

INTRA-EU MOBILITY AND EMPLOYMENT. OPPORTUNITIES AND RISKS

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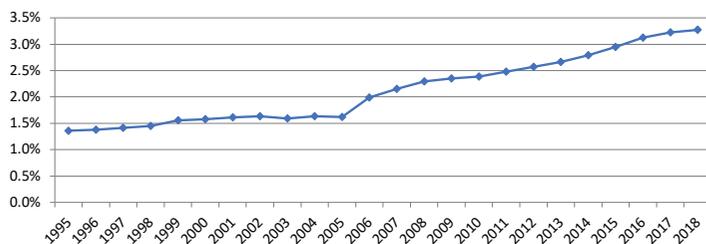
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This article presents an overview of intra-European Union (EU) mobility over the past decade, with a focus on the role of employment in the mobility process. The article shows that intra-EU mobility of EU citizens has constantly increased during the past decade. Better employment opportunities in the destination than in the origin country have been a key driver for most movers, and economic divergence as well as legal access to labour markets in other Member States seem to have greatly impacted mobility flows.

While one can assume that moving does have important economic benefits for mobile citizens, it also comes with a certain cost for many, most importantly carrying out jobs below one's skill levels and precarious employment conditions, such as non-standard types of work.

1. **EMPLOYMENT AS A KEY DRIVER OF MOBILITY**

Intra-EU mobility (or, mobility of EU citizens within the European Union) has constantly increased for a long time. However, in the past decade it has increased much stronger than in the decade before. The share of EU-15 movers from the total EU-15 population increased between 1.4% and 1.6% in the years 1995 to 2005, whereas the share of EU-28 movers from the total EU-28 population increased from 2% to 3.1% in the following decade (2006 to 2016). Different factors may have influenced this exceptional growth of intra-EU mobility, among others the accession of the new Member States resulting in greater regional disparity within the EU; the financial crisis of 2008 and subsequent economic downturn in several Member States; faster and cheaper transport; an ageing society and resulting labour shortages in the care sector; etc. Furthermore, it must be noted that migration from some of the new Member States to some EU-15 countries (e.g. from Poland to Germany) was already large in size in the 1990s, but would have not been defined as 'intra-EU mobility', but as immigration of third country nationals.

FIGURE 1: SHARE OF INTRA-EU MOVERS AGED 15 YEARS AND ABOVE FROM THE TOTAL EU POPULATION*, 1995-2018

* Data refers to stocks of EU citizens living in a Member State other than their country of citizenship, as a share of the total EU population; figures refer to the EU-15 until 2005 and to the EU-28 as of 2006.

Source: Eurostat, LFS series – detailed annual survey results, ‘Population by gender, age, citizenship and labour status’, available at: <https://ec.europa.eu/eurostat/web/lfs/data/database>.

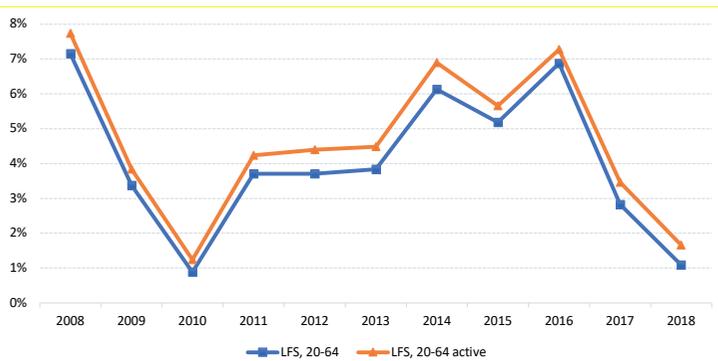
The graph below shows a more precise picture of the development of the stocks of EU citizens living in a Member State other than their nationality since the second Eastern enlargement in 2007 – over the past decade, these stocks grew annually between 1% and 8%. After a very strong growth in 2008 following the accession of Romania and Bulgaria in 2007, growth declined in 2009 and 2010 (which was also related to the economic crisis, see below). Subsequently, growth increased again, particularly in 2011 and 2014. These were the years when the transitional arrangements for citizens of the new Member States ended. Pursuant to the transitional arrangements, free movement of workers may be deferred for a period of maximum 7 years. Such a transitional period is divided into three distinct phases, according to the ‘2 + 3 + 2’ formula. Transitional arrangements were/are mainly implemented to avoid a labour market disruption in the destination country. Thus, EU-8 citizens were granted full access to the labour markets in all Member States in 2011 and EU-2 citizens in 2014.

