

DE JURE FREEDOM OF MOVEMENT AND DE FACTO MOBILITY IN THE EU INTERNAL MARKET

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EXECUTIVE SUMMARY

A high mobility of labour as a factor of production is an important precondition for **long-term efficiency gains and increases in productivity within the EU internal market**, especially in combination with a high mobility of capital as a factor of production. However, the fact that all EU citizens have the right to live and work in another member state is even more important.

The freedom of movement of people within the internal market is one of the EU's fundamental freedoms and has been enshrined in EU primary law since 1968. **The *de jure* freedom of movement** is spelled out in detail in various regulations and directives of secondary law. However, in many areas this process has not yet reached completion: There are no watertight guarantees when it comes to the cross-border **portability of pension rights and welfare benefits**. Moreover, when **practising a profession in another member state** EU citizens are confronted with the fact that many professions in the EU are still regulated on the national level and that many professional qualifications are not automatically recognized. A harmonization of these areas would enable more EU citizens to work in other member states. More individual opportunities make for an increase in the inherent economic potential of labour mobility.

Codified *de jure* freedom of movement exists side by side with *de facto* **geographical labour mobility**. On account of certain structural barriers, the latter continues to be significantly lower than in the United States. This is partly due to the language barrier, and partly to the fact that there is no **Europe-wide employment agency**. EU mobility programmes, which also cater for trainee vacancies, can help young EU citizens in particular to improve their career prospects in another EU country. Such programmes can build on experiences garnered on the national level. An analysis of migration streams in the aftermath of the euro crisis shows that mobility has continued to increase in absolute terms, and that this increase is largely the result of migration from eastern Europe to western Europe. **The euro crisis has led to a south-to-north migration stream, although the numbers involved are relatively small**. Whereas the unemployment levels in the south of the continent continue to be high, there is a growing demand for skilled workers in other countries. A policy which specifically seeks to encourage geographical mobility needs to bear these developments in mind.

On 23 June the UK is voting on whether or not to remain in the EU. A Yes vote will lead to a **partial discrimination of European employees in the United Kingdom**. In the course of the refugee crisis and in response to Islamist terrorism there have been calls to reverse the policy of open borders. **Parts of the Schengen Agreement have been suspended**. These developments show that freedom of movement, commuting daily across open borders and the equal treatment of EU citizens are no longer self-evident. **A new and positive storyline is urgently needed. It should emphasize the importance of labour mobility and the way in which it can generate individual and general economic benefits for the EU.**

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1. The advantages of greater labour mobility for the EU

On 15 September 2015 the European Court of Justice in Luxembourg issued a ruling with far-reaching consequences for EU citizens who are trying to find employment in another EU-country. In the Alimanovic case the ECJ stated that EU citizens can be excluded from receiving non-contributory welfare benefits if they have travelled to another member state in search of work.¹ The ruling is one of a series of court decisions which have reshaped the way in which one can exercise a fundamental right of the EU, the freedom of movement for workers.

EU citizens have been able to move freely within the EU and to live and work in another member state since 1968. This free movement of persons applies to all EU citizens and is guaranteed in Art. 21 TFEU. It exists in a variety of guises. Art. 45 TFEU guarantees the freedom of movement for workers and Art. 49 TFEU and Art. 56 TFEU the freedom of establishment and the freedom for companies and self-employed Europeans to provide services in another country.

The legal freedom of movement for workers however goes hand in hand with a low level of actual geographical labour mobility. Workers within the EU are far less mobile than those in the U.S. or Australia. This is due to a number of de jure and de facto barriers. For example, national regulatory barriers can hold up the recognition of professional qualifications. Practical obstacles such as the language barrier or the absence to all intents and purposes of cross-border EU placement services mean that individuals are often deterred from taking the decision to migrate.

Greater geographical mobility within the internal market and above all within the Eurozone would be a boon for the EU. Within the internal market geographical mobility helps to raise the level of productivity as a result of a more efficient allocation of labour as a production factor. Amongst other things this can help to overcome the dearth of skilled workers.² For the Economic and Monetary Union (EMU) enhanced mobility is an important adjustment channel in the wake of asymmetric macroeconomic shocks. If, after a slump in the economy, many workers move to a booming country in the EMU, it will reduce the level of unemployment and thus government expenditure in the country experiencing a downturn, and will also have a positive effect in the destination countries, since they now have at their disposal a greater supply of skilled labour. If the workers decide to go back home a few years later, they will have acquired new skills and linguistic abilities, and these will help them to find work in their countries of origin. This is not linked to the question of whether or not the EU is an optimum currency area.³ According to the theory of optimum currency areas, a high level of labour mobility can help facilitate wage and price flexibility when it comes to absorbing shocks.

GERMANY BENEFITS FROM HIGHER GEOGRAPHICAL MOBILITY ON ACCOUNT OF THE APPROACHING DEMOGRAPHIC CHALLENGE

Germany benefits from higher geographical mobility on account of the approaching demographic challenge. The dearth of skilled workers that has been predicted for the next few decades means that, whether it likes it or not, Germany will have to attract qualified immigrants either from the EU or from the rest of the world. An analysis of migration streams shows that in recent years Germany has become an important destination country for migrants from eastern Europe (and to a lesser extent from southern Europe) who are looking for work. These welcome developments could in fact be improved by dismantling even more regulatory barriers and structural obstacles.

Since the autumn of 2015 people have cast doubt on open borders and freedom of movement. The threat of international terrorism and the refugee and migration crisis are forcing the EU and the governments of the member states to take some kind of action. The debate about multilateral support for and possible retention of the Schengen Agreement, which facilitates border-free travel in the EU, is in full swing. As a result of

1. ECJ, Judgment in Case C-67/14. *Jobcenter Berlin Neukölln v Nazifa, Sonita, Valentina and Valentino Alimanovic*. Court of Justice of the European Union, Press Release No. 101/15, (2015).

2. Annabelle Krause, Ulf Rinne and Klaus F. Zimmermann, *How Far Away is a European Labor Market?*, IZA Discussion Paper No. 8383 (2014).

3. Robert Mundell, *A Theory of Optimum Currency Areas*, *The American Economic Review*, Vol. 51, (4), (1961).

the Brexit negotiations the United Kingdom has secured cuts in welfare benefits for European workers and branded freedom of movement as a burden for the British welfare state. In many European countries the mingled dialogues about freedom of movement, migration and refugees and terrorism are used to criticize the EU. These debates threaten to stifle ideas about greater freedom of movement as a precondition for greater labour mobility. However, the approaching Herculean task of integrating hundreds of thousands of refugees into the European labour markets should make us think about the potential inherent in greater mobility. Refugees will benefit just as much as EU citizens from functioning Europe-wide employment agencies and a simplified recognition of professional qualifications.

This paper seeks to improve our understanding of the legal and structural barriers which stand in the way of greater labour mobility. It is structured as follows. An introduction to the subject of de jure freedom of movement for workers and de facto labour mobility precedes an analysis of the legal status quo and existing regulatory barriers. A description of the de facto obstacles that stand in the way of greater mobility is followed by an analysis of the most important trends in the area of labour mobility since the eastern enlargement of the EU and the euro crisis. The study concludes with an overview of the de jure and de facto factors that can help to facilitate greater labour mobility.

