Labour mobility
in a transatlantic perspective

Conference report

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Dublin, 30-31 October 2007
**Background**

This report presents the conclusions from a seminar on labour mobility coorganised by the European Foundation for the Improvement of Living and Working Conditions and the German Marshall Fund of the United States. The seminar brought together a group of about 60 leading European and American researchers in the field of labour mobility and policymakers to discuss transatlantic mobility trends and to reflect on the social, economic and cultural impacts of geographical and long-distance labour market mobility. The event focused on long-distance geographic mobility trends in the US and in Europe, comparing drivers of and barriers to mobility, making balanced cost–benefit analyses of mobility, assessing long-term effects of greater mobility, comparing pro-mobility policy instruments, and discussing possible future mobility trends. Following the current discussion on labour mobility and the European Year of Workers’ Mobility 2006, the seminar took place in Dublin, Ireland, on 30–31 October 2007.

A major policy benchmark for promoting greater geographical mobility among European workers is the assumed greater mobility among workers in the US. The idea, implicitly or explicitly, is that the European workforce is less mobile than their American counterparts when it comes to taking up jobs and that this hampers a better match between labour demand and supply in the European economy. In general, it is argued that workers in the US are not only working harder, but are also willing to move more easily over greater distances to take up work. Europeans are more reluctant to move to other locations where work is more plentiful. The conference participants discussed the idea that Americans are ‘movers’, while Europeans are ‘stayers’, the validity of this argument and the facts relating to this perception.

As a result of an in-depth comparison of long-distance geographical mobility trends in the US and in Europe, one of the main conclusions of the seminar is that the idea of ‘the more mobility, the better’ is a far too simple policy mantra: overall, increased but improved mobility is needed, not only more mobility. The mobility concept, experts indicate, covers different forms and motives – such as within and between-country mobility, short and long-distance mobility, job (professional) and geographical mobility, and also intra- and inter-company job mobility. However, labour mobility is also driven by a set of economic and private motives facing employees, often with decisions on trade-offs between conflicting economic and private considerations.

Experts at the seminar emphasised that Europe has to look for optimal levels of mobility, not just for increased mobility. As mobility issues are relatively complex, so more balanced mobility policies are required – based on valid empirical findings – that take full account of economic, social and cultural impacts of greater mobility both for the destination and home countries of migrant workers.

**Europe needs a more mobile workforce**

Promoting geographical mobility is one of the EU’s major objectives for two main reasons. First, the right to live and work in other EU Member States is a symbol of European integration and identity. Freedom of movement is what unites European Member States and represents what it truly means to be a European citizen. Moreover, freedom of movement signifies the central idea of the EU. Secondly, the free movement of labour is believed to be necessary to obtain a better match between labour demand and supply in Europe. In this regard, mobility is considered a means of promoting labour market efficiency. European countries and regions differ in the balance between the demand for and supply of workers. However, a more mobile European labour force is needed, both within and between countries, in order to help the European economy to more adequately adapt to changing national and international market conditions. Greater labour force mobility, more flexibility and increased employability are also necessary to respond in a better way to strong global competition, rapid technological change and the requirements of a knowledge society.
Mobility as a cornerstone of Lisbon Strategy

The Lisbon Strategy seeks to meet these challenges by making Europe a more competitive, flexible and adaptable economy. Greater labour mobility between regions and jobs is a crucial element in reaching this policy objective. Different EU countries have varying levels of unemployment, resulting in simultaneous shortages and excesses of labour across Europe. In light of this, the EU Commissioner for Employment, Social Affairs and Equal Opportunities, Vladimír Špidla, emphasised:

"Europe is facing a combination of skills shortages, bottlenecks and unemployment. ‘Mobile’ workers – people with experience of working in different countries or changing jobs – tend to be better at learning new skills and adapting to different working environments. If we want to see the number of workers in the right jobs envisaged by the EU growth and jobs strategy, we really need a more mobile workforce."

This new European policy emphasis was reflected in the designation of 2006 as the European Year of Workers’ Mobility. Nonetheless, questions remain in relation to how much employment mobility Europe needs, whether it is a matter of the more mobility the better, or whether the EU needs to look for optimal levels of mobility.

Comparing mobility in Europe and the US

Americans are more mobile, but not for work-related reasons

During the seminar, the participants explored whether the American workforce is more mobile than the European labour force and what the related data represent. The observation seems to be relatively true if a comparison is drawn between cross-EU mobility and interstate mobility flows in the US. In the former EU15 (prior to EU enlargement in 2004 and 2007), only about 0.1% of the working age population changes its country of residence in a given year. Conversely, in the US, about 3% of the working age population moves to a different state every year, which represents a substantial difference when compared with the EU figures.

