

F O U N D A T I O N

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**Mobility for Europe's workers: how much do we need? How much do we want?**

**Brain drain versus brain gain – the downside to migration?**

**Quality counts – migrant jobs in Europe**

**Migrants and the city: What municipal authorities can do to help integrate migrants**

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European Foundation for the Improvement of Living and Working Conditions

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This issue of Foundation Focus discusses the extent and the consequences of migration in Europe and considers the working conditions of migrants, based on Eurofound research findings in these areas. The aim of each issue of the series is to explore a subject of social and economic policy importance and contribute to the debate on key issues shaping the future of living and working conditions in Europe.

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# Editorial

How much mobility is too much? Or is European mobility always set to be too little, too late in comparison with other major global economies? While the European Employment Strategy pushes for greater mobility across the European Union to promote greater competitiveness and dynamism in the labour market, EU citizens remain unconvinced. Only 4% of the working age population have actually embarked on the migration adventure, despite a majority lauding the right to mobility as the most important benefit of the European Union (above the introduction of the euro and safeguarding peace).

Nevertheless there is a slow but persistent growth in migration across the European Union. While the US figures begin to show a decline in interstate mobility, EU figures, albeit starting from a far lower base, are on the up. This in itself throws up new challenges for the EU of 27 Member States of differing economic levels and diverse development. The phenomenon of 'brain drain', felt so keenly by the new Member States in particular, as well as the societal implications for the countries benefiting from the 'brain gain', has raised new concerns across the EU.

The concept of 'brain waste', moves the debate on a step further with new Eurofound research indicating that migrant workers tend to be found in disproportionate numbers in newly created low-quality jobs in the high-growth economies across the EU. For a host of administrative and other reasons, highly skilled migrants, educated and motivated, have, it would appear, been sucked into jobs and sectors which do not, and cannot, exploit their full potential – surely to the long-term detriment of the European Union as a whole.



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## RESEARCH

# Mobility for Europe's workers: how much do we need? How much do we want?



### 2006 was designated 'European Year of Workers' Mobility', a clear indication that mobility is one of the key elements of the European Employment Strategy. But what can or should increased mobility achieve?

The idea in economic terms is that there are potential gains to geographical labour mobility. Such gains are derived in the first place from the relocation of labour from regions with a surplus of workers to regions with labour shortages. Gains can also result from a more efficient allocation of labour to activities and regions where they are (likely to be) more productive and would generate increased income.

Particular voluntary job-to-job mobility may lead to better competence development of employees enhancing their employability, income and career prospects. For companies more labour mobility increases their flexibility and adaptability with positive effects on competitiveness through cost reduction and higher productivity.

These economic motives come at a price. Completing the internal market, making qualifications, social security contributions and pension rights transferable: these measures are costly and take time to implement. European policymakers need to consider whether promoting mobility is the most effective way of filling sectoral or regional gaps in the labour market.

But supporting mobility is more than an economic tool. It is one of the fundamental rights of all EU citizens. The possibility of freely moving place of residence and employment to anywhere in the EU is of importance to Europeans: when asked what the EU represents to them, 53% say 'freedom to travel and

work in the EU'. This answer comes first, well ahead of the introduction of the euro as a common currency (44%) and safeguarding peace (36%).

However, leaving your home, your country, is often a deeply personal choice and motivated by a variety of factors. Wanting to discover new things or learn a new language, meeting new people or even better weather are some of the reasons given for moving countries next to higher income and improved working conditions. These are issues outside of the policy sphere.

### Getting the balance right

Taking a closer look at geographical labour market mobility shows that there is a critical balance of potential gains, costs and risks for companies, employees, regions and countries. The challenge for all parties is to find the right equilibrium between mobility and stability, to cope with search and information costs, to deal with the uncertainties that emerge as regards short-/long-term and micro/macro effects of mobility and to weigh up the economic advantages and social disadvantages of mobility (trade-offs). To optimise the economic and social results of mobility is a challenge for all parties concerned.

### EU policy context

Policymakers at EU level have to consider different policy agendas regarding the

issue of workers mobility. There is first of all a 'rights' agenda for EU citizens and EU workers: The right of freedom of movement for all citizens within EU Member States, the right of 'non-discriminatory' access to employment and the right of equal opportunities on the labour market. This rights agenda is outside any economic cost-benefit calculations of mobility policies.