1.1. An overview of de jure freedom of movement and de facto mobility

A single European labour market needs two things. First, EU citizens will have to make greater use of their right of freedom of movement. Second, it is of crucial importance to dismantle legal obstacles. In order to be able to analyze all aspects of this topic, in what follows we make a distinction between de jure regulations that are currently in place and de facto labour mobility. Within the de jure area we are interested in the legal framework that will have to be established in order to ensure that legal obstacles do not prevent EU citizens from exercising their right to freedom of movement or from practising their professions.

The question of whether and of when EU citizens decide to migrate to another country makes it imperative to look at the de facto conditions for labour mobility. Thus we are concerned on the one hand with structural obstacles that will have to be dismantled in the long term, e.g. language barriers, and on the other hand with the actual implementation, which will make it necessary to match employment opportunities with applicants who are looking for work. The following table shows the existing elements of de jure freedom of movement and de facto labour mobility which are discussed in this study. The various elements are briefly described before we move on to discuss policy recommendations. The latter are designed to improve existing regulations and mechanisms in order to facilitate greater and enduring labour mobility within the EU.

TABLE 1 ► Elements of *de jure* freedom of movement for workers and *de facto* labour mobility⁴

| DE JURE FREEDOM OF MOVEMENT FOR WORKERS | DE FACTO LABOUR MOBILITY |
|---|--|
| Portability | Employment Service |
| Welfare benefits 1. Unavoidable benefits (e.g. child benefits) 2. Avoidable benefits (e.g. Hartz IV) Retention of pension rights 1. State pension rights 2. Supplementary pension rights | EU-wide 1. Europe-wide employment agency (EURES) 2. EU initiatives to counter youth unemployment National 1. National employment agencies (Europe-wide placement services) 2. Unions (employment standards) |
| Practising a profession in the internal market 1. Recognition of professional qualifications 2. Regulated professions | Language and cultural barriers 1. Language and integration courses 2. English as lingua franca |

⁴ The table, which does not claim to be exhaustive, includes the elements between which freedom of movement and labour mobility tend to oscillate.

2. *De jure* freedom of movement for workers

2.1. Portability of welfare benefits

In the field of social policy the EU does not have a specific, genuine legislative competence, and for this reason, as stated in Art. 153 TFEU and Art. 352 TFEU, it is impossible to harmonize national laws in this area. Art. 48 TFEU merely states that measures designed to support the freedom of movement of workers can be enacted in the ordinary legislative procedure.⁵ Benefits of this kind can be divided into unavoidable and avoidable benefits.

2.1.1. Unavoidable benefits, e.g. child benefits

” IN ORDER TO DEAL WITH CASES OF NEED, UNEMPLOYED EU FOREIGNERS ARE ENTITLED TO WELFARE BENEFITS”

In order to deal with cases of need, unemployed EU foreigners are entitled to welfare benefits even if they have not paid social security contributions of any kind. This category includes rent subsidies, parenting benefits, and child benefits. As in the case of people who are residents of Germany, child benefits amount to €184 for the first two children, €190 for the third child, and €215 for every additional child. Currently, the child does not have to live in the same country as its working parents. In 2012, for example, 80,000 entitled EU migrants received child benefits although their children did not live with them in Germany.⁶

However, the payment of child benefit for children who do not live in the same country as their parents could soon be indexed and adapted to the living standards of the country of origin. That is a result of the negotiations of February 2016 on the future status of the United Kingdom within the EU. The child benefit indexing instrument is an optional one. Cameron has announced that he intends to use it, and other governments may well follow his example. However, the changes in EU secondary law that are needed in order to index child benefit payments will be introduced only if the British electorate decides in the forthcoming referendum to remain in the European Union. The example of child benefit also shows that the prevention of the alleged abuse of welfare benefits by EU citizens is high on the agenda of many governments and of the Commission.

2.1.2. Avoidable benefits: EU citizens and Hartz IV payments

When it comes to basic security benefits, EU citizens do not always have equal rights in Germany. An example of this are the benefits defined in SGB II (Social Code II). The payment of unemployment benefits II (Hartz IV) to EU foreigners who are in Germany to look for work has in recent years been a hotly debated topic in the media and in the legal community. Some social courts disagreed with the attitude of the Federal Government, which believed that EU foreigners were not entitled to these benefits without further ado, on the grounds that the regulations could be in contravention of the principle of equal rights and thus illegal in terms of EU law.⁷ The case was finally brought before the European Court of Justice. In September 2015 the ECJ ruled that Germany was in the right. As a result EU foreigners can obtain basic security benefits (Hartz IV) only if they have already worked in Germany for several months, and not if they are merely looking for work. EU citizens who have become self-employed in Germany, but whose income is insufficient to cover their living expenses, will continue to receive SGB II basic security benefits. After a ruling of the Federal Social Court in December 2015 the debate on whether EU foreigners are entitled to social security payments as defined in SGB XII has flared up once again.⁸ EU citizens are entitled to social security benefits (SGB XII) after at least 6 months of

5. The Expert Council of German Foundations on Integration and Migration, "Europe as a successful model? Consequences and challenges for Germany posed by free movement within the EU. Annual Report 2013 with Migration Barometer" (2013), p.119.

6. Bundesagentur für Arbeit, *Die wichtigsten Zahlen zur Kindergeld und Kinderzuschlagsgewährung, Familienkassen*, (Nuremberg, 2013), p.13.

7. Bundessozialgericht: *Vorabentscheidungsverfahren zum Gleichbehandlungsgebot für EU-Bürger*, *Medieninformation Nr. 35/13*, Kassel (2013).

8. EurActiv, *EU-Ausländer in Deutschland haben Anspruch auf Sozialhilfe*, 04.12.2015.

residence. These benefits for EU citizens have been criticized in Germany. In the wake of the Brexit debate Andrea Nahles, the Federal Minister of Labour and Social Affairs, announced that she will review the payment of social security benefits to EU citizens.⁹

With the advent of stricter social benefit regulations in the country of destination, EU citizens in search of work are forced to fall back on their savings or on unemployment payments in their country of origin. Although these unemployment payments are portable, they are differently regulated in various parts of the EU. There is clearly room for legal harmonization and interstate coordination.

- **Harmonization of duration of unemployment benefits.** Currently EU citizens in search of work are entitled to unemployment benefits from their country of origin for a duration of at least three months. That is not a very long time when one is trying to find employment abroad. For this reason a number of member states have decided that unemployment benefits can be paid for more than three months. This has led to very dissimilar regulations. These should be standardized by aligning the minimum duration of unemployment benefits in other EU countries. An ideal minimum duration would be six months (instead of three.) It takes time to get to know the way in which foreign labour markets function, to acquire the requisite linguistic skills, and to begin to understand a new EU country in cultural terms.
- **More information about entitlements.** Although the levels of unemployment in many member states are very high, not many people make use of the possibility of obtaining unemployment benefits in another member state while looking for employment opportunities there. In order to attain a greater utilization of this option, more should be done to familiarize EU citizens with the entitlements to which they are eligible.
- **Electronic information exchange.** An effective coordination of social security systems can only materialize if information from the member states becomes universally accessible. However, a great deal of information is available only in analogue form. A system for the electronic exchange of social insurance data (EESSI) will ensure that information is exchanged in digitalized form. All the relevant information must be entered into the system, which should be accredited and used throughout the EU.

The United Kingdom is going to be a special case with regard to avoidable benefits if there is a Yes vote at the referendum on 23 June. The country will then have an “emergency brake” with which it can restrict tax-financed benefits for needy low-wage earners from the EU (in-work benefits). This regulation would apply to all member states, though tax-financed supplementary benefits for low-wage earners exist mainly in the United Kingdom, so that presumably none of the other countries will be able to cut welfare benefits for working EU citizens.