The conference participants discussed whether such a comparison seems plausible. Comparing geographical mobility trends in Europe and the US is not without difficulty. The validity of comparing interstate labour mobility in the US with cross-border mobility in Europe is in fact problematic for various reasons. First, the US is a federal state, while the EU comprises many countries. Freedom of movement in the US is as old as the country itself, while it has only become a recent possibility in the EU. Furthermore, labour legislation is different in the US compared with the EU, and the various EU Member States still have different labour legislation. Finally, the language, and social and cultural mobility barriers within the EU are much greater than in the US. Moving from New York on the east coast of the US to Los Angeles on the west coast, for example, represents a move within one nation, with one common language, under the same labour market legislation. However, if a European worker moves from Helsinki in Finland to Barcelona in Spain, this represents a move between countries, which have different languages, cultures, labour market systems, fiscal regimes and institutional arrangements. Mobility, in short, is a complex phenomenon. Simply comparing overall mobility indicators for Europe and the US neglects this complexity.

These institutional and cultural differences suggest comparing internal geographical mobility in the US with the situation within EU Member States rather than between Member States. In doing so, the figures narrow the ‘mobility gap’ between Europe and the US. Between 2000 and 2005, about 1% of the working age population had changed residence each year from one region to another within the EU15 countries, compared with an overall interstate mobility rate of 2.8%–3.4% in the US during the same period of time (see Chapter 5, European Commission, 2006). Furthermore, data indicate a decrease in interstate mobility in the US in the 2000–2005 period. The greatest amount of mobility takes place within county and within state in the US, rather than between states. It is interesting to note that the related findings clearly highlight that labour mobility in the US has in fact declined in the post-war decades – at least in terms of within-county
mobility. In most cases, mobility is associated with housing concerns rather than labour market issues: only one in five movers in the US identifies job-related reasons as their main motive for moving (Theodos, 2006). The US workforce may be more mobile but seemingly not for reasons relating to the labour market.

Although a large part of the difference in geographic mobility between the US and the EU can be explained by the absence of national borders in the US, English as the common language and a similar institutional framework, these comparisons still suggest that more scope exists for higher geographical mobility in Europe. However, the main difficulty is to assess how much (extra) mobility is required, and in (and between) which regions and countries it is necessary. Experts underline that the policy debate on mobility in Europe should be on optimising mobility, rather than on merely increasing mobility. However, further discussion is required concerning the parameters that determine optimal mobility levels and patterns. This should be the next step in the ongoing European mobility debate.

**Different roles of the state**

The main difference between European and American policies in addressing mobility issues is rooted in the structural difference in the role of the state in such issues. Mobility and migration in relation to the US way of thinking are related to market imperfections and above all to free choice of workers and employers. Integration of new migrants takes place through the help of civil society organisations, which is referred to as the ‘societal midfield’. No unique or guiding role from the federal government exists in this respect: an explicit and official US federal policy on stimulating mobility does not exist. Mobility in the US policy tradition is primarily of a laissez-faire nature. This absence of policy intervention does not imply that mobility is considered an unimportant issue. On the contrary, being mobile and moving to where jobs are more abundant, is at the heart of American history and culture. In a sense, the US is highly supportive of mobility and thus encourages migration. However, mobility is seen as the outcome of free market choices of the two main stakeholders in the labour market: employers and employees. In this case, no distinct role is played by the government. Nonetheless, the US government seeks to adapt other policy interventions – such as training programmes or unemployment insurance benefits – to accommodate market outcomes and imperfections, but it does not seek any specific mobility target.

From a US perspective, the role of the free market receives greater emphasis; the European perspective highlights the role of national governments not only in promoting mobility but also in linking mobility policies to social, economic and technological policies. Thus, different policy models are evident in both cases, as are different roles of government. These differences are rooted in quite different policy traditions. If Europe wants to voice a distinct mobility policy, it should emphasise this broader and more integral perspective. At the same time, experts believe that Europe could learn from the US by relying more on market mechanisms to fill job vacancies in the future, to improve job-skills matches and occupational licensing, and to standardise tax and employment laws, as well as the ability to transfer employee pension rights (social insurance cover) from one employer to another and even between different countries.

**Different cultures of mobility**

Survey findings indicate that the intentions of European citizens to move to another EU Member State are generally quite low (about 3%), although large differences between individual European countries exist. The latest figures show higher rates of intentions to move to a different location among people in Bulgaria, Romania, Sweden and the UK, and lower rates among those in Austria and Italy (European Commission, 2007). The overwhelming majority of Europeans do not intend to move. This choice is not so much related to persistent negative views on mobility only. Europeans share the idea that mobility is good for European integration, the labour market and the economy.

