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Labour market potentials of the freedom of movement for workers

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Labour market potentials of the freedom of movement for workers

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Executive Summary

The freedom of movement for workers is one of the core principles of the European Union and most Europeans have positive attitude towards it. 75 percent regard it as a good and only 9 percent as a bad thing. Nevertheless, the number of persons moving from one EU member country to another is still small. In 2016, only 3.57 million inhabitants of the EU between 25 and 35 years had the nationality of another member state. This equates to a share of 5.4 percent and is less than the number of third country nationals in this age group with 4.69 million or 7.1 percent. If labour mobility would be enhanced, this could be helpful for all countries. On one hand, it could help the economically strong countries to avoid skill shortage and, on the other hand, it could relieve the burden from the social systems in the countries with high unemployment rates, especially in southern Europe. This does not necessarily hold true for migration flows from the eastern to the western EU member states, as, in this case, the crucial factor is not the difference in the labour market situation but at the welfare level.

The main obstacle to EU mobility is the linguistic divide in Europe. As a consequence of it, most people willing to work in another EU member state have to learn a new language first. This can be very costly in terms of time and money and prevent people from migrating. A joint language that is spoken by all Europeans would be helpful. This could only be English, as it is taught in the schools in all member states. Nevertheless, although, by now, nearly all pupils in Europe get an intense training in English, the language skills of large parts of the adult populations in the EU member states do not yet suffice for a deeper communication in English. Thus, persons who are willing to move still have to learn the language of the destination country. To facilitate this, the supply of language classes in destination countries as well as in the countries of origin should be improved. Moreover, measures that foster transnational social networks can also be helpful, as they give people the chance to use the foreign languages and make contacts in potential destination countries.

1. Introduction

The freedom of movement for workers is one of the core principles of the European Union. It means that EU citizens have the right to look for a job in another EU country and to work there without needing a work permit. Moreover they have to enjoy equal treatment with nationals in access to employment, working conditions and all other social and tax advantages (TFEU §45). Thus, there are no legal barriers to labour mobility within in the EU. Nevertheless, unlike in the United States, moving to another member state is not as easy as just moving to another city in the own country as there is a number of practical obstacles. In particular, the local languages in the EU countries are different so that, in many cases, workers have to learn a new language before being able to get a job in another EU member country.

Labour mobility can be of great utility for all sides. The workers that move to another EU country can obtain a better professional position there, earn a higher income and improve their career perspectives. The destination countries can profit as the incoming workers can help to avoid skill shortages that have a negative impact on economic growth. In the countries of origin, the outgoing workers can relieve the social security system, as the labour markets in the economically weaker regions can often not even absorb all qualified persons.

Therefore, this policy paper discusses how the labour mobility within the EU could be facilitated. In order to do this, it first describes the current status of labour mobility within the EU in chapter 2 and discusses its economic potentials against the backdrop of the current labour market situation in the EU in chapter 3. Chapter 4 depicts the attitudes of the EU-citizens towards labour mobility in the EU. Then, the linguistic divide as a main barrier for mobility within the EU is addressed in chapter 5 and further obstacles are discussed in chapter 6. Chapter 7 draws some conclusions.

2. Current status of labour mobility within the EU

Although the freedom of movement for workers is a core achievement of the European Union, there is no reasonable statistic on the flows of workers within the EU. In fact, all EU member states collect data on immigration from the other countries. However, the collection methods and definitions of migrants vary to a great degree. This concerns in particular the duration of stay, from which on a person coming to a country is counted as a migrant. Hence, the numbers on migration from the national statistical offices are not meaningfully comparable. Against this backdrop, in 2007, the European Union decided to compile harmonized migration statistics and laid down the respective guidelines in EC Regulation No. 862/2007 (European Union, 2007). This regulation specifies that only persons, who stay at least for 12 months in a country should be counted as migrants, but leaves the decision on the collection method on the national level and even allows for estimations. This is for instance done in Germany, where the national migration statistic is based on the registration of a residence, which has to take place at the latest three months after arrival.

The first three columns of table 1 show numbers from the European migration statistic on migration flows between the EU-28 countries in the year 2015. Before going into details, it has to be remarked that the numbers are in an inexplicable way upward biased. As a matter of fact, the total numbers of in-migrants from other EU-28 countries in all EU-28 countries should by definition be equal to the overall number of out-migrants to other EU-28 countries. However, there is a gap of 327,471. That is about one sixth of the total in-migration from other EU-28 countries of 1.87 million. It is not possible to examine, if this gap is an EU-wide phenomenon or results from deviations in the statistics of only a few countries. For this, numbers on in- an out-migration for each pair of EU countries would be necessary. However, most member states only deliver aggregated values on migration from and to the other EU-28 countries.

Following the numbers of the European migration statistic, Germany recorded with about 330.000 in 2015 in net terms the largest immigration from other EU countries, followed by the UK with 171.000 and France with 47.000. The highest numbers of emigrants result in net terms with 94.000 for Romania followed by Poland with 81.000 and Spain with 60.000. Except for Cyprus and Slovakia, the numbers are negative for all Southern and Eastern European¹ countries. On the contrary they are positive for all Northern and Western European countries except for Ireland. Taken

¹ For the sake of simplicity, we only talk about Eastern European countries in the paper, when we actually mean Eastern, Eastern Middle and Southeastern European countries.

as a whole, the numbers indicate that migration flows within the EU go to the countries with higher welfare levels and better labour market situations.