” MOST OF THE MOBILE
JOB HUNTERS IN THE EU
ARE VERY YOUNG ”

Most of the mobile job hunters in the EU are very young, and many have hardly any savings. That is why portability and a right to social benefits, which can act as a bridge to the regular labour market, are very important issues. This is particularly true of the period between one’s arrival in a new country and one’s first job. A similarly important question as far as mobile EU citizens are concerned is what will happen at the end of their working lives. How can retirement benefits that have accrued in a number of different EU countries be added together, and how can citizens take them with themselves when moving somewhere else?

⁹. Zeit Online, *Merkel will Sozialleistungen für EU-Ausländer beschränken*, Zeit Online 07.01.2016

2.2. Portability of pension rights

Those who have lived and worked in more than one member state in the course of their working lives are faced with the question of whether and how working years will be taken into account when it comes to calculating the size of their pensions. In the area of statutory pension insurance these pension rights are protected as a result of the coordination of the social security systems. Company pensions, the so-called second pillar of retirement planning, have become far more important and widespread. For a long time they were insufficiently protected, so that such rights tended to lapse when one moved somewhere else. However, these pension rights have been protected since the beginning of 2014. Directive 2014/50/EU contains in the main three innovations which are designed to improve the protection of the pension rights of mobile workers.¹⁰

BOX 1 ► Portability of pension rights since Directive 2014/50/EU

Minimum work period and minimum age. In Germany employees used to have to pay contributions into a company pension scheme for at least five years before they were guaranteed and could thus be taken elsewhere. This is now possible everywhere after three years. The minimum duration of the guarantee has been set at 21 years.

Early Withdrawal. If a person leaves the company pension scheme before the end of his working life, this has no effect on the subsequent disbursement and portability of the pension. The payments must be proportionate to the contributions made to the scheme in the course of an entire working life.

Duty of Disclosure. The company in which an employee pays pension insurance contributions is obliged to inform him or her about the impact of proposed migration on his or her pension rights.

The directive is supposed to be incorporated into national law by 2018, and national governments should implement it as soon as possible. Despite the progress that has been made, there are other areas which could benefit from EU-wide coordination.

Pension commencement age. There is no Europe-wide standard pension commencement age. In fact there are great differences between the member states. For mobile workers this means, for example, that they would already be entitled to a pension in France at the age of 60. However, if they are still working in Denmark, they can obtain it only when they reach the country's pension commencement age of 67. For the time being the alignment of the pension commencement age in absolute terms is not a realistic option in the member states on account of the varying life expectancies, the flexibility of labour markets, and time-honoured traditions. However, the ways in which the pension commencement age is determined could be standardized with reference to life expectancy.

Taxation. The taxation of pensions is different in the various member states. Thus they tax either the contributions or the payments. For mobile EU citizens this can mean that pension rights are taxed twice or not at all. Both should be avoided.

The improved portability of pension rights and the ability to claim the welfare benefits of the country of origin in the country of destination are measures which can have a positive impact on many mobile EU citizens. But individual success can also hinge on the ease with which academic or professional qualifications are recognized in the country of destination, and whether or not regulatory compliance makes it difficult to practise a profession or start a business. Thus an important part of de jure labour mobility is practising a profession in the internal market. How difficult is it for individual EU citizens to practise their profession in another EU country?

10. European Commission, Pensions: Commission welcomes final adoption of Directive on supplementary pension rights, Press Release IP/14/445, 2014a.

2.3. Practising a profession in the internal market

After the integration of the European internal market for goods and the harmonization of standards, the EU is currently in the process of an ongoing regulatory harmonization of services in order to create a single internal market in this area as well. This is supposed to make it possible for EU citizens to practise their professions without discrimination everywhere in the EU. The EU directives 2005/36/EC and 2013/55/EU on the harmonized recognition of professional qualifications and the services directive 2006/123/EC are important steps towards the single internal market for services. However, the final version of the services directive did not adopt the “country of origin principle,” which would have meant that services provided by an EU citizen are subject to mutual recognition and the laws of his or her country of origin. On account of the current legal situation the services provider is subject to the regulations and supervision of the country of destination. It is unlikely that this state of affairs will change in the foreseeable future. Thus the member states have considerable room for manoeuvre when it comes to implementing the directives and retaining the unique features of the national regulatory regimes. And this has had an impact on the recognition of professional qualifications and the number of regulated professions.

2.3.1. Regulated Professions

Regulated professions are professions which, “if one wants to pursue them, require the possession of specific professional qualifications that are set forth in legal and administrative regulations.”¹¹ In Germany, for example, they include engineers, architects and management consultants. The number of regulated professions in the EU ranges from 94 in Estonia to 640 in Poland.¹² This figure demonstrates the fact that the member states have a great deal of room for manoeuvre when it comes to the regulatory process, and that there are a number of different professional traditions that have evolved in the course of time. Many of the regulations, and in particular the rules governing access to a profession and to professional practice constitute de jure obstacles to mobility. For example, an engineer from Spain has to go through a complicated recognition procedure in order to be allowed to use the title of “engineer” in Germany. Furthermore, regulated professions in many countries are characterized by quotas, schedules of fees and other market distorting mechanisms. In many places the national providers have the edge over the European competition.

The Commission has initiated a peer review process within the framework of directive 2013/55/EU. On the basis of this individual member states are required to submit to the Commission specific information about their various regulated professional groups. Moreover, the member states are called upon to describe the extent to which their regulations are compatible with the principle of non-discrimination as it pertains to citizenship of a particular state or place of residence, and to state that the regulations are absolutely necessary for the general welfare and an appropriate way of reaching the stated goals.¹³ In the course of the European Semester the results of this process are translated into country-specific recommendations and, if everything goes according to plan, into national reform programmes. This campaign to strengthen the internal market harbours potential for conflict. In 2014 the Commission called on Germany and other countries in the country-specific recommendations to liberalize their rules for professions in the services sector in general and for self-employed professions in particular. On 18 June 2015 it opened treaty infringement proceedings against Germany and five other member states. In the case of Germany the point at issue is the schedules of fees charged by engineers, architects and accountants.¹⁴

De jure freedom of movement could be strengthened by introducing more leeway into the schedules of fees and abolishing limited practice licences for certain professional groups. Far more providers from EU countries could try to offer their services in another EU country. This would quite obviously be to the benefit of

11. The information portal for foreign professional qualifications, *Reglementierte Berufe*, 04.03.2016.

12. As of 08.05.2014, trend, *Österreich mit 265 reglementierten Berufen auf Platz 8 in EU*; see also European Commission, Regulated Professions Database.

13. European Commission, *Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee*, Evaluating national regulations on access to professions (2013)

14. European Commission, Press release Commission launches infringement procedures against six Member States for lack of compliance with the Services Directive in the area of regulated professions, 2015a

customers. However, the liberalization of regulated professions is a controversial subject. Critics believe that deregulation will have an adverse effect on standards. They fear that the quality of the services provided will decline, and that as a result of undercutting many providers will be confronted with the prospect of casualization.¹⁵ These arguments have certain validity on the national level. Deregulation should not lead to a loss of quality. But, from a European perspective, the completion of the internal market and the associated standardization process is also a question of fairness. Market barriers such as schedules of fees and access restrictions can in fact prevent EU citizens from practising their profession in a country of their choice. This constitutes unfair discrimination. The most important obstacle facing regulated professions is the recognition of professional qualifications, which in the plethora of national legal frameworks and regulated professions can be quite a challenge for mobile EU citizens.

