example, policy instruments providing mobility grants, support and assistance to attract labour from other EU Member States or regions within the same country. Of relevance also are policies oriented in particular to improving the language capacity of migrants both in the destination and sending countries. The focus is not only on migration policies as such but relevant national policies that are broad in scope and may have a potential and indirect effect on geographical mobility.

The final chapter presents a summary of the main findings and some policy pointers.

Note: Eurofound is conducting another research project on geographical mobility entitled, 'The social dimension of intra-EU mobility: Impact on public services'. That project has a different focus, however, exploring the impact of EU migration on public services in key host countries. Its findings are to be published shortly.

Policy context and challenges to intra-EU mobility 1

EU policy context

The EU encourages geographical mobility within the region as part of the process in building the single market and enhancing European integration generally. The principle of free movement of workers within the EU was initially introduced by the Treaty of Rome in 1958. The European Court of Justice has played a key role in widening the scope of free movement by placing the emphasis on the free movement of persons and not only workers.

The Maastricht Treaty, which entered into force in 1993, further consolidated freedom of movement by enshrining the concept of European citizenship and establishing that ‘Every citizen of the Union shall have the right to move and reside freely within the territory of the Member States’ (Article 18). With a view to encouraging freedom of movement, EU Directive (2004/38/EC) on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States brought together the existing legislation and case law in the area of free movement and repealed previous Directives (68/360, 73/148/EEC, 90/364/EEC, 90/365/EEC, 93/96/EEC), which had reflected a piecemeal approach in European law. Freedom of movement was further enhanced by the Amsterdam Treaty of 1997, with the incorporation of the Schengen agreements into the EU legal framework.

Although the principle of freedom of movement is enshrined in European law, national policymakers, particularly in receiving countries, have traditionally been concerned with the potential negative impact of labour migration on their labour markets, including those resulting from the enlargement processes. At each stage of EU enlargement, countries that were already members of the EU have applied transitional arrangements limiting, albeit temporarily, the free movement of people with a view to smoothing the expected shock of opening their labour markets.¹ In 2004, most of the then EU15 – with the exception of Ireland, Sweden and the UK² – applied so-called transitional clauses to the new and less affluent central and eastern European Member States. Hungary, Poland and Slovenia were the only three new Member States to impose reciprocal restrictions in the opposite direction. However, none of the new Member States restricted labour flows from any other new Member States. These transitional clauses were de facto temporary derogations to the principle of free movement of people, with a duration of up to seven years maximum. No restrictions on the free movement of workers were applied to Cyprus and Malta from the start of their membership. Final transitional restrictions on free mobility of labour from the remaining eight Member States (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) to EU15 were lifted on 1 May 2011. Austria and Germany were the only countries to maintain compulsory work permits until 2011.

It should be noted that temporary restrictions on the free mobility of labour in the context of the 2004 enlargement diverted labour migration flows from traditional destinations – such as Germany – towards the then more open labour markets of Ireland and the UK (Holland et al, 2011). These divergent developments in intra-EU mobility rates also reflected differences in labour market performance in the respective countries: the German labour market recorded significantly higher levels of unemployment in the mid-2000s compared to Ireland and the UK.

¹ The only enlargements for which transitional arrangements were not applied were those of 1973 (involving Denmark, Ireland and the UK) and 1995 (involving Austria, Finland and Sweden).

² The UK adopted a Worker’s Registration Scheme under which workers from all the new Member States except Cyprus and Malta had to register with the UK Home Office within 30 days of starting their employment in the UK.

In the case of Bulgaria and Romania, which joined the EU in 2007, most of the EU15 Member States (including France, Germany and the UK) applied the transitional clause. In countries where such temporary restrictions were enacted, Bulgarians and Romanians were required to produce work permits until the expiration of the third and last phase of the transitional arrangements (that is, the maximum allowed transitional period of seven years). A ‘safeguard clause’ was also attached to the accession treaties of Bulgaria and Romania, allowing EU countries the right to reintroduce restrictions on the entry of Bulgarians and Romanians if they experienced ‘serious disturbance’ to their labour market up to 2014. Under the clause, Spain was authorised in 2011 to re-apply restrictions on labour market access for Romanian workers until 31 December 2012 due to the economic slowdown and the high unemployment rate (European Union, 2011). This temporary restriction was extended until the end of 2013 and lifted from 1 January 2014 (European Commission, 2012a).

Following the accession of Croatia to the EU in 2013, 13 EU countries have applied restrictions on access to their labour market to Croatian nationals who will, as a result, have to obtain a work permit to work in them.³ The Croatian government also introduced reciprocal measures for workers from EU Member States that impose transitional restrictions on the employment of Croatian workers (Government of the Republic of Croatia, 2013).

Table 1 gives an overview of the extent to which EU Member States have imposed restrictions on workers from newer Member States over the last three enlargement rounds.⁴

Table 1: *Transitional arrangements for the free movement of workers following 2004, 2007 and 2013 enlargements*

Country groups	Member State	Entry of EU8 workers†	Entry of EU8 workers†	Entry of workers from Bulgaria and Romania	Entry of workers from Bulgaria and Romania	Entry of workers from Bulgaria and Romania	Entry of workers from Croatia*
		May 2004–April 2006	May 2006–April 2009	Jan 2007–Dec 2008	Jan 2009–Dec 2011	Jan 2012–Dec 2013	July 2013–June 2015
EU15	Austria	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted***
	Belgium	Restricted	Restricted**	Restricted	Restricted	Restricted	Restricted
	Denmark	Restricted	Restricted**	Restricted	Open	Open	Open
	Finland	Restricted	Open	Open	Open	Open	Open
	France	Restricted	Restricted**	Restricted	Restricted	Restricted	Restricted***
	Germany	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted
	Greece	Restricted	Open	Restricted	Open	Open	Restricted
	Ireland	Open	Open	Restricted	Restricted	Open	Open
	Italy	Restricted	Open (as of July 2006)	Restricted	Restricted	Open	Restricted
	Luxembourg	Restricted	Open (as of November 2007)	Restricted	Restricted	Restricted*	Restricted
	Netherlands	Restricted	Open (as of May 2007)	Restricted	Restricted	Restricted	Restricted
	Portugal	Restricted	Open	Restricted	Open	Open	Open
	Spain	Restricted	Open	Restricted	Open	Restricted****	Restricted
	Sweden	Open	Open	Open	Open	Open	Open
United Kingdom	Open	Open	Restricted	Restricted	Restricted	Restricted	

³ These Member States are Austria, Belgium, Cyprus, France, Germany, Greece, Italy, Luxembourg, Malta, the Netherlands, Spain, Slovenia and the UK.

⁴ No transitional arrangements apply to groups other than workers (such as tourists, students and pensioners).

Country groups	Member State	Entry of EU8 workers†	Entry of EU8 workers†	Entry of workers from Bulgaria and Romania	Entry of workers from Bulgaria and Romania	Entry of workers from Bulgaria and Romania	Entry of workers from Croatia*
		May 2004–April 2006	May 2006–April 2009	Jan 2007–Dec 2008	Jan 2009–Dec 2011	Jan 2012–Dec 2013	July 2013–June 2015
2004 enlargement countries	Czech Republic	No restrictions imposed on other new Member States		Open	Open	Open	Open
	Estonia			Open	Open	Open	Open
	Cyprus			Open	Open	Open	Restricted
	Latvia			Open	Open	Open	Open
	Lithuania			Open	Open	Open	Open
	Hungary			Restricted	Open	Open	Open
	Malta			Restricted	Restricted	Restricted	Restricted
	Poland			Open	Open	Open	Open
	Slovenia			Open	Open	Open	Restricted
	Slovakia			Open	Open	Open	Open
2007 enlargement countries	Bulgaria	No reciprocal measures					Open
	Romania	No reciprocal measures					Open

† EU8 comprises the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia

* Restrictions on workers from Austria, Belgium, Cyprus, France, Germany, Greece, Italy, Luxembourg, Malta, the Netherlands, Slovenia, Spain and the UK; ** restrictions with simplifications; *** restrictions on posted workers in certain sectors also apply; **** temporary restriction for workers from Romania under safeguard clause.

Source: *European Commission*

In the context of an enlarged EU, the European Commission's Job Mobility Action Plan (2007–2010), adopted in 2007, was another step in facilitating geographical mobility. This effort has lost some momentum with the onset of the economic crisis, when the attention of national policymakers was diverted to the issue of growing unemployment. Nevertheless, the Employment Committee (EMCO, 2009) has stressed the importance of enhancing mobility and upgrading skills. This can be achieved by strengthening the institutional framework for mobility; improving further the coordination between national, regional and local authorities; developing effective information networks; and removing mobility barriers, such as ensuring portability of social security rights, recognition of qualifications, promotion of language capacity, and provision of access to services and affordable housing.

Recent EU policy developments

Geographical labour mobility continues to be an important issue for EU institutions and policymakers and is regarded as a potential means of addressing the strong and increasing demand for skilled labour across European countries, especially in a context of widely varying labour market performance. As noted by the European Commission (2010), the efficient allocation of labour within the EU contributes to achieving the objectives of the Europe 2020 growth strategy (European Commission, 2010a). More specifically, intra-EU mobility is regarded as a means to 'modernise labour markets and empower people by developing their skills throughout the lifecycle with a view to increase labour market participation and better match labour supply and demand' (European Commission, 2010b, p. 6).

At EU level, the potential of geographical mobility to advance economic growth is also emphasised in the European Commission's 2012 Employment Package, which notes that it enhances 'the (re)allocation of resources by acting as an adjustment mechanism for distorted labour markets whilst also enabling economies to better cope with sudden shocks'. In a similar vein, Commissioner for Employment, Social Affairs and Inclusion László Andor noted that 'despite high levels of unemployment (over 25 million people in the EU) there are still labour shortages and vacancy bottlenecks'

(European Commission, 2012b). According to the European Commission's *European vacancy and recruitment report* (European Commission, 2012c), all European countries continue to experience labour shortages, even in labour markets where unemployment overall is relatively high.

A step in the direction of encouraging geographical mobility within the EU was made in October 2007 by the proposal for an EU Directive on the harmonisation of minimum standards on the acquisition and preservation of supplementary pension rights (COM(2005) 507 final). The idea was to build on the existing EU Directive (98/49/EC) on safeguarding supplementary pension rights. The 2012 White Paper 'An agenda for adequate, safe and sustainable pensions' (European Commission, 2012d) was a renewed attempt at drawing up pension portability provisions and led to the adoption in April 2014 of Directive (2014/50/EU) on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights.

Another attempt to reduce the obstacles to freedom of movement is the EU Directive (2005/36/EC) on the recognition of professional qualifications, which sets out provisions for EU citizens to have the professional qualifications they obtained in one EU country recognised in other EU countries. In the context of the European Qualifications Framework (EQF) adopted in 2008, countries were encouraged to relate their qualifications systems to the EQF by 2010 and ensure that new qualifications issued from 2012 refer to the appropriate EQF level.

A further effort towards enhancing geographical mobility is the recent upgrading of the EURES network of employment advisers. The EURES internet portal for job offers (launched in 2006) aims to provide more transparency on the European labour market and to assist job applicants to find employment across borders by providing information, advice and assistance regarding placement and recruitment as well as matching CVs and vacancies. According to a 2010 evaluation of the impact of EURES activities, over 11,000 successful job matches took place at 248 job fairs and recruitment events in the period 2006–2008 (European Commission, 2010c). However, these figures are very marginal viewed in the context of an aggregate EU labour market employing over 220 million people. A 2010 special Eurobarometer opinion survey indicated that 12% of survey respondents have heard of EURES and 2% have actually used it (European Commission, 2010d). More recent data, however, show a rise in awareness and use of EURES. The number of job-seekers registered on the portal jumped from 175,000 in 2007 to 1,100,000 in 2013, while the network accounts for approximately 150,000 placements per year (100,000 of which are made through its portal).

The intention to modernise and improve the EURES network was stated in the 2012 Employment Package and the Commission Staff Working Document 'Reforming EURES to meet the goals of Europe 2020' (European Commission, 2012e). As a follow-up, in November 2012, the European Commission adopted a decision to reform EURES by making it easier for job-seekers to contact employers looking for particular skills, focusing on sectors and occupations with skills shortages and supporting targeted mobility schemes for young people. In January 2014, a comprehensive revision of EURES activities was proposed, to address 'new mobility patterns, enhanced requirement for fair mobility, changes in the technology for sharing job vacancy data [and] the use of a variety of recruitment channels by job seekers and employers' (European Commission, 2014a, p. 3).

The freedom of movement of EU workers has come under the spotlight again with a new Commission Directive, proposed in April 2013 and adopted in May 2014, on measures enforcing the rights of posted workers as they move within the EU. The Directive acknowledges the many obstacles EU workers face when moving to another EU country and aims to prevent discrimination and reduce unfair practices targeting migrant workers in the EU. It sets out a number of measures including the creation of national contact points providing information and assistance to migrant workers.

At the end of 2013, the European Commission adopted the Communication 'Free movement of EU citizens and their families: Five actions to make a difference' (European Commission, 2013a), which analyses the impact of mobile EU

citizens on the welfare systems of host Member States and points to recent research evidence suggesting that most EU mobile citizens are more likely to be economically active than nationals and less likely to claim social benefits. The Communication outlines five concrete actions aimed at reinforcing the right to free movement, including countering possible abuses such as marriages of convenience. It also addresses the application of EU social security coordination rules (for example, the ‘habitual residence test’) and more general EU free movement rules, helping Member States to make use of the European Social Fund (ESF) to address social inclusion issues, and fostering the exchange of best practices.

National policy debate around free movement in times of crisis

Legal entitlements to mobility in the EU exist in a context of growing post-crisis concerns about the negative effects of migrant inflows on the labour market in terms of social and wage dumping, the increase in the extent of undeclared work and the potential abuse of welfare systems, and the financial burden that inactive migrants may put on welfare states in the receiving countries. Whether or not such concerns are justified, it is clear that the national debate in many countries has increasingly focused on the negative rather than the positive impacts of intra-EU mobility.

Social and wage dumping

In a number of EU15 countries, there are growing concerns about social and wage dumping (undercutting local wage rates by using cheaper migrant labour) as a result of increased inflows of migrants from less well-off EU Member States, especially from eastern Europe.

Research on the economic impact of immigration shows that while immigrants contribute to public finances and the economy of the host country, they also generate more competition, especially among the low skilled, decreasing wages in lower-paid jobs (Benton and Petrovic, 2013). Much empirical research has, however, failed to find a significant negative impact of immigration on wages in the host country (Winter-Ebmer and Zweimuller, 1996; Carrasco et al, 2008). Drawing from the British Labour Force Survey (LFS) data (1983–2000), research found no evidence that immigration would lead to negative effects on wages, but it did identify some detrimental employment effects, particularly for nationals with intermediate educational levels (Dustmann et al, 2005). This is, however, compensated for by the positive employment effects for the highly qualified. Using data from the British LFS and the General Household Survey (GHS), Manacorda et al (2006) showed that the impact of immigrant inflows to the UK on the wage distribution of male nationals was small over the period 1975 to 2005. The authors make the point that because native and immigrant workers are imperfect substitutes, operating to a large extent in distinct labour markets, the main negative impact of immigration is on the wages of immigrants who are already in the country. Another UK study did find some negative impact on native wages but restricted to certain occupations, particularly in the semi-skilled and unskilled services sector (Nickell and Saleheen, 2009).

From the policy side, after the first transitional period ended in 2011, the majority of the EU15 Member States (Austria, Cyprus, Denmark, Finland, France, Germany, the Netherlands, Norway and Sweden) implemented new policy measures in an attempt to prevent social and wage dumping as well as undeclared work. Some Member States (Cyprus, Denmark, Finland, France, the Netherlands, Norway and Sweden) have introduced intensified tax, wage and work environment inspections in companies in order to secure compliance with national labour market regulations. An example of a policy initiative trying to combat social dumping and undeclared work is the introduction of ID cards and the mandatory use of visible name and tax number tags for workers in the construction and industry sector in Finland. Furthermore, in Denmark, foreign companies are required to register with the national authorities so that the Danish Working Environment Agency can secure the enforcement of Danish labour market rules. In general, the reported policy initiatives focus on the construction, manufacturing and agriculture sectors and in particular on low-skilled jobs. Policies are primarily implemented by government authorities, but in many cases the social partners have played a role in the

policy process. For example, the minimum wage agreement in Austria was concluded by social partners and subsequently implemented by the federal government.

Social and wage dumping are key concerns of the Baltic Sea Labour Forum (BSLF), which brings together the three Finnish labour union organisations – AKAVA (Confederation of Unions for Professional and Managerial Staff), SAK (Central Organisation of Finnish Trade Unions) and STTK (Finnish Confederation of Professionals). The BSLF has called on regional governments to support information services on mobility issues and offer them in several languages, to enhance the advisory service of EURES information centres and to improve statistics about labour market mobility.

Combating social and wage dumping is also at the core of the sectoral bilateral agreement signed in 2012 between the Latvian LCA (Builders' Trade Union) and the Norwegian FF (United Federation of Trade Unions). In the frame of this agreement, FF commits to informing Latvian construction workers who are LCA members about wages and working conditions in Norway to ensure that they enjoy the same working standards as Norwegian workers.

Potential abuse of welfare systems in large receiving countries

The issue of 'welfare tourism' – people from poorer countries moving to more affluent countries to claim benefits – is currently under heavy scrutiny, to the point that many governments in the EU are considering or have recently implemented measures that might limit the inflow of EU citizens to their countries. The discourse around potential abuse of welfare provisions by non-nationals, including from the EU, in the host countries is particularly prominent in Austria, Denmark, the Netherlands, Germany and the UK.

In Germany, a January 2013 position paper by the German Association of Cities (Deutscher Städtetag), stated that the immigration of poor Bulgarian and Romanian migrants poses considerable challenges to municipalities, for example in terms of fiscal burdens (German Association of Cities, 2013). The association argues that German municipalities have to make up for the fact that EU legislation on freedom of movement did not anticipate the movement of unemployed people from other EU countries and does not require either health insurance or any proof of sufficient financial resources from EU migrants who settle in Germany. The municipalities have called on the federal government and the governments of the federal states for support in providing suitable measures for fostering social inclusion. The issue was taken up by the press and anti-immigration groups. When restrictions on the freedom of movement of Bulgarians and Romanians ended on 1 January 2014, the Christian Social Union (CSU) political party started campaigning against 'poverty-migrants exploiting the social security system'. The CSU has called for a three-month period of ineligibility for social benefits in the case of workers and general ineligibility in the case of unemployed migrants, as well as the expulsion of foreigners in cases of fraud against the social security system. A public opinion poll conducted in January 2014, immediately after the campaign started, revealed that out of the population with voting rights, 83% say that EU migrants 'not willing to work' should not receive social security benefits and 70% state that they should leave the country (Infratest dimap, 2014). Forty-six percent think that Germany, by and large, profits from migrants, while 49% disagree.

Against this backdrop, the German government is now considering new labour legislation to exclude immigrants, even those from the EU, who have no job for more than three or six months from social benefits and expel those who have abused state support from the country. There are also plans for limiting child benefits to immigrants and a temporary ban on re-entry, which would prevent expelled EU citizens from returning to the country immediately (Federal Ministry of the Interior and Federal Ministry of Labour and Social Affairs, undated).

A heated public debate around welfare tourism has been also taking place in Denmark, where two Danish parties, the People's Party and the Red-Green Alliance, have called for the application of restrictive measures for EU nationals, limiting their chances of qualifying for child benefits while working in other EU countries (*Politiken*, 2014).

In Ireland, which has been very open to labour migration from other countries, especially in the period of high growth that ended in 2008, there are some concerns about potential abuse of the social welfare system by migrants, including EU migrants. With an increasing number of migrant workers signed on to the Live Register, which administers unemployment and social welfare entitlements, the welfare rights of migrants have been questioned. In 2009, the mayor of Limerick city called for the deportation of EU nationals who have been unemployed for longer than three months and are in receipt of social welfare payments (*Irish Examiner*, 2009). This remark echoes an earlier proposal by candidates of the former Libertas party⁵ – in the run-up to the European election and second referendum on the Lisbon Treaty – to close Irish borders to migrant workers, including those from within the EU (*The Economist*, 2009). Minister for Social Protection Joan Burton announced police checks on both Irish and non-Irish citizens to identify social welfare fraud (*The Irish Times*, 2013). This pilot scheme was introduced, at least in part, to address instances of people living abroad and claiming benefits in Ireland. In spite of such concerns, recent research found that welfare benefits do not influence the initial migration decision (Employment Research Centre, 2010). Factors that play an important role in the migration decision are primarily employment opportunities, higher wages and the opportunity to learn English. The research highlights, however, that in the context of the crisis, welfare benefits may increasingly become an incentive for migrants to remain in Ireland despite the challenging economic climate.

In the midst of heated discussions about alleged welfare tourism, the principle of freedom of movement has also come under attack. In 2013, the UK government called for a change in its relationship with Europe and the renegotiation of the principle of EU freedom of movement (BBC, 2013), which has so far been a fundamental freedom under Community law and a cornerstone of European integration. Earlier, British Prime Minister David Cameron had committed to reducing net immigration to the UK to fewer than 100,000 per year (compared to 150,000–250,000 on average in most years over the past decade). In 2012, he said he was prepared to impose restrictions on the inflow of Greek citizens in the event that Greece left the euro zone (*The Guardian*, 2012). There have, however, been some dissenting voices from within the coalition government itself condemning the recent Home Office campaign against illegal immigrants for generating fears about the scale of immigration. These critics have attacked the new immigration policy (with its 100,000 net migration target) for its reliance on migration estimates that are ‘not fit for purpose’ as they draw on unreliable statistics – the UK international Passenger Survey, which is based on random interviews with travellers at ports and airports (*The Guardian*, 2013a; 2013b).