The strong increase in growth in 2011 and 2014 indicates that the free access to the labour market has had some effect on labour mobility (see also figure 5 below). Nevertheless, mobility already grew strongly directly after the accession of the new Member States. This is, among others, because the implementation of the transitional arrangements has led to the use of several loopholes. A report published by the European Commission in 2006 stated that it was “acknowledged that the restrictions may have encouraged EU-8 nationals to look for other ways to perform economic activity in EU-15 Member States, reflected in an exceptionally high influx of posted workers or workers claiming to be self-employed.”¹ This phenomenon can be conceptualised as

(1) European Commission, *Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004–30 April 2006)*, COM(2006)48, Brussels, 2006.

the ‘front door/back door’ problem. In the same report, social partners also pointed out that restrictions lead to a proliferation of undeclared work and bogus employment.

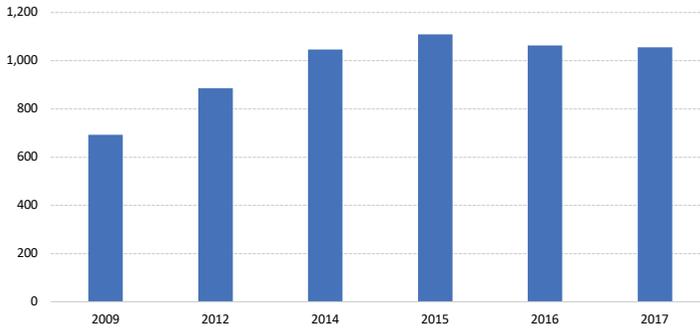
FIGURE 2: ANNUAL GROWTH IN STOCKS OF EU MOVERS (ACTIVE AND TOTAL) OF WORKING AGE, 2008-2018



Source: EU Labour Force Survey, 2018, <https://ec.europa.eu/eurostat/web/lfs/data/database>.

Whereas the stock data above includes all citizens who ever moved to another Member State and who still reside there and a small part of its variation might be explained by other reasons than actual cross-border mobility², annual inflow figures show the actual movement per year. As can be seen, inflows of citizens from other EU Member States have increased constantly between 2009 and 2015, and only decreased slightly in 2016 and 2017.

(2) Especially, changes in the age structure and thus in the number of persons captured in the 20-64 years age bracket.

FIGURE 3: ANNUAL INFLOWS OF EU-28 MOVERS TO ANOTHER MEMBER STATE (IN THOUSANDS), EU-28 AGGREGATE, 2009-2017

Source: Eurostat, Immigration by age group, gender and citizenship, http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=migr_imm1ctz&lang=en.

In 2017, there were in total 17 million EU movers (here defined as EU citizens living in a Member State other than their citizenship), of which 12.4 million were of working age, making up 4% of the working-age population in the European Union.

