



EUROPEAN POLICY BRIEF



LABOUR MOBILITY IN THE EUROPEAN UNION: A TOOL TO WEATHER THE NEXT RECESSION?

By Liam Patuzzi and Meghan Benton

January 2020

INTRODUCTION

The European Economic Area (EEA) is the world's biggest laboratory on labour migration. It provides a test case of what happens when people can move to take up job and business opportunities with almost zero costs under different economic and social conditions.

The past 15 years have seen a series of natural experiments confront the bloc. In the mid-2000s, eastern EU enlargement raised concerns about the impact of large waves of East-West movements driven by exceptional opportunity differentials; second, the 2007 global financial crisis and subsequent recessions sparked fears of a 'lost generation' of youth in Southern Europe and other badly afflicted countries; and third, the migration crisis brought rising mixed migration flows, pressures on infrastructure, and a vociferous public backlash that swept EU movers up in its wake.

While governments have contested aspects of intra-EU mobility—such as the rules governing access to welfare benefits¹—no country (except the United Kingdom) has questioned the fundamental rationale of free movement²: that it offers a powerful tool for circulating skills, knowledge, and ideas around the bloc and for balancing out uneven effects of skills shortages and surpluses. Because free movement cannot by definition be calibrated to the needs of countries or regions, it may lead to localised costs, whether congestion in receiving communities or the adverse effects of depopulation in 'sending' regions and countries.

Signs of a potential recession ahead have cast light on the role free movement could play in the future to dampen the effects of the economic cycle. Last time round, free movement played only a limited role in mitigating the effects of the 2007 recession and subsequent economic downturn: soaring unemployment in southern European Member States led to little additional mobility, East-West flows remained fairly constant, and returns from crisis-ridden countries such as Ireland were

¹ See Joakim Palme and Martin Ruhs, 'Free Movement of EU Workers and Access to Welfare State Benefits: Institutional Tensions, Fiscal Effects and Need for Reform' (working paper, REMINDER project, Oxford, December 2019)

² Christof Roos, 'EU Freedoms at a Critical Juncture? The Positions of Member State Governments on EU Person and Services Mobility', *Culture, Practice & Europeanization*, Vol. 3, No. 1 (2018): 19-36, <https://www.ies.be/files/CPE%202016%20EU%20Freedoms%20at%20a%20critical%20Juncture.pdf>.

limited.³ While this has dampened expectations on labour mobility as a remedy to crisis, it has also encouraged an examination of persistent obstacles, as well as actions to reduce them. Meanwhile, it is unclear whether these fundamental principles of labour mobility will hold true, in the future. Europe is undergoing structural changes to its labour force and supply which may make free movement more vital as a tool to stimulate growth—but also reveal its limitations. Globalisation, population ageing, and automation and digitisation are all reshaping the skills on offer and in demand in Europe’s labour markets.

This policy brief examines the role of free movement against this backdrop. It first sets out the current role that labour mobility plays in the bloc, and then turns to possible policy approaches to improve its functioning. It ends with some conclusions.

THE CURRENT PICTURE

Free movement has numerous economic benefits. By allowing workers to move to take up jobs, it can alleviate skills shortages and skills surpluses and foster economic growth. For destination countries, free movement widens the pool of skilled workers they can easily tap into and bring in people willing to do the jobs that local workers are not—such as seasonal, remote, live-in or shift jobs. Sending countries can profit from free movement as a valve to relieve weak labour markets; moreover, they often benefit from remittances emigrants send back, as well as from the skills and experience of returnees. And of course, free movement brings benefits for individual movers, who often enhance their earnings and career opportunities. Maximising the benefits of workers’ mobility, however, depends on being able to develop their skills and countering the risks of underemployment, precarity, or labour exploitation—not only through legislation, but also more collaborative enforcement of rules between Member States.⁴

However free movement may also prevent the normal equilibrium that flows from a tight labour market: difficulties recruiting workers should lead wages to rise in occupations and then more people to train for them. If immigration operates as a ‘get out of jail free’ card, it can reduce incentives for public sector bodies to raise wages for in-demand occupations, such as nurses, or fail to address chronic underinvestments in STEM or ICT skills.⁵ The presence of an oversupply of migrants can contribute to a low skill trap—where an oversupply of labour encourages employers to hire large numbers of people instead of investing in technology or training—however the evidence is mixed on whether free movement has had this effect.⁶

Evidence on the overall economic and fiscal impacts of free movement is also somewhat mixed, but largely concludes that intra-EU mobility has resulted in higher employment rates, higher productivity, and a positive impact on taxes and social contributions.⁷ The effects of free movement

³ Mikkel Barslund, Matthias Busse, and Joscha Schwarzwälder, ‘Labour Mobility in Europe: An Untapped Resource?’ (policy brief 327, CEPS, Brussels, March 2015), <https://www.ceps.eu/system/files/Labour%20Mobility%20PB%20joint%20Bertelsmann%20FINAL%20mb.pdf>.