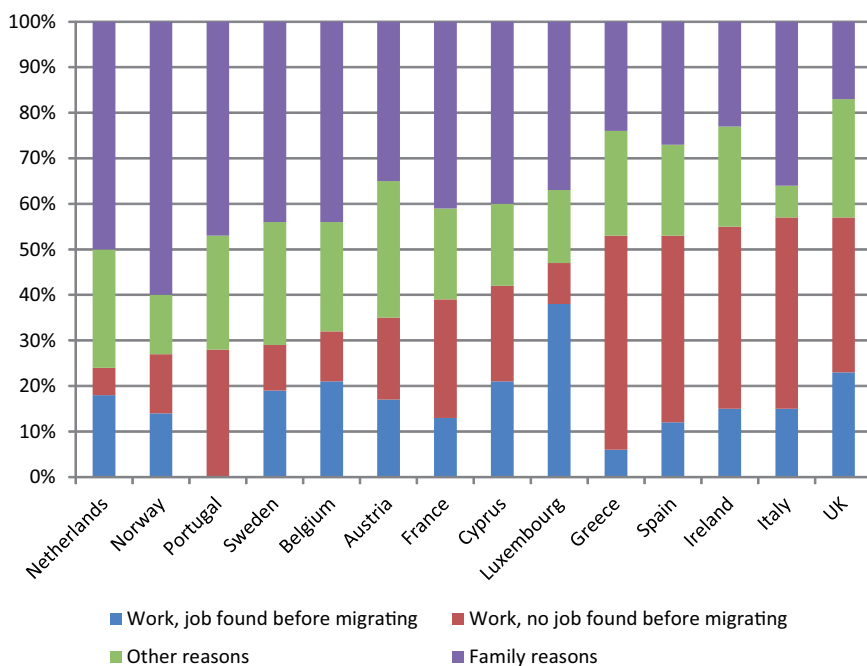
The Dutch government has also been at the forefront of a campaign to redress negative side-effects of EU labour mobility as much as possible. In 2011, it started a broad project on managing EU labour mobility to the Netherlands. This included policy proposals on registration; provision of information to EU citizens; combating unfair competition and exploitation on the labour market; tackling slum landlords, housing problems and anti-social behaviour; promoting participation of EU citizens in Dutch society; and preventing an unreasonable use of social provisions. At that time, some of the policy proposals aimed at mobile EU citizens (in practice, mostly Poles) met with concerns from the European Commission. A recent development has been the start of a pilot project (in 2013) to introduce a ‘participation statement’ by migrants from both within and outside the EU when registering as a citizen in any Dutch municipality. The statement is meant to inform migrants about their rights and obligations in the Netherlands, as well as Dutch values and norms. The main driver of this initiative is the fear that foreign workers will not participate fully in Dutch society, giving rise to social tensions. The initial proposal was to introduce a binding contract, rather than a declaration or statement, but it fell through as it clashed with EU rules on freedom of movement (*de Volkskrant*, 2013). During the one-year pilot phase, different participation statement models will be tested in a number of Dutch local municipalities. After this evaluation, the Dutch parliament will be informed about the follow-up in spring 2015. Other EU countries that have introduced similar non-binding statements of participation for EU migrants are Germany and Luxembourg.

⁵ Affiliated to the pan-European Libertas.eu party, the Libertas party was launched for the 2009 European Parliament campaign elections and removed from the Register of Political Parties in Ireland in November 2009 after the unsuccessful outcome of the elections.

Despite mounting concerns around welfare tourism, recent research on intra-EU migration found little evidence to suggest that welfare provisions in the host country are an important incentive to migrate (Juravle et al, 2013). The majority of migrants move to find employment; they are not more intensive welfare users than nationals, and they are more likely to be in employment than nationals living in the same country. These research findings have been taken up in the most recent Commission Communication on the subject, ‘Free movement of EU citizens and their families: Five actions to make a difference’ (European Commission, 2013a). Similar findings were also reported based on analysis of recent EU-SILC data (Medgyesi and Poloskei, 2013). Benefit receipt was higher for mobile EU citizens than nationals only for housing benefits and only in a few countries, but in general ‘being a mobile citizen is associated with a lower probability of receiving family and child-related benefits’ (p. 24).

According to EU-LFS data (ad-hoc module 2008), over 50% of EU migrants (in this case, those born in another EU Member State) of working age (15 to 64 years) in Greece, Ireland, Italy, Spain and the UK cited work as the main reason for moving (Eurostat, 2014) (Figure 1). The share of EU migrants citing work reasons was much lower – below 30% – in the Netherlands, Norway, Portugal and Sweden, where family reasons were most cited as reasons to move. The question also asked whether respondents had secured employment before the move or migrated without having found a job. A higher share of EU migrants in Luxembourg citing work as the main reason to migrate already had a job before the move, suggesting that these were high-skilled workers, whereas migrants in Greece, Ireland, Italy and Spain were more likely to move without employment already set up.

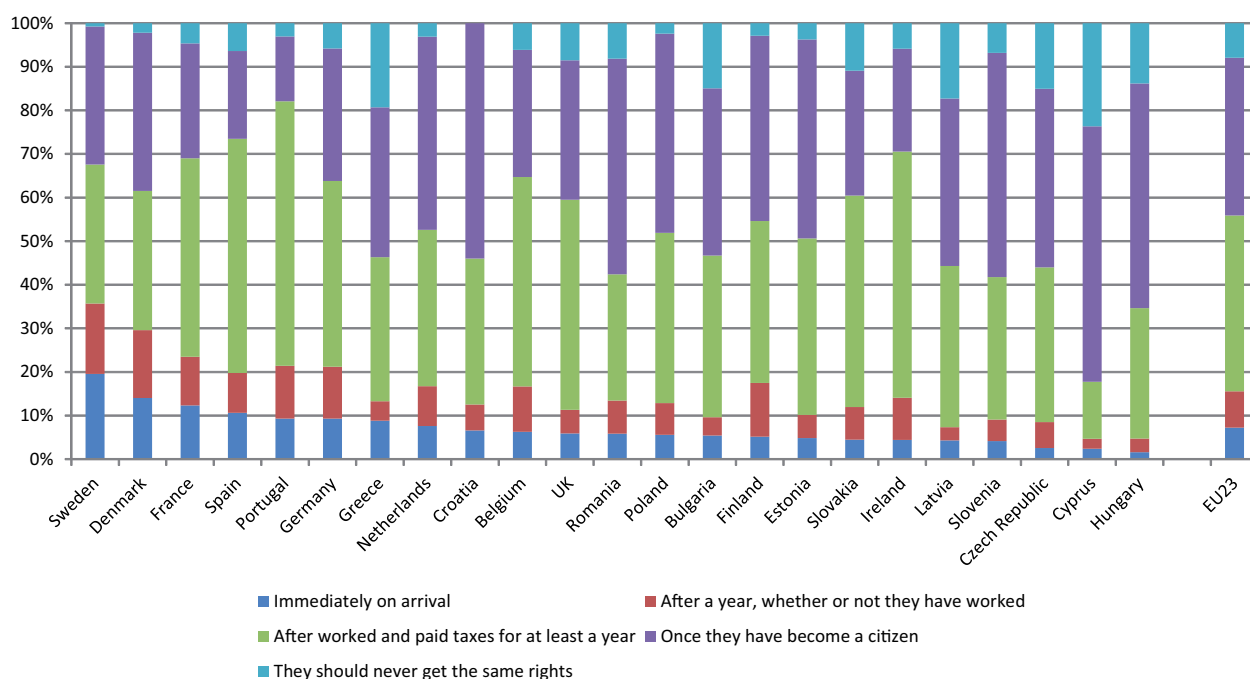
Figure 1: Reasons for migration of EU migrants of working age in selected European countries, 2008



Note: Data are available for selected countries only; ‘Other reasons’ include, for example, education and international protection. Source: Eurostat, 2014

Attitude surveys are also informative sources when exploring the impact of the political and social climate on immigration. Data from the European Social Survey (ESS) (2008) give some indication of the general thinking on immigration and on immigrants' access to welfare in particular (Figure 2).⁶ Relatively higher shares of positive attitudes to immigrants were observed in Sweden (19%), Denmark (14%), France (12%) and Spain (11%), but in no country did more than 20% of respondents agree that immigrants should have access to welfare provision immediately upon arrival. It should be pointed out here that in many Member States, indigenous workers do not enjoy automatic entitlement to certain welfare provisions but are obliged to have worked or contributed to relevant funds for a qualifying period. In these same countries, the level of support for complete exclusion of immigrants from welfare provision was below average. Overall, a sizeable share of survey respondents (40%) opted for the inclusion of immigrants in the welfare system as long as they work and pay taxes for at least a year. High levels of support for this option were observed in Portugal (61%), Ireland (56%), Spain (54%), Slovakia (48%), Belgium (48%) and the UK (48%). Conditional inclusion of immigrants based on the acquisition of citizenship was the preferred option for over a third of all respondents (36%). The majority of Europeans, therefore, were in favour of immigrant access to welfare provision subject to certain conditions, the two main conditions being acquisition of citizenship or working and contributing to the tax system for at least a year.

Figure 2: Attitudes in Member States on immigrants' access to welfare, by country



Notes: Question D38: Thinking of people coming to live in [country] from other countries, when do you think they should obtain the same rights to social benefits and services as citizens already living here? Please choose the option on this card that comes closest to your view. Data not available for Austria, Italy, Lithuania, Luxembourg and Malta; missing values are excluded.

Source: ESS, 2008

⁶ No distinction is made in the questionnaire between immigrants from an EU country or from outside the EU.

The low level of support for complete exclusion may partly reflect social desirability rather than actual prevalence of exclusionary attitudes to immigrants – in other words, the option of complete exclusion may be underreported for fear of being judged negatively. It should also be borne in mind that the ESS data were collected prior to the onset of the crisis; reported attitudes may have changed since then. Another factor to consider is that no distinction is made between immigrants from the EU and third countries in the questions on attitudes to immigration in the 2008 ESS. It may be that respondents think of immigration only when it originates from outside the EU. Along these lines, according to a recent Spanish survey on attitudes to immigration (N = 2,838) conducted in 2011 by Spain's Sociological Research Centre (Centro de Investigaciones Sociológicas, CIS), only 1.2% of respondents stated that they thought of EU nationals as immigrants when asked about foreign people living in Spain. However, a higher share of respondents (14%) did think of Romanians as immigrants when asked the same question.

A range of sources including media reports, opinion polls and policy documents seem to point to a somewhat negative political climate around immigration in some EU countries (particularly the EU15).

Impact of the crisis on EU labour mobility 2

Data sources and limitations

In measuring the extent of intra-EU mobility, especially employment-related mobility, an important data source is the EU-LFS, conducted by Eurostat. National data sources are also important sources of information on both migration flows and stocks (or levels). Movements of migrants – whether from the EU or third countries – are more reliably captured by data sources in the destination than sending countries. Due to a lack of comprehensive national data on work-related migration in all Member States, total migration figures – drawing from national censuses, population registers and other administrative data – are provided as proxy of labour migration within the EU. In practice, most intra-EU migration is directly or indirectly employment-related (for example, involving people moving to another EU country for work-related reasons or family members following a close relative who has already taken up employment in another EU country).

Migration as a phenomenon presents formidable problems in terms of statistical measurement. Comparing countries is difficult due to different methods and frequency of data collection, as well as varying definitions of ‘migrant’. The EU-LFS, for example, includes two main questions relating to migrant status, one based on citizenship or nationality (NATIONAL) and one based on country of birth (COUNTRYB). Before considering the data on the extent and characteristics of free movement, it is important to present some of the main data sources on migration and highlight some of their limitations.

EU-LFS

In order to give a comparable picture of trends (in terms of both migrant stocks and net changes) and patterns on employment-related geographical mobility in the EU27, the first section of this chapter draws on data from the EU-LFS. Despite its usefulness, it has limitations. For some countries, the sampling frame may need to be updated and this coincides with the release of the census which generally takes place every 5 or 10 years. This implies that recent newcomers to a country may not be included in the sampling frame, which can lead to misestimation. There may be a high level of non-response rates among immigrants due to linguistic difficulties, lack of cooperation or simply because they may not have a permanent address and are therefore not easily captured in such household surveys.

Census and other administrative data sources

National censuses provide a good measure of migration stocks but are less apt to capture migration flows. Data from censuses should be seen as estimates with a wide margin of error in respect of migrant workers as they are more mobile than native-born workers and less likely to remain at the same address. Censuses are nonetheless more reliable than labour force surveys, given that the census sample is the entire population and subject to obligations to respond. The definition of migrant can be different across national censuses, and estimates may include some who are not immigrants (for example, children of foreigners who were born and have always resided in the country).

When available, data from population registers and other administrative sources are used to gauge the extent of cross-border mobility. In the case of Ireland and the UK, national statistics can also be supplemented by administrative data, namely the number of registrations for a social security identifier (the Personal Public Service, or PPS, number) in Ireland and the National Insurance number (NINo) allocations to adult overseas nationals in the UK.⁷ However, temporary, circular or return migration is not adequately accounted for.

⁷ A NINo is required by any overseas national looking to work or claim benefits or tax credits in the UK, including the self-employed and students working part time.

Statistics based on population registers are probably one of the most reliable data sources on migration.⁸ Although EU citizens have the right to free movement without being subject to any obligation to register in another EU country, they nevertheless have a strong incentive to register with the authorities in the destination countries (to secure access to the health and welfare system, for example) if they intend to stay for a long period of time. At the same time, local or national authorities gathering this data have an interest in maintaining and updating the data. Even though data based on residency registrations and cancellations are a useful source of information, there are some limitations to these too. These statistics do not include the share of foreign-born population that does not register. Also, many foreigners leave the country without cancelling their household registration. This means that they appear officially in the statistics as still resident in the country even after departure.

In this report, migrant stocks and flows are presented either by nationality or country of birth. The use of one or the other criterion depends on the data available in the original sources. When possible, country of birth is preferred over nationality, given the large differences in naturalisation processes and regulations across countries. In practice, the estimates of migrant population based on either definition are in most cases quite similar. In this report, for convenience, the term ‘migrant’ or ‘migrant worker’ may refer to individuals whose country of birth or nationality is distinct from their country of residence, depending on the variable used in the specific data cited.

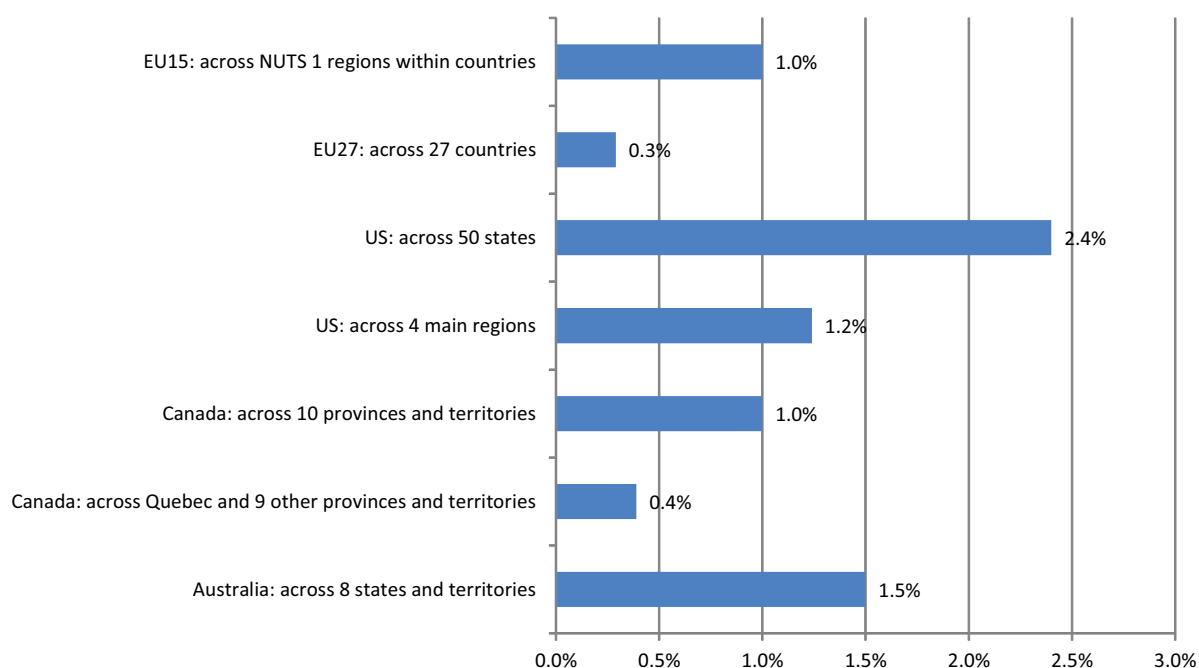
Extent of labour mobility within the EU

In spite of the increased labour flow from central and eastern Europe to the EU15, the annual mobility rates both across and within the Member States continue to remain at a low level, and intra-EU mobility plays a limited role in addressing labour mismatches within the EU. The intra-EU mobility rate is often compared with that in the United States, Australia and, to a lesser extent, Canada.

From this comparison, the level of mobility in the EU appears to be particularly low (Figure 3). Measuring mobility levels depends very much on the geographical level at which the analysis is carried out. As argued by Gáková and Dijkstra (2008), it may be more appropriate to compare internal mobility in the US with geographical mobility within, rather than across, EU countries. There are differences in languages, cultures and labour legislation between countries in the EU, which are generally less evident or not present at all in the US, which represent major barriers to geographical mobility. However, even comparing geographical mobility between regions within EU countries, the level of mobility remains low compared to the US across-region average.

⁸ Population registers provide data on both nationals and foreigners with permanent residency in a given country. Data on nationality, citizenship or country of birth or origin are generally provided and are often used for estimates on migration flows (see OECD, 2013b, p. 314).

Figure 3: Annual cross-border and within-region mobility as a percentage of total population, 2010*



*Or latest year available.

Note: Figure shows population mobility for Australia, Canada and the United States and labour mobility for the EU.

Source: OECD, 2012 (data from the Australian Bureau of Statistics; Eurostat, Population Statistics; Statistics Canada; US Census Bureau, American Community Survey)

Turning to a more detailed analysis of work-related geographical mobility, EU-LFS data show that, in 2012, EU27 nationals employed in other EU Member States represented 3.1% of the total working population, compared to 4% for third-country nationals. Although EU nationals can take advantage of the freedom of movement within the EU and third-country nationals face many barriers to accessing the EU labour market, the share of third-country nationals working in the EU is higher than that of EU nationals working outside their country of origin.

According to EU-LFS data (shown in Table 2), there has been an increase in the number of EU nationals working in another EU country since the recession (from 5.8 million to 6.6 million in the period 2008–2012, a 14% increase), and this has coincided with a contraction in absolute and relative terms of employment of third-country nationals (from 8.9 million to 8.6 million, a fall of 3%). While free-movement flows fell by almost 40% in EU countries that are OECD Member States between 2008 and 2010, a rebound of 15% was recorded in 2011, the most recent year for which the OECD provides comprehensive data. Most indications are that this rebound has continued to date (OECD, 2013b).

Table 2: Change in employment by nationality, 2008–2012, EU27 (thousands)

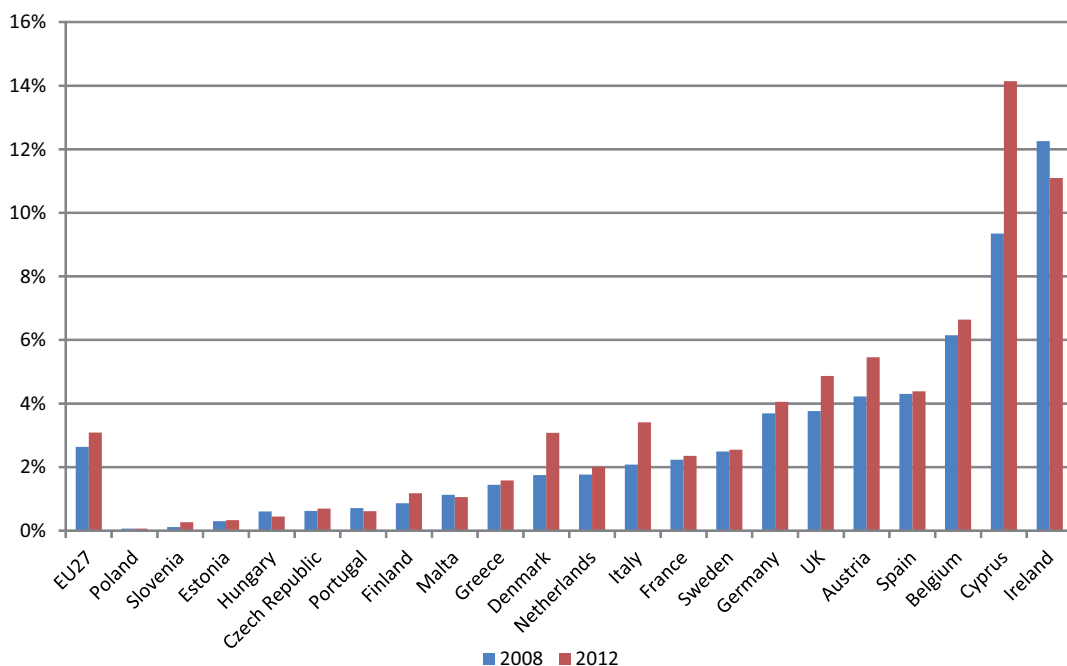
	2008	2009	2010	2011	2012	Change 2008–2012
EU27 nationals working outside their own Member State	5,771.5	5,870.8	6,073.0	6,405.2	6,599.0	+827.5
Non-EU nationals	8,854.6	8,574.0	8,559.5	8,684.7	8,582.3	-272.2
Country nationals	206,535.0	202,930.8	201,679.5	201,851.1	200,799.0	-5,836.0

Source: EU-LFS, 2008–2012, authors' calculations

Since 2008, then, there has been a convergence in the share of EU and non-EU foreign nationals working in the EU. According to OECD data, ‘free circulation within European OECD countries rose in 2011 and is now four times more common in relative terms in the region than migration from elsewhere’ (2013b, p. 11). In an enlarged EU, and largely as a result of strong east–west flows, intra-EU mobility has replaced mobility from non-EU countries as the main source of migrant workers in the EU. Nonetheless, as Holland and Paluchowski (2013) conclude, ‘free movement of workers within the EU does not appear to be acting as a significant shock absorber against the widening economic asymmetries between Core and Periphery within the EU’ (p. 20). Free movement flows have had only a very modest impact to date in addressing growing labour market imbalances in the single currency zone. To the extent that mobility has increased from high-unemployment euro zone countries, the evidence is that this has been mainly to non-euro zone countries including the UK (European Commission, 2013b).

