

The Myths and Realities of EU Labour Mobility

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By Sally Brammer

The freedom to work in another EU member state is one of the most tangible aspects of European integration for EU citizens. Labour mobility is seen as complementary to both economic and wider political objectives of European integration¹ and according to Commission President Juncker the free movement of workers is a key pillar of the European Union, which should be promoted in order to address labour shortages and skill mismatches.²

The reasoning behind free movement of labour is that at the aggregate EU level labour mobility improves the allocation of labour resources within the Union increasing economic output, and as a result increasing welfare through a more efficient use of resources.³ At the level of each member state there may be gains and losses depending on the long term effects of labour mobility in both sending and receiving countries. Portes states “The general consensus among economists is that labour mobility, like trade, is welfare-enhancing, although there may be significant distributional effects.”⁴ The challenge for the EU is that this general enhanced welfare is difficult for individual EU citizens to perceive.

For this reason a great deal of misinformation and misperception surrounds the topic of labour mobility, making it an easy target for politicians seeking to score points in national debates. As a result well established myths define the common perception, such as; that there are large flows of mobile EU citizens, that these flows increased dramatically during the economic crisis, and that mobile EU workers place a heavy burden on host

countries and their welfare systems. However, the relevant data disproves these myths and the challenge is now for the Commission in its upcoming Labour mobility package to prove this and address associated concerns. On the whole labour mobility in the EU remains limited and there is no general ‘mass movement’ of people across borders as is sometimes depicted, only 8.1 million out of over 500 million EU citizens live and work in another EU member state to their own, equating to 3.3% of the total EU work force.⁵ EU labour flows actually declined during the crisis and the general conclusion among experts is that the economic crisis caused labour market imbalances, such as very high unemployment, but did not bring about a major surge in labour mobility. The crisis redirected labour flows away from outer EU member states such as Spain towards, Germany, the UK and other Northern countries. The largest movement of people continues to be East to West and is driven by differences in wages.

Public perception of labour mobility in some member states, especially receiving countries, is they feel inundated by EU workers who place a heavy burden on infrastructure and welfare systems. In 2013 Germany, Austria, the Netherlands and UK sent a letter urging the EU Commission to address the issue of “welfare tourism”. However, the countries failed to provide more than anecdotal evidence of misuse of welfare benefits. Terms such as ‘benefit tourism’ and ‘poverty migration’ were also used during the campaign in the lead up to the European parliament elections, even though numerous

studies have shown that uptake of welfare is lower for migrants than nationals and that differences in welfare benefits are not a significant driver of migration.⁶ The UK especially, has repeatedly raised the myth of ‘benefit tourism’ as an argument for the need to limit migration, an important issue in the lead up to the UK referendum on EU membership. However, recent decisions by the European Court of Justice have hopefully helped to calm these unfounded concerns by finding in *Alimanovic*⁷ and *Dano*⁸ that member states can withhold benefits from EU migrants if they have no intention of working.

The challenge in the Labour mobility package is to address deeply ingrained concerns, whilst at the same time work to dispel the incorrect perceptions and myths; the Commission must be political and take on national leaders who attempt to use claims such as ‘welfare tourism’ to score political points at home and make a strong case, based on objective data, that labour mobility is of economic value. The Commissioner responsible for the launch of the package will be Marianne Thyssen the European Commissioner for Employment, Social Affairs, Skills and Labour Mobility. In a speech given in April she emphasised the need to establish an overview of the situations “based on facts and figures – not on emotion”.⁹ She emphasised the need for an objective analysis of mobility flows and their consequences on national labour markets and welfare systems in both sending and receiving countries. The second priority is to prevent errors, abuse and fraud. Thus addressing the concerns raised by those who oppose supporting or encouraging further labour migration citing fears of worsening labour markets conditions and welfare migration. Thyssen underlined the importance of recognising the need to maintain balance in order to avoid risking the undermining

the support of EU citizens for the internal market and the EU project as a whole.¹⁰ The current political climate and the significant challenges such as the crisis in Greece, migrants seeking asylum in the EU, and the UK seeking EU reform before an the in/out referendum, mean this will be no easy task. At a time when EU is reintroducing border controls the idea of further encouraging internal EU mobility will be a hard sell. However, labour mobility is a key component of European integration and is a valued and tangible right for EU citizens. Its economic value needs to be proved and presented convincingly to EU citizens in order to dispel the misinformation and myths surrounding it.

Sally Brammer is a Research Fellow at ZEI and a ZEI Alumna “Class of 2012”

References:

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6. Portes, *Labour Mobility in the European Union* p.8.
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8. Case C333/13 *Dano case* [2014]ECLI:2358
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10. *Ibid.*

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