On the other hand, Europeans indicate that geographical mobility is not particularly ideal for families. In this way, the mobility mindset of Europeans is based on both positive and negative outcomes. Mobility is ‘bounded mobility’, meaning that the decision to move is based on balanced ‘pros and cons’. As a consequence, the intention not to move does not necessarily reflect a culture of immobility in Europe. It may suggest that people consider it as important to
balance their professional and private lives, are well integrated in their communities, and want to maintain their social ties. Extremely high European mobility levels would indicate low community cohesion, weak family structures, low social trust, and low social capital. Better forms of mobility, not just increased mobility, is the key issue in European terms, according to experts.

**Mobility and new Member States**

The debate on mobility in Europe is further intensified by the recent enlargement of the EU in 2004 and 2007 to include 12 new Member States, and existing public and private concerns about the potential impact of labour inflows from these countries. Migration in Europe can also be associated with some negative aspects, which is also true in the US. However, in the US, the negative aspects seem to be more related to illegal immigration. In reporting findings from large-scale comparative mobility projects, experts reveal large differences in mobility intentions between the new Member States. Research evidence does not support the notion that the workforces of all new Member States show high levels of intentions to move to the former EU15 Member States (Vandenbrande et al, 2006; Fouarge and Ester, 2007). On the contrary, new Member States differ considerably in mobility intentions: the highest preferences for mobility are found in the three Baltic states of Estonia, Latvia and Lithuania, Poland, as well as Bulgaria and Romania; the lowest levels relate to the Czech Republic and Hungary. In absolute numbers, this may translate into considerable numbers of migrants in the Polish case. Substantial outflow migration from new Member States does call for tailored and holistic integration policies in the destination countries, including policies for housing and intercultural education.

**Challenges of mobility**

Intra-EU migration patterns are selective: in particular, better educated and younger Europeans are willing to move to another location for work purposes. These patterns echo policy emphases: better skilled Europeans need to be more mobile to address market disparities in the balance between (skilled) labour demand and supply. However, these migration patterns are also selective in terms of migrants’ countries of origin. It seems that some, but not all, new Member States might face a combined ‘youth drain’ and ‘brain drain’ problem, most notably Bulgaria, Poland, Romania and the three Baltic states. Many uncertainties prevail, including whether or not migration to western European countries will have a permanent character and how these Member States will perform economically and demographically in the coming decades.

The EU policy debate on the need for more cross-border mobility among the European workforce should, experts state, pay more attention to unintended side effects of migration on migrants’ home countries. The abovementioned danger of selective brain drain is only one example of these knock-on effects. Substantial migration, particularly from the new Member States to the former EU15 countries, might generate serious community losses in these states. As migration is a selective process, the most entrepreneurial and skilled workers are likely to move first – the ones with substantial human capital. This may result in a depleted labour market where the best workers have left and where it is uncertain if and when they may return to their country of origin. As a result, critical social capital erosion may arise in migrants’ former home communities, for example in terms of social networks, public facilities and social services. Outbound migration may strengthen the country of destination but may weaken the country of origin. Therefore, negative aspects are indeed associated with migration; these aspects reveal that migration has an impact on both the destination and the country of origin. This impact is not only of an economic nature but also involves social, cultural and community issues. According to experts, assessing the effects of migration on the home country and home communities of migrants should have a more prominent place in the current EU mobility debate. Investigating migration effects will also underline the challenge for the countries affected to design and implement effective migration policies to encourage workers to return to their home country.
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Policy challenges of mobility

Barriers to cross-border mobility in Europe
Despite major European policy initiatives, experts agree that significant obstacles to cross-border mobility in Europe remain, such as the following:

- legal and administrative barriers, including social security disparities, non-recognition of workers’ skills and qualifications, and transitional arrangements for workers from new Member States;
- practical obstacles in relation to housing, language, finding employment for a partner, lack of information, difficulties in finding a job abroad;
- psychological and cultural issues in terms of the fear among workers of losing their social network, the absence of mechanisms for returning to the home country, and the non-recognition by employers of previous mobility experience.

In recent times, the European Commission addressed most of these obstacles in its new Job Mobility Action Plan 2007–2010. It is important to monitor and assess the effectiveness of this new action plan in removing the existing barriers to geographical mobility within Europe and in establishing a culture of mobility in Europe. What Europe needs is more targeted and better tailored mobility policies. Furthermore, it should be taken into account by policymakers that emphasising certain goals in specific policy areas might negatively affect mobility policy objectives. For instance, promoting the working couple model – a central European policy focus – may create friction for cross-border mobility as it affects two careers and not just one. Furthermore, housing market limitations in various European countries may hamper mobility decisions.

