

Bela Galgoczi, senior researcher, ETUI, Brussels:

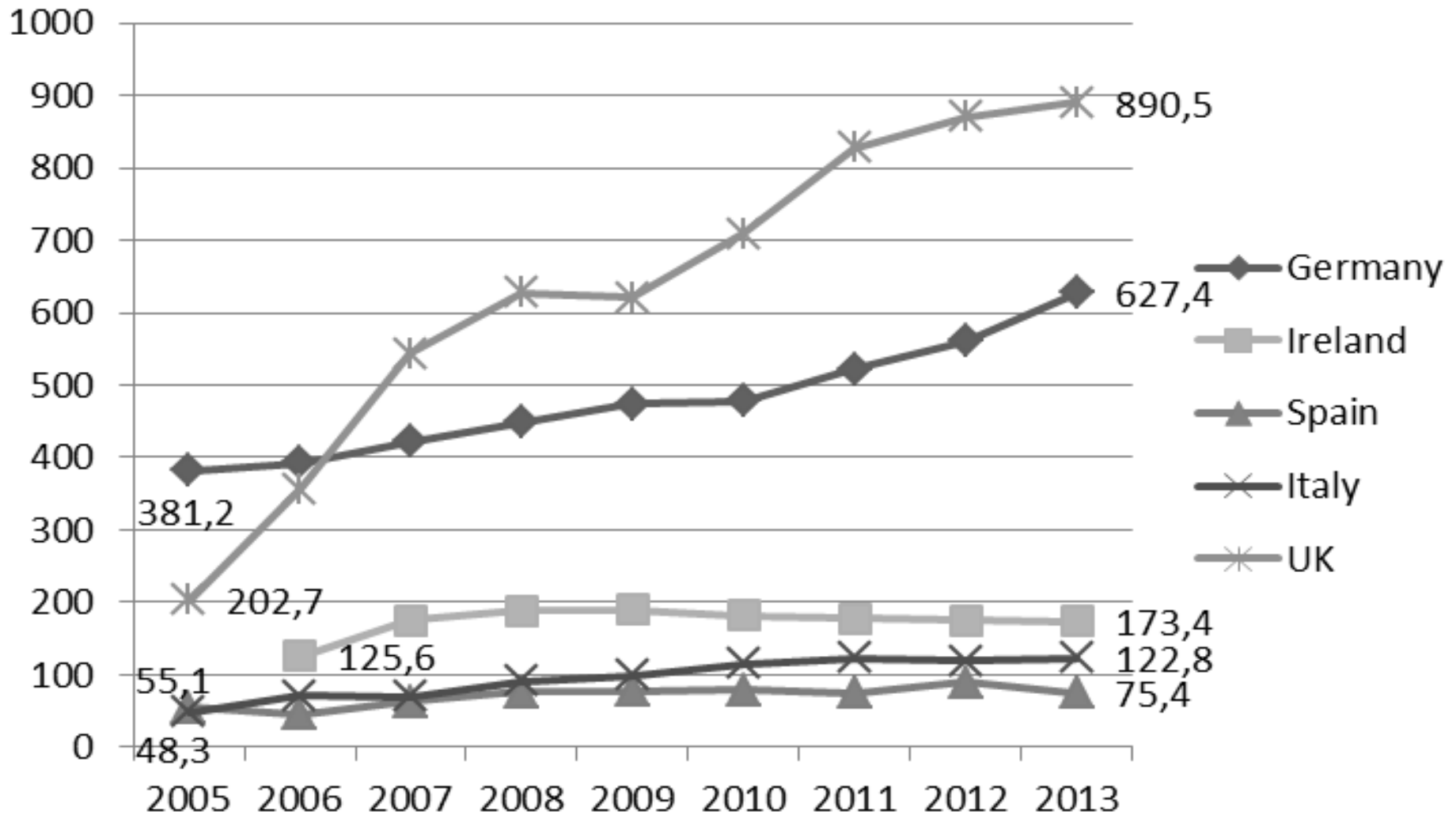
**EU labour migration during the
crisis – does increased labour
mobility contribute to better labour
allocation?**