Table 1: Number on Migration within the EU

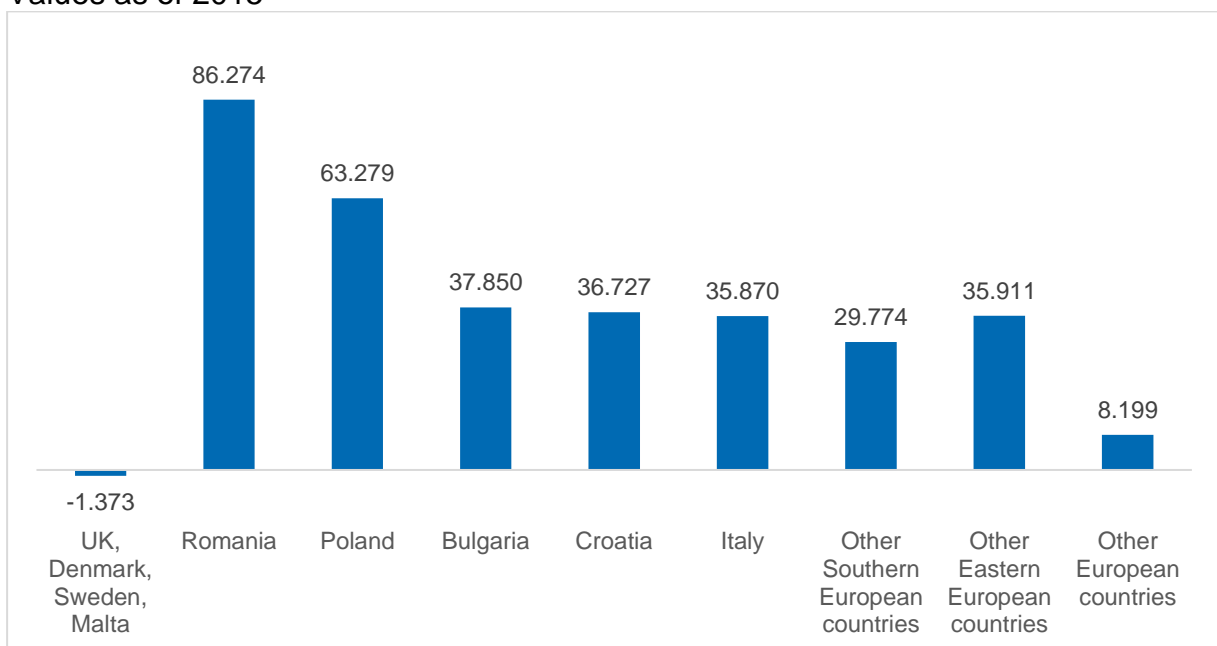
Values as of 2015 (migration flows) and 2016 (population shares)

Country	Migration flows from and to other EU-28 countries			Stock of EU-28 foreigners between 25 and 35 years	
	In-migration	Out-migration	Balance	Number	Population share (per cent)
Germany	513,244	183,257	329,987	814,637	7.7
United Kingdom	295,285	124,753	170,532	946,764	10.7
France	133,354	86,411	46,943	187,159	2.3
Austria	71,070	32,046	39,024	142,416	12.1
Belgium	76,180	56,790	19,390	151,676	10.4
Netherlands	77,991	60,748	17,243	123,541	5.9
Sweden	38,087	21,133	16,954	66,425	5.1
Luxembourg	21,719	10,585	11,134	40,111	46.5
Denmark	33,048	22,504	10,544	56,951	8.3
Cyprus	8,307	3,355	4,952	26,881	19.3
Slovakia	5,591	3,233	2,358	10,702	1.3
Finland	13,095	10,901	2,194	22,691	3.2
Malta	6,348	6,383	-35	2,968	4.6
Estonia	10,216	10,365	-149	3,482	1.8
Czech Republic	15,433	15,667	-234	52,060	3.6
Ireland	38,698	39,378	-680	113,945	17.1
Slovenia	4,375	9,075	-4,700	3,201	1.2
Hungary	30,516	38,323	-7,807	21,698	1.7
Latvia	4,872	15,235	-10,363	1,019	0.4
Portugal	16,546	27,633	-11,087	19,748	1.6
Greece	42,955	55,660	-12,705	30,982	2.4
Italy	73,756	87,039	-13,283	332,034	4.9
Croatia	4,382	19,752	-15,370	1,446	0.3
Lithuania	15,352	31,168	-15,816	1,277	0.3
Bulgaria	7,086	23,837	-16,751	1,424	0.1
Spain	119,449	179,530	-60,081	373,468	6.6
Poland	102,946	183,561	-80,615	6,849	0.1
Romania	93,727	187,835	-94,108	10,391	0.4
EU-28	1,873,628	1,546,157	327,471	3,565,946	5.4

Source: Eurostat, 2017; own calculations

The European migration statistic does not allow for a differentiated analysis of the migration flows between the single EU countries. Nevertheless, the migration statistic of Germany as most important receiving country of EU-migrants delivers some interesting insights, although the numbers are not quantitatively comparable to table 1. As shown in figure 1, in 2015 Germany experienced the largest immigration from Romania, Poland, Bulgaria, Croatia and Italy. However, there is only a low immigration from Spain and Portugal to Germany, although their overall numbers of emigrants to the other EU countries are high. This indicates that Spanish and Portuguese people prefer different destination countries.

Figure 1: Net migration from the other EU-28 countries to Germany
Values as of 2015



Numbers deviate from table 1 because of a different definition of migrants
Source: Statistisches Bundesamt, 2017

In addition to the migration flows, table 1 also presents numbers on the stocks of EU-foreigners between 25 and 35 years. A limitation to younger people is necessary, as many of the older foreigners already migrated to the other EU countries in the context of the guest worker programs in the 1960s and 1970s. With respect to the labour force, the age group between 25 and 35 is of particular interest, as most of these persons have finished their education and stand at the beginning of the working life. The highest number of EU foreigners in this age group is found with 909.00 in the UK, followed by Germany with 737.000 and Spain with 401.000. The highest share of the respective age group exhibits Luxembourg with 46.5 percent, followed by Cyprus with 19.3 percent and Ireland with 17.1 percent. In all Eastern European countries, the numbers are low in absolute and relative terms. Overall 3.57 million or 5.4 percent of the EU-citizens between 25 and 35 years live in another member country.