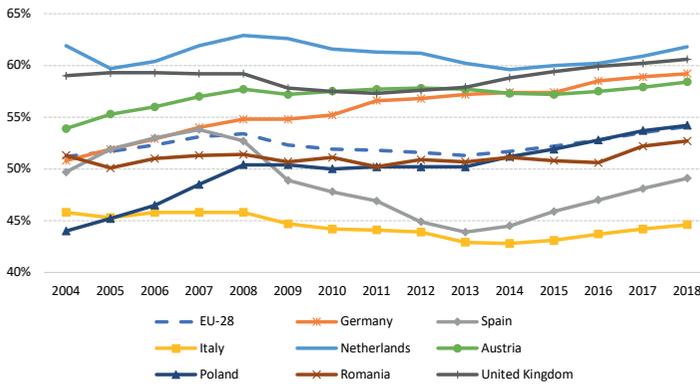
Germany and the United Kingdom (UK) are by far the most important countries of destination, with around 50% of all EU movers in 2017 departing to either of these countries. Germany, in particular, has seen a very large increase in inflows since 2009, with annual inflows doubling already until 2012, and in 2017 being three times as high as eight years ago. The UK saw a slightly flatter increase in inflows during that time span, given that inflows were already very high since 2004. Furthermore, the UK is experiencing a strong decrease in inflows of EU citizens since the second half of 2016, when the referendum on Brexit signalled upcoming changes to immigration policy.³ Outflows of their own nationals being much lower than inflows of other EU nationals, net mobility to both countries was outstandingly high in both countries in 2016: just below +100,000 in Germany and around 50,000 in the UK. Other countries, in particular, the Netherlands and Austria, also saw important increases in inflows since 2009, and emerged as two of the six most important countries of destination in 2017, also with a positive net mobility of EU citizens. The strong increase in mobility to these countries was, firstly, a result of the accession of the new Member States and secondly, of the impact of the economic crisis, in particular on Spain and Italy. Both Spain and Italy were, and still are, prominent destinations for EU movers, but the economic downturn and following decline in employment opportunities led to a decrease in inflows to both countries between 2009 and 2014, with a subsequent deviation of flows towards the countries mentioned above, in particular, Germany. The appeal to EU movers was weakened especially in Italy, which in 2009 still attracted the second

(3) UK Office for National Statistics, Migration Statistics Quarterly Report: May 2019, <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/may2019>.

largest number of movers from other countries. Inflows dropped more than half until 2014 and have stagnated since. This means that Italy receives inflows in the same range as Austria and the Netherlands. In Spain, on the other hand, inflows started picking up again in 2015, and have been increasing since. In parallel to a decrease of inflows from other EU countries, Spain and Italy both saw a strong increase in emigration of its own nationals in the first years after the onset of the economic crisis.

These developments are just one example of the importance of the economic context and employment opportunities of the destination country as a pull factor for mobility.

FIGURE 4: TREND IN EMPLOYMENT RATES (OF POPULATION AGED 15 YRS. AND ABOVE) IN IMPORTANT COUNTRIES OF ORIGIN AND DESTINATION OF EU MOVERS, 2004-2018



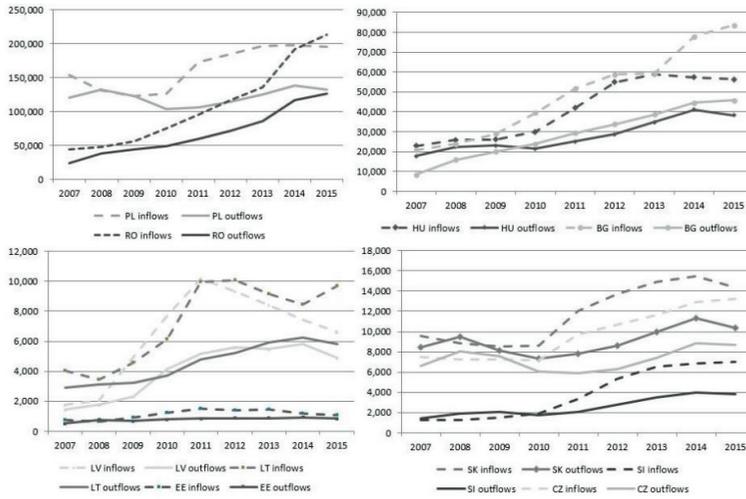
Source: EU Labour Force Survey, 2018, <https://ec.europa.eu/eurostat/web/lfs/data/database>.

The relevance of access to the labour market as a pull factor can also be seen when looking at flow trends between Germany and several Eastern European countries.