**17th ILERA World Congress
Cape Town, South Africa**

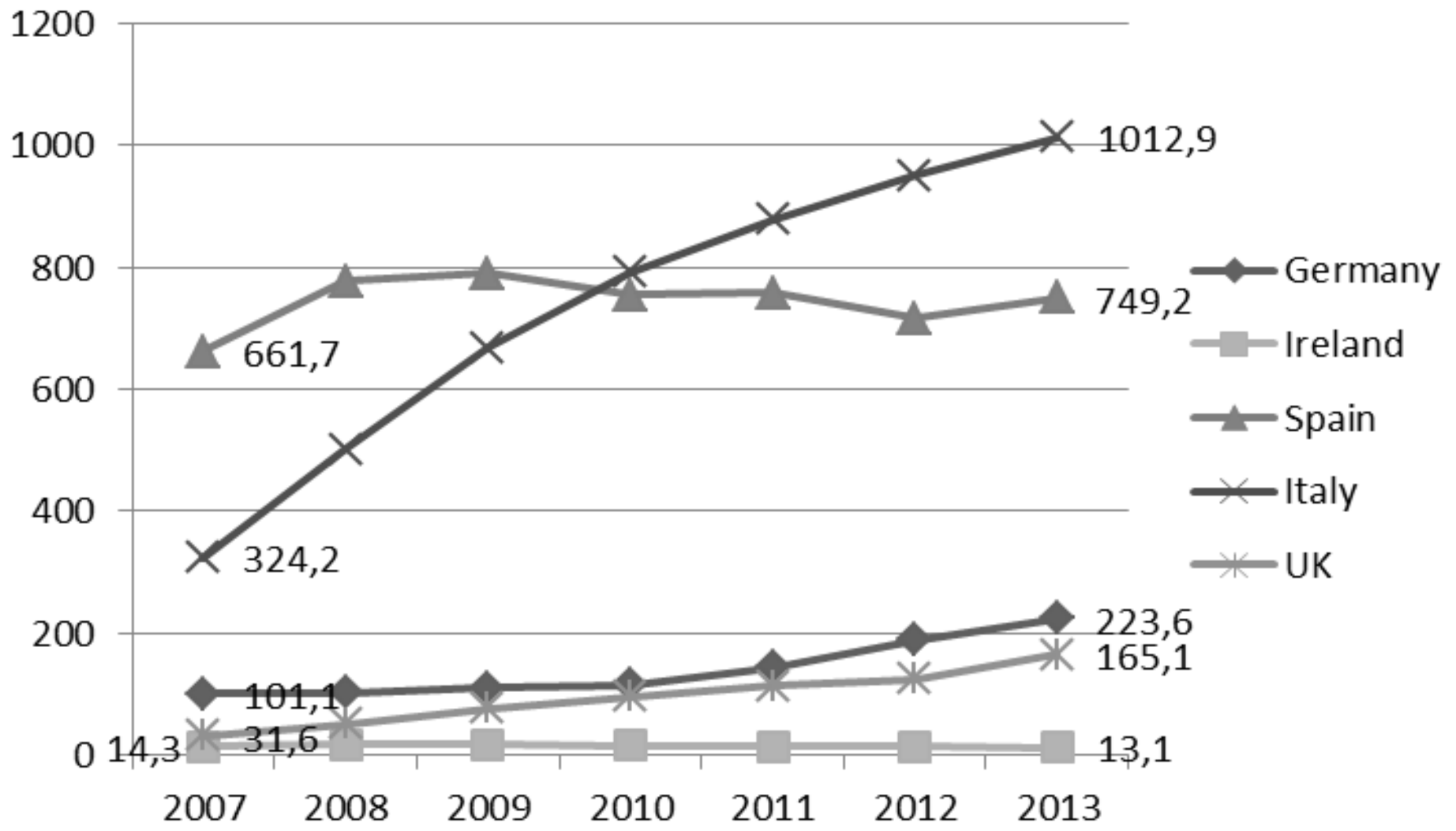
- Post-enlargement labour mobility: trends, patterns, migrants' characteristics
- parallel mobility channels as side effect of TR measures
- Crisis as stress test for mobility and labour markets
- How nationals, EU8, EU2 migrants were affected
- Qualitative aspects: skills/occupation match, sectoral distribution
- Main research question: labour mobility is seen as means for better labour allocation, but post-enlargement East-West mobility does not support this: huge gap between skills and occupation

East–West post-enlargement EU migration is unique:

- Large income/wage gaps in geographical vicinity (2004: cca 1:10; 2013: cca 1:5), but qualification levels of EU10 migrants similar to EU15 nationals
- Various forms of mobility in a rapidly changing economic and regulatory environment (employment, cross border commuting, posted work, self employment).
- The four mobility channels were subject to different regulation/standards
- Transitional measures resulted in geographical diversion but also in a shift to other mobility channels (Posted work, /bogus/ self employment) with adverse and longer term effects



EU8 migrant population in EU15 receiving countries, stocks 1000



EU2 migrant population in EU15 receiving countries, stocks, 1000

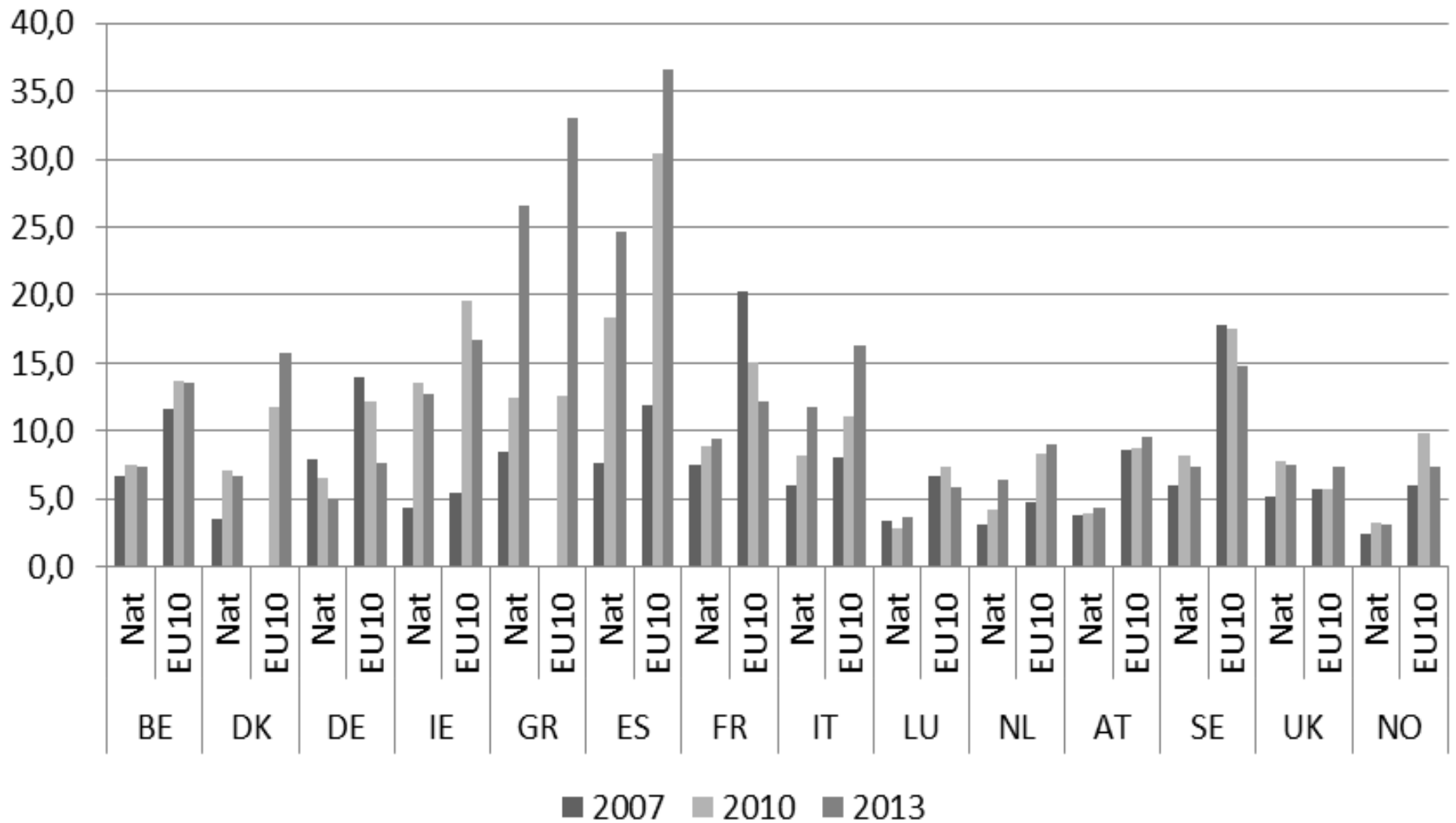
Table 1: Share of EU10 employment in total employment - development 2005-2013 (sorted largest to smallest in 2013)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
IE	:	5,79	7,98	8,27	7,58	7,11	7,19	7,27	7,23
IT	0,88	1,16	1,30	1,91	2,50	2,97	3,17	3,36	3,52
AT	1,81	1,64	1,76	1,89	1,95	2,03	2,28	2,64	2,98
UK	0,63	1,13	1,65	1,95	2,03	2,35	2,75	2,79	2,87
ES	2,13	2,45	2,82	3,13	3,01	2,79	2,64	2,50	2,61
LU	0,30	1,18	1,25	1,35	1,33	1,54	2,01	2,25	2,29
DE	0,75	0,83	0,91	0,98	1,07	1,06	1,23	1,42	1,62
EU27	0,61	0,80	0,98	1,14	1,21	1,31	1,42	1,48	1,57
BE	0,30	0,30	0,51	0,63	0,77	1,10	1,25	1,27	1,53
DK	0,16	0,19	0,34	0,30	0,49	0,61	0,75	1,17	1,29
GR	1,06	1,09	1,13	1,23	1,51	1,48	1,52	1,30	1,28
SE	0,25	0,25	0,26	0,38	0,47	0,50	0,57	0,70	0,87
FI	0,28	0,33	0,36	0,38	0,41	0,52	0,61	0,70	0,79
NL	0,11	0,14	0,17	0,19	0,24	0,31	0,37	0,49	0,58
PT	0,19	0,22	0,27	0,30	0,24	0,32	0,28	0,29	0,28
FR	0,10	0,10	0,13	0,17	0,15	0,25	0,29	0,28	0,24