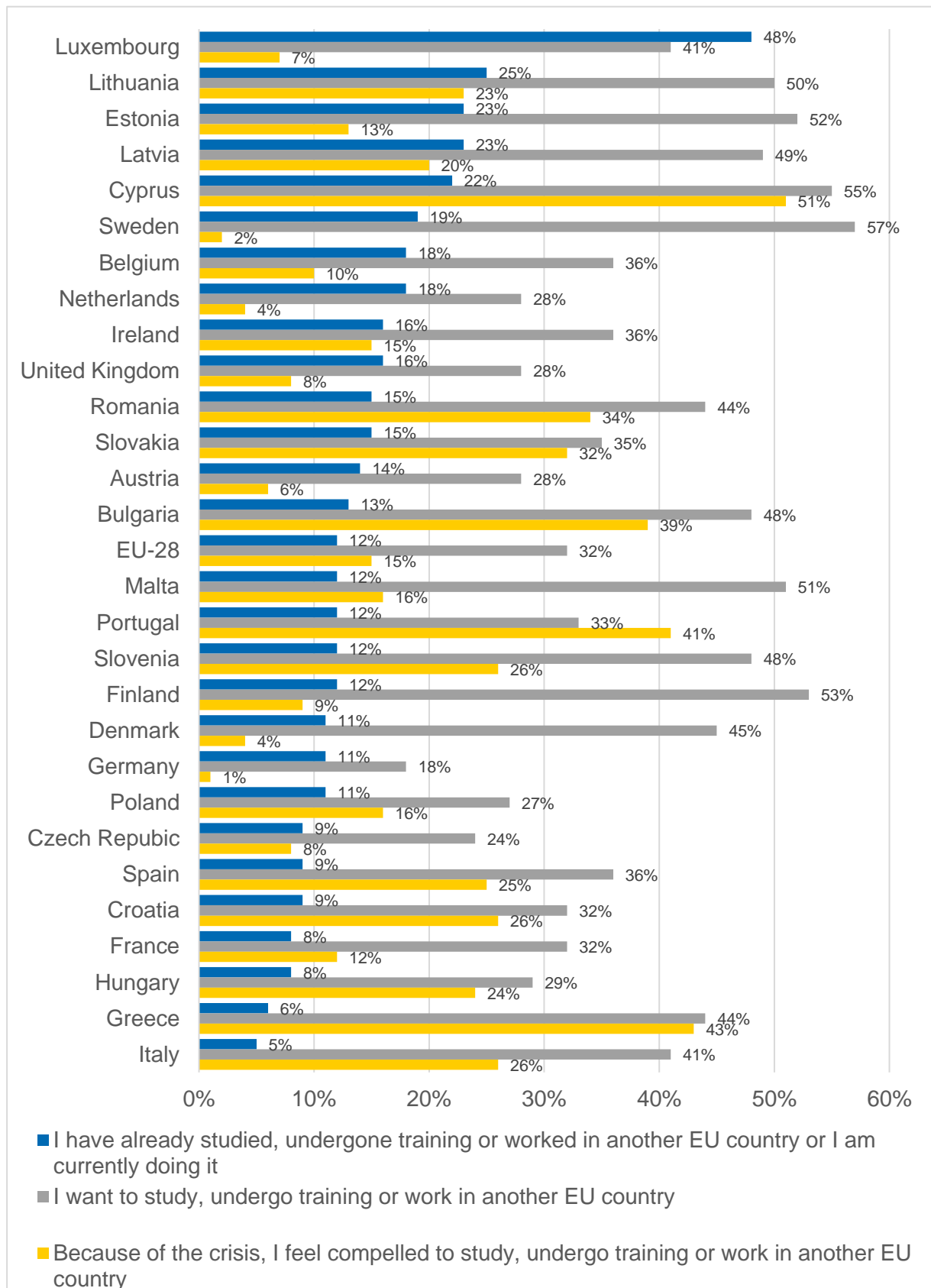
This is less than the number of third country citizens in this age group that amounts to 4.69 million or 7.1 percent.

A Eurobarometer survey of young Europeans from spring 2016 delivers some more insights on their experiences with mobility. Following its results, 12 percent of the inhabitants of the EU-28 between 16 and 30 years have already studied, undergone training or worked in another EU country or are actually doing so (figure 2). The highest share is found in Luxembourg with 48 percent, followed by Lithuania with 25 percent and Estonia with 23 percent. The lowest shares are found in Italy with 5 percent, Spain with 6 percent and Hungary with 8 percent. Altogether, the numbers do not indicate a strong correlation between economic situation and mobility of young people.

This is also the case, when mobility wishes are considered. The share of young people, who want to study, undergo training or work abroad is highest in Sweden with 57 percent, followed by Cyprus with 55 percent and Finland with 53 percent. The lowest values are found in Germany with 18 percent, the Czech Republic with 24 percent and Poland with 27 percent. Overall, 32 percent of the 16- to 30-year-old Europeans want to study, undergo training or work abroad, which indicates a high readiness to go to another country. In addition, the participants of the Eurobarometer survey were asked, if they felt compelled to go to another EU country because of the crisis. The answers show the pattern that one would expect. However, it is remarkable that only in Portugal the share of young people who feel compelled to go to another EU country is higher than the share of young people who want to do so.

Altogether, the results indicate that the number of people moving from one EU country to another is still low. This also holds true for the particularly mobile group of young people who stand at the beginning of their professional life. However, many of the young Europeans have collected experiences in other EU countries and are ready to change the country of residents. Thus, one can conclude that the Europeans do not yet fully exploit the potentials of the freedom of movement.

Figure 2: Experiences with EU mobility and wishes of 16- to 30-year-old persons
Values in percent as of April 2016