The country breakdown in Figure 4 shows that the increase in the share of EU27 migrants over the period 2008–2012 in the EU is not evenly distributed across countries. Smaller countries such as Cyprus and Ireland tend to have the highest share of non-native EU27 nationals. In the case of Ireland, there is a decrease in the share of EU27 migrant workers in the observed period due to the crisis (from 12.2% in 2008 to 11.1% in 2012). The opposite is true for Cyprus, where the crisis hit the country later, at the end of 2012. The lowest share of EU27 migrants is observed in eastern European countries. The increase in the share of EU27 migrants in Italy may be due to the lifting of restrictions on nationals from Bulgaria and Romania as of January 2012 and the consequent regularisation of many of these nationals who were already living in the country. Other countries showing an increase in the share of EU27 migrants relative to their total working age population between 2008 and 2012 are Austria, Germany and the UK.

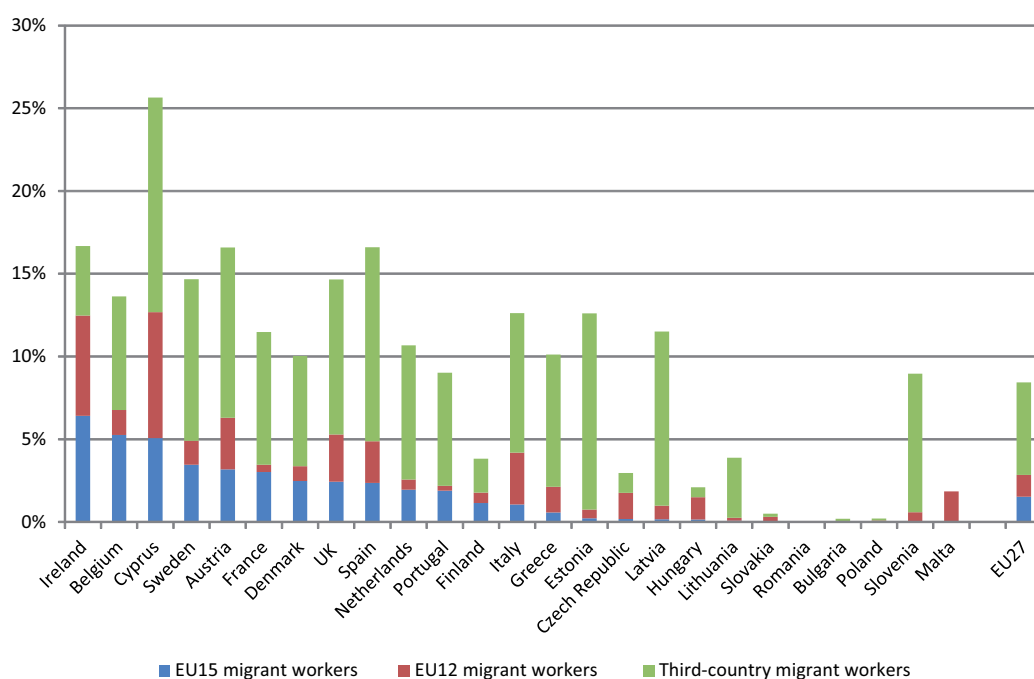
Figure 4: EU nationals working in another Member State as a percentage of total employment, 2008–2012



Note: The share of mobile EU workers in total employment in Luxembourg was 45.1% in 2008 and 45.8% in 2012. Source: EU-LFS, 2008–2012, authors' calculations

As already indicated, third-country nationals continue to represent the highest share of the total foreign-born working population in the EU27, although the gap between third-country nationals and EU foreign-born nationals in work has continued to narrow. Only in Luxembourg do EU15 migrant workers represent a higher share than all other categories of foreign-born workers. The share of EU migrants is comparatively high (more than 40% of the total migrant working population) in Belgium, Cyprus, Ireland and Luxembourg. A further breakdown of the data shows that a large share of recent worker inflows to EU15 countries such as Austria, Italy and the UK (as well as Cyprus and Ireland) is accounted for by migrants from Member States that joined in the 2004 and 2007 enlargements (the EU12) (Figure 5).

Figure 5: Share of EU15, EU12 and non-EU migrants in total employment in EU Member States, 2011



Notes: Share relative to total working age population (15–64 years); German data omitted as a breakdown of migrant workers is not available; Luxembourg data omitted – EU15 migrant workers have a higher share (41%) than all other categories of foreign-born workers (2.4% for EU12 migrant workers and 7.8% for third-country nationals); for the Baltic states, a large share of third-country workers are ethnic Russians rather than migrant workers per se; migrants defined according to country of birth.

Source: *EU-LFS, 2011 annual data*

The deteriorating labour market situation in many EU countries, especially southern European ones, has resulted in higher outflows of their nationals to other EU countries that are better off or less affected by the economic crisis. Outflows of Spanish and Greek nationals more than doubled over 2007–2011. The increase in outflows of Irish nationals is also significant, with a peak in 2010 and subsequent decline in the following year. The main destination countries are Germany and the UK, where inflows of EU nationals, especially from southern European countries, increased significantly between 2008 and 2011. Inflows into Belgium and Netherlands are also notable, albeit to a lesser extent than those of Germany and the UK (OECD, 2013b).

Flows of labour to large destination countries

National data sources in large destination countries in continental and northern Europe suggest that outflows of nationals from southern European countries have been increasing as a consequence of the recent economic crisis and rising unemployment rates in their countries of origin. Nonetheless, the biggest share of intra-EU migrant movements is still from eastern European Member States westwards. According to Holland and Paluchowski (2013), ‘In 2011, following

2–3 years of significant increases in this direction of mobility [from the southern “periphery” Member States to northern “core” Member States], less than 10% of new arrivals to the host countries in the Core came from the depressed economies of the Periphery, compared to 15–40% from the 12 newer Member States’ (p. 11).

In the UK, while NINo allocations to overseas nationals remained at similar levels throughout the period 2008–2013, the number of NINo allocations to EU15 nationals has been increasing steadily. In the period 2012–2013, the number of such allocations rose 22% compared to 2011–2012 and mainly related to EU nationals from recession-hit southern European countries – Greece, Italy, Portugal and Spain (Table 3). Particularly notable is the increase in NINo allocations to Italians in the UK recorded in 2013, which was 66% higher than in 2012.

Table 3: UK NINo allocations to Greece, Italy, Portugal and Spain, 2012–2013 (thousands)

	2012	2013	Difference	% change on previous year
Greece	7.42	9.89	2.47	33%
Italy	26.61	44.11	17.50	66%
Portugal	20.44	30.12	9.68	47%
Spain	38.08	51.73	13.65	36%

Note: Financial years from 1 April to 31 March.

Source: *Department for Work and Pensions, 2013*

Germany has also grown in importance as a destination for large movements of EU nationals from southern European countries. Inflows increased considerably in the period 2008–2012 from Spain (from 7,800 to 23,300), Italy (from 20,100 to 36,900) and Greece (from 8,300 to 32,700), accounting for 8.6% of total inflows to Germany in 2012 and 14.9% of inflows from EU Member States (Destatis, 2013). Germany remains, however, an important destination for migrants from eastern European countries, particularly Bulgaria, Hungary, Poland and Romania, and nationals from these countries account for the bulk of intra-EU mobility flows to Germany.

Inflows from southern and eastern European countries to Belgium have also increased, albeit at lower levels than for Germany and the UK. Most come from Romania (from 6,800 in 2008 to 10,900 in 2011), Spain (from 2,800 to 5,300) and Italy (from 3,700 to 4,700) (OECD, 2013b).

Similarly, immigration from EU countries to Austria and the Netherlands has continued to increase in recent years. This upward trend in migration inflows started in the post-accession period and originates mainly in the eastern European countries that joined the EU in 2004 and 2007.

Estimates from Statistics Austria indicate a 28% increase in total inflows into the country (from 110,000 in 2008 to 140,000 in 2012). In 2012, EU nationals (excluding returning Austrians) accounted for approximately 60% of the total inflow. Among EU nationals, the largest increase between 2008 and 2012 is recorded for EU12 nationals (66%), especially Hungarians and Romanians (Statistics Austria, 2014).

Inflows to the Netherlands (excluding returning Dutch) increased by about 12% to 163,000 in 2011 compared to the 2008 figure of 143,000. Of all foreigners, about 66,300 originated from within the EU, approximately 40%. According to Statistics Netherlands data, the largest inflow in 2011 was from Poland, with 19,100 people (Statistics Netherlands, 2014). In the same year, high inflows from Germany (9,300) and Bulgaria (5,300) were also recorded. These official

figures are, however, based on registration data and likely to underestimate free movement flows, as many EU citizens do not register and therefore remain outside the scope of official statistics. To give an indication of the level of underestimation, an alternative estimate of the stock of central and eastern European citizens in the Netherlands in 2010 (van der Heijden et al, 2011) was some 60% higher (340,000) than the official estimate (214,000). It is likely that this figure may have risen above 400,000 by 2012, given recent rising inflows.

Poland was also the top country of origin for inflows to Denmark and Sweden. The Swedish national statistics record some 4,700 new arrivals from Poland in 2013 – albeit a lower level than in 2008 (7,100 entries). According to the Migration Board (Migrationsverket), right of residence was granted to approximately 22,400 EU migrants in 2012 and 16,900 during 2013 up to November.^{9,10} The inflow of mobile workers to Sweden comes mainly from eastern Europe and the Baltic states. The largest group of immigrants in 2012 was from Poland (4,800 residence rights), followed by the three Baltic States (2,500) and Romania (1,800) (Migration Board, undated).

As in Sweden, migration in Denmark has recently been characterised by increasing inflows from eastern European countries. According to data from the Danish National Labour Market Authority (Styrelsen for Arbejdsmarked og Rekruttering), the number of employed Polish and Romanian nationals with residence in Denmark increased in the period 2008–2013 (Table 4). Large increases are also occurred in the numbers of resident Lithuanians and Bulgarians working in Denmark. The number of German nationals has remained high through the observed period without significant fluctuations.

Table 4: *Number of employed foreign nationals with residence in Denmark, 2008–2013*

	2008	2009	2010	2011	2012	2013
Poland	14,202	14,603	14,168	15,237	16,691	18,096
Romania	2,864	3,754	4,970	6,930	9,236	11,329
Germany	9,159	9,581	9,600	9,811	9,831	10,030
Lithuania	3,058	3,553	4,349	5,285	6,033	6,568
United Kingdom	5,051	5,111	5,180	5,399	5,661	5,964
Sweden	5,618	5,676	5,588	5,643	5,648	5,891
Norway	5,535	5,386	5,255	5,192	5,189	5,239
Bulgaria	1,045	1,480	2,072	2,722	3,370	4,064
Italy	1,846	1,930	2,081	2,306	2,606	3,057
Latvia	1,251	1,586	2,028	2,473	2,685	2,801
Netherlands	2,217	2,227	2,262	2,359	2,424	2,555
France	2,056	2,032	2,031	2,125	2,216	2,384
Spain	1,169	1,169	1,251	1,469	1,760	2,213
Hungary	944	1,093	1,251	1,424	1,716	2,061
Finland	974	969	937	1,005	1,054	1,100
Other EU countries	4,135	4,280	4,444	4,861	5,446	6,266

Source: *National Labour Market Authority (Denmark), undated*

⁹ EU citizens need to apply for a right of residence after three months, and hence only long-term EU workers are captured in the statistics, leaving out seasonal workers.

¹⁰ The statistics provided by the Migration Board do not include migration flows from the Nordic countries, since Nordic citizens do not need a work permit within other Nordic countries and are free to work across borders without registration.

EU net migration has been positive in Finland since the early 2000s. In 2012, 16,300 people immigrated to Finland from EU countries; comparing these with emigration of Finns to the EU, the balance was of roughly 7,600 in favour of people from EU countries (Statistics Finland, 2013). Estonia continued to be the main source country, with an inflow in 2012 of over 6,400 new immigrants.

In Norway, EU labour mobility is captured in national statistics.¹¹ In the fourth quarter of 2013, the total working population in Norway amounted to 2,619,000 people, of whom 358,000 were labour immigrants (Table 5). EU nationals accounted for 54% of the migrant labour population. The largest contingent of EU labour immigrants was from eastern European countries (102,800), followed by those from the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) (47,800) and the EU15 excluding the Nordic countries (41,400). Over 80% of the net employment growth in Norway from the fourth quarter of 2012 to the fourth quarter of 2013 was due to the increase in the number of employed migrants. Labour migrants from EU countries made the largest contribution. The employment rate of migrants from EU countries (73.3%) is on average higher than that of the native Norwegian population (69.5%) The highest employment rate is recorded for migrants from Nordic countries (76.3%) and the lowest for migrants from non-EU countries (55.4%).

Table 5: *Summary of employment of nationals and non-nationals in Norway, 2013*

	No.	Employment rate (%)	Change 2012–2013 (no.)
Total employment	2,619,000	68.6	30,000
Non-immigrant employment	2,260,579	69.5	5,551
Immigrant employment	358,421	63.1	24,449
Employment of immigrants from:			
<i>Nordic countries (including Iceland)</i>	47,824	76.3	1,145
<i>EU15 except the Nordic countries</i>	41,390	70.7	2,101
<i>Eastern European Member States</i>	102,846	72.9	11,550
Total EU countries	192,060	73.3	14,796
Countries outside the EU	166,361	55.4	9,653

Notes: People aged 15–74 years in each group; fourth quarter data.

Source: *Statistics Norway, 2014*

Unbalanced demography and emigration in central and eastern Europe

The situation of many eastern European countries is markedly different as they face a bigger challenge, having lost population over the years largely due to migration outflows. This has aggravated already precarious demographic balances. The most dramatic cases are those of Bulgaria, Latvia and Lithuania, where the total population fell by 7.1%, 13% and 13.6% respectively between 2002 and 2012.

In many of these countries, fertility rates have long been below replacement level (around 2.1 children per woman) and consistently below 1.5 since the 2000s. This trend – which is particularly notable in the Czech Republic, Hungary, Latvia, Poland, Romania and Slovakia – has obvious implications for the long-term sustainability of the economy of these countries, as both low fertility rates and net negative migration concentrated in younger, child-bearing age cohorts threaten to sharply increase dependency ratios in a context of declining population.

¹¹ Labour migrants who intend to stay in Norway for more than six months are required to report their relocation to the Norwegian tax authorities and will then be registered in the population register (Folkeregisteret), which makes the statistics available to Statistics Norway.

Official national statistics provide an incomplete picture of migration outflows. Emigration figures generally refer to emigrants who leave the country for a period of one year or longer and declare their departure. In some countries, such as Hungary, official emigration statistics are not available. Based on existing data, migration inflows in many eastern European countries are far from compensating for the massive loss of population due to emigration as well as persistent low fertility rates.

Between the 2000 and the 2011 Census, Latvia's population decreased by 13%, to 2.07 million (Central Statistical Bureau of Latvia, 2013). About 63% of this decrease was due to negative net migration over the previous decade. According to national statistics, the Latvian population decreased by some 23,100 residents in 2011 due to long-term migration – in other words, some 7,200 people arrived in Latvia for permanent residence or for a period of one year or longer, while 30,400 individuals left the country to reside in another country permanently or for one year or more.

Lithuania also lost population in the past decade, linked to the increase in migration outflows (Table 6). In 2010, the country saw an increase in declared emigration, with over 83,000 Lithuanian residents declaring their departure. However, this increase is likely to reflect a new requirement for permanent residents to pay compulsory health insurance unless they declare their departure (OECD, 2013b). Emigration continued to be high (with negative net migration) in 2011 and 2012, albeit to a lesser extent than in 2010. For a country of around 3 million people, negative net migration of this order is very high.

Table 6: *Emigration and immigration statistics, Lithuania, 2007–2012*

Year	Emigrants	Immigrants	Net migration
2012	41,100	19,843	-21,257
2011	53,863	15,685	-38,178
2010	83,157	5,213	-77,944
2009	38,500	6,487	-32,013
2008	25,750	9,297	-16,453
2007	30,383	8,609	-21,774

Note: Data on international migration draw on data from the Residents' Register of persons who have declared a change in their place of residence, as well as data from the database of the State Social Insurance Fund Board (Sodra) and Statistical Register of Economic Entities (Statistical Business Register).

Source: *Statistics Lithuania, 2014*

Estonian migration trends are similar to those of Latvia and Lithuania. Net migration has been negative since 2008, albeit less so than in the other Baltic countries. Data from the most recent Estonian Population and Housing Census (conducted between 31 December 2011 and 31 March 2012) show that emigration reduced the Estonian population by 6,600 people in 2012 (10,900 emigrants and 4,200 immigrants). Finland has been the main destination country (Population and Housing Census, 2012).

Another country that shows a significant decline in total population is Bulgaria. Bulgarian census data show that population in Bulgaria decreased by 564,000 people (approximately 7%) over the period 2001–2011 (an average annual rate of decrease of 0.7%). Two-thirds of the population decrease (68.9%) is due to the natural decrease and almost one-third (31.1%) is attributable to emigration, estimated at 175,000 people (National Statistical Institute, 2014).

Based on data from Romania's National Institute of Statistics (2011), the number of Romanian citizens who left the country and settled their permanent residence abroad in 2011 was estimated to be 18,300. The main official destination countries were Germany and the USA. This figure severely underestimates the actual extent of migration outflows, which can be more reliably captured in official statistics in destination countries. It is estimated that, as of 2013, about

2.1 million Romanians work in other EU Member States. The number of Romanians who emigrated to work abroad increased significantly after the country's accession to the EU. According to the 2013–2020 draft National Employment Strategy, Romanians' main destinations for work in the EU are Italy (with stocks of 890,000), Spain (with 825,000) and Germany (with 110,000). The draft strategy also highlights that the massive outflows of the active workforce has generated imbalances on the Romanian labour market (Curentul, 2013).

Permanent emigration from Poland nearly doubled from about 18,000 in 1990 to over 35,000 in 2007 and then decreased by almost half following the global recession, hitting its lowest level in 2010, with about 17,400 officially registered permanent emigrants.¹² However, the most recent data show a rise in rates of migration. In 2012, the country saw an increase of officially registered permanent emigrants to over 21,000. It should be noted that the actual extent of emigration from Poland is likely to be much higher than what official figures suggest. The number of Polish citizens living abroad was estimated to be around 2.06 million in 2011 (5.2% of the total population) (OECD, 2013b).

The eastern European countries that registered a positive net migration throughout the recession are the Czech Republic, Slovakia and Slovenia. In these countries, however, inflows decreased significantly in 2012 compared to the levels observed in 2008 (see Annex 2). As already noted, emigration figures in official statistics are likely to capture only a small fraction of the total outflows.

Changing geographical mobility patterns in southern Europe and Ireland

New as well as more established migration patterns are evident in southern European countries and Ireland, which have been particularly affected by the economic downturn. Most of these countries saw large migration inflows following EU enlargement in 2004 and 2007. Ireland, Italy and Spain continue to be important destination countries for migrants from eastern European countries, while they are also increasingly sending their own nationals to other large EU destination countries such as Germany and the UK.

Italy and Spain especially have been the main destination countries for Romanian migrants, even prior to the 2007 enlargement. The application of strict transitional arrangements in Austria and Germany – typical destinations for Bulgarians and Romanians in the 1990s – may have diverted the flow of these workers to Italy and Spain, where more a more liberal approach was adopted. In addition, mass regularisation in both Italy and Spain may have boosted the number of registrations and official migration figures from Bulgaria and Romania. Another important factor that may have directed migratory movements from Romania, in particular, to Italy and Spain is language and cultural proximity.

Italian national statistics based on residency registrations and cancellations show positive net migration of over three million foreign citizens residing in the country between 2002 and 2011 – of these nearly one million registrations are of Romanian citizens (Table 7).

Table 7: *Immigration and emigration statistics, Italy, 2002–2011*

Country of citizenship	Immigrants	Emigrants	Cancellations for whereabouts unknown
Romania	942,726 (26.5%)	33,762 (19.3%)	50,641 (18%)
Poland	97,782 (2.7%)	7,122 (4.1%)	6,502 (2.3%)
Other countries (including non-EU)	2,522,871 (70.8%)	133,656 (76.6%)	223,807(79.7%)
Total	3,563,379	174,540	280,950

Source: *National Institute of Statistics (Istat), Italy, 2012*

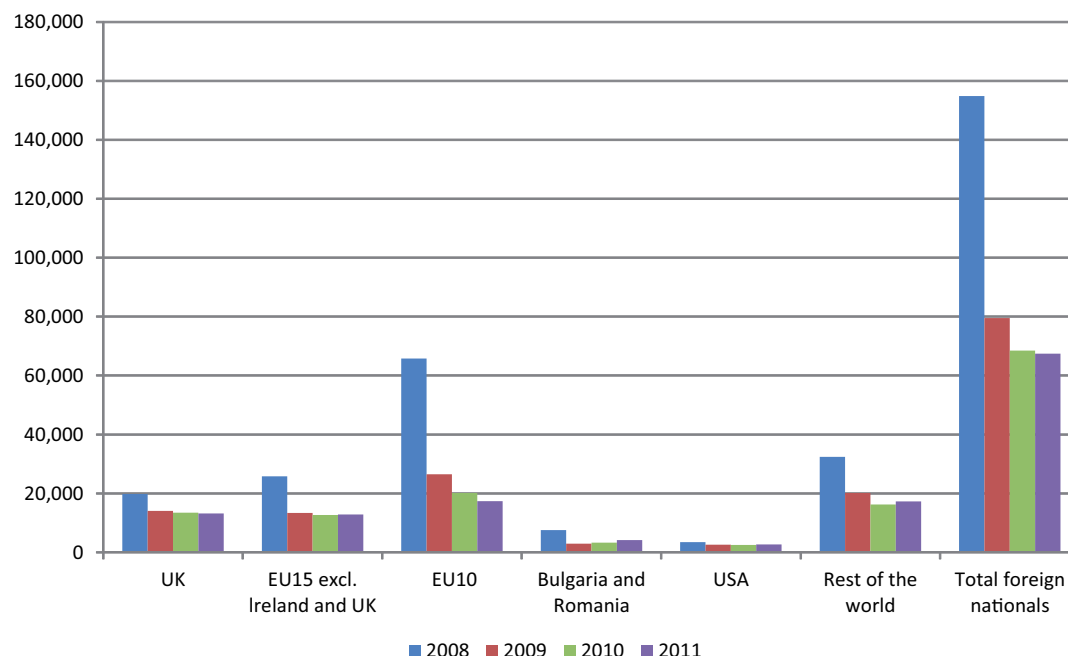
¹² The definition of permanent emigration given by the Central Statistical Office for Poland is departure from the country by a usual resident with intention to stay abroad for a period of at least 12 months.