Source: Eurostat special extracts of aggregate LFS data, version 28.8.2014. Age: 15-64

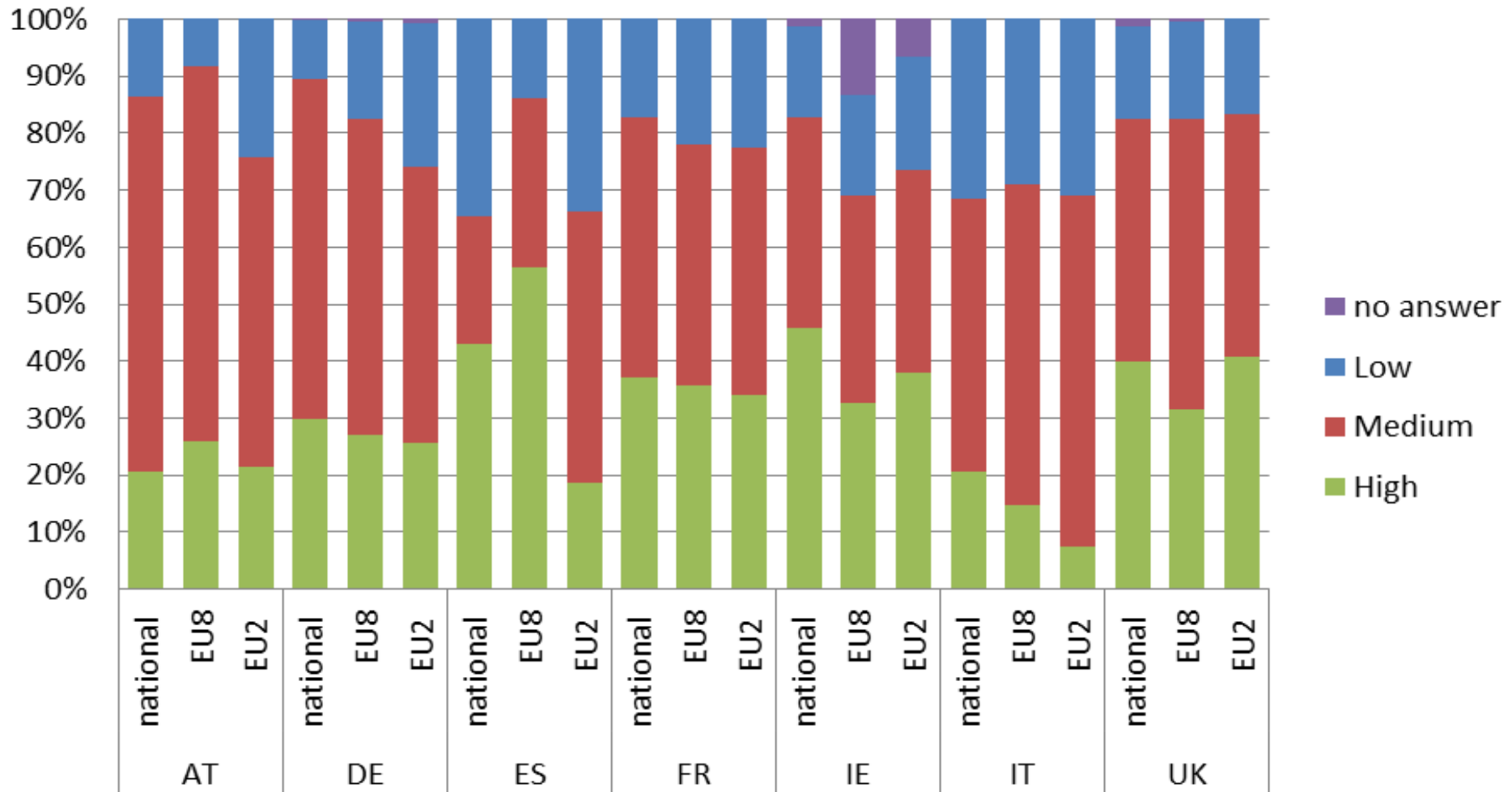
- During the crisis EU10 migrants were harder hit in the majority of EU15 countries and at least partially acted as labour market buffers. Both nationals and EU10 migrants saw declines in employment rates in the majority of EU15 countries but the trend was stronger for EU10 migrants;
- On the other hand unemployment increased and EU10 migrants were again disproportionately affected (more often in irregular and non-standard forms of employment and in branches severely affected by the crisis).
- At the same time, as net inflow of EU10 migrants grew but jobs in receiving countries were generally lost, **on absolute levels, jobs by nationals shrank more, than those filled by EU10 workers.**