The graph below shows two things quite clearly:

- First, that the economic crisis had a trimming effect on mobility towards Germany, which was felt at the very beginning of the crisis and was only short-term. During the first years of crisis (2008-2010), inflows from several Eastern European countries (such as Poland, Lithuania and Slovakia) declined slightly, while inflows from others stagnated (Czech Republic, Slovenia, Estonia). During this time, employment in Germany stagnated, marking a break in the strong upwards trend from the years before.
- Second, and more importantly, the flows quite clearly show the pull effect of the complete opening of the German labour market to EU-10 citizens in 2011 and to EU-2 citizens in 2014. Inflows from several countries show exceptionally strong increases in inflows in these two years.

FIGURE 5: INFLOWS AND OUTFLOWS TO AND FROM GERMANY, BY PARTNERING COUNTRY, ALL AGES, 2007-2015⁴



Figures show inflows and outflows to and from Germany with the partnering countries indicated. Partnering countries are countries of previous residence (inflows to Germany) and countries of next residence (outflows from Germany).

Figures include persons of all nationalities and all ages. They include any registrations and deregistrations of residence in Germany and therefore also include temporary flows (less than 12 months). Therefore, absolute figures are not comparable with Eurostat migration statistics.

Source: German national statistical institute DESTATIS, statistics on temporary migration flows between Germany and foreign countries: ‘Wanderungen zwischen Deutschland und dem Ausland: Jahre, Staaten der Europäischen Union’.

But not only the development in trends show the importance of labour market dynamics to steer mobility flows – the value of employment can also be seen when asking movers for their reasons for migration. Reasons for migration are various and can be roughly categorised into economic and professional reasons, social and family related reasons, cultural reasons and education and other.⁵ Results from several surveys show that when asking all movers, social and family-related reasons feature as much if not more than professional reasons as the main reasons for migration, and these

(4) Figures include persons of all citizenship, however 90% or more are non-Germans. Therefore, it seems safe to assume that in most cases they constitute mobility of citizens from the respective partner country indicated.

(5) Classification used in several surveys, according to Verwiebe, R., Wiesböck, L. and Teitzer, R. (2014), New forms of intra-European migration, labour market dynamics and social inequality in Europe, *Migration Letters*, 11(2).

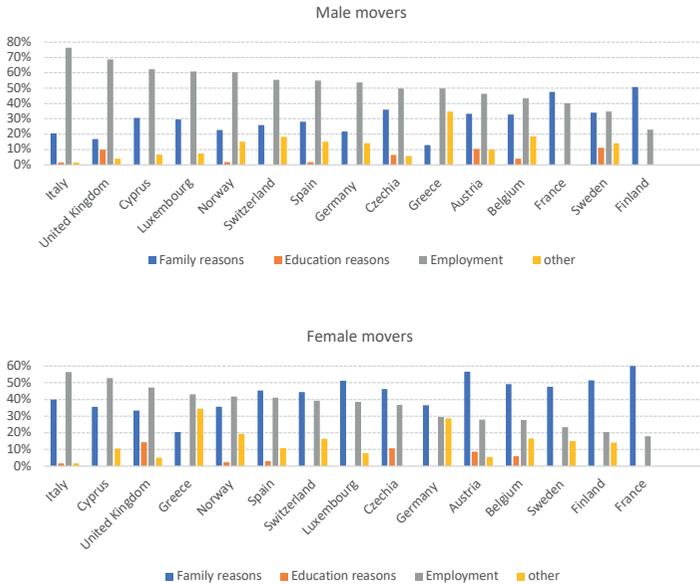
two categories are much more important than cultural reasons and education.⁶ These general results, however, cover important gender differences. Looking at the two gender groups separately reveals that employment is by far more important as a reason to move for men than for women. Accordingly, employment is the reason mentioned most often by male movers in 12 out of 15 European countries⁷, while it is mentioned most frequently by female movers only in 5 out of 15 countries, namely Italy, the UK, Cyprus, Greece and Norway. In the other countries, family is the main reason for migration mentioned most often by female movers. Furthermore, the shares of female movers mentioning employment as the main reason for migration are much smaller than those of men mentioning employment as the main reason in all 15 countries. Thus, in a very general way, one may say that women are most likely to move for family reasons and men for employment reasons (this was also found in a recent Organisation for Economic Co-operation and Development (OECD) study⁸).