A second key issue on the European policy agenda revolves around the 'Lisbon process' (2000–2010) and the European Employment Strategy (EES). In April 2005, the European Council pinpointed the need for greater labour market related geographical mobility, as it

- increases the responsiveness of the labour market;
- improves efficiency on the labour market (better matching of labour market supply and demand);
- improves the adaptability of workers by assisting them into more effective transitions in different occupational status like training, self employment, unemployment, paid employment.

In this context the European Commission has taken various initiatives. At the end of 2007, the Commission launched a new Job Mobility Action Plan for the period 2007–2010. The new action plan has four main parts.

- It aims at improving existing legislation and administrative practices regarding working mobility.
- It asks for ensuring policy support for mobility from authorities at all levels. That means, among other things, to encourage Member States to include job-related geographical mobility as a

priority in their national employment and lifelong learning strategies.

- It aims to foster awareness of the advantages of mobility by actively propagating more mobility and encouraging employees towards more job-to-job and geographical mobility.
- It seeks to reinforce the effectiveness of the EURES network as the one-stop instrument to facilitate mobility of workers and their families within a European labour market.

## How many people have actually moved?

According to the European Labour Force Survey (LFS) for 2005, 9% of foreign nationals are part of the active working age population (15–64 years of age) of the EU25. For the EU15, the equivalent figure is 10.4% (19 million). Of those, less than 20% originated from other EU Member States (3.3 million) and more than 80% were third country born migrants. Out of the 3.3 million internal EU migrants, 0.6 million came from one of the 10 new Member States (NMS10) and 2.7 million from EU15 countries.

An overview on citizens who have experienced some form of long distance mobility is provided by the Eurobarometer (EB) results from 2005 for people aged 18 years and more. Based on these results, 18% of citizens in the EU25 had moved across regions in their country, 4% moved between EU Member States and 3% had migrated to countries outside the EU.

In its report *Employment in Europe 2006* the Commission tries to identify annual flow figures in the EU15 for the year 2005. By using LFS data it estimates the number of mobile workers per year across the EU15 at between 0.1 and 0.2% of the total workforce. In an alternative measurement it applies the 'year of residence' as a proxy for annual change. Based on this measure the Commission estimates an annual mobility of 610,000 for 2005 which equals a rate of 0.34%. This may indicate a slight increase in inter-country mobility in comparison to the year 2000, in which the rate was 0.26%.

## Impact on the labour market

For the question regarding the 'Europeanisation' of the labour market in the EU27 it is important to analyse the share of active working age EU27 residents born in another EU Member



State in 2006. Not surprisingly, Luxembourg has by far the highest share of nearly 38% followed by Cyprus with 8%. Ireland, Belgium and Austria follow in third place with just below 7%. Spain, representing another southern Member State has a share of 4.5%, whereas Sweden, with 4.5%, has the highest percentage of foreign active working age population in the Nordic countries. The new Member States have very low shares, 0.2% in Poland and 2.2% in the Czech Republic

Those figures would suggest that a European labour market is emerging slowly and most labour related mobility of Europeans takes place on local and regional labour market within the Member States and is often not combined with a change of residence. However, there is a much higher internationalisation of the

European labour market through the influx and availability of labour from third country migrants.

## Mobility between 'old' and 'new' Member States

Although both European policymakers and European citizens strongly support the opportunity of mobility across borders in the EU, concerns still exist regarding the potential negative impacts of labour inflow from new Member States, particularly in the early phases after accession. At each stage of enlargement of the EU bar one, temporary transitional arrangements have limited the free movement of people on the labour market.

What is the actual situation regarding migration between old and new Member States? As far as the number of migrants from the NMS10 in the total working age population of the EU15 is concerned, the Labour Force Survey suggested that for 2005 this was 0.9 million, which increased to just under 1.5 million in 2007. This represented 0.6% of the total resident employment age population in the EU15.

The total numbers of workers from Bulgaria and Romania in the EU15 show a similar trend at a slightly lower level: In 2005, 0.85 million people were part of the total working age population of the EU15, increasing to 1.25 million in 2007.

These absolute figures represented 0.5% of the total resident working age population in the EU15 in 2007. That means the combined figure for NMS12 would be 2.75 million or around 1.1% of the total working age population of the



EU15 in 2007. At first sight this does not represent a large share in the working age population of the receiving countries.