⁴ The 2018 recast Posting of Workers Directive (2018/957) has improved safeguards and protections, but does not address common issues of bogus self-employment and undeclared work as set out in: Fundamental Rights Agency (FRA), *Protecting Migrant Workers from Exploitation in the EU: Workers’ Perspectives* (Vienna: FRA, 2019), https://fra.europa.eu/sites/default/files/fra_uploads/fra-2019-severe-labour-exploitation-workers-perspectives_en.pdf.

⁵ David Metcalf, *Work Immigration and the Labour Market. Incorporating the Role of the Migration Advisory Committee* (London: Migration Advisory Committee and London School of Economics, 2016), https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/547697/MAC-report_immigration_and_the_labour_market.pdf.

⁶ Francesco Campo, Giuseppe Forte, and Jonathan Portes, ‘The Impact of Migration on Productivity and Native-born Workers’ Training’ (discussion paper, IZA Institute of Labour Economics, Bonn, September 2018), <http://ftp.iza.org/dp11833.pdf>.

⁷ Klaus Müller, ‘The Impact of Free Movement of Economically Active Citizens Within the EU’ (briefing, European Parliamentary Research Service, Brussels, December 2019), [http://www.europarl.europa.eu/RegData/etudes/BRIE/2019/631742/EPRS_BRI\(2019\)631742_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2019/631742/EPRS_BRI(2019)631742_EN.pdf); Marcus Österman, Joakim Palme, and Martin Ruhs, ‘National Institutions and the Fiscal Effects of EU Migrants’ (working paper, REMINDER

on wages in destination countries—a point of concern since eastern enlargement—have been very small, if any,⁸ and research suggests that EU mobility has not led to an increase in unemployment.⁹ In some cases, inflows of EU migrant workers have even been shown to contribute to improving the work safety and working conditions of native workers and mobile workers alike.¹⁰ All in all, while the balance is clearly tilted towards the benefits, overall economic effects appear rather modest.

The role of free movement in mitigating economic shocks

Free movement also—at least in theory—offers an outlet for countries suffering from economic woes, since it enables them to export their workforce, allowing mobile workers to go where the jobs are and then return home if the opportunities dry up. Analysts have regarded intra-EU labour mobility as an important adjustment factor against asymmetrical shocks—especially for countries within the Eurozone, whose ability to respond to shocks through traditional macroeconomic tools such as monetary policy is constrained by the currency union.¹¹ These hopes were partly dampened in the financial crisis beginning in 2007 and the subsequent economic recession; relatively low levels of mobility within the ‘old’ EU-15 despite soaring unemployment rates in southern Member States suggested EU mobility would do little to help stabilise economies in difficult conditions.¹² However, without a counterfactual, it is difficult to tell what the impact of free movement was on the European economy during the crisis.

Certainly, recovery from the crisis has been slow, and many countries are still seeing sluggish growth. And there are signs of trouble ahead. Analysts have suggested that the recent contraction of the German economy—the growth engine of Europe—could have grim consequences for the region.¹³ Gross domestic product (GDP) growth in the EU-28 was only 0.3 per cent in the third quarter of 2019 (and 0.2 per cent in the Eurozone), hinting at a potential forthcoming recession.¹⁴

Building the future labour force

Meanwhile, Europe’s labour markets are undergoing significant structural transformations that could have implications for how free movement functions, and the policies that support it. The emergence of the knowledge economy has meant that many jobs require a mix of higher level cognitive, technical, digital and transversal skills; those skills thought to be most resistant to automation include so-called 21st century skills such as creativity, critical thinking, and collaborative problem-solving.¹⁵

Populations are also ageing, which raises the question of whether there is a hard ceiling on how and to what extent EU mobility can mitigate demographic change: for health jobs, for instance, concerns have long been raised about brain drain from Eastern Europe, yet the bloc as a whole is

project, February 2019), <https://www.reminder-project.eu/publications/working-papers/national-institutions-and-the-fiscal-effects-of-eu-migrants/>.

⁸ Jo Ritzen, Martin Kahanec, and Jasmina Haas, ‘EU Mobility’ (policy paper 125, IZA Institute of Labour Economics, Bonn, February 2017), <http://ftp.iza.org/pp125.pdf>.

⁹ Esther Arenas-Arroyo, Osea Giuntella, and Carlos Vargas-Silva, ‘Immigration and Unemployment Benefits: Evidence from Germany’ (working paper, REMINDER project, July 2019), <http://ftp.iza.org/dp8456.pdf>; <https://www.reminder-project.eu/wp-content/uploads/2019/07/REMINDER-D5.6-Immigration-and-Unemployment-Benefits-Germany.pdf>.