In Spain, inflows of Romanians, particularly, and Bulgarians, to a lesser extent, have declined with the onset of the crisis. The temporary reintroduction of restrictions on labour market access to Romanians in July 2011 may have played a part. Net migration of native-born Spanish was already negative in 2008, whereas the trend for foreign-born migrants changed later, in 2010, with a negative net migration of -28,600 which grew to reach -116,700 in 2012 (National Statistics Institute, 2014). According to the Spanish Labour Force Survey (figures from second quarter), the proportion of EU migrants among the active population decreased by 2% between 2010 (1,122,000) and 2013 (1,098,000).

While Spain continues to be a receiving country especially for Romanian emigrants, the number of Spaniards moving to other EU countries has been rising since 2008. One of the main destinations for Spaniards in search for employment has been the UK, but the discrepancy between Spanish and UK official data on the scale of these flows is illustrative of the difficulties in accurately estimating migration flows, notably in the origin country. According to official Spanish data, 1,623 Spaniards between 16 and 65 years left the country for the UK in 2011. However, according to data based on NINo allocations to overseas nationals, some 30,000 registrations of Spaniards coming to the UK for work-related reasons were recorded in the same period.

Ireland is another country that has seen a sharp decline in net migration, mainly due to Irish nationals leaving the country. From being strongly positive in 2008 (+64,300), net migration became negative from 2010 (-27,500) to 2013 (-33,100, preliminary figures). Statistics based on PPS numbers assigned to both Irish and foreign nationals for identification purposes (for example, to pay taxes and to apply for social welfare payments and public health services) indicate that there has been a large drop in PPS allocations to EU nationals since 2008 (Figure 6). The largest fall in PPS allocations has been to Polish nationals – from 42,474 in 2008 to 8,076 in 2011.

Figure 6: PPS number allocations in Ireland by broad nationality group, 2008–2011



Note: The EU10 are Member States that joined the EU in the 2004 enlargement: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland Slovenia and Slovakia.

Source: *Central Statistics Office, 2013a*

After the labour market began to recover in 2012, according to the Quarterly National Household Survey (QNHS), there was an increase in the number of both employed Irish and non-Irish nationals between the third quarters of 2012 and 2013. Increases in the migrant worker population were attributable mainly to non-EU nationals ('Other' in Table 8) but with modest increases also for the EU12 (and Croatia) and the UK.

Table 8: *Employment changes in Ireland, by nationality, 2012–2013 (thousands)*

Nationality	Quarter 3, 2012	Quarter 3, 2013	Year-on-year change
Irish nationals	1,571.6	1,614.2	42.5
Non-Irish nationals	269.6	285.1	15.5
<i>Of which:</i>			
<i>UK</i>	47.4	50.9	3.4
<i>EU15 (excl. Ireland and the UK)</i>	29.6	28.4	-1.2
<i>EU12*</i>	126.2	129.7	3.5
<i>Other</i>	66.8	76.1	9.8
Total	1841.3	1899.3	58.0

* Plus Croatia for Q3 2013.

Note: People aged 15 years and over.

Source: *Central Statistics Office, 2013b*

Migration patterns in Portugal are very different from those observed in Ireland as well as in other southern European countries. Portugal has traditionally been a destination country, particularly for non-EU migrants from former colonies. It should, however, be noted that data on migration flows for Portugal continue to be limited and do not capture some inflows, especially those of EU nationals.

Since the onset of the crisis, Portugal has seen large migratory outflows. The estimates vary according to the source. Data from Statistics Portugal indicate that about 44,000 people left the country in 2011, compared with 23,000 in 2010 (OECD, 2013b). According to data from the Portuguese Institute of Employment and Professional Training, during the first nine months of 2012 some 24,700 people cancelled their unemployment registration due to a decision to migrate (*Portuguese American Journal*, 2012). This compares with some 17,000 people signing off for the same reason in the first nine months of 2011.

These are only estimates. The share of people leaving Portugal is likely to be much higher as cancellation of resident registration is not obligatory. Other sources suggest an increased and continuous outflow of Portuguese workers. Between 2008 and 2010, Portuguese embassies and consulates abroad reported a total of 324,000 registrations of Portuguese nationals, and the Secretary of State for Portuguese Communities estimated that 100,000 to 120,000 Portuguese departed in 2011 alone (*Presseurop*, 2012).

One of the main destination countries for Portuguese emigrants within the EU is the UK. UK administrative data point to an increase in the number of Portuguese coming to the UK for work-related reasons – the number of NINo registrations for Portugal increased by 25% (or 17,300) in 2011–2012 compared to the previous period (2010–2011).

The economic situation is also particularly troubling in Greece, where the unemployment rate has been above 25% since 2012. There is, however, no empirical evidence of large-scale emigration of Greeks. Estimates on outflows of Greek nationals are best captured in official statistics in destination countries (for example, the UK statistics based on NINo allocations to overseas nationals).

As with many southern and eastern European countries, Croatia's migration pattern is also mainly characterised by emigration. While the migration balance was positive from 1999 to 2008, it turned negative in the 2009–2012 period. In 2012, the migration balance was -3,900 (Croatian Bureau of Statistics, 2013). The economic crisis contributed to reduced inflows through declining demand for labour in construction, the hospitality industry and tourism, where immigrants – largely from outside the EU – traditionally find employment.

Among the southern European countries are also Cyprus and Malta, which are very small countries with relatively large foreign populations. Both show positive recent migration balances. According to the latest Demographic Review in Malta, net migration was positive in 2010, with total inflows (8,200) exceeding outflows (5,950) (National Statistics Office, 2011). In the same year, the bulk of foreign nationals coming to Malta were from another EU country (6,300) and were mainly of working age – a total of 4,900 or 78% of all EU nationals arriving in Malta were in the 18–64 years age group.

Net migration has been largely positive in Cyprus during the past decade, although preliminary data from 2012 suggest a sharp reversal of migration flows. National statistics recorded 18,100 net entries in 2011 compared to 15,900 in the previous year. The continued positive net migration balance has contributed to population growth, which is among the highest in the EU. According to the 2011 Census, out of a total EU population of 92,604 (aged 15 and over), there were 64,700 economically active EU nationals in the country, of whom 55,800 were employed and 8,900 unemployed (Statistical Service of Cyprus, 2014). By citizenship, a high number of Greeks (18,300) and EU nationals from eastern Europe – particularly Romanians (18,400) and Bulgarians (13,992) – are economically active. The opposite holds for EU nationals from the UK (7,100 economically active against 14,900 inactive) and, to a lesser extent, Ireland, presumably on account of the high share of older, retired people from these countries.

Labour market outcomes and sociodemographic characteristics of EU migrants

In the EU27, unemployment rates for the native-born workers and EU27 migrants increased by 3.3 and 5.5 percentage points respectively in the four years to 2012 (Table 9). In other words, the crisis had a greater impact on EU migrant workers than on native-born workers as regards unemployment.

Both unemployment and employment rates were higher for EU27 migrants compared to native-born workers, both in 2008 and 2012. This arises because EU27 migrants, largely because of their younger age profile, are less likely to be inactive than native-born workers. Unemployment increased more for EU27 migrants than natives, and the employment rate declined somewhat more for EU27 migrants than for their native counterparts but remained higher nonetheless.

The EU average conceals substantial differences across countries – for example, in Luxembourg, the employment rate of EU27 migrants, who are generally highly qualified workers from other EU15 countries, was much higher than that of native-born workers both in 2008 and 2012. Other countries where EU27 migrants had higher employment rates were Hungary, Portugal and Slovenia, particularly in 2012. By contrast, employment rates of EU27 migrants decreased substantially between 2008 and 2012 in countries particularly hard hit by the crisis such as Estonia (17.5 percentage points), Spain (11.4 percentage points), Ireland (11.2 percentage points), Croatia (11.1 percentage points), Latvia (9.2 percentage points) and Greece (9.1 percentage points).

Table 9: *Employment and unemployment rates during the crisis, native-born compared with EU27 foreign-born (%)*

	Unemployment rate 2008		Unemployment rate 2012		Employment rate 2008		Employment rate 2012	
	EU27 migrants	Native-born workers	EU27 migrants	Native-born workers	EU27 migrants	Native-born workers	EU27 migrants	Native-born workers
EU	7.9	6.6	13.4	9.9	68.8	66.0	66.0	64.5
Austria	5.5	3.2	6.2	3.6	69.0	73.6	72.0	73.8
Belgium	8.1	5.9	9.8	5.9	60.8	63.8	61.5	63.8
Bulgaria	n.a.	5.7	n.a.	12.4	n.a.	64.0	n.a.	58.8
Croatia	7.7	8.5	17.2	15.9	59.3	58.1	48.2	51.1
Cyprus	5.8	3.4	14.8	11.4	71.7	70.4	68.0	63.2
Czech Republic	8.0	4.4	10.9	7.0	63.7	66.6	63.0	66.5
Denmark	4.4	3.1	11.3	6.8	78.7	79.0	72.0	74.2
Estonia	n.a.	5.6	n.a.	10.0	76.4	69.1	58.9	67.2
Finland	9.4	6.2	8.5	7.5	75.8	71.3	75.7	69.6
France	6.2	6.8	9.0	9.1	64.3	65.5	65.7	64.9
Germany	n.a.	6.7	n.a.	5.0	n.a.	71.7	n.a.	73.9
Greece	8.5	7.8	25.6	23.4	62.9	61.3	53.8	51.4
Hungary	6.9	7.9	10.4	11.0	64.6	56.5	66.5	57.0
Ireland	7.4	5.8	17.6	14.4	72.4	66.9	61.2	58.9
Italy	8.3	6.6	13.2	10.4	64.4	58.1	62.0	56.3
Latvia	n.a.	7.6	n.a.	14.8	62.3	68.2	53.1	63.3
Lithuania	n.a.	5.9	n.a.	13.4	n.a.	64.1	n.a.	62.1
Luxembourg	4.5	3.7	5.3	3.8	72.1	59.4	73.6	60.7
Malta	n.a.	6.1	n.a.	6.3	54.5	55.0	55.9	58.9
Netherlands	4.1	2.3	6.6	4.6	74.8	78.7	73.9	76.9
Poland	n.a.	7.2	n.a.	10.2	40.3	59.3	63.1	59.7
Portugal	8.8	7.9	14.8	16.1	73.8	67.7	72.0	61.3
Romania	n.a.	6.1	n.a.	7.3	n.a.	59.0	n.a.	59.5
Slovakia	n.a.	9.6	n.a.	14.0	70.3	62.2	64.2	59.7
Slovenia	n.a.	4.4	8.8	8.8	70.2	68.6	74.7	64.1
Spain	15.3	10.2	29.9	23.0	66.7	64.0	55.3	56.2
Sweden	6.2	5.3	7.8	6.5	72.5	76.3	74.1	76.2
United Kingdom	4.7	5.5	7.7	7.8	76.9	72.1	74.8	70.8

Notes: Working age population (15 to 64 years); migrants defined by country of birth; n.a. = data not available.

Source: Eurostat

Women make up half of the migrant workers from the EU12 and 47% of EU15 migrant workers, compared with 45% in the native-born working age population (Table 10); in other words, women migrants are somewhat overrepresented in relation to average female share of employment. In terms of age group, EU12 migrant workers are generally younger than native-born workers and migrant workers from the EU15 countries, being overrepresented in the 25–34 age group. EU12 migrant workers are more likely to have medium educational attainment levels, while EU15 migrant workers are more likely to have completed higher education. Partly due to their youth and medium educational level, EU12 workers are more likely to be engaged in lower-skilled white- and blue-collar occupations. By contrast, 49% of EU15 migrant workers are employed in high-skilled white-collar occupations.

Table 10: Sociodemographic characteristics of native-born and migrant workers by country group (%)

	Native-born workers	EU15 foreign-born workers	EU12 foreign-born workers	Non-EU foreign-born workers	Total
Gender					
Male	55	53	50	55	55
Female	45	47	50	45	45
Age group					
15–24 years	9	5	10	6	9
25–34 years	24	22	43	27	24
35–44 years	28	31	28	31	28
45–64 years	40	42	19	35	39
Educational level					
Low	22	26	22	33	23
Medium	48	33	53	35	47
High	30	41	24	32	30
Occupational level					
High-skilled white collar	40	49	17	30	39
Low-skilled white collar	27	25	24	28	27
High-skilled blue collar	17	11	21	13	17
Low-skilled blue collar	16	15	38	29	17

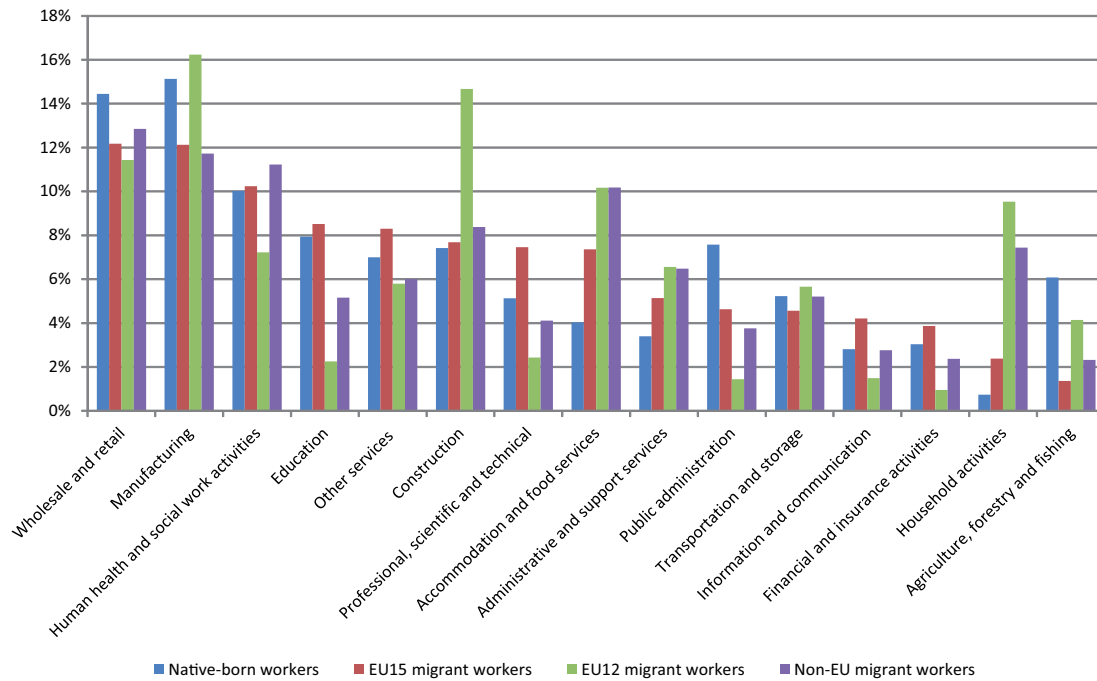
Notes: A migrant worker is defined by country of birth; data for Germany are excluded as no distinction of country of origin is available for non-native-born workers.

Source: Eurostat, EU-LFS, annual data, 2011

Post-crisis, the educational profile of intra-EU mobile workers has changed significantly. In 2007–2008, 27% had completed third-level education. This figure increased to 41% in 2013, partly in line with changes in demand for labour, including the sharp decrease in demand in sectors such as construction, which employ many medium-skilled migrants, and partly as a result of general educational upskilling. In particular, recent analysis points to the increasing share of third-level graduates among those moving from southern EU Member States (49%) and other EU15 Member States (66%) (European Commission, 2014b).

In terms of sector distribution, EU12 migrant workers are overrepresented in manufacturing (16%), construction (15%), household activities (10%) and accommodation and food service activities (10%), whereas EU15 workers are more likely to work in wholesale and retail trade (12%), manufacturing (12%), and human health and social work activities (10%) (Figure 7). Compared to the native-born working population, EU15 migrant workers are also more numerous in professional, scientific and technical activities, accommodation and food service activities, and administrative and support service activities.

Figure 7: Sectoral distribution of working population by country of birth



Source: EU-LFS, annual data, 2011

Interregional mobility in the EU 3

The general picture of the extent of interregional migration that emerges from Eurostat data – albeit incomplete – is also one of limited mobility, although levels are higher than in the case of cross-border mobility. In 2007, the share of total population that moved internally (to another region within the same country) in 13 EU Member States ranged from a minimum of 0.2% (Slovenia) to a maximum of 1.9% (Denmark).¹³ On average, internal migration flows tend to be higher in North America and the Asia/ Pacific area than in Europe (OECD, 2005).

Previous research suggests that interregional mobility functions as a labour market adjustment mechanism in countries where its incidence is high (OECD, 2005). In Europe, where interregional migration is limited, adjustment to region-specific shocks to labour demand tends to lead to a decline in participation rates rather than interregional migration (Nahuis and Parikh, 2002). The persistence of regional disparities in labour market performance indicates that geographical mobility fails to play a self-equilibrating role (OECD, 2005).

Evidence from national statistics

National statistics on interregional mobility are difficult to compare. First, not all countries collect statistics on interregional mobility, and only a few distinguish between labour mobility and general mobility (which may have a multitude of reasons aside from work). Information from national sources across the EU28 plus Norway indicates that 21 countries gather data on general interregional mobility, while only 4 countries (Bulgaria, Slovakia, Slovenia and Spain) collect data regarding interregional labour mobility, and 5 countries (Cyprus, Greece, Ireland, Luxembourg and Malta) have no data on interregional mobility.

Furthermore, the methods used to gather the data differ across Member States. In some cases (the Czech Republic, Cyprus, Estonia, France, Latvia, Portugal, Spain), figures are based on population and housing censuses, while in other cases (Denmark, Estonia, Italy, Poland and Spain), figures are derived from data from public registers. In the latter case, the actual interregional mobility rate may be significantly larger than the official figure, since it is known that not all changes of address are officially registered in these countries.

In addition, the definition of interregional mobility varies across Member States. In most cases, interregional migration is defined as a move whereby a person changes their residence from one place to another; but in Estonia, for example, for interregional mobility to be registered as such, it is required that the mobile person stays in the new place of residence for more than a year. In other cases (Belgium and Estonia), national statistics do not distinguish between commuting and mobility involving a change of residence.

Finally, data on interregional mobility are collected at different NUTS (Nomenclature of Territorial Units for Statistics) levels, and in some countries, national regional classifications are used instead of the European NUTS classification. In most national statistics, data for regional mobility are available at NUTS levels 2 and 3. In a few countries (Germany and the Netherlands), data is also available at NUTS 1 level. In Latvia and Poland, figures for interregional mobility refer to local administrative unit (LAU) 1 level and in Portugal to LAU 2 level; figures for the UK refer to local authority (LA) level.¹⁴

The following analysis will focus on NUTS levels 2 and 3, as these are most frequently used. This allows for comparison of the national figures. Where figures are available for more NUTS levels, the higher NUTS level will be used (NUTS level 2 instead of 3).

¹³ Most recent Eurostat data on regional migration are from 2007, and information is available only for Austria, Bulgaria, the Czech Republic, Denmark, Finland, Hungary, the Netherlands, Poland, Romania, Slovenia, Slovakia, Spain and Sweden. Eurostat statistics refer to the percentage of the total population.

¹⁴ LAU is a low-level administrative division of a country, ranked below a province, region or state – that is, NUTS levels 1, 2 and 3.

Taking into account the data limitations outlined above, a comparison of available statistical figures can give an overall indication of different interregional mobility rates in the EU (Table 11).

Table 11: *Statistics on annual interregional mobility rates in EU28 and Norway*

Country	Data	NUTS level	Time period	Annual mobility rate*	Recent trends
Austria	General mobility	2	2012	1.2%	↑
Belgium	No data available	n.a.	n.a.	n.a.	n.a.
Bulgaria	Labour mobility**	3	2012	0.3%	↓
Croatia	General mobility	3	2012	1.6%	↓
Cyprus	No data available	n.a.	n.a.	n.a.	n.a.
Czech Republic	General mobility	2	2012	0.8%	↓
Denmark	General mobility	2	2012	1.8%	↔
Estonia	General mobility	3	n.a.	n.a.	n.a.
Finland	General mobility	3	2000–2012	2%	↔
France	General mobility	2	1999–2004	1.9%	n.a.
Germany	General mobility	2	2011	3.3%	↑
Greece	No data available	n.a.	n.a.	n.a.	n.a.
Hungary	General mobility	3	2012	1.9%	↓
Ireland	No data available	n.a.	n.a.	n.a.	n.a.
Italy	General mobility	2	2012	0.6%	↑
Latvia	General mobility	LAU 2	1991–2009	2%	n.a.
Lithuania	General mobility	3	2012	2%	↑
Luxembourg	No data available	n.a.	n.a.	n.a.	n.a.
Malta	No data available	n.a.	n.a.	n.a.	n.a.
Netherlands	General mobility	2	2012	3.65	↔
Norway	General mobility	2	2012	2.7%	↑
Poland	General mobility	LAU 2	2012	1.0%	↔
Portugal	General mobility	LAU 1	2009	2.6%	↓
Romania	General mobility	2	2012	0.5%	↔
Slovakia	General mobility	3	2006–2011	0.4%	n.a.
Slovenia	General mobility Labour mobility	3 3	2012 2012	2.3% 16.6%	↔ n.a.
Spain	Labour mobility	3 (<i>provincias</i>)	2012	11.9%	↓
Sweden	General mobility	3	2012	2.1%	↑
United Kingdom	General mobility	LA	2012	4.9%	↔

* The annual mobility rate is based on permanent transfers and is calculated as the percentage of the total resident population or resident working population moving from one region to another at the defined NUTS level in the specified year. Where multiple year timeframes are indicated, the annual mobility rate is the average of the individual year rates. Cross-border mobility is excluded unless otherwise stated. ** Figures available include cross-border as well as interregional mobility.