2.3.2. Recognition of Professional Qualifications

The small print of regulations and recognition procedures is mainly in the hands of the nation-states. In the course of revising directive 2013/55/EU on the recognition of professional qualifications the Commission set up a database for regulated professions which among other things makes it possible to compare the number of recognition procedures in the member states. The database also reveals the number of cases in which applicants did not immediately obtain a positive answer. If this happens, applicants usually have to obtain additional qualifications. In many professions the certification and additional qualifications are in the hands of a professional body and not of a government department, and are carried out within the framework of professional self-administration. In this area regulatory supervision is largely in the hands of national authorities.

A comparison of the data that the Commission have collected reveals, for example, that there was a considerable difference in certification between Germany and the United Kingdom, at least between 2005 and 2012. Whereas in Germany a very large percentage of the applicants have not completed the certification procedure because they have been told to acquire additional qualifications, this share in the United Kingdom is extremely small.¹⁶ There are no data for the period after 2013, although in Germany many procedures have been simplified in recent years, especially since the adoption of the "Law on the improved certification and recognition of professional qualifications acquired abroad." In the meantime there has been a considerable increase in the number of certifications, and the whole procedure has been speeded up.¹⁷ In the context of EU regulatory policy, greater Europeanization of professions would be in keeping with the principle of freedom of movement. The principle of automatic recognition should apply throughout the EU to a number of other professions, for example artisans and those who are self-employed.

15. For a summary of the pros and cons of market restrictions in the case of self-employed professions see Oliver Arentz and Achim Wambach, *Mehr Freiheit für die freien Berufe*, faz.net, 10.10.2015

16. European Commission, Regulated profession database, relationship of "unresolved cases" to positive certifications (unresolved cases = appeals, additional qualifications). Source: National statistics offices, 2015.

17. Federal Ministry for Education and Research, *Report on the recognition law 2015*, 2015.

BOX 2 ► Recognition of Professional Qualifications Directive 2005/36/EC

- **Automatic Recognition.** Destination states can only monitor whether or not acquired qualifications correspond to the educational requirements that have been stipulated by the directive. These rules apply to seven out of about 700 regulated professions: doctors, dentists, pharmacists, nurses, midwives, veterinary surgeons, and architects.
- **Recognition of Training and Education.** Many professions can recognize periods of training and education. Access to regulated professions is permitted if applicants can provide proof of their training and education. Proof of training and education should be sufficient. In the case of educational careers which differ significantly with regard to time or content, the destination member state may require additional qualifications. These can be obtained either through an aptitude test or through a supervised additional qualifications course.

Reform of the Recognition of Professional Qualifications Directive 2013/55/EU

- **European Professional Identity Card.** The identity card is issued in the country of origin and contains information about a person's educational career and the qualifications he has acquired. This makes it possible to speed up and simplify the recognition procedure. The identity card will be electronically accessible.
- **Banned professionals warning mechanism:** In addition to promoting mobility, the aim of Directive 2013/55/EU is to give greater protection to consumers and patients. For this reason a warning mechanism for educational and healthcare professions is being initiated. The names of people who have been banned from certain professions in one country must be notified immediately to other countries.

Freedom of movement for workers is flanked by a large number of regulatory measures and restrictions. The restrictions reflect the EU's diversity and history of integration. The first section of this overview has shown where and in which regulatory areas specific improvements can be made in support of de jure freedom of movement. The next section is devoted to the structural barriers which stand in the way of de facto labour mobility.

3. De facto labour mobility

De facto labour mobility is the central pillar of the single European labour market and thus a better functioning internal market. Whereas de jure freedom of movement has to cope with regulatory barriers, there are structural obstacles in the case of de facto labour mobility. The (largely non-existent) Europe-wide employment agencies and the language barrier are at the centre of our analysis.

3.1. Employment agencies

What is true of national labour markets is also true on the European level. A functioning system of employment agencies is of crucial importance. The EURES platform is a purely European organization that is supposed to match supply and demand in a transnational labour market. However, EURES has an outreach problem, and it has a utilization problem. In a survey conducted in 2010 only 2% of EU citizens said that they had used it, though 12% had at least heard about it somewhere along the line.¹⁸ In addition to its internet presence and the possibility of uploading one's CV, there are regional EURES advisors who are much in demand, especially in border regions. Moreover, in these areas there is enhanced cooperation in the shape of the so-called "EURES Transfrontalier" (EURES T) projects. On account of its location in the centre of Europe Germany participates in many of the EURES T projects, though there are not as many of them in the new member states and in southern Europe.¹⁹

18. Eurobarometer, Special Eurobarometer 337, Wave 72.5, *Geographical and Labour Market Mobility*. Survey conducted in November and December 2009, Brussels, 2010.

19. EURES, *EURES in cross-border regions*, Cross Border Regions Map, 2014.

” EURES HAS BIG POTENTIAL AND COULD IN THE LONG TERM BECOME A EUROPEAN EMPLOYMENT AGENCY”

EURES has big potential and could in the long term become a European employment agency. Its short-term to mid-term goal should be to upload more offers of employment which are tailored to the individual needs of people who are looking for work. Furthermore, there needs to be more cooperation with private employment agencies, and employers should be invited to play a greater role.²⁰ In the medium term EURES could become a source of information and advice for mobility projects of all kinds, including vocational training and further education.

National employment agencies would do well to take their cue from the Euroguidance Network and to focus more specifically on offers of employment in other EU countries. The Euroguidance Network has been giving educational advice since the 1990s and now has centres in 34 countries, including Turkey and Switzerland. It is the go-to place for people who are planning a stay abroad, and helps in its national advisory centres to obtain information about mobility options within the EU. These centres are attached to national employment agencies. A network of this kind could provide information about educational options and employment opportunities. The national employment agencies would have to upgrade their networks in order to be able to exchange up-to-the-minute information about employment offers and people who are looking for work.

Mobility within the Eurozone is particularly low. EU citizens from crisis-ridden countries tend to go in the majority to the United Kingdom, to Scandinavia and to non-European states instead of to the relatively prosperous countries of the Eurozone. However, in countries such as Germany there is a growing demand for skilled workers.²¹ This makes proactive bilateral educational programmes and direct offers of employment all the more important. In Germany the recruitment of Spanish nurses and trainees in various showcase projects has been a great success and has received a great deal of media coverage.²² But the numbers involved are not very large. Since 2013 the Federal Government’s MobilPro-EU programme for example has facilitated only 2,193 trainee places throughout the length and breadth of Germany for young people from EU countries.²³

” THE EXPERIENCES GARNERED FROM THESE BILATERAL AND NATIONAL PROJECTS SHOULD BE UTILIZED”

The experiences garnered from these bilateral and national projects should be utilized in order to implement placement projects throughout the EU or within the Eurozone. The proposals by Jacques Delors, Henrik Enderlein et al., “Erasmus Pro: A Million young European trainees by 2020,” focus on the Europe-wide promotion of mobility and the containment of high levels of youth unemployment. Their aim is to make it possible for young people from crisis-ridden countries to become trainees in another EU country.²⁴ Care should be taken to ensure that European workers are treated in exactly the same way as their national colleagues in order to prevent the kind of wage dumping and discrimination which has occurred repeatedly in Germany, e.g. in the case of Spanish nurses and Romanian construction workers.²⁵ Projects by the unions such as the German Trade Union’s (DGB) “Fair Mobility” campaign,²⁶ which combats the abuse of mobile labour, could be shifted to the European level in order to combine increased labour mobility with a greater Europeanization of the unions. Taking robust action against those who use foreign labour as wage-squeezers increases the legitimacy of freedom of movement in both the countries of origin and the countries of destination.