¹⁰ Osea Giuntella, Fabrizio Mazzonna, Catia Nicodemo, and Carlos Vargas Silva, ‘Immigration and the Reallocation of Work Health Risks’ (working paper, REMINDER project, July 2018), https://www.reminder-project.eu/wp-content/uploads/2018/07/D5.2_Final-June-2018_with-cover.pdf.

¹¹ Alfonso Arpaia, Aron Kiss, Balasz Palvolgyi, and Alessandro Turrini, ‘Labour mobility and labour market adjustment in the EU’, *IZA Journal of Migration*, 5, 21 (2016), <https://izajodm.springeropen.com/articles/10.1186/s40176-016-0069-8>.

¹² Mikkel Barslund and Matthias Busse, ‘Too Much or Too Little Labour Mobility? State of Play and Policy Issues’, *Intereconomics* 49, no. 3 (2014): 116–58, <https://link.springer.com/article/10.1007%2Fs10272-014-0495-x>.

¹³ Piotr Arak, ‘As Recession Looms, Europe Needs More Spending’, *EU Observer*, 13 September 2019, <https://euobserver.com/opinion/145867>.

¹⁴ Eurostat, ‘Gross Domestic Product, Volumes [teina011]’, accessed 22 November 2019, <https://ec.europa.eu/eurostat/web/products-datasets/-/teina011>.

¹⁵ Partnership for 21st Century Skills, ‘P21 Framework Definitions’, December 2009, <https://files.eric.ed.gov/fulltext/ED519462.pdf>; Organisation for Economic Cooperation and Development, ‘OECD Future of Education and Skills 2030: Conceptual Learning Framework’ (OECD concept note, 2019), http://www.oecd.org/education/2030-project/teaching-and-learning/learning/skills/Skills_for_2030.pdf.

facing rising demand from a growing number of elderly disabled people in the population and a shrinking workforce relative to that demand.¹⁶ Mere labour circulation will therefore only be part of the answer; policymakers will also need to ensure that education and training systems are responsive to these long-term demand trends.

Meanwhile, we have also seen a rise of new precarious forms of work such as zero hours contracts, freelancing, and ‘gigs’ through the platform economy.¹⁷ Free movement could be a lynchpin in shaping the structure of the workforce and shoring up its resilience to future change. But it could equally interact with other rising vulnerabilities, contributing to the bifurcation of the labour market. Despite important progress in reinforcing labour rights at EU level, such as 2018 recast of the Posting of Workers Directive,¹⁸ free movement currently harbours important risks for atypical workers—especially low-wage and low-hour workers, who may be excluded from accessing in-work social support and end up destitute,¹⁹ and workers in a situation of bogus self-employment, who find themselves unable to claim many of the protections reserved for employees.²⁰

While immigration from third countries has taken centre stage in EU policymaking and political debate in recent years, its interplay with intra-EU labour mobility is understudied. It is possible that EU mobile workers and labour immigrants from third countries will compete more, and across different labour market segments, in years to come. Mobile citizens have employment outcomes than their non-EU counterparts,²¹ and refugees in particular.²² But both groups tend to be concentrated in unstable jobs at high risk of automation and with poor opportunities for career development;²³ and recent humanitarian arrivals, often characterised by low education levels and little professional training,²⁴ may further intensify competition in low-skilled employment. On the other side of the spectrum, high- and medium-skilled EU migrants see some of their privileges eroding vis-à-vis international professionals, as major EU destinations up their game in the global race for talent: Germany’s new Skilled Labour Immigration Act, for example, waives the labour market test for non-EU migrants in all medium-skilled occupations.²⁵

Policymakers will have to take steps to upskill the European workforce as a whole and ensure that free movement is a partner in this regard, work to mitigate the effects of precarious work, and

¹⁶ Mojca Vah Jevšnik, ‘The ethical dimension of healthcare worker mobility’, in *Labour Mobility in the EU*, eds. Kristina Toplak and Mojca Vah Jevšnik (Ljubljana, Slovenia: Slovenian Migration Institute, 2018).

¹⁷ In the European Union, permanent fulltime employment as a proportion of total employment has declined by 4 percentage points during the last 15 years, to below 60 per cent in 2016. Meanwhile, solo self-employment has become more common, as have temporary and part-time contracts. Younger workers have been disproportionately affected by the increase in non-standard work. European Commission, *Employment and Social Developments in Europe: Annual Review 2018* (Luxembourg: Publications Office of the European Union, June 2018), <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8110&furtherPubs=yes>.

¹⁸ ‘Directive (EU) No 957/2018 of the European Parliament and of the Council of 28 June 2018 Amending Directive 96/71/EC Concerning the Posting of Workers in the Framework of the Provision of Services’, *Official Journal of the European Union* 2018 L173/16, 9 July 2018, <http://data.consilium.europa.eu/doc/document/PE-18-2018-INIT/en/pdf>

¹⁹ <https://www.feantsa.org/download/working-poor-within-the-eu1026919265820446116.pdf>.