Nationals vs migrants during the crisis

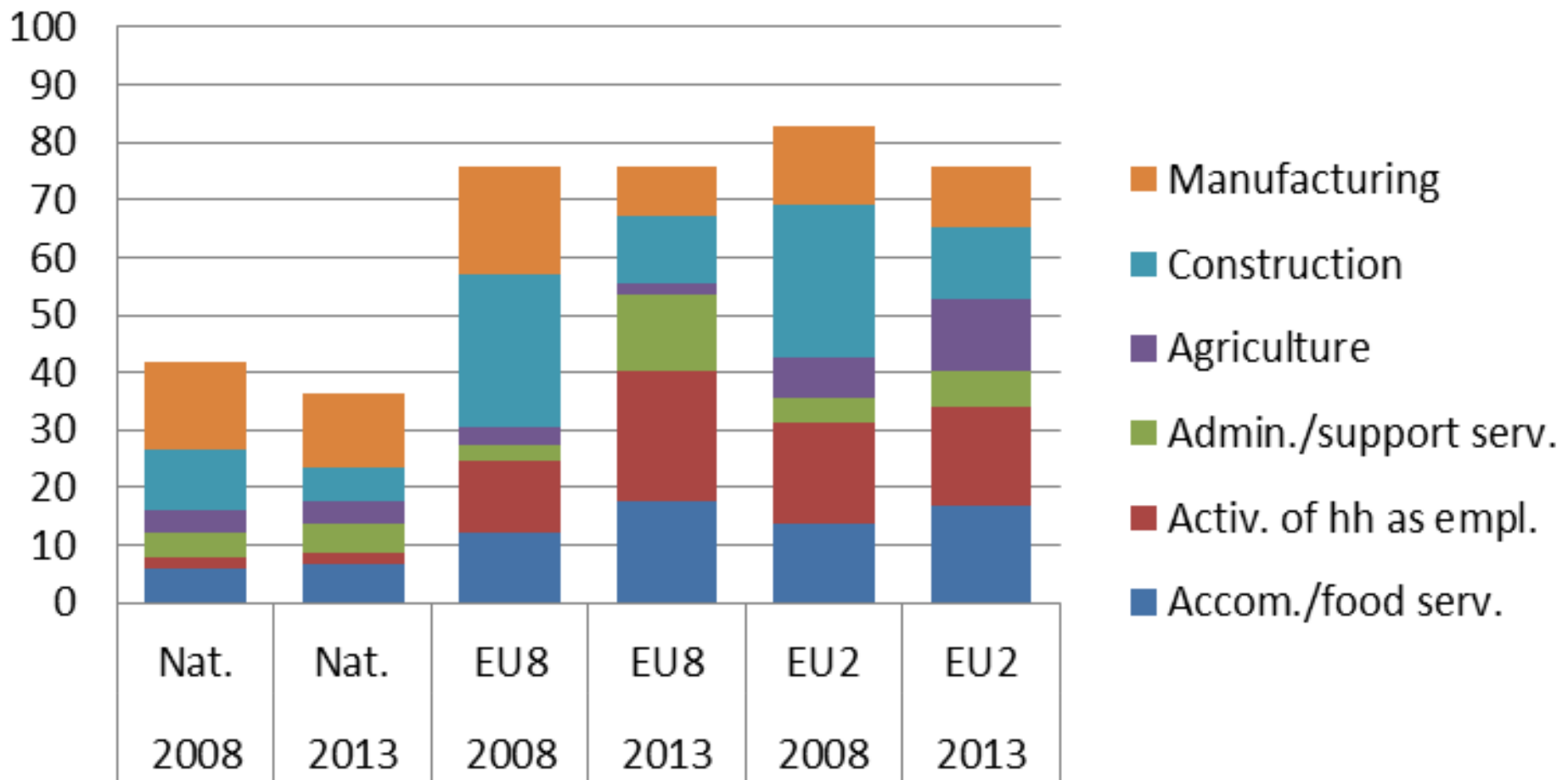


Unemployment: nationals vs migrants (%)