Source: European Parliament, 2016

3. Economic potentials of labour mobility within the EU

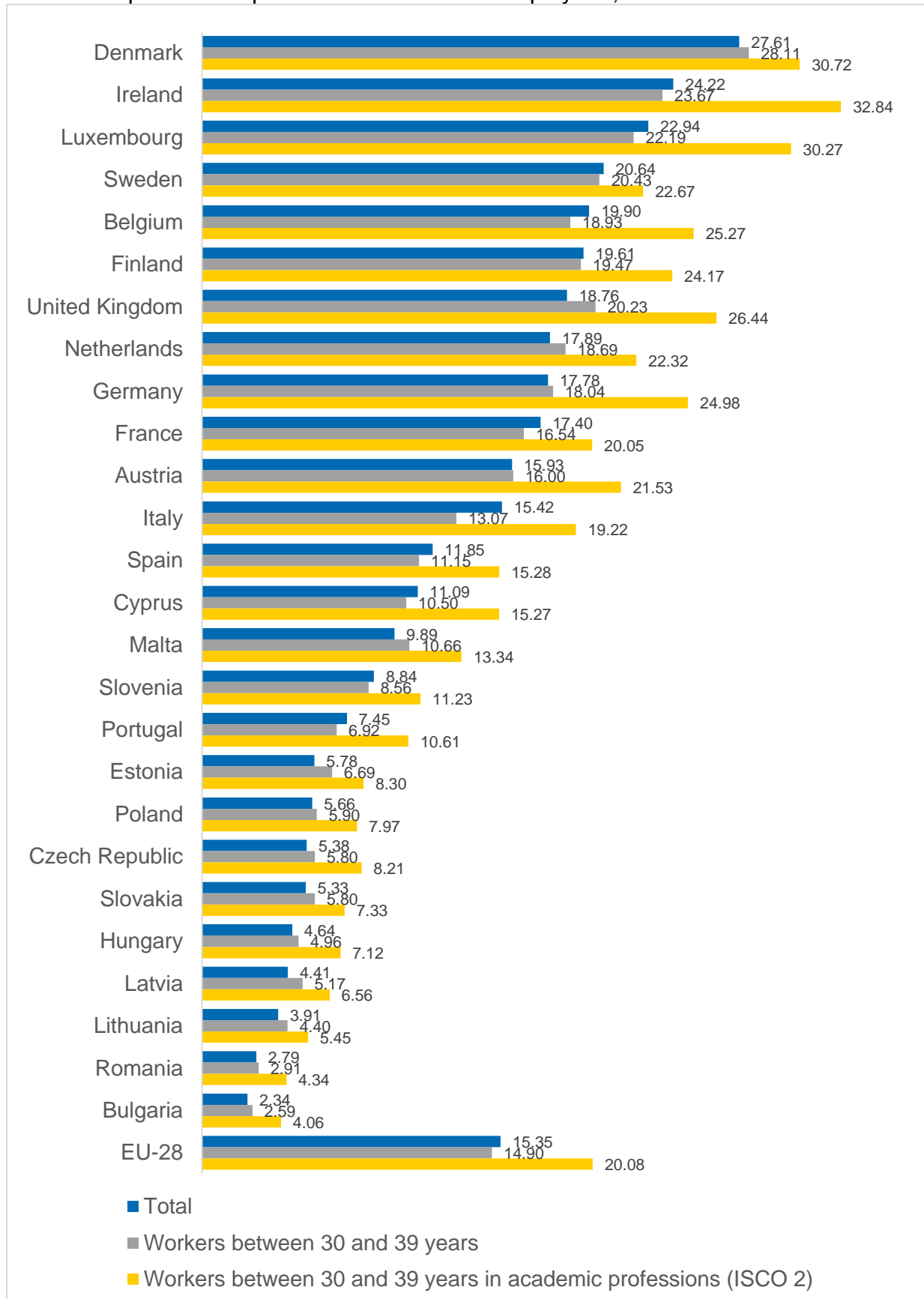
Labour mobility can improve the regional matching of labour supply and demand. That way, it allows companies to better exploit their production potentials. This can lead to more economic growth and welfare. At the same time, it makes it easier for workers to find a stable and well-paid job, so that the number of persons who are dependent on public transfers can be reduced and the budgetary position of the state is improved. The potential positive effects of labour mobility are the larger, the more labour supply and demand differ between the involved regions. Hence, countries with very different labour market situations can in general profit most. Nevertheless, this does not necessarily hold true, if the prosperity levels differ strongly between countries. In this case, the better income perspectives can also cause workers, who are actually needed in the lower developed country, to leave it and a so-called brain-drain can arise. This does not mean that labour mobility would be detrimental in such cases. However, it should be accompanied by a purposeful policy to secure the stock of skilled workforce in the lower developed country.

In the European Union, there is a deep west-east-divide with respect to the income levels. Figure 3 shows the mean hourly earnings in private companies with more than 10 employees. The highest value is found in Denmark with 27.61 Euro, followed by Ireland with 24.22 Euro and Luxembourg with 22.94 Euro. Germany lies on position nine with 17.78 Euro. The lowest hourly earnings appear for Bulgaria with 2.34 Euro, Romania with 2.79 Euro and Lithuania with 3.91 Euro. Thus, there is a gap of a factor of 10 between the highest and lowest income countries. In all other Eastern European countries, the hourly earnings are also lower than 10 Euro, whereas, otherwise, this is only the case for Portugal and Malta. Considering only workers of the age group 30 to 39, who, as a rule, have finished their education but are still in the first part of their working life, does not change the results much (figure 3).

This is even true, when workers between 30 and 39 years in academic professions are observed. Even the hourly earnings of this group of employees are lower than 10 Euro in all Eastern European countries except for Slovenia, whereas the average of the EU-28 countries amounts to 20.08 Euro. In the top-group, there are some smaller shifts, as in the Scandinavian countries the spreading of wages is substantially smaller than in the UK, Ireland and Germany. Nevertheless, the overall picture does not change. The income levels in the European Union are by far highest in Northern and Western Europe. Southern Europe lies in the middle and Eastern Europe at the back.

Figure 3: Mean hourly earnings

Workers in private companies with at least 10 employees, values as of 2014 in Euro