Notes: For Spain, mobility rates include all residents whose place of work is in a different province from their place of residence, i.e. it includes those who commute to work on a daily or regular basis. Spanish data is derived from the database of labour contracts recorded by the public employment service. For Slovenia, general mobility includes both changes of temporary and permanent residence, while labour mobility includes commuting. For Estonia, for interregional mobility data to be registered as such, it is required that the mobile person stays in the new place of residence for more than a year.

Indication of recent trends is based on data from 2008 to 2011, 2012 or 2013, depending on data available at country level. Increase (or decrease) signifies either a consistent trend over the years covered or at least a 5% increase (or decrease) in annual flow from the starting year to most recent year for which data are available. Where neither pattern was observed, the trend is indicated as stable (↔). n.a.= not available.

Source: Eurofound, based on national contributions

In a large share of European countries, the interregional mobility rate is 1% or below. This group consists primarily of the eastern European Member States (Bulgaria, the Czech Republic, Poland, Romania and Slovakia). Italy is also part of this group, with a general interregional mobility rate of 0.6%. Portugal, with a 2.6% mobility rate at LAU level, would also probably belong to this group if data were collected at NUTS 2 level. Finally, Austria, with an interregional mobility rate of just over 1%, belongs to this group.

A second group of countries, including Croatia, Latvia, Lithuania and Hungary, has mobility rates of between 1.5% and 2%. Most of the Scandinavian countries (Denmark, Finland and Sweden) also belong to this group, having an annual interregional mobility rate of around 2%.

Germany (among those countries for which comparable data are available) has a comparatively high interregional mobility rate (3.3%). It should also be noted that long-distance commuting plays an important role in substituting interregional migration between eastern and western Germany.

Finally, in the UK, the mobility rate at local authority level was 4.9%.¹⁵ The figures for the UK are hence not directly comparable to data from other countries, although it suggests a high level of interregional mobility.

Taking into account the previous observations concerning the comparability of national statistical figures for interregional mobility, a cautious hypothesis would be that interregional mobility is positively related to GDP per inhabitant. Interregional mobility rates appear to be higher in countries with a high GDP level and lower in some of the poorer eastern European countries as well as countries that were severely affected by the crisis, such as Italy and Portugal.

In terms of changes in interregional mobility rates between 2008 and 2012, there is a mixed picture, with no obvious patterns for those Member States where such trend data are available. It is interesting, nonetheless, to observe increasing levels of interregional mobility in two Member States (Austria and Sweden) as well as Norway – all countries where labour market performance was comparatively robust over the period.

Direction of mobility flows within countries

Looking at the direction of mobility flows, the typical movement in all EU Member States goes from peripheral regions to capital city regions or large metropolitan regions. This continues a pattern of urban concentration of population observed in developed countries for over two centuries. Vienna in Austria, Bratislava in Slovakia and the greater London area in the UK are examples of major capital regions with significant positive net migration flows, reflecting the relative strength of the capital zone economy compared with other regions in the same countries.

There are some counter-examples, however. In Germany, the main internal migration flows are from east to west; in other words, not towards Berlin, the capital. Similarly, in Italy, the main flows are traditionally from the centre (including the region around Rome) and especially the south towards the richer northern regions.

¹⁵ According to the UK correspondent, this corresponds to NUTS level 3 or 4.

Regarding the flows from peripheral to central regions, the main drivers for the mobile citizens are better job and study options in the city regions and higher standards of living. The tendency creates big problems for the peripheral regions where a small and ageing population remains as young people move towards the city regions. This results in problems such as labour shortages, declining tax bases and increases in social security costs.

Sociodemographic characteristics of interregional migrants

In the countries where data on the sociodemographic characteristics of interregional migrants are available (all EU28 countries plus Norway, except for Cyprus, Greece, Ireland, Portugal and Romania), the data point to a number of common trends. One of the strongest trends is that interregional migrants tend – like cross-border migrants – to be younger than the population average. In the majority of EU Member States, people aged between 20 and 40 years are overrepresented in the interregional mobility statistics. For example, the largest cohort of interregional migrants in Austria, Finland, France, Italy, Norway, Sweden and the UK is in the under-30 category. Regarding the gender of the migrants, there is a great deal of variation across the EU. In eastern European countries, women are marginally more mobile than men, while in the older Member States, men are generally more mobile than women. But the differences are quite small and probably do not warrant emphasis. Non-national workers – those who have already demonstrated mobility at an earlier stage – tend also to exhibit higher levels of mobility, a pattern notably evident in a country like Spain, where the impacts of a deteriorating labour market fell disproportionately on recent immigrants.

Data on mobile migrants' educational levels are available only in a few Member States (Belgium,¹⁶ Hungary, Slovakia and Slovenia). In these countries, citizens who are mobile between regions tend to have a higher average educational level than the general population. In Hungary, for example, highly educated women are more likely to move to central regions than women with lower levels of education. The figures for Slovakia and Slovenia, however, indicate that the mobile segment of the population either has no or very little formal education, or a high level of education. People in these countries with intermediate levels of education tend to be less mobile. Whether this tendency is apparent in other EU countries is not possible to conclude based on Eurofound's information collection, as only four countries had figures or other indicators of educational levels of interregional migrants.

¹⁶ Figures include workers who commute to another region.

Barriers to geographical mobility 4

This chapter examines some of the barriers to geographical mobility within the EU that have already been identified in previous research. These obstacles are particularly relevant when identifying and evaluating national policies directed at promoting cross-border mobility. It should be noted that specific national policies may also act as barriers to geographical mobility. On the one hand, eastern European countries that have experienced large outflows of their country nationals since the post-accession period have introduced policy measures to counteract this trend and reduce the potential loss of skilled workers. On the other hand, some northern and continental European countries that are destinations for increased inflows of EU nationals, particularly from eastern European countries, have put forward policies that limit these inflows in an attempt to protect their labour markets.

Main impediments to mobility

Geographical mobility can potentially act as an adjustment mechanism, permitting a better match between labour demand and supply both across and within countries, as well as allowing for a more balanced redistribution of the population across regional and European labour markets. The presence of obstacles to geographical mobility may impinge on the functioning of these potentially balancing mechanisms. From this perspective, an initial investigation of possible obstacles to cross-border and interregional mobility is a good starting point when examining national policies directed at promoting geographical mobility.

Early migration theories suggest that migration is mainly driven by regional disparities in prosperity and expected income differentials between the place of origin and destination (Harris and Todaro, 1970; Sjaastad, 1962). Housing market conditions and housing policies are also deemed to influence the propensity to change residence. In particular, home ownership – with its high transaction costs and potential capital loss – is often regarded as an obstacle to geographical labour mobility (OECD, 2005). Research shows that homeowners and social housing tenants are less likely to move than private renters (Andrews et al, 2011).

In the context of cross-border mobility, another important consideration is access to the welfare system in the host country (Borjas, 1999), including healthcare and social assistance benefits in the event of unemployment (Heitmueller, 2005). Although the public debate on migration in many EU15 countries tends to centre on welfare tourism, there is, to date, limited evidence supporting the hypothesis that migrants – and particularly nationals from the EU12 – move to the EU15 to take advantage of better welfare systems and public services. Previous Eurofound research found that the main drivers of labour mobility for EU nationals from eastern European countries are better employment opportunities, higher wages and better working conditions (Eurofound, 2007).

The presence of informal social networks (family members, friends and so on) in the place of destination may reduce the costs and risks associated with the move and hence act as incentives to mobility (OECD, 2006; Massey, 1990). Migrants tend to form ethnic networks or clusters in the host country, which play a crucial role in attracting other migrants (Massey et al, 1993; Waldinger and Lichter, 2003). Research has found that informal networks are particularly important in providing information about job vacancies and access to the labour market (Granovetter, 1973). Using Granovetter's terminology, loose or 'weak' ties are particularly important in the diffusion of information, for example about employment opportunities, which then would reach a larger number of people than if passed through 'strong ties' and assist in finding a job. Previous research found that strong social ties (friends, for example) can deter mobility (see Belot and Ermisch, 2006). Consistent with this finding, a 2006 survey about mobility intentions of Slovenian workers found that the main obstacles to moving are separation from the partner, having dependent children and family situation (Kovačič et al, 2006).¹⁷

¹⁷ The survey contains answers from 967 respondents aged 18 to 45 years. It was carried out by the Public Opinion and Mass Communication Research Centre (CJMMK) at the Faculty of Social Sciences, University of Ljubljana.

Eurobarometer survey data (2010) emphasise the importance of personal contacts in searching for a job abroad. Some 44% of Europeans who envisage working abroad would rely on personal contacts in the prospective country for their employment search. Those living in the new Member States are more likely (59%) to follow this route for finding work abroad. More generally, limited or poor-quality information on the labour market in the prospective country or region may hinder geographical mobility and aggravate existing labour shortages (European Commission, 2012c).

Particularly in relation to cross-border mobility, cultural and language differences may impede the propensity to move to another country. There is some empirical evidence that migration flows between countries with closely related languages tend to be larger than between countries with unrelated languages (Belot and Ederveen, 2006). Examples include high migration flows between Ireland and the UK, Estonia and Finland as well as Romania and Italy and Spain.

Geographical distance can also be a deterrent to mobility unless the expected wage at destination exceeds the actual or potential wage at origin. Previous research has found that the so-called income–distance trade-off is higher for better-educated migrants (Courchene, 1970). According to Greenwood, education decreases ‘the risk associated with movement over greater distance’ (Greenwood, 1997, p. 673).

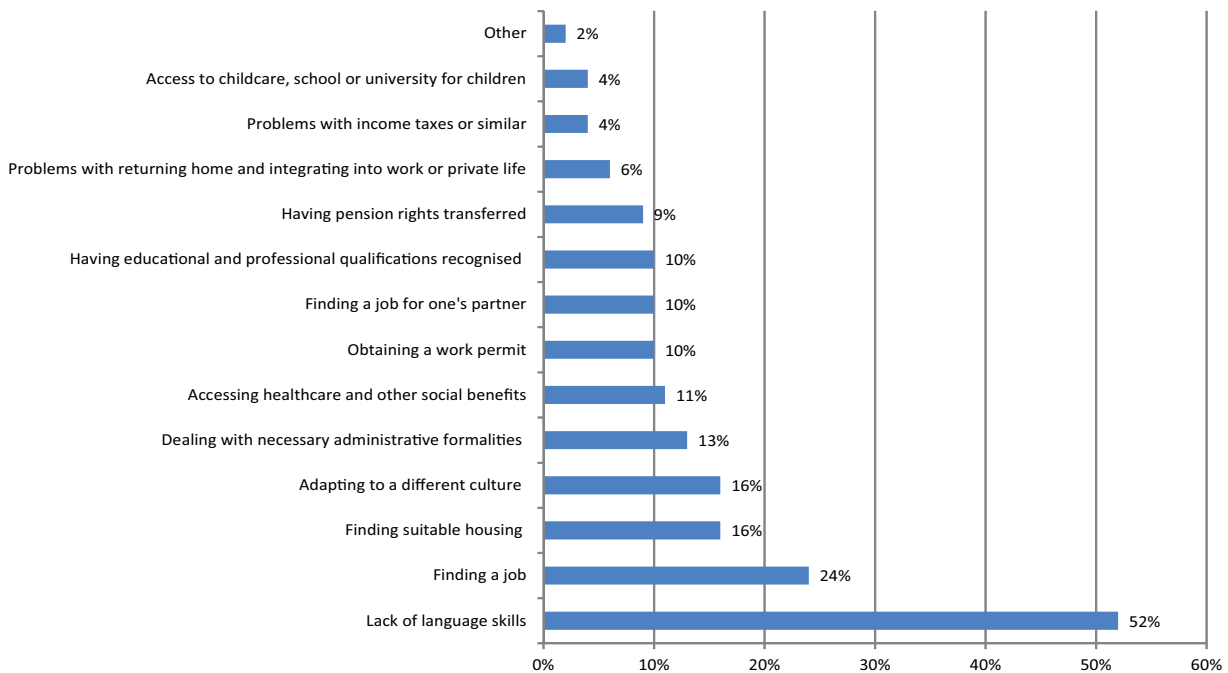
There are also administrative obstacles and policy-induced impediments to mobility, including non-recognition of professional qualifications for certain occupations, inaccessibility of some public sector jobs (for example, teaching) to other EU nationals, specific housing policy settings, and the lack of or limited transferability of pension rights and entitlements between schemes within the same country or, more so, cross-border between different national pension systems (OECD, 2012). In particular, the issue of portability of pension entitlements has been the focus of much debate and policies at the EU level in recent years. The European Commission is currently working with the Member States on identifying the remaining barriers to access to public sector employment for non-nationals, with a view to identifying, in the light of the case law of the European Court of Justice, clear shared criteria for reserved posts in order to limit existing restrictions.

Eurobarometer evidence on perceived barriers

The 2010 Eurobarometer survey on geographical and labour market mobility (European Commission, 2010d) is a rich source of information particularly on perceived barriers to cross-border mobility within Europe. The target population of the survey is people aged 15 years and over, and a sample of about 1,000 people were interviewed in most EU countries (N = 26,761). Survey data show that the main obstacles to intra-EU mobility relate to language differences, the perceived chances of finding employment, finding suitable housing and cultural adaptation (Figure 8).

Language differences continue to be the main barrier to mobility for over half of respondents. The EU average, however, conceals significant country variations; the lowest average is recorded in Luxembourg (21%) and the highest in Lithuania (65%). Of the English-speaking countries, language is more likely to be perceived as a barrier to mobility in the UK (59% compared to the 52% EU average) than in Ireland (37%).

Figure 8: Practical difficulties encountered or expected in relation to working abroad (% of respondents)



Notes: Respondents were asked to choose a maximum of three answers. The wording of the question – referring to difficulties experienced or expected – may be problematic as it brings together different populations, specifically respondents who have worked abroad and those who have not worked abroad; hence responses may reflect only expectations rather than actual experience.
 Source: *European Commission, 2010d*

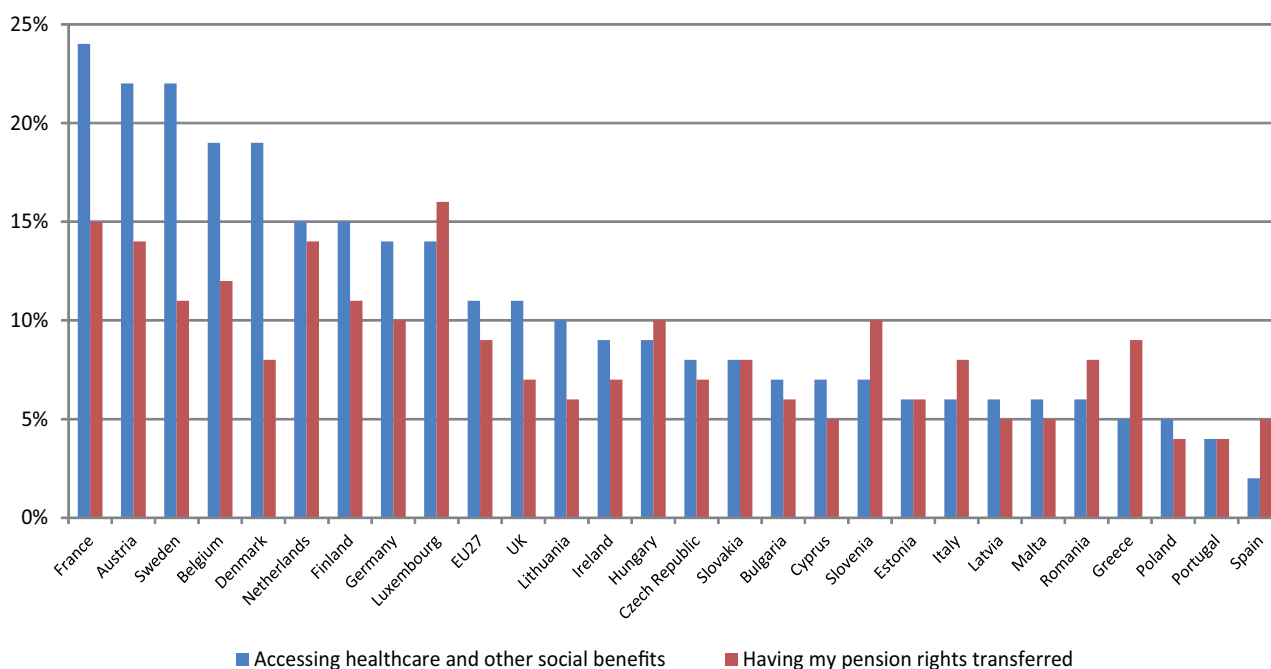
Another 24% of all respondents expect to encounter, or have encountered, problems finding a job. These difficulties are more often reported in Greece (48%), Bulgaria (45%) and Ireland (43%), while this is relatively less problematic in Sweden (16%), France (17%) and the Netherlands (18%). This difficulty may point to poor or limited access to information about job opportunities abroad, uncertainties about suitable and effective job search methods, and lack of social networks that may help people to find jobs abroad. Information policies oriented to improving geographical mobility may be instrumental in lowering the hurdle related to finding a job abroad.

Finding suitable housing is another potential impediment to cross-border mobility (with an EU average of 16%). The highest share of respondents indicating that this was a barrier to moving abroad were from Cyprus (34%) and Malta (27%). This is less of a worry in Germany (10%), the Netherlands (10%) and Poland (10%).

Adapting to a different culture continues to be a main barrier to mobility for 16% of respondents. This is an area for concern particularly for respondents from Malta (32%), Cyprus (30%), Greece (28%) and Italy (25%). Both the language and cultural barrier could be addressed by promoting language capacity and education in both the sending and destination countries.

The Eurobarometer survey shows that the share of respondents most concerned with access to various social benefits abroad and portability of pension rights is generally higher in Nordic countries and continental Europe where the welfare state is well established (Figure 9). Fear of losing acquired entitlements from their more generous social welfare systems may be an impediment to geographical mobility from these countries.

Figure 9: Concern over access to social benefits and transferability of pension rights (% of respondents)



Source: European Commission, 2010d

Another source of concern for Europeans is the recognition of qualifications. In principle, this should not be an issue for EU nationals, as qualifications should be automatically recognised based on the European Qualifications Framework and the Professional Qualifications Directive. However, in many countries, there are professions that require authorisation from competent authorities in order to be practised (International Organization for Migration, 2013). Even for non-regulated professions, where the recognition of qualifications is not a general requirement, recognition processes and systems in the different EU countries are often complex and non-transparent. The Eurobarometer survey data confirm that qualification recognition continues to be regarded as a barrier to mobility; this is a concern for 10% of all respondents. Countries where recognition of qualifications was most likely to be reported as a barrier to mobility were Slovakia (22%), Lithuania (17%), Bulgaria (16%) and the Czech Republic (16%).

A more recent Eurobarometer qualitative study largely confirms the above findings (European Commission, 2011a).¹⁸ Language, family and finding employment are the most prominent perceived barriers to mobility. Those who reported that finding work in another country might be difficult indicated language barriers and the non-recognition of their diploma as the main obstacles to moving. Countries where a different language is spoken are those that present the greatest barriers to mobility.

National policy initiatives restricting geographical mobility

In conjunction with increased inflows to EU15 countries of mobile workers from eastern European countries after the two enlargements, as well as from southern Europe since the onset of the current economic crisis, public concern has been raised in receiving EU countries about the potential negative impacts of the presence of workers from other Member States in the national labour markets. In some cases, policy initiatives have been put in place to address this concern.

¹⁸ This study was conducted through 48 focus group discussions with the general public, with 8–10 participants per group.

As already noted in this report, the public discourse in some EU15 countries (Denmark, the Netherlands and the UK, as well as – partly – Germany) increasingly focuses on welfare tourism and potential abuse of the welfare system. Such concerns have prompted some Member States to introduce restrictive policy measures aimed at reducing the inflow of EU nationals from other Member States and limiting access for EU migrants to welfare benefits.

One example is the UK, where EU nationals are no longer able to claim work benefits immediately upon arrival in the country as there is a qualifying period of three months (Prime Minister's Office, 2013). Other new measures include cutting off benefits for EU job-seekers after a period of six months if there are no realistic prospects of them gaining work, stopping housing benefits for EU job-seekers, and imposing a 12-month re-entry ban for people who have been removed for not working or not being self-sufficient. On 19 February 2014, the British government announced plans to introduce new rules by which EU migrants would have to prove they earned at least GBP 150 (€190 as at 2 October 2014) per week in order to qualify for state benefits, including housing benefit, child benefit, job-seeker's allowance and child tax credit. The setting of a minimum earnings threshold for EU migrants was heavily criticised by the European Commission as it is potentially a breach of EU law (*Financial Times*, 2014). The legality of all these measures is under scrutiny by the European Commission.