Looking at the active working age population for NMS12 nationals resident in another EU country, the following picture emerges: Ireland has the highest share of above 5.4%. In second place in 2006 is Spain with 2.3% followed by Austria, Luxembourg and Cyprus (1.8–1.5%). Germany and Greece have a share of between 1.0 and 0.8%.

An estimation of flow figures is particularly difficult. Based on an analysis of resident and work permit schemes for 2005, the Commission estimates an annual flow of less than 1% of NMS10 citizens as part of the destination country's working age population. However, Ireland is clearly above this average with 1.9% in 2004 and 3.8% in 2005 along with Austria.

To summarise: (i) overall there has been significant but relatively limited overall migration flow between the new Member States and the EU15 after enlargement; (ii) the potential risk of stronger distortions on national labour markets in the EU15 seems to be not very high; (iii) countries with high migration inflows like Ireland and Spain have benefited economically from migrants from the new Member States; (iv) countries with a restrictive regime like Germany and Austria may have received significant numbers of undocumented migrants from new Member States, taking up 'undeclared work' and becoming part of the 'black economy'; (v) concerning future intentions, the differences between the new Member States have narrowed. Most migration movements in the next five years can be expected from Bulgaria, Romania, Poland and the three Baltic countries; (vi) 2009 will probably see the end of transition arrangements for new Member States and the opening up of the labour market of 13 of the EU15 countries with the possible exception of Germany and Austria.

*Hubert Krieger*

## RESEARCH

### Movers and stayers – The US and the EU in comparison

**A major policy benchmark for promoting higher geographical mobility among European workers is the assumed greater mobility among American workers. Americans are 'movers', Europeans are 'stayers', so the perception goes. This difference leads the European Commission to the view that Europe lacks a genuine mobility culture.**

What does the data tell us? As far as stock figures are concerned, 32% of the US population live outside the state in which they were born. Eurobarometer results from 2005 show only 4% of EU25 respondents have ever lived in another EU country. This would indicate a nearly eight times higher level of inter-state mobility in the US than in the EU. Due to different regional settings within larger EU Member States it may however be more appropriate to compare inter-state mobility in the US with the percentage of the EU population that has ever lived in a different state or a different larger region within a Member State. For 2005, Eurobarometer shows a figure of 21% of the EU25 population. US mobility would according to this comparison be around 55% higher than in Europe.

The flow data for the year 2005 shows that in the EU15 between 0.1% and 0.2% of the working age population changed their country of residence, whereas in the US the figure is 2.5%, according to the US current population census. This figure declined further in 2006 to 1.9%. In comparison, those flow figures reflect nearly the same difference as in the stock figures. Using the regional mobility figures of the EU15 at the NUTS1 level, the EU15 figure increases to around 1% per year. Based on this comparison, US annual

flows would be twice as high as in the EU15.

Interesting in this context is that trends in the US and in Europe seem to be moving in opposite directions. Whereas in Europe inter-state mobility is increasing slowly from a low level, the US experienced a steep decline from 3.4% in 2000 to 1.9% in 2006. Over the period of seven years it declined steadily, nearly halving the annual inter-state mobility rate. The dynamic in Europe can be mainly explained by changing mobility behaviour and intention related to the two stages of enlargement of the European Union in 2004 and 2007, whereas the sharply decreasing mobility rate in the US needs further explanation.

*Hubert Krieger*



## INTERVIEW

'Social dumping is a myth not based on any facts'



### Interview with Petr Nečas, the Czech Deputy Prime Minister and Minister of Labour and Social Affairs, incoming EU-Presidency in January 2009.

*Should European policymakers be more concerned about 'brain drain effects' in countries of origin? Is there a role for EU policy in this field?*

Migration has advantages for recipient countries and countries of origin but also entails the risk of brain drain. In many developing countries, the brain drain can have great repercussions on the development of a country and can damage important sectors of the economy such as the health or education sector. Therefore, effective migration management must include the collaboration with countries of origin and also the programmes for the support of development in the countries of origin. It is very important to stress: the free movement of people is the fundamental principle of our policy, mainly due to our previous experiences during the Communist regime when free movement was restricted. Therefore we are not in favour of restrictive measures in this area.