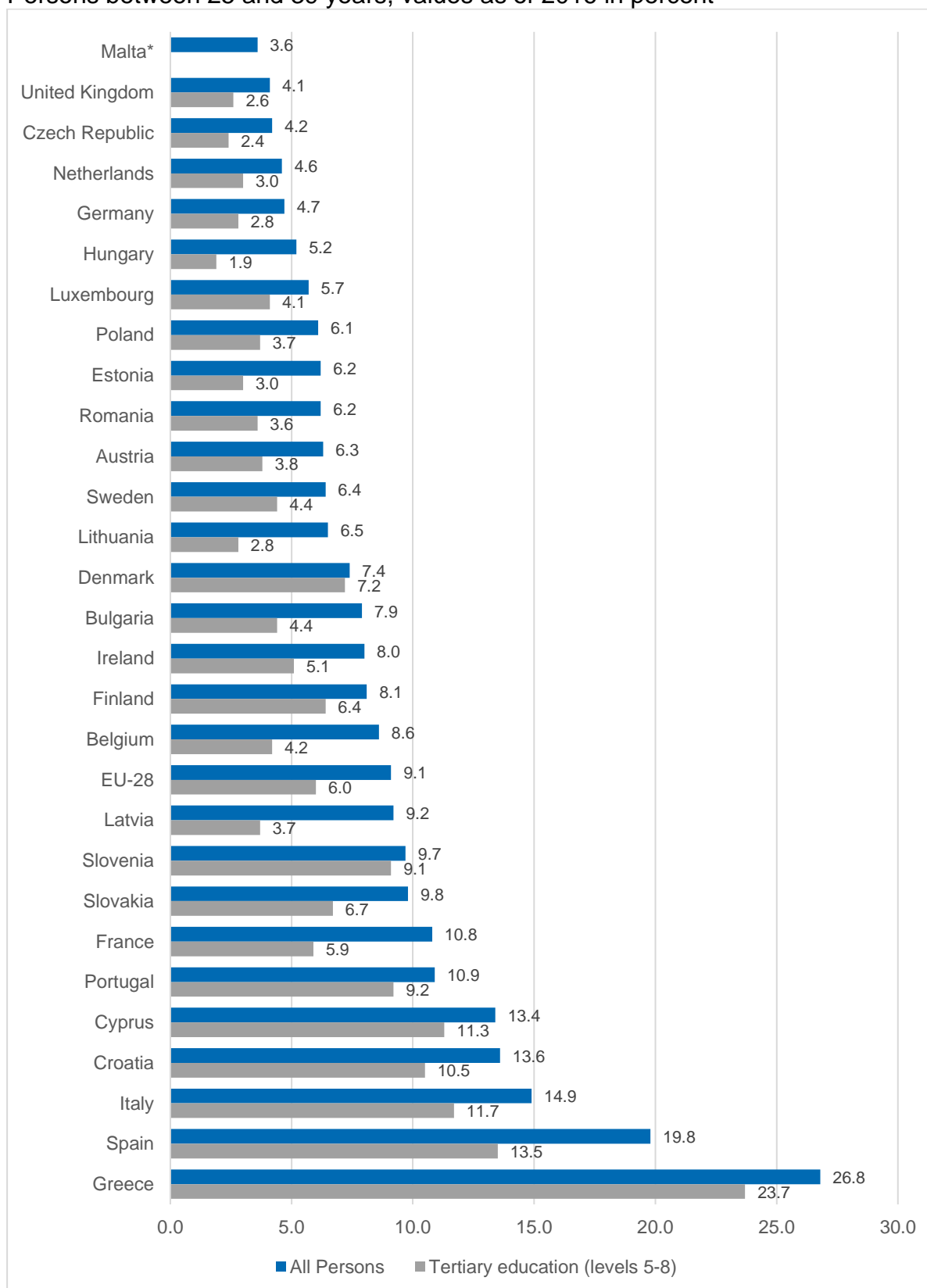
Source: Eurostat, 2017

The current labour market situation shows a complete pattern. To illustrate this, in figure 4, unemployment rates of 25- to 39-year-old persons are depicted. The limitation to this age group is helpful for several reasons. Comparisons of the unemployment rates of young and older people are problematic due to differences in the institutional setups in the member countries. For the former, it plays an essential role in how far professional trainings take place in companies or solely schools. In the first case, they are part of the labour force and thus of the denominator of the unemployment rates, whereas, in the second case, they are assigned to the non-working population. For the latter, the configuration of the pension scheme especially with respect to the requirement age is of great importance. Moreover, younger workers are normally more mobile and their employment situation can be substantially worse than the situation of older workers, when there is a strong employment protection.

With 3.6 percent Malta was in 2016 the country with the lowest unemployment rate of 25 to 39 in the EU. The United Kingdom, the Czech Republic, the Netherlands and Germany also had unemployment rates below 5 percent. The highest unemployment rates were found in Greece with 26.8 percent, Spain with 19.8 percent and Italy with 14.9 percent. Croatia, Cyprus, Portugal and France also exhibited unemployment rates of more than 10 percent. The overall picture does not change much, if only high qualified persons with a tertiary degree are considered. The highest unemployment rate is still found in Greece with 23.7 percent, and the values in Spain, Italy, Croatia and Cyprus are also higher than 10 percent. By contrast, they are lower than 5 percent in most Northern, Western and Eastern European countries.

Against this backdrop, a net migration of workers from Southern Europe to the countries with a good labour market situation, as Germany, would be very helpful to improve the matching of labour demand and supply. This is in particular the case for high skilled persons, as the economically prosperous countries in the EU increasingly suffer from skill shortages, whereas this people have large difficulties to find an adequate job in Southern Europe. Different to this, despite of the low income level, the labour market situation of high skilled workers is actually quite well in most Eastern European countries. Even in Romania, Poland and Bulgaria, that record together with Spain and Portugal the highest emigration, the unemployment rates are lower than 5 percent. This indicates that the emigration from the Eastern European countries is not helpful for their labour markets.

Figure 4: Unemployment rates by education level
Persons between 25 and 39 years, values as of 2016 in percent



*Missing value for high skilled persons

Source: Eurostat, 2017

At this point, it is important to notice that (labour) mobility within the EU should not be equated to net migration between the member states. It can also lead to situations, in which a large number of persons migrate in both directions between two countries, so that, despite of large migration flows, the balance is near to zero. Such situations can have large economic advantages for both involved countries. Firstly, they can improve the matching between employers and employees, as the pool of applicants becomes larger. Secondly, they foster the transfer of knowledge between the countries, as workers take good ideas along from one country to another. In the longer term, this can strengthen the productivity of the economies. Thirdly, they make it easier for companies to operate in other EU member states.

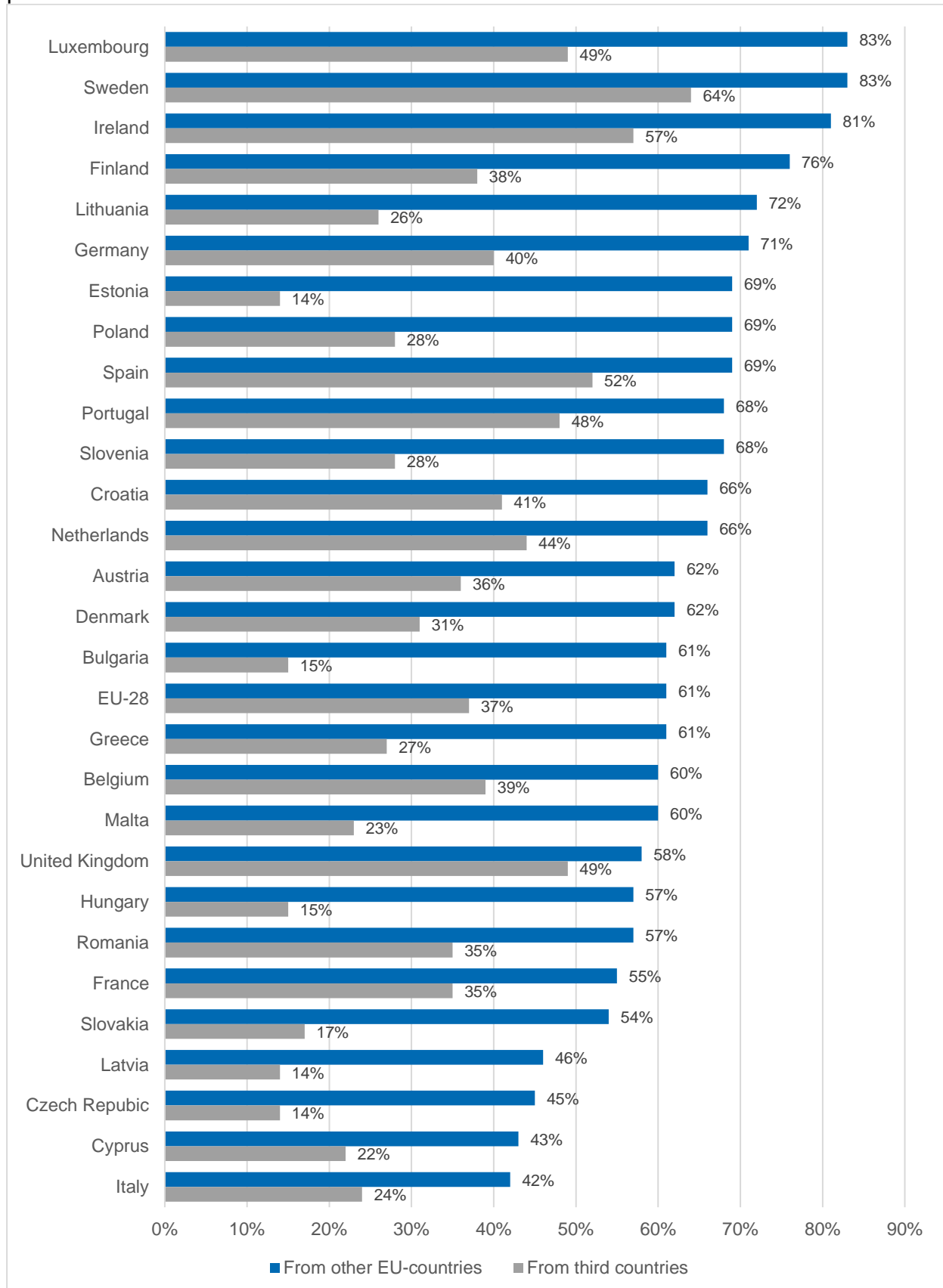
Altogether, the labour mobility within the EU has high economic potentials for the member states, which are not yet fully exhausted. In particular, more migration of workers from Southern Europe to the economically prosperous countries like Germany would be helpful against the backdrop of the different labour market situations.