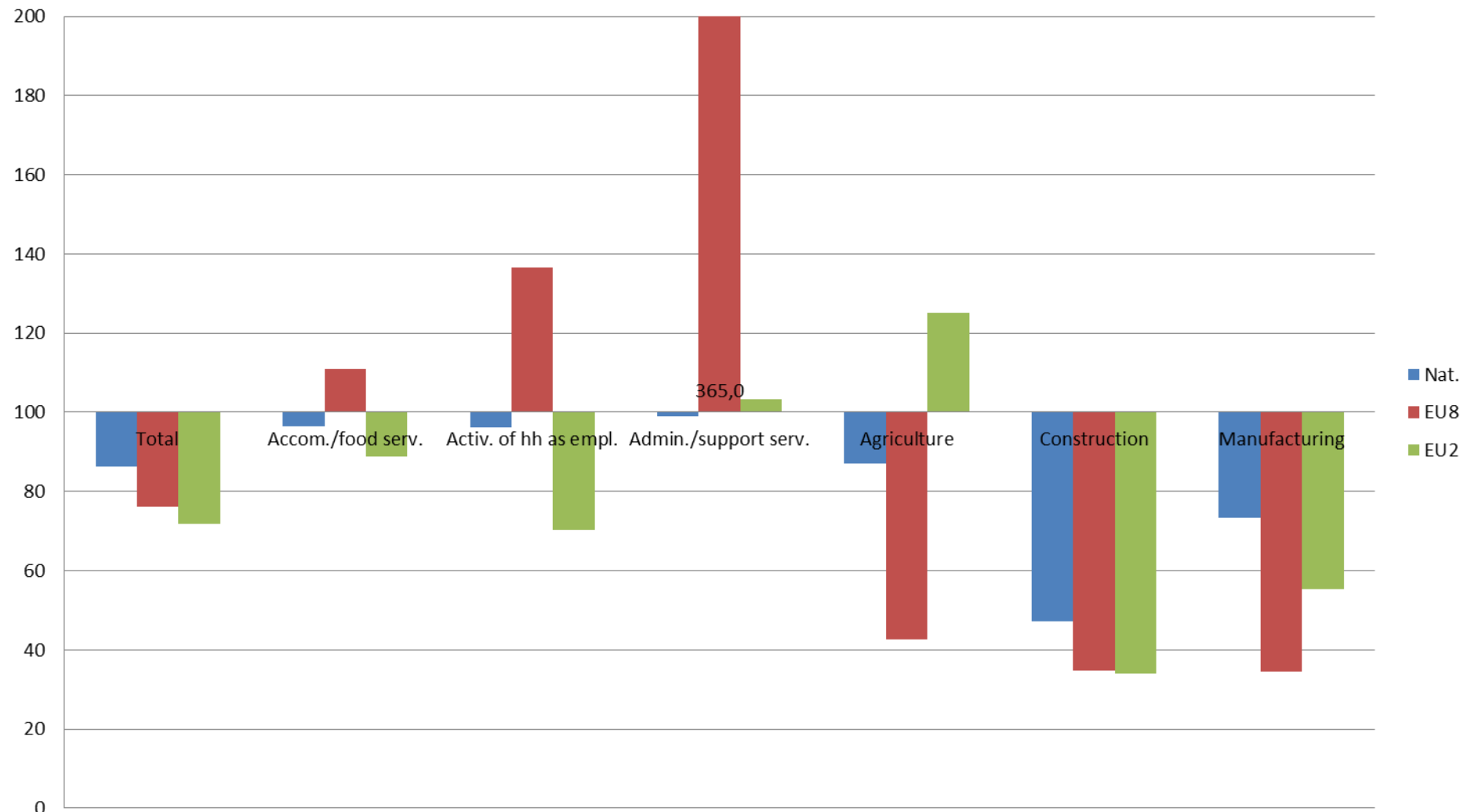
Skills composition in 2013 - nationals, EU8 and EU2