A similar initiative is seen in Germany, where unemployed EU migrants are excluded from claiming unemployment benefit II, which comprises unemployment assistance (*Arbeitslosenhilfe*) and social welfare assistance (*Sozialhilfe*) (the so-called Hartz IV measure). This applies to all those migrants who reside in Germany only for the purpose of finding work and have not yet worked in the country. EU migrants who reside in Germany for more than three months and who are in work but do not earn enough to guarantee a minimum standard of living are entitled to receive top-up benefits via unemployment benefit II. In Germany, this issue is widely debated, and social courts (*Sozialgerichte*) so far have taken different decisions (*Frankfurter Allgemeine*, 2013). The North Rhine-Westphalia social court, for instance, granted unemployment benefit II to a Romanian family that had remained in Germany after a long, unsuccessful search for work. The blanket ban for unemployed EU migrants has been criticised by the European Commission, and the European Court of Justice will soon make an initial ruling on the issue. However, the German government opposes any EU intervention on this matter. The issue will be further debated by a new commission on migration set up in January 2014.

Fuelled by fears of a growing influx of EU nationals from less-affluent European countries and potential abuse of welfare systems, some EU Member States have been expelling increasing numbers of EU nationals for failing to find employment and supposedly overburdening their welfare systems. This, for example, is the case in Belgium, where 2,712 EU nationals received expulsion orders in 2013 (RTBF, 2014). The number of EU nationals expelled from Belgium has increased steadily since 2010, rising from 502 in 2010 to 1,542 in 2011 and 2,407 in 2012. The measure applies to those who have been receiving unemployment benefits or social assistance from the Public Social Assistance Centres (*Centres Publics d'Aide Sociale/Openbare Centra voor Maatschappelijk Welzijn, CPAS*) for longer than three months. This policy is based on EU Directive 2004/38/EC, according to which 'Persons exercising their right of residence should not, however, become an unreasonable burden on the social assistance system of the host Member States during the initial period of residence' (p. 81). Similar measures have been taken in Austria, where 101 people who were in the country for longer than three months without confirmation of registration were requested to leave in 2013.

By contrast, other EU countries, particularly eastern European countries, which have been experiencing continued large outflows of nationals with a consequent loss of population, have introduced policy measures to restrict labour mobility out of the country. This is the case in Hungary, for example, where a recent scheme was introduced applying conditions to young university graduates who have studied in a state-funded programme. This obliged state-funded students to sign a contract stating that they commit to work in Hungary for twice the length of their education within 20 years of graduation. If they do not comply with this requirement, they must pay back 50% of the cost of their education. These provisions have been controversial on a number of grounds. Critics argued it was counterproductive as it could encourage young people to seek education abroad without any restriction on where to work after graduation (Eurofound,

2012a). The new provisions were also judged to be unconstitutional by the constitutional court in June 2012 for affecting the right to free choice of occupation and free movement of workers. Latest indications are that the conditions for receiving study grants in Hungary have now changed.

Similarly, in Lithuania, students in targeted state-funded study programmes are obliged to pay back the cost of their studies to the state if they do not work for three years in Lithuania upon graduation. In 2013, targeted funding was allocated for study programmes of philology, physics, special needs education and other disciplines that are not particularly popular among students.

Incentive-based policies tackling the 'brain drain' challenge

To alleviate the negative consequences of emigration of people with higher education, such as doctors, engineers and scientists, some EU countries have implemented incentive-based policies and schemes that tackle the issue of the 'brain drain'. These offer favourable return conditions to country nationals with higher education living abroad or try to attract highly educated foreigners.

The Czech government has, for example, approved mobility programmes providing advantageous conditions for the return and career development of Czech researchers living abroad. For this purpose, a total allocation of CZK 100 million (€3.6 million as at 2 October 2014) was earmarked. The programmes were approved and started in 2011. The Czech government has also introduced measures to limit the outflow of Czech scientists and facilitate their return in the framework of the National Reform Programme. One of the measures envisaged is to pay them internationally competitive salaries (Government of the Czech Republic, 2012).

In Italy, the loss of well-educated workers to other countries, particularly of qualified scientists, is often flagged in the media and raised as a policy concern. A number of studies have explored the mobility patterns of highly qualified people (for example, CNR, 2004; Morano-Foadi and Foadi, 2003; Iezzi, 2002). In response to such concerns, the Italian government passed a law in 2009 (Article 17, Law No. 2/2009) that encourages the return of Italian researchers who have been working outside Italy for at least two years by providing fiscal incentives.

Another example of incentive-based policy to encourage retention of skilled labour is the Malta Foundation Programme launched by the Maltese government in 2009. This encourages locally trained doctors to stay in Malta by offering them the opportunity to do their two-year housemanship (role of junior doctor straight after graduation) in Malta but still retain the possibility of specialising in the UK or elsewhere (*Times of Malta*, 2010a, b). Before this programme was implemented, newly graduated doctors were moving to the UK as soon as they finished medical school to follow a postgraduate two-year foundation course to pursue specialist training (Azzopardi, 2012). The main incentive is that trainees completing the Malta Foundation Programme can successfully compete on the same level as those who are successful in the UK Foundation Programme for specialty posts in Malta, the UK or elsewhere.

According to the Medical Association of Malta (MAM), the investment in high-quality specialisation programmes in Malta, combined with the opportunity for periods of study abroad, has reversed the medical brain drain in the health and medical sector, which was having severe consequences on the standard of the country's health services (*Malta Today*, 2012). The introduction of the programme improved the retention rate of local medical graduates within the National Health Service while, at the same time, attracting foreign graduates to join the programme. Figures show that the number of doctors recruited to the service has increased steadily since the introduction of this programme in 2009. While, for instance, the share of graduates recruited in 2008 was 71.4%, this percentage increased to 84.2% in 2010. Latest figures show that, in 2011, the total number of doctors recruited (88) actually exceeded the total number of final-

year medical students from the University of Malta (76), as a number of foreign graduates joined the programme (Cassar and Piscopo, 2011).

The problem of the brain drain remains particularly acute, notably in the health sector, in some countries that have not yet implemented policies for the retention of skilled labour. For example, the loss of Romanian doctors to wealthier EU countries, particularly France, Germany and the UK, is becoming a matter of increasing concern for policymakers and social partners in Romania. National official data suggest that there was a large exodus of medical graduates between 2006 and 2012. The number of new graduates from medical high schools and third-level education is much higher than the annual number of employees with these qualifications in the Romanian health service (National Institute of Statistics, 2011).

Restrictions on working in specific occupations

In addition to the initiatives directly addressing the inflow of migrants described above, other types of policies may present obstacles to labour mobility. In nine of the Member States, there are legal obligations of either citizenship (Austria, Belgium, Lithuania, Poland and Portugal) or proficiency in the native language (Estonia, Finland, Latvia and Sweden) in order to hold certain public positions such as teacher, doctor or specific categories of civil servant. The case law of the European Court of Justice is clear, however, that language requirements should be reasonable and necessary for the post in question and cannot be used in a general way to exclude workers from other Member States.

Of special sensitivity are positions considered of importance to national interest and security, for example in the diplomatic service and defence. This, for example, is the case in Belgium, where positions in the ministry of defence and diplomatic service are open only to nationals. Similarly, in Poland, only nationals can access public service positions exercising powers conferred by public law and safeguarding general national interests. Proficiency in the language is also required to enter the public service. In Bulgaria, all posts in the ministry of the interior are reserved for Bulgarian nationals.

In Austria, although there are no restrictions on EU nationals working in the public service (including education and healthcare), only Austrian nationals can become so-called career public servants (*Beamte*), in other words, public employees with permanent tenure. The exception to this rule is university professors. Austrian citizenship is required only for career public servants employed in sovereign administration. In Portugal, only technical public sector jobs such as teachers, nurses and doctors are available for non-nationals, while all other public sector jobs are reserved for Portuguese citizens.

In other cases, there are no formal requirements preventing foreign nationals from taking up public sector posts, but instead proficiency in the native language of the country is demanded. In Finland, all healthcare professionals are required to have sufficient proficiency in either Finnish or Swedish. In Sweden, teachers or preschool teachers are required to have a certificate issued by the National Agency for Education (Skolverket), which proves adequate proficiency in the Swedish language. Although the language requirement is most common in the health and teaching sectors, in Latvia, proficiency in the Latvian language is required for all occupations in the public sector due to a law that prescribes that official communication and bureaucracy should be in Latvian. In Estonia, the language requirement applies to a large number of occupations in the public service and local governments as well as the private sector (for example, service staff and security guards). In Luxembourg, although in principle public service positions are open to all EU nationals, the requirement for a knowledge of the three languages – Luxembourgish, German and French – in fact limits access to such positions for non-nationals.

Although it is only directly required in some Member States, the demand for proficiency in the native language may constitute an impediment to labour mobility in many Member States.

National and regional policies to facilitate geographical mobility 5

This chapter describes a range of national and regional policies that support geographical mobility either directly or indirectly. There are policies that are broad in scope and yet have an impact on geographical mobility, such as active labour market policies that provide financial incentives to job-seekers and workers who are willing to take up employment in another region or country, mobility-friendly training policies, and policies channelling relevant information to potential movers.

Portability of unemployment entitlements

An effective way to encourage geographical mobility is to improve cross-border portability of unemployment insurance benefits. The issue is addressed at European level through Regulation (EC) No. 883/2004 and 987/2009 regarding the coordination of social security systems and its implementation. Under the regulation, citizens of the EU, the European Economic Area (EEA) and Switzerland are entitled to claim unemployment benefits for three months in another Member State while searching for a job in that country. This is provided the unemployed person upon departure has filled out a U2 form (formerly E 303 form) at the relevant public employment service and has been available for at least four weeks to the public employment services in the country where they earned their unemployment benefits. The job-seeker can apply to the employment service in the country where they first became unemployed for an extension of the time period from three to six months if they can demonstrate that they have a chance of finding a job in the following months. The job-seeker must register with the relevant authorities in the destination country seven days after arrival at the latest. Here, the job-seeker is generally subject to the labour rules in the new country, including job search and availability-to-work requirements. The two EU regulations mentioned above do not include the long-term unemployed.

As shown in Table 12, the majority of Member States allow the prolongation of export of unemployment benefits for up to six months. Only in the Czech Republic is the export period by default six months, although, in practice, the extension is often granted for four months. In some countries, such as Spain, the unemployed person has to prove that they are likely to find work during the extended period. In Germany and Poland, too, the extension of export of unemployment benefits is conditional on the positive assessment of opportunities for the applicant to find work abroad.

Some national public employment services in some Member States make available certain statistics on the number of requests for export of unemployment benefits that they receive or grant. For example, in 2012, the Romanian National Employment Agency (ANOFM) received, from the relevant institutions in other EU Member States and Switzerland, over 5,000 requests for certification of the rights accruing to them from the Romanian unemployment insurance contribution scheme.

Table 12: *Export periods for unemployment benefits in EU Member States and Norway*

3 months without prolongation	3 months with possibility of prolongation	6 months by default
Croatia	Austria	Czech Republic
Cyprus	Belgium (<i>exceptionally</i>)	
Denmark	Bulgaria (<i>no criteria exist</i>)	
Finland	Estonia	
France	Germany (<i>criteria exist</i>)	
Hungary	Greece	
Ireland	Latvia	
Italy	Lithuania	
Netherlands	Luxembourg (<i>granted upon request</i>)	
Norway	Malta	
Sweden	Poland	
UK	Portugal	
	Romania (<i>granted upon request</i>)	
	Slovakia (<i>individual examination</i>)	
	Slovenia	
	Spain	

Source: Eurofound, based on national contributions; European Commission, 2011b

It should be noted that requirements in national provisions sometimes make it difficult, in practice, to export unemployment benefits abroad. In Hungary, a permanent address in the destination country is required, and a change of address must be notified to the competent authority. In addition, the job-seeker must be available for job offers from the home country. Other countries make some adjustments to standard provisions – for example, in Estonia, unemployed people who are granted the export of unemployment benefits to another EU country can refuse a job offer in the home country if the distance is such to justify the refusal.

Portability and recognition of qualifications in the EU

The lack of recognition of qualifications is another potential barrier to cross-border mobility. To facilitate labour mobility, different EU directives and frameworks have been implemented, the most important being the Directive (2005/36/EC) on the recognition of professional qualifications and the Recommendation on the establishment of a European Qualifications Framework for lifelong learning.

Within the Directive on the recognition of professional qualifications, EU citizens should be automatically authorised to work in certain occupations (doctors, dentists, pharmacists, nurses, midwives, veterinary surgeons and architects) in another EU country if they are qualified to perform the profession in their home country. The automatic recognition is based on harmonised minimum training requirements in the Member States. Still, in some cases, the person would need to obtain a licence before being able to enter the profession in the receiving country.

The EQF acts as a translation device to make national qualifications more comprehensible across Europe, promoting workers' and learners' mobility between countries and facilitating their lifelong learning. However, at present, as the EQF is not fully implemented, an enterprise in a Member State may hesitate to recruit a job applicant from another EU country because it does not understand the level of the qualifications held by the applicant. But once the EQF is fully implemented, a person's certificates will bear a reference to an EQF reference level. The authorities from the country where the enterprise is located will have already decided how their own national certificates correspond to the EQF, so the enterprise would use the EQF reference to compare the qualifications of the candidate from the other Member State to those of a candidate from the home country.

The transposing of the above-mentioned EU directive and framework into the Member States' jurisdiction can result in diverging forms of the policies at national level. This is evident when it comes to how the application process is regulated and for which professions a licence is needed in order to perform the profession. For example, some Member States have fewer regulated professions than others, thus making their labour markets relatively more open. This, for instance, is the case in Latvia, where the list of regulated professions is shorter compared to other countries. In the process of implementation of the EU Directive on the recognition of professional qualifications, it is planned to revise the existing list of regulated professions in order to make employment of foreigners even more liberal and harmonise the nomenclature of regulated procedures among EU countries. In other cases, for example in Luxembourg, professional qualifications within certain fields (healthcare professionals and lawyers) obtained in other EU Member States are immediately recognised. Therefore, all EU citizens with the necessary qualifications can apply directly for an occupational licence without entering a process to have their qualifications recognised (CEDIES, 2014). Other countries, such as Lithuania, have streamlined the process for the recognition of foreign education and qualifications through the adoption of a decentralised procedure, whereby higher educational institutions authorised by the Minister for Education and Science are responsible for the recognition procedures.

There are variations in the nature and extent of information provided through websites and written information such as brochures to people who wish to use their qualifications in another Member State. In Austria, the Federal Ministry of Labour, Social Affairs and Consumer Protection (Bundesministerium für Arbeit, Soziales und Konsumentenschutz,

BMASK) together with the State Secretariat for Integration have started an initiative to facilitate and accelerate the recognition of qualifications obtained abroad. Thus they have issued a new brochure (*Recognition-ABC*) with information about the Austrian educational system, as well as recognition of educational and professional qualifications obtained abroad. The brochure provides details of contact points in Austria, broken down by profession. Furthermore, a new website allows those who have obtained qualifications abroad to find the necessary public authorities for recognition of their education and training.

The recognition of academic diplomas remains a national responsibility. In general, the recognition system is managed by the national ENIC-NARIC centres (European Network of Information Centres in the European Region and National Academic Recognition Information Centres in the European Union). The legal basis for recognition of academic diplomas is the Lisbon Recognition Convention, whose purpose is to facilitate the portability of academic qualifications. Some countries have additional bilateral agreements on the recognition of diplomas. Agreements between EU Member States noted by this study were between the Romanian government and the Cypriot, French and Slovakian governments regarding the mutual validation of qualifications obtained in the higher education systems of the countries, as well as between Slovakia and the Czech Republic, Germany, Hungary and Poland. In addition, Spain has concluded agreements on the recognition of academic and PhD degrees with France, Germany and Italy.

Policies and frameworks supporting the portability of qualifications are generally related to existing EU legislation. In Poland, however, an accreditation of prior learning (APL) initiative was initiated by a group of Polish organisations led by the main construction sector trade union ZZ Budowlani in partnership with organisations from Belgium, Germany, Italy, Romania and Turkey and the International Forum for Construction Occupational Standards. The initiative was a two-year project financed by the European Commission's Lifelong Learning Programme. The project compared qualifications of tradesmen across different EU Member States and classified the qualifications of workers in the Polish construction sector. One of the main goals of the project was to promote a qualified and internationally recognised workforce in the Polish construction industry and thereby facilitate geographical mobility.

Member States also have different APL systems in order to help EU citizens obtain recognition for non-formalised qualifications, for example competences acquired through previous jobs. An illustration of an APL system comes from Portugal, where the RVCC (Recognition, Enhancement and Certification of Competences) system gives adults the opportunity to recognise, validate and certify knowledge and competences that they have acquired in different contexts, throughout their life. It provides acknowledgement of participants' skills and competencies that have been acquired in their professional and personal lives. Certificates refer to the qualification framework in Portugal. They range from a basic educational diploma to certificates for the first, second and third levels of primary education, to second-level certificates or diplomas. As a supplementary initiative, the National Catalogue of Qualifications (Catálogo Nacional de Qualificações, CNQ) aims at promoting and facilitating access to dual certification pathways, by introducing a wider variety of modules for certification purposes and by developing a framework to facilitate the RVCC processes. It contains extensive information about the skills (general and specific) that are needed to develop several professions. The catalogue is updated in close liaison with companies to ensure that courses adequately reflect the requirements of each profession.

In Malta, the Employment and Training Corporation (ETC) provides an assessment and certification service called Trade Testing, which is available for both Maltese and foreign nationals. The aim is to assess individuals who have acquired knowledge, skills and competences in a particular occupation but do not possess a formal qualification. The process involves a written and a practical test, followed by an assessment interview. Candidates who successfully pass the Trade Testing are awarded a certificate of competence in that particular occupation.

Informal networks and public information policies

Another important factor when it comes to facilitating geographical mobility is the information available on labour market situations and conditions in other Member States. There is evidence that EURES – through the national public employment agencies – is increasingly becoming a key provider of information on job vacancies. Via the EURES network, for example, personnel shortages in winter tourism in Austria were considerably reduced in the winter season of 2011–2012, with the employment of around 800 seasonal workers from the EEA region in Austrian tourism businesses, according to the Federal Ministry of Labour, Social Affairs and Consumer Protection (2012).

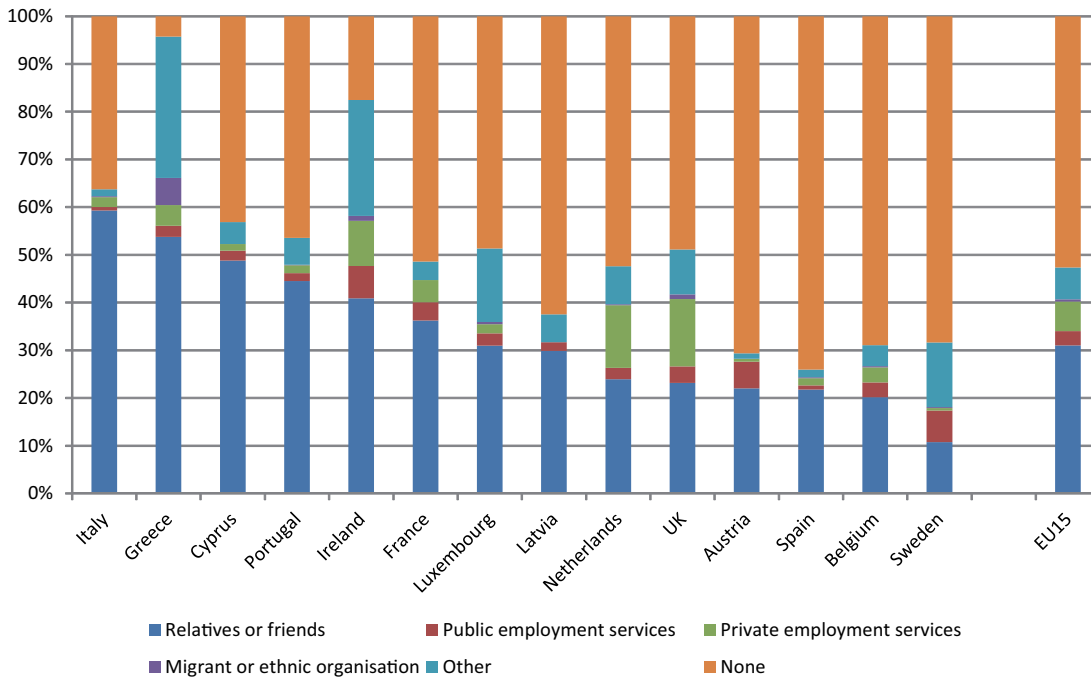
In spite of the increasing importance of EURES in helping EU nationals find employment in EU countries other than their own, in a number of Member States (for example Croatia, Estonia, Ireland, Lithuania and Poland), informal personal networks such as friends and acquaintances in other countries continue to play a central role in the job search process and are important sources of information about job opportunities in other countries.

A survey commissioned in 2012 by the Estonian Unemployment Insurance Fund (EUIF) found that, when seeking work abroad, 50% of respondents would turn to friends or acquaintances for information, and only around a tenth (9%) would refer to the Estonian public employment service (OÜ Faktum & Ariko, 2012).¹⁹ Some 26% of the survey respondents had experience of working abroad, and 62% had found the job through friends or acquaintances. According to the Estonian Labour Force Survey (2010), the most common job search methods are job advertisements as well as friends and acquaintances. Along similar lines, the ethno-survey carried out by the Polish Centre of Migration Research at the University of Warsaw shows that the use of personal contacts – friends, relatives and acquaintances – is the predominant job search method for Polish workers who intend to find a job in another country (Kaczmarczyk, 2008; Grabowska-Lusińska and Okólski, 2008).

The importance of informal networks for finding a job is also highlighted in the 2008 ad-hoc module of the EU-LFS (Figure 10). This reports that more than 30% of employed EU nationals (15–74 years) living in another EU15 country stated that they received help from relatives and friends in the host country in finding their current job or setting up their own business. There are, however, variations across countries. More than half of EU migrants working in Italy (59%) and Greece (54%) relied on relatives and friends for finding employment. Above-average percentages of respondents indicating the use of this job search method were also found in Cyprus (49%), Portugal (44%), Ireland (41%) and France (36%). Only 9% of EU nationals working in another EU country stated that they turned to labour market intermediaries (public and private employment services) in their search for employment.