4. Attitudes of the EU-citizens towards labour mobility

Most Europeans have a positive fundamental attitude towards the freedom of movement. In a Eurobarometer survey in autumn 2016, inhabitants of the EU member states were asked about their opinions on mobility within the EU and immigration. One question addressed the sentiments towards immigration from the other EU member states and from third countries outside the EU. As shown in figure 5, most people feel positive about immigration from the other member states. The share of people with positive sentiments lies EU-wide at 61 percent. Only in Italy, Cyprus, the Czech Republic and Latvia it is below 50 percent, whereas in Luxembourg, Sweden, Ireland and Finland it is above 75 percent. With regard to immigration from third countries, the picture is completely different. The share of persons with positive sentiments towards immigration from third countries is EU-wide only at 37 percent. Only in Sweden and Ireland it is higher than 50 percent, whereas in nine member countries it lies below 25 percent. This negative perception of immigration from third countries is quite probably closely related to the large number of refugees arriving in Europe in the years 2015 and 2016. Nevertheless, the numbers show that people in the EU do differentiate and are not against all forms of immigration, in particular not against immigration from other EU countries.

Figure 5: Sentiments towards immigration

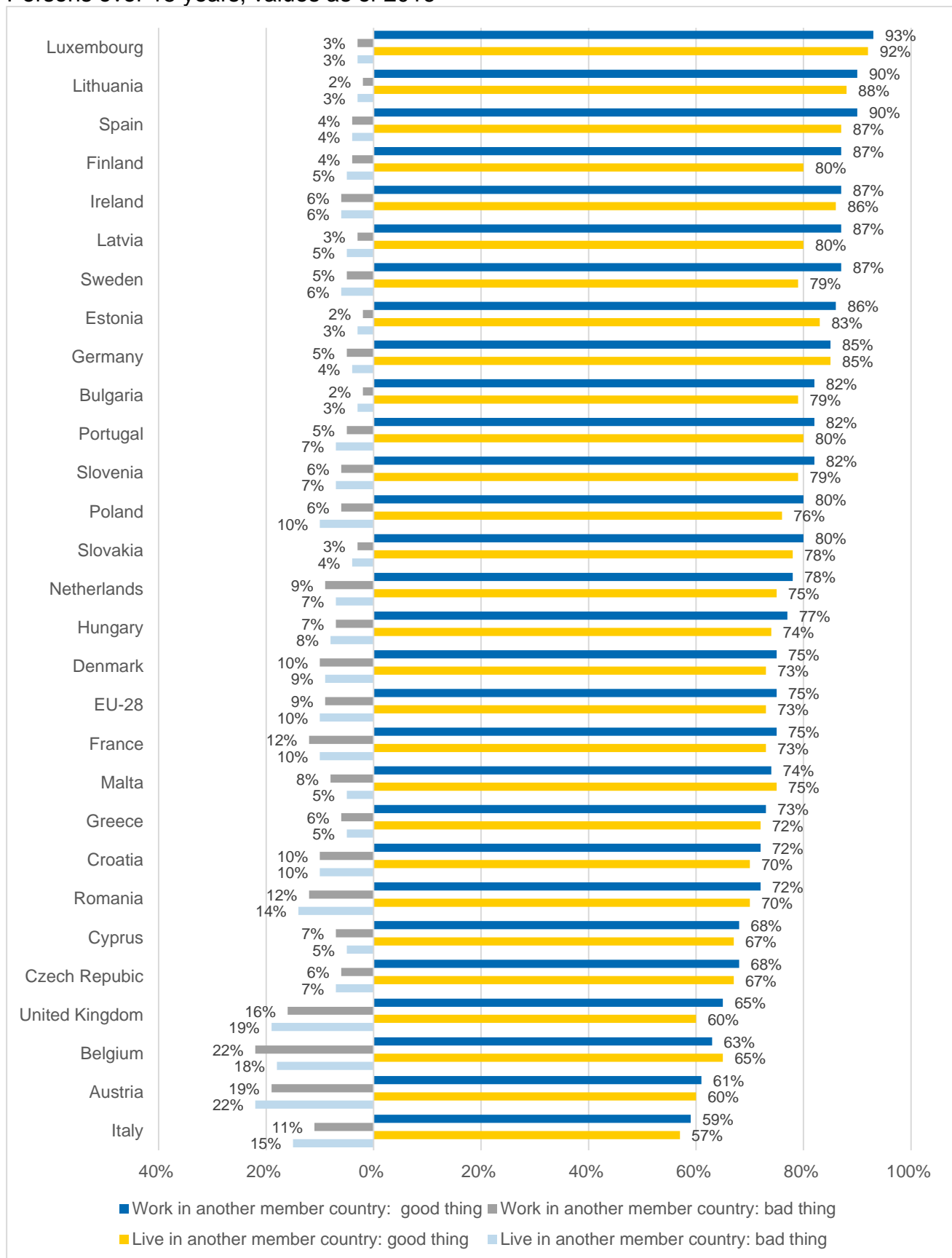
Share of persons over 15 years with positive sentiments, values as of 2016 in percent



A further part of the Eurobarometer survey explicitly addressed the attitudes towards the freedom of movement by asking the respondents about their opinions on the rights to work and live in other EU member states. On average, three quarters stated that the right to work in another member state is a good thing and only 9 percent that it is a bad thing (figure 6). The rest had no clear opinion on this topic. In all countries, the share of people stating that the right to work in another member states is a good thing was above 50 percent and only in Italy, Austria, Belgium and the United Kingdom below two thirds. The share of people stating that it is bad thing was only in Belgium, Austria, the United Kingdom, Romania and Italia higher than 10 percent. The answers on the right to live in another EU member state were quite similar. This clearly shows that large a majority of the people in the EU is comfortable with the freedom of movement, indicating that it has become a common value.