²⁰ For a discussion of the impact of (bogus) self-employment contracts in creating poor working conditions and lack of protection for mobile workers in the domestic care sector see: Martina Sekulová and Mădălina Rogoz, ‘The Perceived Impacts of Care Mobility on Sending Countries and Institutional Responses: Healthcare, Long-term Care and Education in Romania and Slovakia’ (working paper, REMINDER project, January 2019), <https://www.reminder-project.eu/wp-content/uploads/2019/01/REMINDER-D6.2-Perceived-Impacts-of-Care-Work-Mobility.pdf>.

²¹ Eurostat, ‘Migrant integration statistics – labour market indicators’, updated May 2019, https://ec.europa.eu/eurostat/statistics-explained/index.php/Migrant_integration_statistics_%E2%80%93_labour_market_indicators.

²² Francesco Fasani, Tommaso Frattini, and Luigi Minale, ‘(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe’, (discussion paper, IZA Institute of Labour Economics, Bonn, February 2018) <http://ftp.iza.org/dp11333.pdf>.

²³ Federico Biagi, Sara Grubanov-Boskovic, Fabrizio Natale, and Raquel Sebastian Lago, *Migrant workers and the digital transformation in the EU* (Luxembourg: Publications Office of the European Union, 2018), https://publications.jrc.ec.europa.eu/repository/bitstream/JRC112197/kcmd_-_dt_migration_final_-_pdf.pdf

²⁴ See for example Herbert Brücker, Philipp Jaschke, and Yuliya Kosyakova, *Integrating Refugees and Asylum Seekers into the German Economy and Society: Empirical Evidence and Policy Objectives* (Washington, DC: Migration Policy Institute, 2019), <https://www.migrationpolicy.org/research/integrating-refugees-asylum-seekers-germany>.

²⁵ Tanja Zech, ‘Skilled personnel welcome’, Deutschland.de, 16 December 2019, <https://www.deutschland.de/en/topic/business/the-skilled-labour-immigration-act-working-in-germany>.

ensure that intra-EU mobility and non-EU immigration complement, rather than compete with one another.

POLICY OPTIONS

Policies for enhancing labour mobility can focus on more efficiently circulating human capital, by better matching workers to the available jobs. Or they can focus on building human capital, by encouraging people to build skills through their mobility experiences. They can also improve processes for transferring human capital, by making it easier for people to get their skills and experience recognised as they move countries, or better draw on them when they return home.

1. Matching labour supply and demand

The European Employment Services (EURES), the cooperation network of European public employment services, matches jobseekers and employers across countries and provides information about jobs. EURES had long been criticised for the small number of jobs listed and their poor quality (e.g., being out of date).²⁶ But a 2016 European Regulation requires Member States to feed all publicly available Public Employment Service vacancies into its Job Mobility Portal, and allows private placement services to also post jobs. While these changes have helped increase the number of posted vacancies and the overall use of the portal,²⁷ there is variation in the extent to which it is used by jobseekers from different countries,²⁸ and in the spread of vacancies.²⁹ Improving information exchange between EURES and national public employment services (PES) can only do so much, given that many PES still only list a portion of real national vacancies and serve largely the low-wage end of the labour market.³⁰

EURES could be used to advise European Member States on longer-term skills needs. But a more strategic use of EURES to help identify bottlenecks and skills mismatches across the European Union would depend on more up-to-date information on job vacancies. The imminent transfer of the EURES coordination to the European Labour Authority³¹ could be used to link job placement and other aspects of labour mobility—since the new agency's remit will cover posting of workers, social security coordination, joint labour inspections and more; by pooling resources, it may also help improve the efficiency and visibility of EURES as a one-stop shop for labour mobility.³²

²⁶ Vanessa Ludden and Angeli Jeyarajah, *Employment Barriers in Border Regions* (Luxembourg: Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, January 2019), [http://www.europarl.europa.eu/RegData/etudes/STUD/2019/631029/IPOL_STU\(2019\)631029_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2019/631029/IPOL_STU(2019)631029_EN.pdf); European Court of Auditors, *Free Movement of Workers: The Fundamental Freedom Ensured but Better Targeting of EU Funds Would Aid Worker Mobility* (Luxembourg: European Court of Auditors, 2018), www.eca.europa.eu/Lists/ECADocuments/SR18_06/SR_Labour_Mobility_EN.pdf.