¹⁹ Total sample size was of 999 respondents.

Figure 10: Main source of help received by working EU migrants in the host country to find current job or set up a business



Notes: Data available only for selected EU countries; data refers to migrants aged 15–74 years.
 Source: Authors' calculations; Eurostat, 2014

During economic downturns, the use of a combination of different job search methods can turn out to be most effective as it maximises the possibilities of finding a job. A recent Romanian study found that the main job search resource used by Romanians is a mix of public employment services and personal contacts (Stănculescu and Stoiciu, 2012). According to the study, 'in the context of economic crisis, the main support for Romanians who work abroad and the main provider of labour market mediation services is the National Employment Agency through EURES services, which represent one of the most common methods used by migrants who seek jobs abroad' (p. 19). On the other hand, the study notes that in the receiving country, 'most migrants (over 60%) have somebody they know from back home. The majority work with friends or colleagues from Romania' (p. 91).

International networks of expatriates also offer an alternative method to search for employment abroad. An example is the House for French Expatriates (Maison des Français de l'Étranger), an initiative from the French Ministry of Foreign Affairs in cooperation with the French International Public Employment Service (Pôle Emploi International).

Recent Polish research points to a growing role for private employment agencies with regard to the search for employment in other EU countries (Fiałkowska and Napierała, 2013). In Slovakia, this is the most common job search method for jobs abroad, as private employment agencies arrange work mediation for both employed and unemployed people in other countries such as Austria, Germany, the Netherlands and the UK, especially for social care professionals.

Public employment services in some Member States (France, Latvia, Lithuania and Sweden) have established additional job search databases to promote international vacancies. Whether the traditional public job databases or EURES are the most frequently used job search methods for people intending to work abroad is difficult to assess. What is clear, however, is that cooperation between national employment agencies and information-sharing resources is still limited and needs to be further enhanced.

In addition to public and private employment services initiatives, some Member States and social partners have concluded bilateral agreements regarding the provision of information services to cross-border migrants and mobile workers on different labour-market-related matters in order to promote geographical mobility. The bilateral agreements, especially if they are between social partners, are often centred on the mutual recognition of the trade union memberships of foreign workers and the provision of information, counselling and legal protection in the native language of the migrants. The main motives for this are protecting labour rights and preventing social and wage dumping, as well as discouraging undeclared work in the receiving country.

The bilateral agreements on information provision, counselling and legal assistance are primarily seen between the old EU Member States and the new Member States as well as between the eastern European countries. A good example is in Austria, where various projects advise cross-border commuters and migrant workers in the border regions between Austria and Hungary, the Czech Republic and Slovakia on labour and social law in the relevant local languages.²⁰ These projects are all based on cooperation between trade unions in Austria and the respective neighbouring countries. The projects have been partly supported by the EU (through the European Regional Development Fund) and federal funding.

Another example of a bilateral agreement is that signed in the summer of 2012 by the Confederation of Independent Trade Unions in Bulgaria (CITUB) and the Romanian National Trade Union Confederation (Cartel Alfa) to provide legal assistance, advice and targeted support for Bulgarians working in Romania and Romanians working in Bulgaria (Eurofound, 2013a).

Some other bilateral agreements concern specific sectors – this is the case of the agreement between the Austrian Trade Union Confederation (ÖGB) and the Slovak Confederation of Trade Unions (KOZ SR) in the frame of the ‘Trh prace PLUS’ (Labour market PLUS) project providing legal and trade union assistance to Slovak nationals working in the Austrian care sector. The ÖGB also signed an agreement in 2004 with all six Hungarian trade union confederations on mutual legal assistance for members of their unions working in the respective countries.

Similarly, in the context of increasing inflows of Polish workers to the UK, in 2006 the two largest Polish trade unions – Solidarity (NSZZ Solidarność) and the All-Poland Alliance of Trade Unions (OPZZ) – signed a bilateral agreement with the British Trades Union Congress (TUC) for mutual recognition of union membership. A similar agreement was signed in the same year between Solidarity and the Irish Services Industrial Professional and Technical Union (SIPTU).

In Germany, the Confederation of German Trade Unions (DGB) and the Bulgarian trade union confederations PODKREPA and KNSB concluded a framework agreement in 2013 agreeing to cooperate in DGB’s ‘Fair mobility’ project. This is a two-year project for posted workers funded by DGB and the German Federal Ministry of Work and Social Affairs. In addition, they agreed that information will be published in the Bulgarian language on working conditions and workers’ rights and that the organisations will jointly design new services for supporting migrant workers. The named Bulgarian trade unions are members of the advisory board of Fair mobility, which has established six advisory centres for migrant workers from eastern Europe. The teams provide support in social and legal rights cases; they also assist in enforcing workers’ rights in the event of social and wage dumping and train workers’ representatives to do so. In Bulgaria, information on working conditions and workers’ rights is distributed by the trade unions.

²⁰ These include the following projects: IGR (www.igr.at), ZUWINS and ZUWINS + (www.zuwins.at and www.zuwinsplus.eu), ZUWINBAT (www.zuwinbat.at) and Arbeitsmarkt + (www.arbeitsmarktplus.eu)

Bilateral initiatives

Besides bilateral agreements on provision of information services, some Member States have concluded bilateral agreements that aim more directly at increasing cross-border mobility between Member States. Even before the free movement of labour within the EU became a reality, the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) had concluded, and in time renewed, bilateral agreements on the creation of a Common Nordic Labour Market (1954), where country residents are able to freely take up employment and settle in another Nordic country.

However, against the backdrop of the recent economic downturn and rising unemployment in many EU countries, a number of bilateral agreements have been concluded between Member States to encourage geographical mobility, particularly of young people, and to address persistent labour mismatches in the EU. A case in point is the special agreements signed by the German government with various EU Member States (Croatia, Denmark, France, Italy, Portugal and Spain). One of these is the much-talked-about agreement concluded by the German and Spanish governments (Federal Ministry of Labour and Social Affairs, 2013a). This agreement involves setting up an apprenticeship scheme in Spain similar to the German dual vocational training scheme, which comprises school-based and workplace-based training. The ministers agreed that 5,000 young unemployed Spanish citizens would be financially and organisationally supported to find an apprenticeship post or a job in Germany. As a result, in January 2014, six trained German EURES staff members were to move to Madrid for two years for recruiting purposes. The initiative is managed by the German International Placement Service (ZAV) in cooperation with the EURES network and is covered by an ESF-based €140 million programme – MobiPro-EU – passed by the German government on 27 December 2012. The programme is not limited to Spain but is open to young unemployed people between 18 and 35 years (up to 40 years, depending on whether they apply for defined occupations in demand) from all EU Member States.²¹ The agreement has been criticised for a lack of transparency as it does not specify the conditions of the jobs and training positions that will be offered. The same agreements have been signed with Italy and Portugal (Federal Ministry of Labour and Social Affairs, 2012; 2013b).

In an effort to address acute labour shortages, Germany recently signed other agreements with neighbouring Member States. Examples are the German–Danish agreement from November 2013 to facilitate cross-border apprenticeships within vocational education and training on both sides of the border and the German–French bilateral agreement establishing in 2013 a cross-border employment agency (the French–German Public Employment Service) to promote mobility between the two countries (*Arte Journal*, 2013; *Le Figaro*, 2014).

Another type of bilateral agreement trying to promote geographical mobility is based on the French–Belgian border. Here, a transnational job fair aims to gather relevant actors on a regular basis at the cross-border job forum Eurométropole Nord–Pas de Calais/Hainaut–Flanders. The job forum was launched in 2006. Every year, it brings together all relevant actors: employers, unemployed people in search of a job, public and private employment service providers, and consultants offering advice on topics related to education, training and mobility. According to the organisers of this event, 119 enterprises have offered 18,000 jobs to a panel of 8,000 participants who have attended the job forum.

As shown in Table 13, 19 out of 29 European countries have in place bilateral agreements with at least one other EU country. These agreements are settled at government and social partner level. The depth of the agreements varies from mutual recognition of trade union membership and provision of the most important labour market information in certain languages to direct cross-border promotion of job opportunities.

²¹ Occupations in demand are defined by the Federal Employment Agency. As of 2013, these are engineers and technical professions, doctors and health-related professions, and skilled workers in the hotel and restaurant sector.

Table 13: Overview of bilateral agreements at government or social partner level in EU Member States and Norway

Country	Government level		Social partner level	
	Information services and targeted support	Promotion of job opportunities	Information services and targeted support	Promotion of job opportunities
Austria	n.a.	No	Yes	Yes
Belgium	Yes	Yes	n.a.	n.a.
Bulgaria	n.a.	Yes	Yes	No
Croatia	Yes	Yes	No	No
Cyprus	Yes	No	n.a.	n.a.
Czech Republic	n.a.	No	n.a.	n.a.
Denmark	n.a.	Yes	n.a.	Yes
Estonia	No	No	No	No
Finland	No	No	Yes	No
France	No	No	No	No
Germany	Yes	Yes	n.a.	n.a.
Greece	No	No	No	No
Hungary	Yes	Yes	Yes	Yes
Ireland	Yes	No	No	No
Italy	No	No	No	No
Latvia	Yes	No	No	No
Lithuania	No	No	No	No
Luxembourg	No	No	Yes	No
Malta	No	No	No	No
Netherlands	No	No	No	No
Norway	No	No	Yes	No
Poland	No	No	Yes	No
Portugal	No	Yes	No	No
Romania	No	Yes	Yes	No
Slovakia	No	No	No	No
Slovenia	Yes	No	Yes	No
Spain	n.a.	Yes	n.a.	n.a.
Sweden	Yes	No	No	No
United Kingdom	No	No	No	No

Note: n.a. = not available.

Source: Eurofound, based on national contributions

In most cases, bilateral cross-border information services and job promotion initiatives focus on specific sectors. For example, Bulgaria and Croatia have signed agreements with Germany on facilitating the employment of (seasonal) workers in the German service sector. In the Croatian–German agreement, the Croatian Employment Service has a mediating role in organising employment of Croatian mobile workers for jobs lasting up to 18 months, at a quota of 500 workers. Other categories of potential Croatian mobile workers taking up German jobs are the subject of direct agreements between the Croatian and German employment services. The direct agreements are concluded for three main labour force categories: 1) the seasonal labour force in agriculture and catering industry (four-month jobs); 2) students during their summer break (three-month jobs in any sector); and 3) medical technicians.

The main drivers for most bilateral agreements concluded between EU Member States are labour market discrepancies and labour shortages, as well as securing compliance with national labour market rules. The latter is especially the focal point of bilateral agreements between EU15 and EU12 Member States.

Publicly funded language courses

In order to attract workers from abroad and facilitate their integration into the labour market, a number of EU Member States offer free language courses to newcomers. Fourteen out of 29 countries offer publicly funded language courses to migrants from other EU Member States (Table 14). Free language training is generally offered to third-country nationals as part of integration policies; however, in some countries such as Denmark and Sweden, public authorities are required to offer language courses to all newcomers (see Ministry of Education, 2014).

In most cases, language courses for EU citizens are offered free of charge. However, in Estonia, they are free only if a positive examination result is obtained. In the Czech Republic, Germany, Malta and the UK, such courses are offered only to certain groups such as unemployed people or, in the UK, people with poor English language proficiency. A different approach is adopted in the Netherlands, where language courses are offered on a commercial basis; students pay tuition fees, but they can obtain a study loan of up to €10,000.

The intensity and duration of language courses differ widely across countries. In Latvia, migrants are eligible to receive 120 hours of tuition, while Danish municipalities offer extensive language courses of up to three years' duration.

Young Europeans aged 18–30 and looking for work abroad can apply for support for language courses through the EURES initiative 'Your first EURES job', with the support of national employment services. Another EU-funded initiative that includes the provision of language training prior to departure is the German MobiPro-EU programme mentioned above.

Table 14: *Overview of publicly funded language course provision in EU Member States and Norway*

Country	Language courses for EU newcomers	Language courses for country residents prior to departure
Austria	No	No
Belgium	n.a.	n.a.
Bulgaria	No	No
Croatia	No	Yes*
Cyprus	No	No
Czech Republic	Yes	No
Denmark	Yes	No
Estonia	Yes	Yes*
Finland	No	No
France	No	Yes*
Germany	Yes**	No
Greece	No	No
Hungary	No	No
Ireland	No	No
Italy	Yes	No

Country	Language courses for EU newcomers	Language courses for country residents prior to departure
Latvia	Yes	Yes*
Lithuania	Yes	No
Luxembourg	Yes	Yes
Malta	Yes	No
Netherlands	No, but prospective language students can get loans up to €10,000 from the local authorities.	No
Norway	No	No
Poland	No	Yes*
Portugal	Yes	No
Romania	Yes	No
Slovakia	Yes**	No
Slovenia	No	Yes*
Spain	No	No
Sweden	Yes	No
United Kingdom	Yes, if language proficiency is considered poor.	No

Note: n.a. = not available.

*If certain conditions are met, primarily if a person is unemployed and searching for job in another country; **funded by the ESF.

Source: Eurofound, based on national contributions

Some Member States offer language courses, which are financed by the national public employment services, to their citizens prior to departure to another country (see Table 14). In the Member States mentioned, language courses are offered only to unemployed or young people searching for job abroad. In the case of Latvia, Latvian language courses are also open to newcomers and returning Latvians who have lost language skills.

In the context of some of the bilateral agreements, language training may also be part of the deal. For example, young unemployed Croats can apply for free German language courses financed by the Croatian state before departure to Germany, if they are willing to take up jobs (mainly seasonal) in specific sectors with labour shortages.

With regard to interregional mobility, in Belgium, in the context of a multilateral agreement signed in 2005 between the three regional employment agencies – FOREM, ACTIRIS and VDAB – the unemployed are offered training opportunities, including language courses, with a view to encouraging them to take up jobs in another region or geographical area within the country. Here, language training for country nationals is particularly relevant as Belgium is divided into French- and Flemish-speaking regions, and this linguistic diversity may potentially hamper interregional mobility.

An illustration of a local government initiative in providing foreign language courses prior to departure is that of the local public employment service of Lubuskie in Poland, which coordinates vocational training in the hotel industry for young unemployed Poles (18–24 years) in cooperation with German and Polish NGOs (Caritas and AKU). German language courses are included as part of the cross-border initiative.

Finally, some companies in the private sector offer free language courses to new immigrant employees upon arrival, but these initiatives are not part of public policies. Social partners appear not to be active in this line of support for mobile workers.

Mandatory mobility and financial incentives

Previous research has proposed mainstreaming geographical mobility into existing policies and adding geographical mobility as a component of flexibility in a flexicurity framework (Bonin et al, 2008). The inclusion of stipulations that workers must be prepared to move home to take up work and provision of financial incentives for them to do so as part of active labour market policies can indeed play a key role in promoting geographical mobility.

In the context of active labour market programmes, several EU countries (16 out of 29) require unemployed workers to be mobile within the national borders (see Table 15). However, most of these countries only prescribe that the unemployed person should be willing to take up a job within a reasonable commuting distance of their home. There are no requirements for the unemployed to change their home address. The definition of ‘a reasonable commuting distance’ between home and a job varies across the Member States, but the most common criterion is a daily commuting time between two and three hours. In practice, this can imply that the unemployed should be willing to take up jobs in almost any part of the country if it is a small country such as Denmark and Slovenia. In some cases, the commuting requirements are related to a distance between the job and home, and in these cases, the distances vary between 30 km and 50 km. Furthermore, maximum transport expenses can also form part of the assessment of a reasonable commuting distance, as in Estonia, where the commuting cost should not be more than 15% of the wage, and in Spain, where it should be no higher than 20% of the wage.

Table 15: *Overview of mobility requirements and incentives for the unemployed in EU Member States and Norway*

Country	Interregional mobility requirements	Commuting requirements	Financial incentives
Austria	No	Yes	Yes
Belgium	No	No	No
Bulgaria	No	No	Yes
Croatia	No	Yes	Yes
Cyprus	No	No	No
Czech Republic	No	Yes	Yes
Denmark	No	Yes	Yes
Estonia	No	Yes	Yes
Finland	No	Yes	Yes
France	No	Yes	Yes
Germany	No	No	No
Greece	No	No	No
Hungary	No	No	Yes
Ireland	No	Yes	No
Italy	No	No	Yes
Latvia	No	No	Yes
Lithuania	No	No	Yes
Luxembourg	No	No	Yes
Malta	No	No	No
Netherlands	No	Yes	Yes
Norway	Yes	Yes	Yes
Poland	No	Yes	Yes
Portugal	No	Yes	No
Romania	No	No	Yes
Slovakia	No	No	Yes
Slovenia	No	Yes	No
Spain	No	Yes	No
Sweden	Yes	Yes	Yes
United Kingdom	No	Yes	No

Source: Eurofound, based on national contributions

In Norway and Sweden, unemployed people are required to be willing not just to commute but to move to another region within the country if a suitable job is available there. An unemployed person may thus be referred to a job in another region if there are no job opportunities in their home region, and if they refuse the offer, benefits may be withdrawn.

Several Member States offer some level of financial aid or reimbursement for unemployed people who are referred to jobs outside their local labour market, as well as for those who are voluntarily looking for jobs in other regions (see Table 15). Some of these provide these incentives, even though there are no requirements for the unemployed to be mobile. However, in Germany and Ireland, where legislation requires the unemployed to be mobile, the required distance is not specified, and there are no schemes facilitating or subsidising commuting or change of address.

The financial supports offered by countries can have different forms, the most common being reimbursement of costs associated with moving house and tax reductions related to transport expenses in relation to job interviews and relocation costs.

In Sweden, the public employment service provides support for relocation expenses, support for travelling costs for job interviews, and compensation for travel costs and accommodation for participants in labour market programmes. The support is provided both for interregional and cross-border labour mobility. Job-seekers who find work in another region or country within the EU can thus receive support for moving expenses. To be eligible for the support, the person must be unemployed or at risk of being unemployed, have found a job and accommodation in the region or country where the person is moving, be a minimum 20 years old, and have difficulties finding a job in or near their home region. 'Difficulties finding a job' are defined as at least 12 months of unemployment if the person is 20–24 years old and at least 6 months if the person is over 25. Job-seekers fulfilling these requirements can also receive support for travelling costs for job interviews in another region within Sweden or in another EU or EEA country. The job-seeker must show a written interview invitation before departure. Unemployed people can also apply for compensation for travel and accommodation when participating in labour market programmes (Public Employment Service, 2013).

In Austria, there is also a range of schemes, provided by the public employment service (AMS), to encourage the mobility of the unemployed, job-seekers and, in some cases, employed people who are at risk of losing their job. A one-off allowance for job interviews (*Vorstellungsbeihilfe*) is available for the unemployed, job-seekers, participants in training courses, people seeking an apprenticeship and employed people whose job is at risk if they have financial difficulties. Financial support for travelling costs (*Entfernungsbeihilfe*) and relocation costs (*Übersiedlungsbeihilfe*) are also offered to the unemployed, job-seekers and apprenticeship place-seekers who cannot be placed in a closer job or training scheme and who are ready to take up work or apprenticeship training further away. One condition for eligibility is that the monthly gross income does not exceed €2,300. The financial support for travelling costs is at first granted for 26 weeks (52 weeks for apprentices) and can be extended to a maximum of 104 weeks if the eligibility criterion (the income threshold) still applies. For relocation costs, the maximum amount of the benefit is €4,632; it consists of a flat rate of €500 and either 75% of all expenses associated with the move or €2.50 per kilometre of distance from the old place of residence.

Another example of financial incentives to mobility is from Romania, where unemployed people taking up a job more than 50 km from their home address for at least 12 months are allowed to receive a mobility bonus or relocation bonus. The mobility bonus is provided even though there are no requirements for unemployed people to be mobile. Similarly, in Slovakia, a moving allowance is granted on a one-off basis for at least three months to job-seekers who take up paid employment in a new place. A change of permanent residence is a condition to apply for the mobility allowance. Initially introduced in 2004, this measure has so far failed to attract many beneficiaries due to the shortage of affordable housing in job-rich areas.

In Poland, a new instrument that is expected to encourage greater mobility within the country is the ‘settlement voucher’ (bon na zasiedlenie) for unemployed people under 30 years of age who take up a job or open a small business outside their place of residence (at least 80 km away or three hours’ commuting distance from their place of residence) and intend to move to the new location. The maximum amount of the voucher is approximately PLN 7,500 (€1,795 as at 2 October 2014) and is intended to cover relocation expenses (including rent) in the first months after the move. A condition for receiving the settlement voucher is that the beneficiary has to earn at least the minimum wage from the new job (PLN 1,600 or €383).

As illustrated above, there does not appear to be a clear link between the existence of financial support for interregional labour mobility and requirements for unemployed people to be mobile outside their local labour market in the Member States.

In general, there is no evidence that it is common for public employment services to refer unemployed people to jobs outside their own catchment area. Furthermore, monitoring data on the use of the mobility schemes mentioned above is scarce. An exception is Austria, where the Federal Ministry of Labour, Social Affairs and Consumer Protection provides regular monitoring of all measures implemented by the public employment service. In 2012, financial support for job interviews was granted to 9,582 people at a cost of €623,000. Financial support for travelling costs was provided in 3,432 cases; the budget for this measure was €3.1 million. Financial support for relocation was granted in 155 cases, amounting to €188,870.

Other financial incentives

In addition to financial incentives targeting the unemployed, other types of financial incentives for mobility are offered in Member States, for interregional mobility in particular. The objective of such incentives is frequently linked to regional policies, which aim at preventing a net outflow of professionally skilled workers from peripheral regions. The incentives most commonly target health professionals and teachers and students of these professions.

In France, a student in the medical field can get a scholarship of up to €24,000 a year during the last years of study. In return, they have to commit to taking up work in peripheral regions for at least five years. Students doing a traineeship in depressed regions can obtain compensation of €400 a month. Medical professionals moving to peripheral regions are offered mobility grants or support for housing or the establishment of a clinic. The exact amount of the financial support depends on the policy of the local authority.