(6) Verwiebe et al., p. 129, 2014.

(7) Italy, Cyprus, UK, Greece, Norway, Spain, Switzerland, Luxembourg, Czechia, Germany, Austria, Belgium, Sweden, Finland, France.

(8) OECD, *International Migration Outlook 2017*, OECD Publishing, Paris, pp. 148-149, 2017, available at: https://www.oecd-ilibrary.org/social-issues-migration-health/international-migration-outlook2017_migr_outlook-2017-en.

FIGURE 6: MAIN REASON FOR MIGRATION BY FIRST GENERATION MOVERS OF ANOTHER EU NATIONALITY, BY GENDER, 2014



Source: EU-LFS AHM 2014.

Furthermore, we may consider that a fair amount of movers move as a couple, and that women are more often the ‘accompanying spouse’ who remains inactive or unemployed in the country of destination. An analysis of EU-European labour force survey (LFS) microdata on movers’ household showed that a) most movers (65%) who are in a couple have a partner who is also a mover and b) that women in a mover couple are very likely to be unemployed (9%) or inactive (25%). Thus, it seems logical to assume that accompanying spouses, who are more likely to be female, may mention ‘family’ as the main reason, but that the key reason for the movement of the couple or the family is still the employment opportunities of one of the partners.

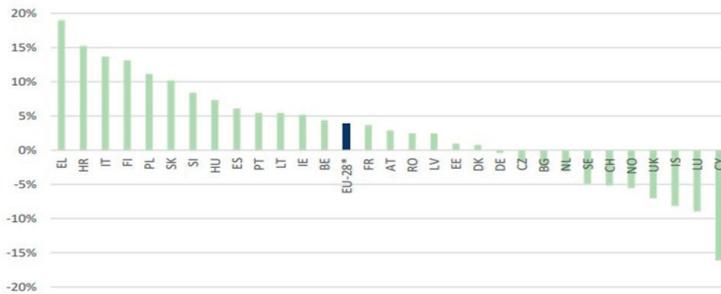
This being said, mobility may of course, in many cases, be purely motivated by social reasons, for example in the case of family reunions. Furthermore, social networks play a crucial role in facilitating mobility and in the decision where exactly to move to. Social connections and labour market characteristics of the destination country (vacancies, wages, job conditions) are likely to both play important roles in a movers’ success on the labour market and his or her integration.

2. POSITIVE EMPLOYMENT EFFECTS OF MOBILITY

The initial aspiration to move to find a job or a better paid job seems to often realise itself. An indication for this is the employment situation of movers compared to the

nationals in their country of origin. Overall, EU-28 movers of working age have a higher employment rate than those citizens in their country of origin. While at EU level movers have an employment rate of 77%, nationals who are still in their country of origin have an employment rate of 73%. This positive advantage can be seen for most national groups, and is particularly high for Italian, Polish, Greek and Croatian movers (more than 10 p.p. difference).

FIGURE 7: DIFFERENCE IN EMPLOYMENT RATES BETWEEN EU-28 MOVERS AND NON-MOBILE NATIONALS OF COUNTRY OF ORIGIN, BY COUNTRY OF ORIGIN, 2017



* EU-28 aggregate also includes EU-28 movers who live in an EFTA country.

Figures of low reliability: CY, IS.

Countries not displayed have figures below reliability.

Source: EU-LFS, Milieu calculations, 2017.

When comparing unemployment rates however, the picture is less clear. At EU level, the movers' unemployment rate is slightly higher (+1p.p.) than that of the citizens in their country of origin. However, when looking at country level, for most national groups of movers the unemployment rates are lower than that of nationals in the country of origin. The EU aggregate is due to the fact that unemployment is larger for several large national groups of movers, namely Bulgarian, Romanian, British and German which have a heavy weight in the EU aggregate.

This, at first sight, contradiction between employment and unemployment rates is due to the fact that unemployment rates refer to only the active population and employment rates to the total population. Thus, because movers are more likely to be active, employment rates are higher. However, unemployment also seems to be higher than in the countries of origin for several national groups, which may be due to several factors: many movers move without having secured a job before the move (see below); also, movers are more likely to have limited or short-term contracts.