²⁷ From June 2017 to June 2018, there has been an increase in registration on the EURES portal of 30 per cent for employers and 20 per cent for jobseekers. The Job Mobility Portal currently counts approximately 400,000 jobseeker CVs and 3 million jobs on any given day. EU Monitor, 'Annexes to COM(2019)164 - EURES Activity January 2016 - June 2018 - Submitted Pursuant to Article 33 of Regulation (EU) 2016/589', updated 2 April 2019, https://www.eumonitor.eu/9353000/1/j4nvirkkr58fyw_j9vvik7m1c3gyxp/vkxbmcbgohyp.

²⁸ For instance, 68,000 jobseekers from Italy are registered compared to 17,000 in France, despite similar unemployment rates and population sizes. European Commission, 'Single Market Scoreboard', accessed 23 December 2019, https://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/eures/index_en.htm#facts-figures.

²⁹ Germany posts 57 per cent of vacancies. MPI calculations from European Commission, 'Single Market Scoreboard', accessed 23 December 2019, https://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/eures/index_en.htm#facts-figures.

³⁰ While in countries such as Germany, Austria, and the Czech Republic, the share of unemployed people who declare using PES to look for jobs approached 80 per cent in 2017, it was only around 30 per cent in Italy, Spain and Romania. European Commission, *Draft Joint Employment Report from the Commission and the Council Accompanying the Communication from the Commission on the Annual Growth Survey 2018* (Brussels: European Commission, November 2017), https://ec.europa.eu/info/sites/info/files/2017-comm-674_en.pdf.

³¹ European Commission, 'European Labour Authority Starts Its Activities: Question and Answers' (press release, 16 October 2019), https://ec.europa.eu/commission/presscorner/detail/en/QANDA_19_6056.

³² Vanessa Ludden and Angeli Jeyarajah, 'European Labour Authority and Support for Labour Mobility (EURES)' (briefing, European Parliament, Brussels, May 2018), [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/619004/IPOL_BRI\(2018\)619004_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/619004/IPOL_BRI(2018)619004_EN.pdf).

2. ***Building skills to meet longer-term labour needs***

Intra-EU mobility is currently underused by national and regional authorities as a strategic tool to respond to skills shortages.³³ This may partly reflect a feeling that it is harder to ‘steer’ EU mobility to meet such needs, as compared to immigration from outside the European Union.³⁴ Another limitation is that shortages are often exaggerated by employers; gaining a reliable picture of both what jobs are in demand now is hard enough, let alone what could be needed in the future.³⁵ Harnessing the potential of EU mobility to address shortages in growth industries would require strategic thinking on which industries will grow in the long run. It would also demand policies that use mobility both to channel workers to places where their skills are in demand, and to encourage them to build these skills in the first place.

One option in this regard is to expand the use of skills partnerships that offer training as well as support for mobility. These have been established by a number of countries both within and outside Europe to encourage skills mobility in particular sectors. For instance, Germany partners with Poland to fill shortages of nurses for elderly care, with training institutes at both end of the partnership designing shared curricula and exchanging staff and students.³⁶ Improving evaluation of these initiatives, which is currently lacking,³⁷ could help other countries design and tailor programmes to their needs. In the longer term, these collaborations could also contribute to aligning vocational curricula across EU Member States. However, such partnerships require setting the right incentives particularly for countries of origin, which in a context of brain drain and demographic decline may not be keen on promoting further mobility corridors; meaningful investments from destination countries into their education and training systems could be a promising approach, as it would help them stop the spiral of human capital deterioration.

An overlooked element for upskilling the European workforce is integration of EU nationals, which has long been an afterthought. For instance, AMIF (Asylum, Migration and Integration Fund) money is often used for language training, and cannot be used for EU nationals, while European Social Fund (ESF) funding does not target them and therefore is rarely used for language training.³⁸ Greater investments in language training and specifically occupational and on-the-job language training could help EU nationals move out of precarious and low-skilled jobs.

3. ***Improving the mobility of skills and qualifications***

Despite several EU mechanisms to help workers transfer their credentials across EU Member States,³⁹ qualifications recognition is still a major barrier to intra-EU mobility. Recent changes⁴⁰

³³ ICF, *Study on the Movement of Skilled Labour* (Brussels: European Commission, June 2018), <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8156&furtherPubs=yes>.

³⁴ Author interview with Marcin Wiatrow, Chief Expert, Labour Migration Policy Unit, Ministry of Family, Labour and Social Affairs, Poland, 26 September 2019.

³⁵ Demetrios G. Papademetriou, Meghan Benton, and Kate Hooper, ‘Equipping Immigrant Selection Systems for a Changing World of Work’ (Transatlantic Council Statement, Migration Policy Institute, Brussels, July 2019), <https://www.migrationpolicy.org/research/immigrant-selection-systems-changing-world-work>; Migration Advisory Committee, *Assessing Labour Market Shortages – A Methodology Update* (London: Migration Advisory Committee, January 2017),

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/586110/2017_01_26_MAC_report_Assessing_Labour_Market_Shortages.pdf.