In Estonia, a similar initiative is in place for teachers. There is a ‘beginner’s allowance’ for teachers employed at basic and upper secondary schools located outside the two main regions. To be entitled to this allowance, a teacher needs to have completed teacher training at higher education level and started work as a teacher within 18 months of graduation. Furthermore, the teacher has to work at least half time. The amount of the one-off allowance has been €12,783 since 2008 and is paid in three parts (50% in first year, 25% in second and 25% in third year of work). Recipients of the beginner’s allowance are required to pay back the allowance if their continuous employment as a teacher ends before five years have passed from the receipt of the first portion of the allowance. A similar beginner’s allowance programme is also implemented with regard to health professionals in Estonia. The allowance for medical specialists is €15,000, and the recipient is required to work at least 30 hours per week for five years at a hospital outside the two main regions.

In Croatia, rent is almost free to teachers and healthcare professionals (only country nationals) taking up jobs in remote areas such as islands or mountainous regions, where there is high turnover and acute labour shortages in teaching and healthcare. Professionals in these occupations tend to settle in bigger cities, particularly the capital Zagreb, offering better employment opportunities and quality of work, in spite of higher costs of living and a housing shortage.

Another example of public housing policy that encourages interregional mobility is the French regional scheme initiated in 2012 by the Auvergne region, one of the least populated areas in France. The scheme offered settlement support for 100 jobs and 100 businesses in the frame of an initiative called New Deal Auvergne. People accepted in the scheme and thus moving to Auvergne received compensation of €500 per month for three months. By the end of the application period, there were 4,864 applications, 120 people were selected for interviews, and 57 positions were ultimately filled. The initiative was supported by the French Public Employment Service (Pôle Emploi), and was relaunched in 2013. That year, it received 2,700 applications and 54 positions were filled. In 2014, the region added a third component to the scheme called New Deal New Ideas targeted at young people under 30 with a business project.

In Estonia, a similar initiative called ‘Come to the Countryside!’ was established with the aim of reducing barriers for people moving to the countryside. The initiative stems from the cooperation between an NGO and local municipalities. One project established by one of the municipalities was to offer housing and jobs to newly arrived families with children. One scheme within this project was to reconstruct 10 farmhouses in cooperation with new arrivals, with the only precondition that the newcomers would be willing to buy the farmhouses within five years. Furthermore, in cooperation with entrepreneurs, local government and NGOs, the organisation supported the creation of 25 new jobs and an increase in the number of children starting in school. The campaign has been successful as 16 families have moved to the municipality.

In Sweden, some counties rent out apartments to new residents. While the rent is generally at market price, the main objective of the initiative is to ensure that new residents have access to somewhere to live upon arrival. However, the apartments are primarily rented out to workers in occupations where there is a labour shortage and often only for a short period of time.

Another good practice is found in Italy, where the municipality of Parma has built public housing for both Italian and foreign mobile workers. The houses, built with the support of the Emilia Romagna region, are located in Corcagnano. The rent is commensurate with the income of the occupier, who can live there until they find permanent accommodation. Unlike other local or regional schemes outlined above, the main driver of this initiative is social inclusion, rather than skills or labour shortage.

A few EU Member States have in place other financial incentives facilitating geographical mobility and mainly targeting country residents. The initiatives include tax reduction for commuting over a long distance or support for relocation in order to alleviate moving expenses. In Italy, employees who have moved their residence to a different municipality or region for work reasons may be entitled to tax deductions. Thus, if the new municipality is in a different region or at least 100 km from the previous place of residence, workers are entitled to a tax deduction for their rent. This deduction amounts to €991.60 if their annual income is below €15,493.71, or €495.80, if their annual income is between €15,493.71 and €30,987.41. Workers can benefit from this tax deduction only for the first three years of the displacement. Another variation of this type of policy is in place in the Netherlands. Here, employers can pay a tax-free allowance of up to €7,750 for relocation expenses to employees.

With exception of a few, ad-hoc initiatives such as the ones mentioned above, there appear to be no comprehensive national housing policies addressing geographical mobility. In some countries, however, there is a growing awareness that access to housing is increasingly a barrier to geographical mobility. For example, in Finland, a recent interim report on the obstacles to interregional labour mobility prepared by a ministerial working group identified some key issues that relate to access to housing, including land availability, role of taxation (in relation to home sales and rental income) and the impact of government subsidies (Ministry of Finance, 2013). An earlier report commissioned by the Finnish Prime Minister’s Office similarly looked into the relationship between housing and labour mobility and proposed to raise the housing subsidy, increase the tax deductibility of commuting expenses and allow tax deductions for second homes

(Prime Minister's Office, 2008). So far, these recommendations have not led to initiatives to address the problem of access to housing.

In some other countries, such as Slovakia, key policy documents (for example, Slovakia's Concept of State Housing Policy until 2015) set out to support the public rental sector as a way to facilitate labour mobility. Whether this goal is being achieved remains to be seen.

This summary of policy initiatives providing financial incentives to promote interregional mobility suggests that such schemes are mainly targeted at supporting the unemployed willing to take up jobs in certain geographical areas with recognised labour shortages, often in specific sectors, particularly in healthcare and teaching. There are also some initiatives promoting geographical mobility targeting all country residents such as the financial support for commuting or relocation to other regions as seen in Denmark, Italy and the Netherlands. There is, so far, no evaluation of these policy initiatives or monitoring data that would indicate the extent of their use and effectiveness. Finally, housing policies are rarely directed at encouraging mobility – at best, there seems to be a lack of vision and strategy of how to achieve this objective.

Despite the economic crisis in the EU and continuing high rates of unemployment, labour and skill shortages persist in some European countries and regions. Labour mobility continues to be regarded by EU institutions and policymakers as a means of addressing labour market imbalances across the region. This report sought to describe the main cross-border and interregional migration patterns and trends in the EU and to provide a summary of policy initiatives introduced with a view to enhancing the mobility of workers. Below are a summary of the main findings and a set of policy pointers arising from the consideration of these findings.

Summary of main findings

The crisis had a negative impact on intra-EU mobility but there has been a rebound since 2011. General and labour mobility flows across borders within the EU decreased sharply during the immediate crisis period of 2008–2010. There is consistent evidence of a rebound in mobility since 2011, but mobility rates remain lower than before the crisis in 2007.

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. From 2008–2012, the EU migrant worker population increased by over 800,000 (to 6.6 million) even though aggregate EU employment decreased by over 5 million. According to EU-LFS data, the share of EU mobile workers out 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 the level of mobility in the US, and given the growing post-crisis divergence in labour market performance across the EU. Language and cultural barriers remain the main impediment to cross-border mobility within Europe.

East–west cross-border mobility flows continue to 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. After China, the two biggest origin countries for immigration into OECD countries are Poland and Romania. This is mainly due to free movement within the EU.

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 an increase of 3.3 percentage points for native-born workers). Employment rates also declined more for EU migrant workers. Nonetheless, the employment rate for EU migrant workers (66%) remained higher than that of native-born workers (64.5%) in 2012.

Interregional mobility rates are higher than cross-border mobility rates. Although the data available are not always strictly comparable, as a rough indication, the annual rates for cross-border labour mobility (approximately 0.2%–0.3%) are lower than those for labour mobility within countries (approximately 1% at NUTS 1 level).

Interregional mobility is higher in countries with higher GDP per head. The main destination countries for cross-border mobility tend also to have higher interregional mobility. 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, the three Member States whose labour markets and economies recovered fastest post-crisis, indicative of a positive correlation between mobility and growth. Capital city and large metropolitan regions have been the main beneficiaries of interregional mobility.

Policy pointers

There are no one-size-fits-all solutions, as Member States face very different challenges with respect to geographical mobility. In addition, the policies put in place in Member States to encourage labour-related mobility, whether interregional or cross-border, vary significantly according to their purpose and scope.

- *Scope exists for greater mobility, given labour market disparities.* Increased free movement could help to address labour market imbalances and bottlenecks in light of the large divergences in labour market performance across the EU.
- *National and regional policies with a primary aim to encourage geographical mobility are limited.* Policy instruments targeting geographical mobility are not widespread even within countries where there are labour market bottlenecks and wide variations in performance across regions. Active labour market policies that provide financial incentives to job-seekers to move their place of residence to take up employment opportunities 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.
- *Evaluation of national policy initiatives facilitating geographical mobility should be promoted.* Very few of the national policy initiatives that directly or indirectly facilitate geographical mobility have been evaluated. Hence, evidence of the effectiveness of the different policy initiatives is scarce. Research into policies and measures to encourage geographical mobility should be encouraged to support evidence-based policy development and the dissemination of best practice initiatives.
- *Better access for mobile workers to language courses is needed.* In 14 of the EU Member States, publicly funded language courses are made available free to EU newcomers upon arrival. Several studies have pointed out that lack of proficiency in the native language is one of the main barriers to the integration of immigrants, including EU nationals, especially where a legal obligation for proficiency in the native language in order to access some jobs is in place. With a view to facilitating geographical mobility, consideration should be given to providing free access to language courses for mobile EU workers, or for a modest fee that could be reimbursed once a certain level of competence is achieved or certifiable.
- *Enhanced cooperation between national employment services would assist job-matching across borders.* Greater coordination between regional branches of the public employment service and transnationally through EURES is necessary to refer job-seekers to job opportunities outside their own catchment area. Although EURES is growing in importance and has made progress in improving information-sharing and labour-matching across borders since becoming operational in 1994, cooperation between national employment services is still rather limited. Bilateral or multilateral agreements, such as those initiated by the German government to attract young EU workers to Germany, are not widespread. The recent decision on enhanced cooperation between public employment services (Decision 573/2014/EU) should strengthen networking among relevant officials at national level.
- *Social dialogue on ensuring equal conditions for native and mobile workers should be intensified.* In many of the pre-2004 Member States, there are concerns that the increased inflow of mobile workers from Member States with high unemployment and lower income will lead to social and wage dumping in the national labour market as well as an increase in undeclared work. Mobile workers arriving in a new labour market are at high risk of being exploited, being asked to take up work not covered by collective agreements and being exposed to poor working conditions. To recognise and ameliorate this situation, social partners at all levels should intensify the dialogue on how to combine the need for flexibility and mobility across borders with the demand for proper protection of all mobile workers, including posted workers. The recently adopted Directive 2014/54 is aimed at improving national enforcement of EU law in this respect and explicitly foresees a role for ‘social partners and ... relevant non-governmental organisations

which have ... a legitimate interest in contributing to the fight against unjustified restrictions and obstacles to the right to free movement' (p. 14).

- *The implementation of the European Qualifications Framework (EQF) should be accelerated.* Difficulty in having qualifications obtained in another country 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 of national education systems. The EQF is implemented through national qualification frameworks that are referenced to the common framework, making a 'translation' of levels of qualifications possible, and hence assisting national employers and authorities in understanding foreign qualifications. It is important to maintain momentum in the process of implementing the EQF in countries that have not yet referenced their national system to the EQF. It was originally foreseen that by 2012 all Member States would have done so, so that all new qualifications issued from 2012 would carry a reference to an appropriate EQF level. An EQF national coordination point has been designated for this purpose in each country.
- *Support to mobile citizens within the same country, for example via tax breaks, should be improved.* Interregional mobility is often rendered difficult by quite mundane practical issues, such as the inability of a spouse to find a job in the region where the worker's new job is based or difficulties in finding accommodation. While this is generally recognised, there is little evidence that such problems are being addressed in a coherent manner. It is usually left to the mobile worker or the employer to solve these issues, sometimes aided by a local initiative that may be more or less costly and more or less efficient. Member States should consider whether local initiatives to support mobility should be supplemented by tax reductions for mobile families.
- *Brain drain tends to affect specific sectors and poses problems of skilled labour shortage particularly for eastern European countries.* Although the relative scale of loss of population that many eastern and central European countries have been facing since accession to the EU is worrying, the 'brain drain' phenomenon seems to be less widespread than some media reports suggest. It tends to be confined to some sectors – for example healthcare – and mainly concerns eastern European and some southern European countries. Policy measures to tackle the problem of brain drain have been introduced in some countries, while other countries are in the process of assessing the extent of the phenomenon and debating possible policy solutions.

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Annex 1: General migration inflows and outflows by country, 2008 and 2012

	Year	Total population	Total inflow/ 1000	Total inflow	Total EU nationals inflow*	Total outflow	Net migration
Austria	2008	8,318,592	13.2	109,713	55,266	85,063	24,650
	2012	8,408,121	16.7	140,358	76,388	96,561	43,747
Bulgaria	2008	7,518,002	0.2	1,236	-	2,112	-876
	2012	7,327,224	1.9	14,103	-	16,615	-2,512
Croatia	2008	4,311,967	3.4	14,541	536	7,488	7,053
	2012	4,275,984	2.1	8,959	1,342	12,877	-3,918
Cyprus**	2008	776,333	27.1	21,060	-	4,474	16,586
	2012	839,751	27.4	23,037	13,136	4,895	18,142
Czech Republic	2008	10,343,422	7.5	77,817	17,195	6,027	71,790
	2012	10,505,445	2.9	30,298	9,657	20,005	10,293
Denmark	2008	5,475,791	12.9	70,462	25,466	40,604	29,858
	2012	5,580,516	12.5	70,033	26,322	43,920	26,113
Estonia	2008	1,338,440	2.7	3,671	2,191	4,406	-735
	2012	1,325,217	2.0	2,639	1,059	6,321	-3,682
Finland	2008	5,300,484	5.5	29,114	13,897	13,657	15,457
	2012	5,401,267	5.8	31,278	16,340	13,845	17,433
Germany	2008	82,217,837	8.3	682,146	339,264	737,889	-55,743
	2012	81,843,743	13.2	1,080,936	638,378	711,911	368,945
Hungary	2008	10,045,401	17.4	174,697	-	-	-
	2012	9,931,925	14.4	143,361	-	-	-
Ireland	2008	4,457,765	25.5	113,500	71,100	49,200	64,300
	2012	4,582,707	11.5	52,772	19,800	87,100	-34,400
Italy	2008	58,652,875	8.4	494,394	198,092	61,671	432,723
	2012	59,394,207	5.9	350,305	104,078	106,216	244,089
Latvia	2008	2,191,810	2.1	4,678	2,955	27,045	-22,367
	2012	2,044,813	6.5	13,303	7,305	25,163	-11,860
Lithuania	2008	3,212,605	2.9	9,297	-	25,750	-16,453
	2012	3,003,641	6.6	19,843	-	41,100	-21,257
Luxembourg	2008	483,799	36.7	17,758	-	10,058	7,700
	2012	524,853	39.0	20,478	-	10,442	10,036
Malta	2008	410,926	17.6	7,230	3,955	7,389	-159
	2012	414,027	19.8	8,201	6,266	5,954	2,247
Netherlands	2008	16,405,399	8.7	143,516	54,043	117,779	25,737
	2012	16,655,799	9.8	162,962	66,298	133,194	29,768
Norway	2008	4,737,171	14.1	66,961	-	23,615	43,346
	2012	4,985,870	15.8	78,570	-	31,227	47,343
Poland	2008	38,115,641	0.4	15,275	10,840	30,140	-14,865
	2012	38,538,447	0.4	14,583	10,423	21,200	-6,617
Portugal	2008	10,553,339	7.3	76,639	-	-	-
	2012	10,542,398	3.7	38,537	-	-	-

	Year	Total population	Total inflow/ 1000	Total inflow	Total EU nationals inflow*	Total outflow	Net migration
Romania	2008	20,635,460	0.5	10,030	2,561	8,739	1,291
	2012	20,199,059	0.8	15,538	1,637	18,307****	-2,769
Slovakia	2008	5,376,064	3.3	17,820	9,873	4,857	12,963
	2012	5,404,322	1.0	5,419	2,418	2,003	3,416
Slovenia	2008	2,010,269	15.3	30,693	-	13,109	18,584
	2012	2,055,496	7.3	15,022	-	14,378	644
Spain	2008	45,668,939	13.1	599,074	159,045	288,432	310,641
	2012	46,818,219	6.5	304,054	94,487	446,606	-142,552
Sweden	2008	9,182,927	11.0	101,171	28,624	45,294	55,877
	2012	9,482,855	10.9	103,059	24,791	51,747	51,312
United Kingdom	2008	61,571,647	9.6	590,000	198,000	427,000	163,000
	2012	63,495,303	7.8	498,000	155,000	321,000	177,000

* Returning country nationals are excluded from the total EU inflow. **The total counts for Cyprus include only long-term migrants defined as Cypriots and foreigners arriving for settlement or for temporary employment for one year or more. The available data does not distinguish between Cypriots and foreigners. ***Available figures are rounded to the nearest hundred. **** Only Romanian citizens. ***** Available figures are rounded to the nearest thousand.

Notes: 1) No data were identified for the period 2008–2012 for Belgium, France and Greece; 2) flow data are by nationality, with the exception of the Netherlands, Spain and Sweden; 3) when the distinction between long-term and short-term migrants is indicated in the original data source, flow data presented refer only to long-term migrants who move to a country for a period of at least 12 months; 4) figures presented in the table are based on population register data; however, emigration figures are likely to capture only a small fraction of the total outflows as many migrants leave the country without necessarily deregistering their residence.

Sources: Migration flow data are from population registers (see Annex 2), except for the United Kingdom, where statistics are from the International Passenger Survey (IPS). Total population figures are from Eurostat.

Annex 2: National data sources

Country	Data sources
Austria	Statistics Austria (Statistik Austria); registrations and deregistrations of the ZMR (Central Register of Residents)
Belgium	Directorate for Statistics and Economic Information (DGSIE)
Bulgaria	National Statistical Institute (Национален статистически институт, NSI)
Croatia	Croatian Bureau of Statistics (Državni zavod za statistiku); population register data.
Cyprus	Statistical Service of Cyprus (CYSTAT); data based on Demographic report 2010 and 2011 and 2011 population census
Czech Republic	Czech Statistical Office (Český statistický úřad, ČSÚ); data based on the Demographic yearbook of the Czech Republic
Denmark	Statistics Denmark (Danmarks Statistik) National Labour Market Authority
Estonia	Statistics Estonia; population register and data from Citizenship and Migration Board (CMB)
Spain	National Statistics Institute (Instituto Nacional de Estadística, INE); statistics on cross-border mobility are the Migration Flow Estimations , published by the National Statistics Institute and supported by a complex model based on the local ongoing census. Statistics on migratory flows are also derived from the population register (Padron municipal de habitantes).
Finland	Statistics Finland (Tilastokeskus); population register data
France	National Institute for Demographic Studies (Institut national d'études démographiques, INED) National Institute for Statistics and Economic Studies (Institut national des statistiques et des études économiques, INSEE)
Germany	Federal Statistical Office (Statistisches Bundesamt, Destatis); population register data (2008–2012)
Greece	Hellenic Statistical Authority (Ελληνική Στατιστική Αρχή, EL.STAT) IKA-ETAM Insurance Audits Service (EYPEA)
Hungary	Hungarian Central Statistical Office (Központi Statisztikai Hivatal, KSH) Hungarian Office of Immigration and Nationality (Bevándorlási és Állampolgársági Hivatal, BÁH)

Country	Data sources
Ireland	Central Statistics Office (CSO); statistics based on Personal Public Service (PPS) numbers, Quarterly National Household Survey (QNHS) and population register
Italy	National Institute of Statistics (Istituto Nazionale di Statistica, Istat); population register data.
Latvia	Central Statistical Bureau of Latvia (Latvijas Republikas Centrālā statistikas pārvalde, CSP); population register data.
Lithuania	Statistics Lithuania (Lietuvos statistikos departamentas, STD); data from the residents' register
Luxembourg	National Institute of Statistics and Economic Studies (Statec)
Malta	National Statistics Office (NSO); migration statistics are based on population register data (Demographic review 2010) and census data (Malta 2011 Census of Population and Housing).
Netherlands	Statistics Netherlands (Centraal Bureau voor de Statistiek, CBS); population register data.
Norway	Statistics Norway (Statistisk sentralbyrå, SSB); <i>population register</i> (Folkeregisteret) data from the <i>Statistical yearbook of Norway</i>
Poland	Central Statistical Office for Poland (Główny Urząd Statystyczny, GUS); population register data.
Portugal	National Statistical Institute (Instituto Nacional de Estatística, INE) Serviço de Estrangeiros e Fronteiras (Foreigners and Borders Department, SEF); only inflow data based on non-nationals issued with primary residence certificates Portuguese Institute of Employment and Professional Training
Romania	National Institute of Statistics (Institutul Național de Statistică, INS); data from the Statistical yearbook 2012
Sweden	Statistics Sweden (Statistiska Centralbyrån, SCB); population register data Migration Board (Migrationsverket)
Slovenia	Statistical Office of the Republic of Slovenia (Statistični urad Republike Slovenije, SORS)
Slovakia	Statistical Office of the Slovak Republic (Statistika zahraničného sťahovania v Slovenskej republiky); population register data.
United Kingdom	Department for Work and Pensions; National Insurance number allocations (NINo) to overseas nationals Office for National Statistics (ONS); long-term international migration data from the International Passenger Survey (IPS)

Annex 3: National correspondents

The national correspondents who contributed to this report are as follows:

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The European Commission promotes geographical mobility as a strategy to reduce discrepancies between supply and demand in European labour markets. While migration levels are low within and across EU Member States by comparison with other OECD regions, the proportion of EU migrants working in the EU is rising. EU-level efforts to promote mobility are sometimes overshadowed at national level by concerns over the potential negative effects of migrant inflows including the undercutting of local wage rates, the abuse of welfare systems and the financial burden that inactive migrants may put on welfare systems. This report documents the current picture of labour mobility within the EU, and puts forward some policy pointers for facilitating the flow of workers while minimising abuses of the migrant worker system and making for smoother transitions for migrant workers.

Eurofound, a tripartite European Union Agency, provides knowledge to assist in the development of social and work-related policies.