Spain: Sectoral distribution of nationals, EU8 and EU2 - choice of sectors, 2008 and 2013



Spain: sectoral employment 2013 in % of 2008 level for nationals, EU8 and EU2 migrants



- Skills–jobs mismatch among migrant workers is substantial in both the United Kingdom and Italy, with disproportionate shares of EU10 migrant workers in EU15 countries working in blue-collar jobs. While a minority of UK nationals and EU15 citizens are employed as blue-collar worker (44 per cent and 36 per cent, respectively, in 2010), the **share of blue-collar workers is 82 per cent for EU8 and 79 per cent for EU2 nationals**).
- In 2010, out of around **33000 tertiary educated EU-2 workers in Italy, 20400 performed low-skilled jobs**.
- Around **97000 EU-8 tertiary educated (out of 150000) had low-skilled jobs in UK**
- Over-education thus seems to be far more widespread across EU8 and EU2 immigrants compared to the other groups.

- Over-education proves to be a clear phenomenon for EU10 migrants. EU10 migrants characteristically have higher educational attainment than non-EU migrants and often also than the local population in the target countries. The jobs–skills mismatch and thus the under-utilisation of human capital points to one of the biggest challenges facing intra-EU labour mobility. We see little sign of improvement, as migration duration increases. This phenomenon can be seen also as a failure of migration related policies to improve the efficiency of cross-border labour mobility.

‘Welfare tourism’ - freedom of mobility under pressure

Freedom of movement of workers is core value of EU, not negotiable
Since the Maastricht Treaty also ‘Freedom of residence within the EU’,
this means not just for work!

‘Free mobility’ came under pressure in the last years fed mostly by
populist nationalistic parties, but at certain places at the edge of
getting mainstream (UK, NL, Germany at ‘Länder’ level, Swiss
referendum)

The claim of ‘benefit tourism’ (UK, Germany): this is a political
campaign; no evidence (on the contrary):

Dustmann et al, 2013: “Between 2007 and 2011, recent EEA
immigrants made a net contribution of 15.2 billion GBP to UK public
finances, which amounts to an annual average of 2,610 GBP per capita
over the 5-year period. Over the same time frame, the annual net fiscal
cost of UK natives amounted to about 1,900 GBP per capita.”

„Welfare tourism“ - freedom of mobility under pressure

Brücker, 2013: EU10 migrants less likely than nationals to take unemployment and welfare benefit; particularly lower take-up from tax financed welfare and social services

“about 48 percent of all Germans without a migration background receive some form of social transfers, and that only about 30 percent of A2 migrants receive any social transfer, including child allowances”

Higher employment rates/lower unemployment rates also support this
Trade unions need to defend the value of ‘free movement’ but also take efforts to address local problems/tensions in a co-operative way (local tensions are more often related to cuts on local government budgets)

Given the catastrophic labour market situation in Europe with huge differences among member states,

- with dramatic developments in the southern periphery
- with continuing LM stress in the East
- free movement of labour in effect (exc. HR)

The expectation is that cross border labour mobility helps and contributes to better labour allocation

The major evidence on post enlargement East-West labour mobility is the high level of skills/occupation mismatch and a massive under-utilisation of human capital – this is a huge policy challenge

Is this a temporary phenomenon or a new South-North mobility wave can follow this pattern?

Thank you for the attention!

- Contact: bgalgoczi@etui.org
- European Trade Union Institute, Brussels,
www.etui.org