³⁶ ICF, *Study on the Movement of Skilled Labour* (Brussels: European Commission, June 2018), <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8156&furtherPubs=yes>.

³⁷ *Ibid.*

³⁸ Aliyyah Ahad and Timo Schmidt, *Mainstreamed or Overlooked? Migrant Inclusion and Social Cohesion in the European Social Fund* (Brussels: European Programme for Migration and Integration, March 2019), https://www.epim.info/wp-content/uploads/2019/03/Ahad-Schmidt_Mainstreamed-or-Overlooked_Mar2019.pdf.

³⁹ Directive 2005/36/EC (Professional Qualifications Directive) applies to regulated professions—such as nurses, doctors and architects—and introduces three mechanisms of recognition (automatic, general, and based on professional experience) depending on the profession. European Commission, ‘Recognition of Professional Qualifications in Practice’, accessed 23 December 2019, https://ec.europa.eu/growth/single-market/services/free-movement-professionals/qualifications-recognition_en.

⁴⁰ A 2013 revision of the Professional Qualifications Directive aimed at simplifying recognition procedures through digitalisation and introduced a European Professional Card, an electronic tool that further supports the portability and

have sought to bring greater efficiency and simplicity—for instance, by introducing a portable digital card for a number of occupations. The European Qualifications Framework, introduced in 2008, has helped make professional profiles more comparable across Member States—but progress has been uneven across EU countries. The European Skills, Competences, Qualifications and Occupations (ESCO)⁴¹ promises smoother intra-EU job matching by focusing on actual skills rather than on formal professional curricula. However, the EU regime for the recognition of professional qualifications is still fraught with uneven application, a dearth of clear and transparent information,⁴² high cost, and a lack of tailored opportunities for professionals to fill gaps in their qualification in several Member States.

A deeper problem is variation in the degree to which occupations are regulated across the European Union. While the general principle is that professions should be regulated when in the interest of public safety and consumer protection, national systems vary considerably on which professions meet this threshold, for arbitrary reasons. In light of this, the revised EU Directive for professional qualification recognition introduced a mutual evaluation exercise⁴³ to encourage Member States to reassess their rationale for regulating professions—but this has failed to produce real deregulation and harmonisation.⁴⁴ Countries are deeply committed to their labour market and education institutions and may not wish to alter them.

Ultimately, EU reforms will only be able to do so much given the considerable differences between national education and training systems. A longer-term strategy could be to promote a common language of skills beyond formal qualifications—including soft skills and so-called 21st century skills⁴⁵ thought to be vital for future labour markets—through more precise skills taxonomies and mapping tools. Since adaptability and intercultural awareness are among these ‘future-proof’ skills, such an exercise could even reward EU movers for the skills acquired through EU mobility itself.

4. Making mobility accessible to workers across the skills spectrum

While removing obstacles to highly skilled workers’ mobility remains an important goal, promoting the mobility of workers who currently move less, especially the medium skilled, could do more to boost labour mobility.⁴⁶ Apart from making European labour markets more efficient—including by responding to emerging labour gaps in certain medium-skilled professions—this could bring the so-called ‘moveable middle’ closer to the free movement project.

transferability of qualifications for a set number of professions. European Commission, ‘Single Market Scoreboard’, accessed 9 December 2019, https://ec.europa.eu/internal_market/scoreboard/performance_per_policy_area/professional_qualifications/index_en.htm.

⁴¹ European Commission, ‘What is ESCO’, updated 14 February 2019, <https://ec.europa.eu/esco/portal/howtouse/21da6a9a-02d1-4533-8057-dea0a824a17a>.

⁴² Katalin Adamis-Császár, Linda De Keyser, Elena Fries-Tersch, Veronica Altieri, Matthew Jones, Rosa Castro, and James Buchan, *Labour Mobility and Recognition in the Regulated Professions* (Brussels: European Parliament, April 2019), [http://www.europarl.europa.eu/RegData/etudes/STUD/2019/631056/IPOL_STU\(2019\)631056_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2019/631056/IPOL_STU(2019)631056_EN.pdf).

⁴³ European Commission, ‘Transparency and Mutual Evaluation of Regulated Professions’, accessed 23 December 2019, https://ec.europa.eu/growth/single-market/services/free-movement-professionals/transparency-mutual-recognition_en.

⁴⁴ In part, this was because the exercise consulted mainly professional organisations, rather than other stakeholders. Katalin Adamis-Császár, Linda De Keyser, Elena Fries-Tersch, Veronica Altieri, Matthew Jones, Rosa Castro, and James Buchan, et al., *Labour Mobility and Recognition in the Regulated Professions* (Brussels: European Parliament, April 2019), [http://www.europarl.europa.eu/RegData/etudes/STUD/2019/631056/IPOL_STU\(2019\)631056_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2019/631056/IPOL_STU(2019)631056_EN.pdf).