Despite this, for many national groups, mobility also results in lower chances of unemployment than if they stayed at home.

In addition to higher chances of employment for most movers, movers are also likely to earn more than if they stayed at home, even if living costs are higher (earning differences below are shown in Purchasing Power Standard and therefore factor in already the higher living costs compared to the wage). This is likely to be the case even if they carry out a job requiring a lower skill level. For example, monthly earnings for professionals in important countries of origin such as Bulgaria and Romania are lower than monthly earnings in elementary occupations in important destination countries such as Germany, France, Spain, Italy and the UK. Furthermore, monthly wages for the same level of occupations are the highest in Germany and the UK, explaining their attraction of movers also from other countries of origin, such as Spain and Italy.

TABLE 1: MEAN MONTHLY EARNINGS IN PURCHASING POWER STANDARD (PPS), ALL AGES, BY OCCUPATION, 2014

	Professionals	Craft and related trades workers	Elementary occupations
Bulgaria	1,312	790	520
Germany	4,547	2,739	1,729
Spain	2,958	1,998	1,438
France	3,367	1,995	1,641
Italy	3,090	1,966	1,669
Poland	2,158	1,420	1,023
Romania	1,456	806	542
United Kingdom	3,499	2,409	1,549

Source: Eurostat, Mean monthly earnings by gender, age and occupation, <https://ec.europa.eu/eurostat/web/labour-market/earnings/database>.

3. CHALLENGES FACED BY MOBILE WORKERS

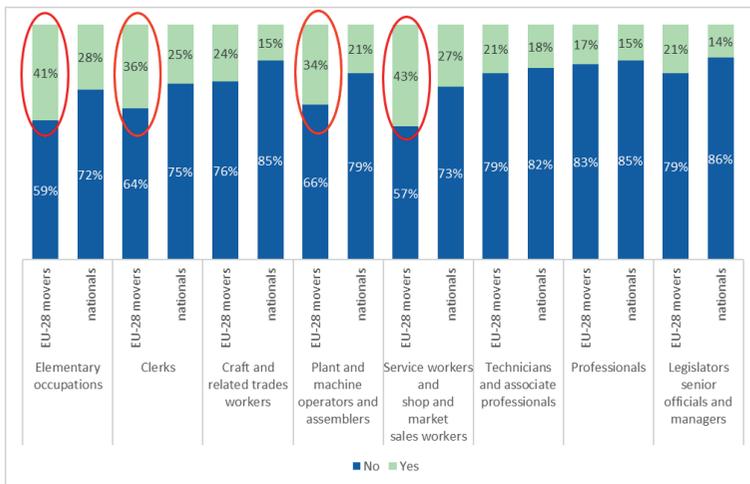
Despite the benefits in employment described above that many movers are likely to gain, mobility also has its downside on movers' working life.

First, EU movers are often overqualified for their jobs, which is a result of labour shortages in certain sectors and occupations (for example, agricultural and construction workers) in destination countries, combined with the higher average wages.

While overqualification (carrying out a job below one's skill level) is also apparent among nationals in the destination countries, movers are disproportionately affected.

As shown in the graph below, subjectively perceived overqualification⁹ is particularly frequent in low-skilled or elementary occupations (such which require only a lower secondary school degree or below), among clerks, service and sales workers, and plant and machine operators and assemblers. While overqualification is highest in these occupations also among nationals (between 21% and 28%), among EU movers it is much larger (between 34% and 43%).¹⁰ This is confirmed by looking more objectively at overqualification, namely by comparing peoples' occupation, the education level required to carry out that occupation and their achieved highest level of education. Although the categories (highest achieved level of education, educational requirements by occupation) are rather broad, one can see that overqualification is particularly pronounced in elementary occupations and among clerks. Among movers working in elementary occupations, 13% have a tertiary (university or higher education) degree and 50% have a secondary degree (higher secondary education), whereas these types of occupations normally only require lower secondary degrees. Among clerks (requiring an upper secondary degree), 50% of movers have a tertiary degree and are therefore overqualified – this share is 30% among nationals of the country of destination.