Above this the “Your First European Job” (YFEJ) initiative should receive greater attention and more (financial) support. YFEJ can be an important link between those who are looking for work and employers in regions with insufficient labour. The portal helps to match CVs and offers of employment, organizes video employment

20. European Commission, Non-paper from the European Commission. HLSG/2011/90 EN, Brussels, 2011

21. Federal Ministry of Economics and Technology, *Europa zwischen Jugendarbeitslosigkeit und Fachkräftemangel*, 2014.

22. See Sven Astheimer, *Die Spanier sind da*, FAZ.net, 2013.

23. Tobias Bayer, “Drei Jahre in Deutschland. Halten Sie das aus?“, Welt.de, 05.03.2016

24. Jacques Delors, Henrik Enderlein, Yves Bertoincini and Enrico Letta, *Erasmus Pro: eine Million “Junge, europäische Auszubildende” bis 2020*, 2015

25. See Kirsten Grieshaber, *Young Spaniards moving to Germany get trapped in dismal jobs*, 2015.

26. DGB, *Faire Mobilität. Arbeitnehmerfreizügigkeit gerecht gestalten*, 2015.

interviews, and provides financial assistance for the move and language courses in the country of destination.²⁷ The existing EURES and YFEJ infrastructure could also be used to implement large-scale programmes such as ERASMUS Pro (see above) in an efficient manner. The financial backing for this Europe-wide employment programme could come from the European Social Fund (ESF). For many years its resources have been made available for projects of this kind.

If this kind of positive integration and cooperation on the European level fails to materialize, at least for the time being, then countries such as Germany could join forces with cooperation partners and especially with France to develop joint initiatives designed to close the gap between high levels of youth unemployment and the demand for skilled workers.²⁸

3.2. Language barriers

Eurobarometer surveys show that citizens who are able and willing to migrate consider the language barrier to be one of the three main obstacles that stand in the way of going to work in another country.²⁹ These survey results have been confirmed by a series of empirical studies.³⁰ The language barrier is and continues to be the most important de facto impediment for those who are thinking about working in another member state of the EU. There are considerable differences within Europe when we look at the number of foreign languages that people speak. Whereas in the north of the continent 34.8 percent of the population say that they can already speak three or more foreign languages, more than 40 percent of the interviewees in the majority of southern EU states say that they do not speak any foreign language at all.³¹ These data are improving constantly, but even among the young cohorts, which are so important for mobility, Italy, Portugal, Spain and Greece are lagging a long way behind the rest of the EU.³²

The migration streams from crisis-ridden Spain and Portugal to their former colonial empires after the crisis are another example of the importance of language. Between 2007 and 2008 the migration of Spaniards to Latin America and the Caribbean rose suddenly from 16,445 to 101,472, and since then has remained on this high level.³³ Switzerland, a country with four languages, is another good example. Migration between cantons with the same language is far higher than migration between those parts, for example, in which German and French are spoken.³⁴

”THE LANGUAGE BARRIER IS ONE OF THE MOST IMPORTANT AND POSSIBLY THE MOST IMPORTANT NON-REGULATORY BARRIER THAT STANDS IN THE WAY OF MOBILITY”

Since the language barrier is one of the most important and possibly the most important non-regulatory barrier that stands in the way of mobility, more needs to be done in order to improve the language skills of migrants. The countries of destination also need to give some thought to this topic. Germany could proceed on two separate tracks. On the one hand EU foreigners should also be entitled to attend an integration and language course. Hitherto non-European migrants and genuine asylum-seekers have almost always had a statutory right to attend such a course. However, EU foreigners can only attend these rather inexpensive courses if there are enough places, if they do not speak German, and if they are “especially in need of integration.”³⁵

27. European Commission, Your first EURES Job (YFEJ), DG Employment, Social Affairs and Inclusion, go to <http://ec.europa.eu/social/main.jsp?catId=1160>, 2015b.

28. Henrik Enderlein and Jean Pisany-Ferry, *Reformen, Investitionen und Wachstum: Eine Agenda für Frankreich, Deutschland und Europa*, Ein Bericht für Sigmar Gabriel und Emmanuel Macron, 27.11.2014

29. Eurobarometer, *Internal Market Opinions and experiences of Citizens in EU-25*, Special Eurobarometer 254, 2006

Eurobarometer, *Internal Market: Awareness, Perceptions and Impacts*, Special Eurobarometer 363, 2011.

Eurobarometer, *Internal Market, Special Eurobarometer 398*, 2013.

30. See Michèle Belot and Sjeff Ederveen, *Cultural and institutional barriers in migration between OECD countries*, 2006.

31. Eurostat, Number of foreign languages known (self-reported) by age [edat_aes_l22], authors' calculations.

32. Eurostat Number of foreign languages known (self-reported) by age [edat_aes_l22].

33. Internationale Organisation für Migration (2015), *Dinámicas migratorias en América Latina y el Caribe (ALC), y entre ALC y la Unión Europea*, 2015.

34. Christophe Büchi, *Wo die Zentren überlaufen*, Schweizer Karten (17/20), 2013.

35. Bundesamt für Migration und Flüchtlinge, *EU-Bürger, Anspruch auf Teilnahme an Integrationskursen*, 2015.

BOX 3 ▶ Integration and public debate

In addition to the individual obstacles that EU citizens confront, the situation in the country of destination plays an important role for the success or otherwise of the mobility project. New arrivals do not always have an easy time in the country of destination. In Germany 17.6% of EU citizens are in danger of falling below the poverty line. This is not as bad as the figure for migrants from non-EU countries (26.6%), but is still about 40% higher than the figure for German residents (12.3%).³⁶ In other member states the situation is similar. Since the European Elections in 2014 there has been a shift to the right in the public debate and right-wing populist parties have been gaining ground. In France almost 25% voted for the Front National, Marine Le Pen's nationalist and extremist right-wing party.³⁷ In the United Kingdom there has been a polemical campaign against what has been described as eastern European welfare tourism. Partly as a result of the polemics in the media, David Cameron has managed to get the EU to agree to cuts in benefits for low wage earners from the EU. The current refugee crisis shows the extent to which right-wing populists can dominate the debate on the subject of migration. Both freedom of movement and the Schengen Agreement came under fire in the wake of the terrorist attacks in Paris on 13 November 2015. But it would be very irresponsible to include labour mobility in the debate on terrorism and refugees. What the debate on European mobility really needs is a positive storyline and far more fact-based arguments. For example, the employment rate of EU citizens who work in another EU country is 3.5 percent higher than that of local workers.³⁸ For many years Germany was not considered to be a country of immigration, nor did it consider itself to be one. The Committee of Experts for Integration and Migration stated in its 2013 annual report that the country now has a more pragmatic attitude to the topic of migration.³⁹ In the context of demographic change and the ensuing demand for skilled labour, many Germans accept the fact that Germany is a country of destination with the obligation to facilitate the integration of EU citizens. Furthermore, the Committee of Experts comes to the conclusion that a rudimentary European identity exists. EU migrants in particular tend to develop a European identity which is not at variance with their national or regional identity, but in fact complements it.⁴⁰ Whether the notion that Germany is a pragmatic immigration country will survive the refugee crisis will become apparent in the course of the next few years.