⁴⁵ 21st century skills are those thought to be in demand in a digital society, because they are more resistant to automation and look beyond formal knowledge. Examples include critical thinking, collaboration, and creativity. See Katerina Ananiadou and Magdalen Claro, ‘21st Century Skills and Competences for Millennium Learners in OECD Countries’ (OECD Education Working Papers No. 41, Paris, December 2009), <https://www.oecd-ilibrary.org/docserver/218525261154.pdf?expires=1576542708&id=id&accname=guest&checksum=980333121C1CF32970A7B9E6DC844E43>.

⁴⁶ In terms of their education, EU migrants are concentrated at the two opposite poles of the spectrum: there are relatively more lower-educated and more higher-educated persons among mobile Europeans than in the populations in the host country as well as the source country. Jo Ritzen, Martin Kahanec, and Jasmina Haas, ‘EU Mobility’ (policy paper 125, IZA Institute of Labour Economics, Bonn, February 2017), <http://ftp.iza.org/pp125.pdf>.

One option to achieve this goal is to promote the mobility of learners in vocational education and training (VET). A stronger focus on VET in the updated Erasmus+ programme,⁴⁷ and expanding EURES to include apprentice mobility,⁴⁸ may help bring mobility levels of VET students closer to those of university students. Another approach would be to promote the internationalisation of VET—for example, by further encouraging international exchange of VET teachers, making mobility a more integral part of VET curricula, and promoting bilateral/multilateral cooperation between training providers, with a focus on occupation-specific language training. Many industries that depend on workers who complete VET (such as trades and crafts) are wary of mobility as they perceive the barriers as too high.⁴⁹ Exploring mobility options that tap into existing value and supply chains (e.g., between a company in Germany and its supplier in Poland) could lead to considerable productivity gains, by correcting inefficiencies in the chain.⁵⁰

RECOMMENDATIONS

At its best, free movement helps skills and ideas flow more freely, driving economic growth and innovation, and enables movers develop human capital and further their careers. At its worst, it can facilitate labour exploitation—creating opportunities for unscrupulous employers to game the system and obscuring labour violations.

To reap the value of intra-EU labour mobility, policymakers will need to do more than grease its wheels. They will need to ensure that free movement contributes to the long-term project of upskilling the labour force.

European institutions and Member States could consider the following recommendations:

- **Invest in research on the interaction between EU mobility and other forms of immigration.** While many studies of the labour market impact of immigration (especially on wages) have suggested that its main negative effects are on previous cohorts of immigrants,⁵¹ little is known about this interaction as it relates to a situation seen recently: a sudden influx of non-European newcomers during the 2015–16 migration and refugee crisis, who have entered a context of European free movement. This unique situation demands further study to determine whether the large number of asylum seekers, who brought with them mixed skill levels, have affected wages and job opportunities for mobile EU citizens with similar skill profiles.
- **Support tailored advice so EU citizens can more effectively use mobility as a career-building tool.** Both national and EU policymakers could make investments to ensure that Europeans can turn to mobility as a strategic opportunity to build skills, rather than a survival tool in tough economic times. For instance, national governments may wish to consider embedding mobility planning into their career advice services, helping potential movers understand how to transfer their skills abroad, but also how to put them to good use when they return. EU institutions could consider offering a ‘mobility loan’ to help people absorb the costs of travel, rental deposits, additional training, and qualification recognition, which would be paid back once they are established in their new jobs.

⁴⁷ European Commission, ‘Erasmus+ Vocational Education and Training Mobility Charter’, accessed 16 December 2019, https://ec.europa.eu/programmes/erasmus-plus/calls/2019-erasmus-vocational-education-and-training-mobility-charter_en.

⁴⁸ European Commission, ‘EURES – Opportunities’, accessed 16 December 2019, <https://ec.europa.eu/eures/public/opportunities>.

⁴⁹ Author interview with expert, German Federal Employment Agency, October 2019.

⁵⁰ Author interview with employers representative, European Economic and Social Committee, November 2019.

⁵¹ For instance, see Gianmarco I. P. Ottaviano and Giovanni Peri, ‘Rethinking the Effect of Immigration on Wages’ *Journal of the European Economic Association* 10, no. 1 (2012): 152–197, <https://onlinelibrary.wiley.com/doi/full/10.1111/j.1542-4774.2011.01052.x>.

- **Improve bilateral cooperation to build (not just transfer) human capital.** Member States (or regional authorities) could test new approaches to educational and labour mobility to help share its costs and benefits. Moreover, such collaboration could—at least in theory—allow regional and national authorities to consider the role of EU mobility in meeting structural skills shortages. Skills partnerships between high-employment and high-unemployment countries, or those with complementary supply and demand for professionals in certain fields, could improve the quality of vocational training programmes and bring in cash to underresourced education systems. Yet such initiatives are largely untested, especially in the case of free movement, so policymakers may wish to begin with small pilots that are rigorously evaluated.