FIGURE 8: SUBJECTIVE OVERQUALIFICATION OF EU-28 MOVERS AND NATIONALS IN DIFFERENT OCCUPATIONS, 2014



Source: EU-LFS ad-hoc module 2014.

Data also shows that overqualification becomes more unlikely the longer a mover has been in the destination country. One reason for this is the acquisition of the host

(9) The EU-LFS asks respondents whether they feel they are overqualified for their job.

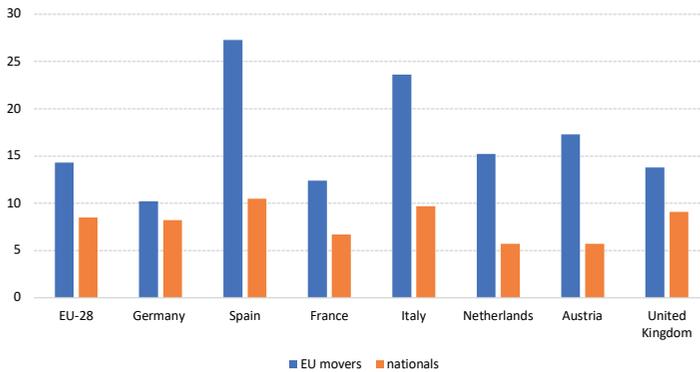
(10) Fries-Tersch, E., Tugran, T., Markowska, A. and Jones, M., *2018 Annual Report on intra-EU Labour Mobility. Final Report December 2018*, Fig. 44, p. 91, 2018, based on EU-LFS ad-hoc module 2014.

country's language skills, the lack of which is mentioned as the most frequent obstacle for movers to obtaining a suitable job.¹¹

Overqualification is more likely encountered by movers from the new Member States than from the EU-15, which is most likely due to the salary differences which constitute an incentive to carry out jobs below one's skill level. Furthermore, female movers are more likely to experience overqualification than male movers.

Secondly, although salary differences between countries of origin and destination countries are often beneficial for movers, they are at a higher risk of in-work poverty than nationals in the destination countries (Figure 9). At EU level, around 15% of EU movers are at such a risk (compared to 9% among nationals), but in Spain and Italy, the share is above 20%. This is related to the fact that such a high share (20%)¹² work in low-skilled jobs (elementary occupations), compared to 8% among nationals.

FIGURE 9: IN-WORK AT-RISK-OF-POVERTY RATE IN KEY DESTINATION COUNTRIES, 18 YEARS AND ABOVE, 2017



Source: Eurostat, *In-work at-risk-of-poverty rate by broad group of citizenship (population aged 18 and over)*, available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_iw15&lang=en.

4. CONCLUSIONS

The sections above highlight some key trends of intra-EU mobility, in particular over the past decade. They show the importance of access to employment and better salaries as a driver of EU mobility. This is underlined by movers' statements that a key reason to move is employment. Although movers encounter better opportunities and chances, they also run risks related to their employment situation and/or career. In particular,

(11) Source: EU-LFS ad-hoc module 2014.

(12) EU-LFS, Milieu calculations, 2017.

they are likely not to find employment that corresponds to their education level, if they have achieved a medium or higher degree education. This is because movers are more likely to fill shortages in low-skilled occupations, such as the service or the agricultural sector. A lack of language skills is by far the most important reason for movers not accessing jobs that match their skill level; but also shortages in such occupations and difficult, unstable working conditions, open the field for employment of workers from other countries. Thus, whereas salary levels might be higher and movers might earn more even in a more low-skilled occupation in the country of destination, they are still more likely to experience poverty than citizens of the destination country themselves.

In light of these challenges, access to social security is crucial for mobile EU citizens. Precarious employment situations make it indispensable, for example, to access unemployment benefits, even after returning back to the country of origin. Free movement can offer great opportunities to EU citizens, among others, to improve their socio-economic situation – but only if the risk of moving is accompanied by a safety net of social security that can be transferred as smoothly across borders as the movers themselves.

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