EU citizens should be legally entitled to attend such courses. On account of their length (660 hours) they can convey a thorough impression of the country and above all of its language. The Goethe Institute recommends between 600 and 800 teaching units of 45 minutes each in order to reach level B2 of the Common European Framework of Reference for Languages.⁴¹ This language level is a precondition for many employment opportunities. The European Social Fund (ESF), which can channel resources to every EU member state, could also provide the financing for such courses. On the other hand Germany, which has gradually recognized that it is an immigration country, could start to think about using English and other languages in administrative documents. This far-reaching measure would not only make it easier for countless EU citizens and migrants to interact with German authorities and government departments. It would also send out a signal to Europe. If the largest EU member state integrates English into its administrative structures, it will help to speed up the use of English as the European lingua franca, and this in turn will help mobility. However, the debate about English as a second administrative language has not as yet made much headway.⁴²

The first two parts of this study have provided an overview of the existing de jure and de facto conditions for greater freedom of movement and greater de facto labour mobility. The third and final overview analyzes the development of mobility within the EU. In the last ten years the geographical mobility of EU citizens has been noticeably influenced by two dramatic economic and political events: the eastern enlargement of the European Union, and the euro crisis.

36. Bundeszentrale für politische Bildung, *Zahlen und Fakten, die soziale Situation in Deutschland. Armutsgefährdungsquoten von Migranten*, 2013.

37. European Parliament, Results of the 2014 European elections 2014, Results by country, 2014.

38. David Rinaldi, *A New Start for Social Europe*, with a Foreword by Jacques Delors, preface by Nicolas Schmidt and contribution by Marianne Thyssen, Notre Europe Studies and Reports No. 108, February 2016

39. The Expert Council of German Foundations on Integration and Migration, "Europe as a successful model? Consequences and challenges for Germany posed by free movement within the EU. Annual Report 2013 with Migration Barometer" (2013), p. 117

40. "Europe as a successful model?" p. 23 and p.148.

41. Sofia Kleftaki, *Empfohlene Stunden pro Niveaustufe*, dafdieunddas-Blog 19.09.2012

42. See Alexander Graf Lambsdorff, *Englisch muss Arbeitssprache werden*, Welt Online, 2014.

4. Migration trends in the wake of EU eastern enlargement and the euro crisis

” THE EASTERN ENLARGEMENT OF THE EU AND THE EURO CRISIS LED TO AN INCREASE IN LABOUR MOBILITY WITHIN THE EU ”

Labour mobility within the European Union in general and in the Monetary Union in particular may be relatively low, but in the long term it shows an upward movement. The eastern enlargement of the EU and the euro crisis led to an increase in labour mobility within the EU. Eastern Europeans from the “new” EU 13 are primarily responsible for this. Spain and Italy were the main destination countries before the euro crisis; currently Germany and the United Kingdom have taken up this role. Germany and the United Kingdom taken together have within their borders almost half of the mobile citizens who are gainfully employed and almost two-thirds of EU citizens who have started to work in another EU country since 2006.⁴³ The euro crisis has led to a greater mobility of EU citizens from the south to the north. However, this is remarkably small in numerical terms, and it raises questions about the role of labour mobility as a shock absorber in the EMU. In the following, we analyse the mobility patterns in some detail. On this basis we develop priorities for political decision-makers, who can increase mobility by dismantling the existing de jure and de facto barriers.

4.1. Comparison of mobility in the Eurozone and mobility in the internal market

Labour mobility across EU borders has increased steadily since 2006.⁴⁴ Currently, slightly more than three percent of the EU’s workforce works in another EU country.⁴⁵ Within the whole of the internal market and the Eurozone there was no increase in mobility in 2008 and 2009, the years of the financial crisis.

BOX 4 ► EU labour mobility compared to the U.S., Australia and Canada

When people talk about labour mobility within the internal market and the EMU, they tend to compare it with the situation in federally organized western states. They usually point out that, in comparison with U.S. states or the provinces of Canada, there are low migration rates between the member states of the EU and the EMU. In 2010 mobility between the member states of the EU was only 0.3 percent, whereas mobility between the U.S. states, the Canadian provinces, and the Australian states was considerably higher (2.4%, 1.0% and 1.5% respectively). However, this comparison is of limited use, for with the exception of Québec in Canada, none of these three countries has the kind of cultural and language barriers that exist between most of the EU member states. With regard to the significance of the language barrier, this is illustrated by the level of migration between the francophone province of Québec and the other nine provinces and three territories of Canada (which, with a handful of exceptions, are exclusively Anglophone). In 2012 it was 0.4 percent, which is not only much lower than the level of internal migration in the rest of Canada, but also only slightly higher than migration within the whole of the European Union. Moreover, labour mobility in the U.S. has been declining for almost 30 years, whereas it is on the increase in the EU.

However, in the Eurozone a renewed increase first began to make itself felt in 2012. What are the most important features of this increase in mobility? It needs to be borne in mind that there are considerable differences between the Eurozone and the rest of the internal market. Diagram 1 shows the increase since 2006 in the Eurozone and the whole of the internal market. Since 2006 labour mobility within the whole of the internal market has increased far more than within the EMU.⁴⁶ The increase as a whole is primarily due to the fact that citizens from the new member states (EU 13) are far more willing to migrate. In the whole of the internal market the number of people from the new member states who are gainfully employed has doubled.

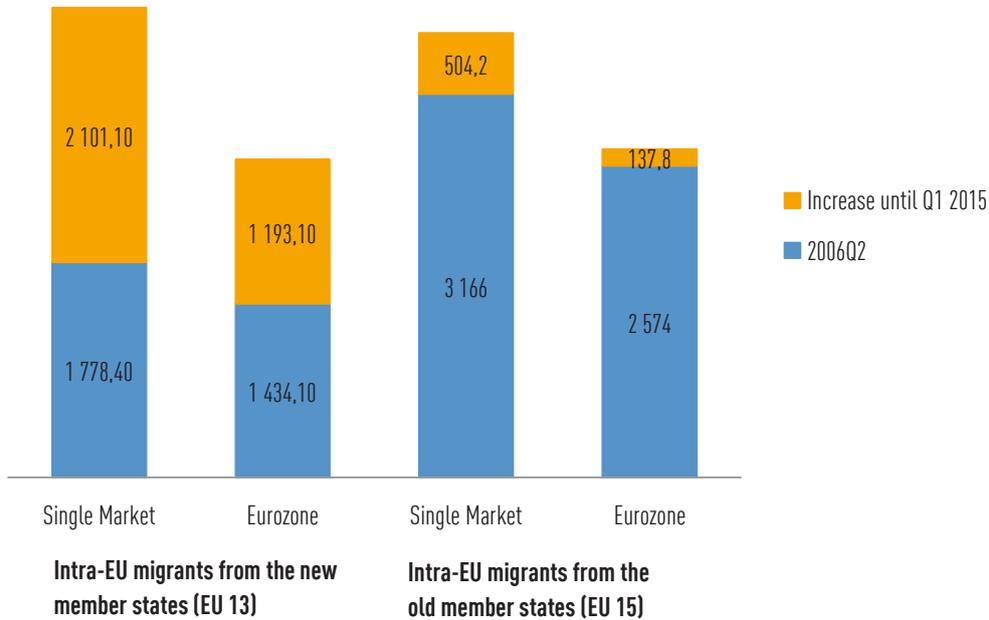
43. Eurostat, Number of Employees according to sex, age and citizenship,(lfsq_egan) EU-28 without the reporting country, 2015, authors’ calculations.