Free movement will not solve broader demographic challenges and labour shortages, given that the European Union’s population is getting older, if at varying speeds in different countries.⁵² Governments will also need to unlock underused pools of labour, such as retired workers, women, and previous cohorts of migrants, while also considering how and for what sectors and occupational levels to recruit future non-EU migrants. In a context of rising anxiety about immigration, free movement is not insulated from the public backlash; similarly, the presence of a large number of migrants and refugees with mixed skill levels will undoubtedly interact with free movement, with potential ramifications for labour standards, wages, and opportunities. How it finds its place amid these seismic changes will be the ultimate test of the world’s biggest experiment in labour mobility.

PROJECT IDENTITY

| | |
|---------------------|--|
| PROJECT NAME | ROLE OF EUROPEAN MOBILITY AND ITS IMPACTS IN NARRATIVES, DEBATES AND EU REFORMS – " REMINDER " |
| COORDINATOR | <p>Carlos Vargas-Silva University of Oxford, United Kingdom carlos.vargas-silva@compas.ox.ac.uk</p> |
| Consortium | <p>Budapest Business School The Institute of Social Sciences at the College of International Management and Business Budapest, Hungary</p> <p>European Journalism Centre Brussels, Belgium</p> <p>European University Institute The Migration Policy Centre (MPC) Florence, Italy</p> <p>International Centre for Migration Policy Development Vienna, Austria</p> <p>Johannes Gutenberg Universität Mainz Department of Communication Mainz, Germany</p> <p>Maastricht University Graduate School of Governance Maastricht, Netherlands</p> |

⁵² European Commission, '2018 Ageing Report: Policy Challenges for Ageing Societies', updated 25 May 2018, https://ec.europa.eu/info/news/economy-finance/policy-implications-ageing-examined-new-report-2018-may-25_en.

Migration Policy Institute Europe

Brussels, Belgium

Kantar Public

Brussels, Belgium

Universidad Rey Juan Carlos

Department of Communication and Sociology

Madrid, Spain

Universitat de Barcelona

Department of Economics

Barcelona, Spain

Universität Wien

Department of Communication

Vienna, Austria

University of Gothenburg

Department of Journalism, Media and Communication

Göteborg, Sweden

University of Oxford

Centre on Migration, Policy and Society (COMPAS)

Oxford, United Kingdom

Uppsala University

Department of Government

Uppsala, Sweden

FUNDING SCHEME

Horizon 2020 Framework Programme for Research and Innovation (2014-2020), H2020-SC6-REV-INEQUAL-2016-2017, "Reversing Inequalities And Promoting Fairness".

DURATION

January 2017 – December 2019 (36 months).

BUDGET

EU contribution: 4.9m €.

WEBSITE

www.reminder-project.eu

FOR MORE INFORMATION

Contact: Carlos Vargas-Silva
University of Oxford, United Kingdom
carlos.vargas-silva@compas.ox.ac.uk

FURTHER READING

Arenas-Arroyo, Esther, Osea Giuntella, and Carlos Vargas-Silva. 2019. Immigration and Unemployment Benefits: Evidence from Germany. Working paper, REMINDER project, Oxford, July 2019. <https://www.reminder-project.eu/wp-content/uploads/2019/07/REMINDER-D5.6-Immigration-and-Unemployment-Benefits-Germany.pdf>.

Giuntella, Osea, Fabrizio Mazzonna, Catia Nicodemo, and Carlos Vargas Silva. 2018. Immigration and the Reallocation of Work Health Risks. Working paper, REMINDER project, Oxford, July 2018. www.reminder-project.eu/publications/journal-articles/immigration-and-the-reallocation-of-work-health-risks/.

Österman, Marcus, Joakim Palme, and Martin Ruhs. 2019. National Institutions and the Fiscal Effects of EU Migrants. Working paper, REMINDER project, Oxford, February 2019. www.reminder-project.eu/publications/working-papers/national-institutions-and-the-fiscal-

[effects-of-eu-migrants/](#).

Patuzzi, Liam and Meghan Benton. 2019. Free Movement in Europe: Between Old Ghosts and New Beginnings. Working paper, REMINDER project, Oxford, forthcoming December 2019.

Sekulová, Martina and Mădălina Rogoz. 2019. The Perceived Impacts of Care Mobility on Sending Countries and Institutional Responses: Healthcare, Long-term Care and Education in Romania and Slovakia. Working paper, REMINDER project, Oxford, January 2019. www.reminder-project.eu/publications/working-papers/the-perceived-impacts-of-care-mobility-on-sending-countries-and-institutional-responses-healthcare-long-term-care-and-education-in-romania-and-slovakia/.