Unclear relationship between regional and mobility policies
Applying a broader and more integrated policy view on mobility and migration may also reveal some anomalies in the European case. One such anomaly is the potential conflict between the existing European social cohesion policy using regional and structural funds for the improvement of regional economic and social conditions, and the European economic and employment policy promoting opportunities for greater and more effective cross-border mobility. The regional policy highlights the importance of investing in less economically advanced or poorer areas of Europe with the objective of retaining young and qualified workers in the targeted areas, whereas mobility policy emphasises the need for European workers to move to where persistent vacancies arise and to move away from areas in economic decline. In this regard, both policies need to be more clearly defined and balanced.

Linking mobility policies with integration policy
Based on negative experiences with so-called ‘guest worker programmes’ in countries like Austria, Belgium, Germany and the Netherlands, increased recognition has emerged of the possibility of combining systematically policies supporting economic migration between EU Member States – and with third countries outside the EU – with a holistic social and societal integration policy. According to recent EU policy thinking, integration should be seen as a dynamic two-way process of mutual accommodation by immigrants and the native population. Such a policy should avoid negative effects such as low labour force participation rates of second generation migrants, social exclusion, ‘parallel societies’ and reduced social cohesion.

Enhanced mobility through ‘adult worker model’
A cornerstone of the Lisbon Strategy is the so-called ‘adult worker model’. This model suggests a high volume of time and continuous involvement in paid employment of both adults in a partnership during the entire working life with only small interruptions. This policy option of two adults in a partnership taking on full-time or almost full-time work, or a model where one person works full time and the other works part time, leads to a high labour force participation rate.
among both partners; this is often combined with existing or desired career opportunities. In addition, the increasing career aspirations of younger, qualified women have to be considered in this respect. If one partner under those conditions finds new employment in a distant region, such arrangements and related employment expectations in a partnership can become a serious barrier for long-distance regional mobility; in other words, the probability that the other partner will simultaneously find an appropriate new job in the same region is usually not particularly high. In this regard, successful personnel policies of companies must consider to a greater extent the employment and living conditions of partners of newly recruited workers.

More knowledge needed to shape mobility policies
The necessity of correct benchmarking between US and European mobility patterns reinforces the need for comparable mobility indicators. In particular, US data on migration flows are leading in this respect. In light of this, the EU needs to invest more in a comparative data infrastructure of solid mobility indicators: stock and flow indicators, both with respect to donor and destination countries. This, in turn, will enable a much more realistic comparison of mobility trends between the two regions, which will thus add to the quality of the mobility policy debate.

However, little knowledge can be gathered on the various outcomes of migration: for example, the number of Europeans who will actually move, the EU countries from and to which they will move, the likelihood of return migration, whether migrants will stay permanently in their new location, or whether a new trans-European fluid labour force will emerge that follows the economic activity. Moreover, research must be carried out on the short and long-term social, economic and cultural effects of migration on both donor and destination countries. These are pressing issues and challenges that are clearly in need of a systematic and coherent mobility research programme.

Outlook for next generation
Young generations of workers are more open to the possibility of migration than older Europeans, with students, in particular, being actively involved in cross-border educational activities. The great success of European exchange programmes – such as the Erasmus higher education programme – is a clear sign of young people’s European orientation and eagerness to complete part of their higher education in another country. The next generation of Europeans is seemingly more active in pursuing a European education and in experimenting with various kinds of short and longer cross-border educational possibilities. These activities could be further supported by the provision of improved language education in schools and a greater emphasis on intercultural and diversity training for young people.

The issue is now to determine whether their European orientation reflects an age or a cohort effect. If the latter is the case, this would change future migration flows in Europe significantly. This would suggest a generation of Europeans who move more easily from one country to another and for whom cross-border mobility is a normal process, just as it is for students in the US to move from one state to another to advance their educational careers. Research shows that Europeans who have experienced mobility for the purposes of finding work in the past are also more likely to be more mobile in the future. The emergence of a young generation of highly mobile and cosmopolitan students would imply a modern segment of new knowledge workers for whom mobility is a natural occurrence. Consequently, promoting European educational exchange programmes should remain a vital basis of a solid EU mobility strategy. As a result, it is recommended to also extend these educational programmes to vocational schools. The next generation of workers in the EU, experts believe, holds the key to deciding whether a European culture of mobility will emerge in the future.

References

All links accessed on 11 March 2008


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