44. Data for EU 28 not available before Q2 2006.

45. Eurostat, Number of Employees according to sex, age and citizenship,(lfsq_egan) EU-28 without the reporting country, 2015.

46. Eurostat, authors’ calculations, should not be confused with internal migration within the eurozone, which is significantly lower, 2015-

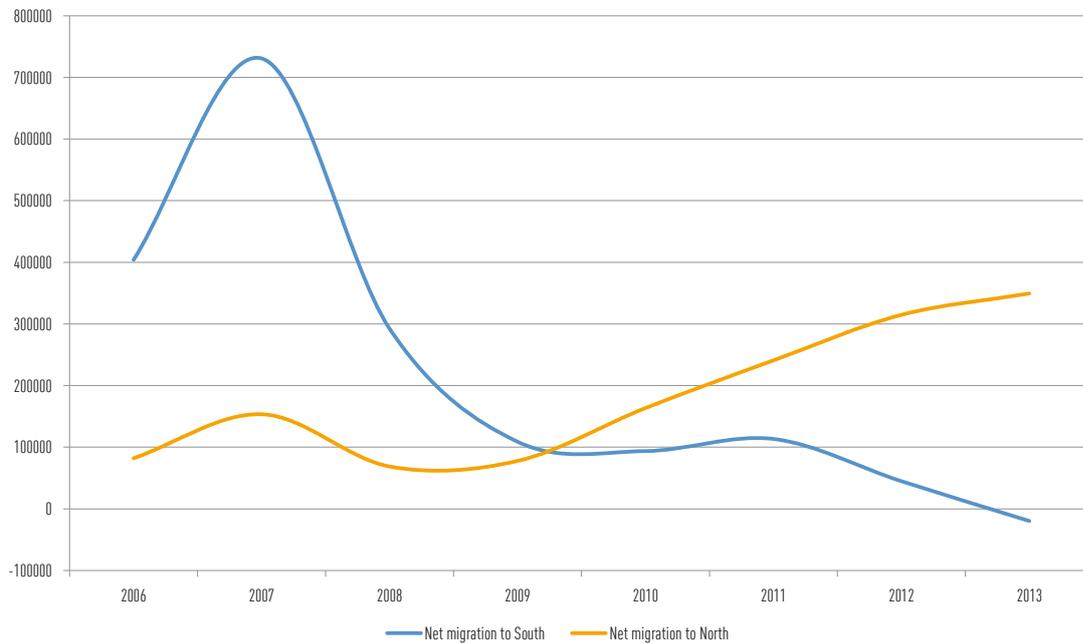
DIAGRAM 1 ► EU 13 / 15 citizens who are employed in the internal market in thousands



Source: Eurostat, authors' calculations, Number of Employees according to sex, age and citizenship,(lfsq_egan), EU-28 / EU-15-citizens without the reporting country, 2015.

As far as the citizens of the “old” member states are concerned, the non-Eurozone internal market is more attractive than the actual Eurozone itself. The most important country of destination by far between 2006 and 2015 was the United Kingdom (see chart on following page). Internal migration in the euro area remained at a relatively low level even during the euro crisis. Fewer migrants in the south and greater migration to the centre and especially to Germany are the decisive factors. The large number of people from the old member states who were gainfully employed in the Eurozone (more than three million in 2006) are the result of the waves of guest workers to Germany and other west European countries in the 1960s and 1970s. The United Kingdom offers both new and old EU citizens more employment opportunities than the countries of the Eurozone. The role of English, the excellent economic situation (in comparative terms) and the very open labour market are the main reasons why the island continues to be so attractive.

DIAGRAM 2 ► Net Migration EU 27 (EU 28 in 2013) South/North, 2006-2013



Source: Eurostat, authors' calculations using (Emigration by sex, age and citizenship [migr_emi1ctz] and Immigration by sex, age and citizenship [migr_imm1ctz], South = IT, ES, PT, IE, EL, North= DE, NL, BE, AU, See also Dawn Holland and Pawel Pachlukowski, *Geographical labour mobility in the context of the crisis*, Ad-hoc Request by the European Employment Observatory, June 2013.

4.2. Centre/periphery reversal in the Eurozone

” IN THE AFTERMATH OF THE FINANCIAL AND EURO CRISIS THE MIGRATION PATTERNS WITHIN THE MONETARY UNION WERE REVERSED”

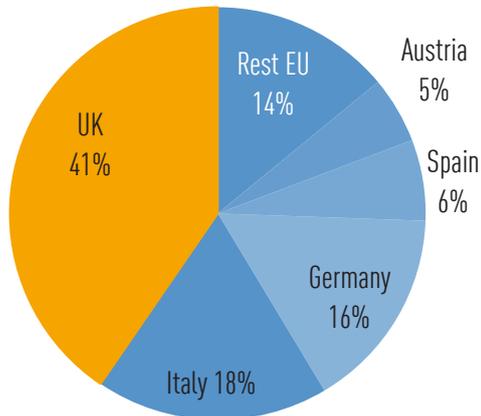
Did geographical mobility within the EMU act as an adjustment channel in the euro crisis? The lending spree in the south of the Eurozone between 2004 and 2007, the abrupt end of this boom, and the long recession as a result of the euro crisis have had an impact on migration streams. In the years before the crisis a large number of EU citizens migrated to the booming southern periphery (Spain, Italy, Portugal, Greece) and to Ireland. In 2007, the peak year, a total of more than 700,000 people from the EU migrated to the south and to Ireland.⁴⁷ At this time numerous Romanians and Bulgarians migrated to Italy and Spain, where they worked in health care professions, in the agricultural sector, and in sectors such as construction and tourism which were heavily dependent on the economy. Yet at the same time net migration to the centre of the Eurozone was relatively small. In the aftermath of the financial and euro crisis the migration patterns within the monetary union were reversed, so that since 2013 net migration of EU 27 citizens to the southern periphery has been negative. Citizens of the “new” member states of central and eastern Europe were of crucial importance for this reversal of labour mobility. Instead of going to the south of Europe, which had been booming before the crisis, many moved from the south to the north, or from their countries of origin to Germany and to the United Kingdom. Immediately after the start of the crisis the emigration of Latin Americans and eastern Europeans in particular prevented an additional increase in unemployment. Deutsche Bank estimates that without this wave of emigration Spanish unemployment levels would have been 1.7 percent higher in 2010.⁴⁸ The persistently high unemployment rates in general and the high youth employment rates in particular show that this migration reversal from the periphery to the centre has not had the same impact on Spaniards and Greeks as on workers from central and eastern Europe, who reacted far more quickly to the economic downturn. Thus mobility has hitherto played a subordinate role

47. Eurostat, author's calculations (Emigration by sex, age and citizenship [migr_emi1ctz] and Immigration by sex, age and citizenship [migr_imm1ctz] EU-27 citizens without the reporting country, 2007)

48. Dieter Bräuninger and Christine Majowski, *Arbeitskräftemobilität in der Eurozone*, EU Monitor European Integration (85): 1-12, 2011.

as an EMU adjustment channel after an asymmetrical macroeconomic shock. The euro has contributed little to make citizens within the Eurozone more mobile. A HWWI study came to the same conclusion in 2014.⁴⁹

DIAGRAM 3 ▶ The five most popular countries of destination for EU citizens Q2 2006-Q2 2015



Source: Eurostat, Number of Employees according to sex, age and citizenship,(lfsq_egan) EU-28 without the reporting country, 2006-2015, authors' calculations.