Together, the results show that most Europeans have quite a positive basic attitude towards labour mobility in the EU. This does not mean that there do not exist any “barriers in the heads” at all. However, it indicates that the barriers are not so insurmountable as to prevent migration. The reasons for the low labour mobility within the EU are quite probably more the existing institutional obstacles and less the mind-sets of the people in the EU. Nevertheless, measures that strengthen the identity as Europeans can be very helpful to encourage people to move to another state and foster labour migration in that way.

Figure 6: Attitudes towards freedom of movement
Persons over 15 years, values as of 2016



Source: Eurobarometer, 2017

5. The linguistic divide as main obstacle to EU mobility

To be able to live and work in another country, a joint communication basis with the population there is necessary. Most commonly, this is the local language of the destination country. Nevertheless, situations in which the population of the destination country or at least a large part of it knows the mother tongue of the immigrant or in which both speak a third language are also conceivable. To master the everyday life, the skills in the joint language do not need to be perfect. It is sufficient that people understand each other. With respect to working, the situation is more complex. There are jobs that indispensably require reading and writing skills on a native speaker level, as for example office assistants, whereas, in other jobs, it is sufficient to understand job instructions and feedbacks of the colleagues.

Europe is characterized by a large variety of different languages. The European Union by itself has 24 official languages. As a consequence, even the largest part of the high skilled population will never be able to master more than a small proportion of the languages in the EU. This means that, in most cases, workers cannot easily move from one EU country to another, but have to learn the language of the destination country first. As discussed in Geis (2013), this has three negative effects on labour mobility within the EU:

1. Mobility is lower than it could be, as many workers spare the effort of learning a new language. On the one hand the necessary expenditure of time and money is often high and on the other hand, for many people, it is very challenging to learn a new language.
2. Migration flows of workers do not perfectly match the needs of the labour markets, as it is much easier for workers to go to countries, whose languages they already speak or can easily learn.
3. Migration flows react very slowly on economic changes, as acquiring language skills takes time.

Against this backdrop, it would be very helpful, if all Europeans spoke a joint language that could be used as communication basis until migrants have learned the local language of the destination country. Moreover, independently of migration, it would also simplify the exchange of ideas between people in different European countries and thereby strengthen the European identity. This joint language could effectively only be English. On the one hand, it is already the common language in science and business and, on the other hand, it is by far most frequently learned in Europe. As shown in table 2, the share of pupils who do not get English classes during their lower secondary education is lower than 90 percent only in Belgium, Luxemburg, Hungary and Bulgaria, with the former ones having more than one national language. The second most learned language is French, which is relatively

widespread in the Southern European countries with Romanic languages, but rarely found in Eastern Europe. On third place follows German, which is quite often learned in Eastern Europe but seldom in Southern Europe. In most cases, English is not only taught in secondary but already in basic education. Only in Luxembourg, Belgium, Portugal, Hungary and Slovenia less than 50 percent of the primary school pupils get English lessons.

Table 2: Language classes and skills in the EU member states

Values as of 2014 (language classes) and 2012 (language skills) in percent

Country	Language classes in lower secondary education			English in primary education English	Self-assessed English skills	
	English	French	German		Able to have a communication	Able to follow news on radio or television
Belgium	46.3	–	0.7	5.1	38.0	41.0
Bulgaria	87.2	2.7	6.8	73.9	25.0	17.0
Czech Rep.	97.1	3.3	41.7	72.3	27.0	18.0
Denmark	100.0	10.4	73.6	57.0	86.0	57.0
Germany	97.8*	24.3	–	62.3	56.0	33.0
Estonia	97.3	2.6	13.2	70.1	50.0	39.0
Ireland	–	60.0	21.4	–	–	–
Greece	98.1	48.5	46.5	80.7	51.0	42.0
Spain	100.0	41.1	3.6	99.1	22.0	12.0
France	98.6	–	14.7	92.7	39.0	26.0
Croatia	97.6	1.5	43.8	91.2	–	–
Italy	100.0	67.7	8.8	99.0	34.0	24.0
Cyprus	99.9	88.1	1.4	99.8	73.0	63.0
Latvia	96.8	1.4	12.8	72.0	46.0	29.0
Lithuania	97.4	3.4	11.2	73.0	38.0	28.0
Luxembourg	54.0	100.0	100.0	0.0	56.0	39.0
Hungary	69.3	0.5	31.1	40.3	20.0	12.0
Malta	100.0	34.0	11.6	100.0	89.0	85.0
Netherlands	95.2	57.2	51.1	62.1	90.0	57.0
Austria	99.8	5.3	–	99.6	73.0	44.0
Poland	97.1	3.6	69.0	94.8	33.0	17.0
Portugal	95.4	64.7	0.8	35.9	27.0	20.0
Romania	99.4	84.6	10.7	69.3	31.0	26.0
Slovenia	99.7	2.9	47.8	47.0	59.0	42.0
Slovakia	95.9	2.5	55.2	82.1	26.0	14.0
Finland	99.4	5.7	9.9	66.0	70.0	50.0
Sweden	100.0	15.6	19.3	86.8	86.0	24.0

*value for 2013

Source: Eurostat, 2016; Eurobarometer, 2012

Nevertheless, English speaking skills are not as widespread as one could expect from these numbers. In a Eurobarometer survey from 2012, only in Austria, Cyprus, Denmark, Finland, Malta, the Netherlands and Sweden more than two-thirds of the persons over 15 years stated that they were able to have a communication in English, whereas in Bulgaria, the Czech Republic, Spain, Hungary, Portugal and Slovenia it was less than one third. Moreover, being able to have some sort of communication does not necessarily imply being able to master everyday life in English. Asked if they were able to follow news on radio or television in English, only in Malta more than two-thirds answered with yes. In Cyprus, Denmark, the Netherlands and Finland, the shares were at least larger than 50 percent. This means that, in most cases, people migrating within the EU cannot fall back on English as a joint language but have to learn the local language of the destination country before migrating.