Why are the migration patterns of citizens from the new and old member states different? Income differences between western and eastern Europe are important motives for migration within the EU, as Eurobarometer surveys demonstrate. Whereas 61 percent of the interviewees from the new member states said in a 2010 Eurobarometer survey that higher remuneration was the most important reason for moving to another EU country, money is the most important reason for migration only in the case of 27 percent of the interviewees from the old EU 15.⁵⁰

” A EUROPEANIZATION OF THE EMPLOYMENT AGENCIES AND THE ACQUISITION OF LANGUAGE SKILLS ARE URGENTLY NEEDED ”

Possible reasons for the comparatively low emigration rates from Spain, for example, are the large number of homeowners who are unable to sell their properties; the low pull factor for badly qualified workers (there are many of them in Spain and Greece); and the fact that not many people speak foreign languages well enough in order to work in another country. In view of the persistently high youth unemployment rates of more than 40 percent in Spain, Italy and Greece at the beginning of 2016, the EU and the member states should try to find proactive ways of promoting greater mobility. A Europeanization of the employment agencies and the acquisition of language skills are urgently needed if we wish to encourage mobility in general and mobility within the Eurozone in particular. Bilateral mobility programmes designed to help people to find employment and trainee positions have been a success, though they are still not enough of them. A Europe-wide network of proactive mobility programmes should thus have top priority, especially in view of the fact that there is a persistent lack of skilled workers in many member states.

49. Hamburger Weltwirtschaftsinstitut, Arbeitskräftemobilität Macht der Euro mobil? Arbeitskräftemobilität während der Krisenjahre, Report, 2014

50. European Commission, Internal Market: Awareness, Perceptions and Impacts, Special Eurobarometer 363, 2011.

BOX 5 ► Mobility within the member states

As in the case of mobility between the various states of the EU, migration within member states (or internal migration) can lead to a reduction in structural asymmetries between different regions. In academic debates people keep pointing out that the more significant indicators for the development of labour mobility in the EU are the interregional migration patterns, in other words, the migration that primarily takes place within the member states.⁵¹ It is difficult to compare the internal migration of the various EU states for the simple reason that national statistics offices do not all collect the same kind of data on migration within the member states. Some countries publish data on NUTS 2 or NUTS 3 regions,⁵² whereas others provide information only on migration within much smaller LAU 2 regions,⁵³ whose mobility rates, e.g. within a town, are of course far greater than those of the much larger NUTS regions.⁵⁴ Despite this the data reveal some interesting facts. The total migration rate within the member states of the EU amounts to 1.0 percent of the population (the number of people who move from one member state to another every year.) That is lower than the figures for the U.S. (2.4 percent) and Australia (1.5 percent), but on a par with migration within Canada. However, the 1.0 percent average conceals very striking differences between the various member states. Their averages range from 4.9 percent (United Kingdom) to 0.4 percent (Slovakia).⁵⁵ Germany has a relatively high mobility rate of 3.3 percent.

The analysis of mobility within the EU shows quite clearly that the citizens of the European Union have become more mobile, but that this is primarily due to the difference in prosperity between western and eastern Europe. The euro crisis led to greater emigration from southern Europe. However, the south-north momentum has failed to pick up speed and in absolute numbers lags behind expectations. Spain and Greece continue to have alarmingly high unemployment rates (and the whole of southern Europe unacceptably high levels of youth unemployment), whereas in other European countries there is a lack of skilled workers. Labour mobility has the potential to promote more efficient allocation and to act as a shock absorber. It continues to be of considerable and indeed growing importance. Thus there is a need for better regulation of de jure freedom of movement, and the abolition of structural obstacles in order to attain greater de facto mobility.

51. See Zuzana Gakova and Lewis Dijkstra, *Labour Mobility between the regions of the EU-27 and a comparison with the USA*, European Regional Policy No. 2/2008.

52. Nomenclature des unités territoriales statistiques (NUTS), The classification of regions within the EU ranges from NUTS 1 (in Germany for example the federal states) to NUTS3 (counties, large cities).

53. Local Administrative Units (LAU), are administrative areas on the local level.

54. Eurofound *Labour mobility in the EU: Recent trends and policies*, Report, 2014.

55. Eurofound *Labour mobility in the EU: Recent trends and policies*, Report, 2014, data based on national statistics, the data for the United Kingdom were collected on a very low local level, and cannot be compared with those of other countries.

CONCLUSIONS

Geographical mobility is restricted by *de jure* and *de facto* barriers

The decision of an EU citizen to work in another EU country can be influenced by a number of different factors. The purpose of this study has been to give an overview of the most important regulatory and structural aspects of labour mobility within the EU. It needs to be remembered that there is a fundamental difference between *de jure* freedom of movement that is enshrined in law and the existence of *de facto* mobility. Greater regulatory standardization leads to the enhancement of an individual's rights to *de jure* freedom of movement, whereas the abolition of structural obstacles increases *de facto* mobility. The following table sums up the most important topics and policy recommendations.

| TOPICS | POLICY RECOMMENDATIONS FOR GREATER GEOGRAPHICAL MOBILITY |
|--|--|
| Welfare benefits | Alignment of duration of payment for the portability of unemployment benefits |
| Pension rights | Fast and comprehensive implementation of Directive 2014/50/EU Alignment of pension commencement age (relative to life expectancy) |
| Practising a profession in the internal market | Automatic certification of professional qualifications / standardization of the certification procedure Abolition of obstacles in regulated professions e.g. with regard to the schedule of fees and licences |
| Language barriers/ Cultural barriers | Legal entitlement to language courses for EU citizens / integration courses in the country of destination financed by ESF |
| Employment Agency | Transformation of the EURES network into a European employment agency Improved networking among national employment agencies Creation of programmes to fight youth unemployment on the European level Participation of unions in mobility programmes Mobility programmes financed by the ESF |

In the medium term priority should be given to Europe-wide employment agencies and European mobility programmes

The analysis of the migration streams in the last ten years shows that the Eurozone in particular has the potential for greater geographical mobility. As an adjustment channel within the EMU labour mobility can primarily be strengthened with the help of proactive mobility programmes. For this reason there is a need in the medium term for 1) the establishment of a networked European employment agency and 2) the Europeanization of mobility programmes. In order to combat the persistently high levels of youth unemployment in large parts of the EU these two points should be at the top of list. In the long term the *de jure* and *de facto* barriers described in this study should be dismantled step by step.

Labour mobility needs a positive storyline

Since the beginning of 2016 the European debate has been dominated by the integration of refugees into the European labour markets and the future of the Schengen Agreement. In the process intra-European labour mobility has been put on the back burner. However, a better integrated European labour market with high mobility and open borders (1.5 million EU citizens cross an EU border on the way to work every morning) is in the long term the most effective way of increasing productivity and prosperity throughout Europe, and of integrating refugees into the labour markets. For this reason the EU needs a positive storyline that links and combines the positive aspects of unrestricted freedom of movement for individual EU citizens and of geographical mobility for the economies of the EU.

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