In the more distant future this may change, as almost all European children learn English in school and the English classes occupy in most cases much space in the curricula. Against this backdrop, there is no general need for action with respect to English lessons, although there is surely room for improvement at some points. Nevertheless, it would be helpful to create more occasions for young people to practice their English, for instance in the form of meeting and exchange programs for pupils, students, apprentices and young professionals.

With respect to the other European languages the following steps would be helpful to foster labour mobility within the EU:

- The EU member states should expand their language class offers in the local languages for immigrants. In doing so, it is important that not only basic language skills but also work-related higher skills are covered.
- Courses in languages of the countries with high needs for labour force should be established within the EU countries with high unemployment. In doing so, wherever possible, both relevant countries should cooperate.

These steps will make it easier for people who are interested in migrating to another EU country to acquire the necessary language skills. Nevertheless, the problem of the linguistic divide would not be solved and learning the new language would still be a great effort for the migrants. Thus, in the short term, it will hardly be possible to exhaust the potentials of labour mobility within the EU.

6. Rules on social security for moving workers

As the social security systems in the EU member states differ, specific rules are necessary to avoid gaps for people moving from one country to another. Therefore, the freedom of movement for workers has from the beginning been accompanied by a coordination of social security. Today, the respective guidelines are articulated in the EU regulations No. 883/2004 on the coordination of social security systems and No. 987/2009 on the procedure for implementing it. Among others, these guidelines ensure that workers moving to another EU-country can transfer social security and in particular pension claims.

Currently, the European Commission is working on a revision of regulations No. 883/2004 and No. 987/2009 that is much discussed in the EU. However, the debate mainly focusses on the rights of people moving to another EU-country without becoming economically active and less on moving workers. For the latter especially the adjustments with respect to the unemployment insurance are relevant. In future, there should principally be an allowance for insurance times from other member countries, if a person has at least been employed for three months there. Is this not the case, he or she can receive unemployment insurance from the country, where he or she has most recently been working for a longer time. The period of the receipt of unemployment benefits in other EU-countries shall be extended from at least three to at least six months. This can make it easier for unemployed persons to find a job in another, economically stronger EU country. Nevertheless, it is very problematic, as recipients of unemployment benefits should be available for placement and employment policy measures. This cannot be ensured, when they live in another country, so that the reform can also lead to longer periods of absence from the labour market, especially for people from economically strong countries, like Germany.

Altogether, the proposed revision is disappointing, although it follows the right basic idea. In particular, it does not change the rules on child benefits which have to be granted workers in full extent, even if the children still live in the home countries. Moreover the existing rules on social security per se made labour mobility already relatively easy. Problems arise more frequently in a second step. For instance, the different settings of the pension schemes in the EU member states make different levels of additional private provision necessary and it is not so easy to adjust the insurance contracts appropriately.

7. Further hindrances for labour mobility within the EU

The linguistic divide is not the only obstacle for the movement of workers from one EU country to another. Further factors do also play a role. One important aspect are the different labour market institutions in the EU. The problems begin with the job search process, as job seekers from other EU countries often do not know where vacancies are typically published. In a Eurobarometer survey from 2010, 24 percent stated that finding a job would be a practical difficulty when going to work abroad. This was the second most frequent answer after lacking language skills (Eurobarometer, 2010). Europe-wide active job search platforms, as EURES, as well as clear and easily readable information on how the job search process works in the other EU countries can be very helpful at this point. Therefore, one core guidance of the Report of the CEPS Taskforce on “Intra-EU mobility” is to further develop EURES (Barlund / Busse, 2014). Nevertheless, one has to keep in mind that although the national employment agencies organize placement of workers in the member countries in different ways, staffing in most cases takes place outside of these offers. Thus, the potentials of EURES are quite probably also limited.

A further issue that is closely related to this arises from the differences in the education system of the members states, although the European Qualification Framework makes the different educational achievements comparable and there are clear rules for their formal recognition. For instance, the job as a pre-school teacher requires an academic degree in the Nordic countries, whereas it is a vocational degree in Germany. Corresponding to this, social position and wages of pre-school teachers are substantially lower in Germany. A far reaching harmonization of the labour market institutions is neither conceivable nor desirable in the short run, as the principle of subsidiarity is a basic value of the European Union. Thus, a policy that is aimed at fostering mobility has to take these differences as granted. Nevertheless, it can work towards specific solutions for people migrating within the EU and offer them information and advice that makes it easier for them to deal with the differences.

A further obstacle to labour mobility within the EU is that many people hesitate to leave their social networks. In the Eurobarometer survey from the year 2010, 21 percent of the Europeans over 15 years said that having to leave their friends would discourage them from working abroad (Eurobarometer, 2010). Already having a circle of acquaintances at the place of destination makes it much easier for workers to move there. These persons can support the newly arrived persons when necessary, for instance when they have problems in finding an accommodation or in handling administrative formalities. Moreover, they are available for conversations and joint leisure time activities, which can be important, too.

The circle of friends and acquaintances is a purely private affair. Nevertheless, the formation of transnational social networks can be fostered by targeted measures. Exchange programs for pupils, students and apprentices, as ERASMUS+, as well as platforms for periodical meetings of people from different EU countries, as they exist for instance in the context of twinning arrangements, are particularly helpful. Bringing people from different EU countries into contact with each other, does not only allow them to make transnational contacts and friendships, but also strengthens their identity as Europeans. This way, the still existing “borders in the heads” are also reduced, so that more Europeans take moving to another EU country into consideration and shape their courses of education accordingly, for instance by learning a further foreign language.

8. Conclusion

Labour mobility can make a large contribution to the growth and prosperity in the EU. On one hand, it strengthens the economic development of the currently economically powerful countries such as Germany that are more and more affected by skills shortages. On the other hand it relieves social security systems in the countries that suffer from a bad labour market situation and in this way raises the capacity of these countries to act. Nevertheless, labour mobility is still low in the European Union. Only 5.4 percent of the population between 25 and 35 years have been born in another member state.

The main obstacle to labour migration is the linguistic divide in Europe. Although English increasingly becomes a common language in all EU member states, persons who are willing to move still have to learn the language of the destination country. To facilitate this, the supply of language courses for immigrants from other EU countries should be enhanced quantitatively and qualitatively in all member states, especially in the ones with high needs of skilled labour. Nevertheless, the language teaching should already start in the country of origin. Therefore, the EU countries with particularly good and bad labour market situations should work together and establish the corresponding language course offers. Contacts to people in other EU member states are of great importance for the language acquisition as well as the willingness to move to another country. Hence, measures that foster transnational social networks are also helpful for labour mobility.

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