*Is the Czech Republic or indeed the EU experiencing a brain drain of young talented people emigrating to other parts of the EU, to the US or other parts of the world?*

Many highly qualified experts from the EU – including the Czech Republic – still emigrate to the US. The reasons for this are lack of first class scientific workplaces and lack of public and private investments. As long as the EU countries will spend their budgets on high mandatory expenses, they will never have enough resources to sufficiently support

research and innovation. On the other hand, short term stays of qualified workers abroad are very beneficial not only for host countries but also for the sending countries. After the workers return to their own country, they can profit from their experiences and new approaches.

*Do we need migration to close skills gaps and alleviate labour shortages (due to demographic change), in the Czech Republic and in the European Union? What about social dumping, do migrants contribute to this phenomenon? Do the benefits outweigh the costs of migrating workers in recipient countries?*

Social dumping is a myth which is not based on any facts. Within the EU there are hundreds of thousands available jobs.

European industry and services cannot function without foreign workers. Taking into account the high number of jobs which for different reasons are not of any interest to the European labour force, social dumping cannot be caused by the employment of foreigners.

*Do we in Europe use migrants to the best of their abilities? Do we gain from knowledge and experience of migrants?*

With respect to using migrants to the best of their abilities, there is substantial room for improvement in the EU. Europe cannot afford not to use highly qualified experts adequately. The Czech Republic supports a system of 'blue cards' which should simplify and contribute to the employment of qualified workers from third countries. However, we believe that



the EU labour market should be fully opened to workers from the new Member States first. In parallel, we are also preparing the national system of 'green cards' which should simplify the entry and employment of foreigners and therefore contribute to the better use of their qualifications.

*What needs to be done for the integration of migrants, in the European Union in general and in the Czech Republic in particular? What integration policies and actions does the Czech government have planned and in preparation?*

Government policy in the field of supporting integration is realised within the framework of the concept of the integration of foreigners, which is based on four priority areas: knowledge of the Czech language, economic self-sufficiency, the ability of a foreigner to integrate into the society and the relationship of foreigners with the majority society. From our point of view these are the key elements for the successful integration of foreigners anywhere in Europe.

*Do you believe there is room or a need for EU policy? Is it possible to learn from the experience of others, and if so, how can such sharing of experiences be carried out?*

We agree that in the field of immigration and integration, the collaboration of Member States is essential; however, taking into account the major cultural and social differences, the responsibility for the definition of the particular integration policies should be retained by the Member States. The integration policies of individual Member States in the EU greatly differ in assigning the goals, target groups and the means of realisation of the integration policy. This is due to different historic experiences linked to migration in a particular country, the different origins of migrants, different needs and different legal frameworks. The suitable tool at the EU level is, for example, the collaboration of experts in the National Contact Points on Integration along with the European Commission or thematic conferences and workshops aimed to exchange the experiences between the experts in the field of integration. There is no need to make any changes to this well-run practice. We also welcome a new source of financing aimed to support the integration of foreigners, the so-called Integration Fund.

## RESEARCH

### Brain drain versus brain gain – the downside to migration?

**At first glance, it looks like a win-win situation: host countries fill key gaps in their labour force and counterbalance skills shortages in certain sectors with new migrant labour. Home countries, for their part, benefit from 'remittance payments' sent to families left behind and from increased know-how in the event that the migrant workers return. Migrants themselves benefit from higher wages in the host countries and are able to apply their skills and gain experience.**

However, a closer look reveals a different story. The cost to home countries can be dangerously high and can seriously hamper their economic development. Skilled workers leaving the country for better wages elsewhere are creating critical gaps at home. Their talent, commitment and entrepreneurial spirit are sorely missed. A workforce depleted of its most dynamic talents is less attractive to foreign investors and multinational companies.

This is not only a problem for poor countries and emerging economies. The term 'brain drain' – now widely used to describe the phenomenon of the best and brightest of a country leaving for better wages and conditions abroad – was coined in the 1950s by Britain's Royal Society. At that time, the United States attracted the world's top scientists and researchers, among them many Europeans, to work in the scientific clusters created through a multi-billion defence-related research programme. The US high-tech boom of the 1980s and 1990s is often linked to this early investment – and to the scientists who left their home countries in Europe and other parts of the world to contribute to it.

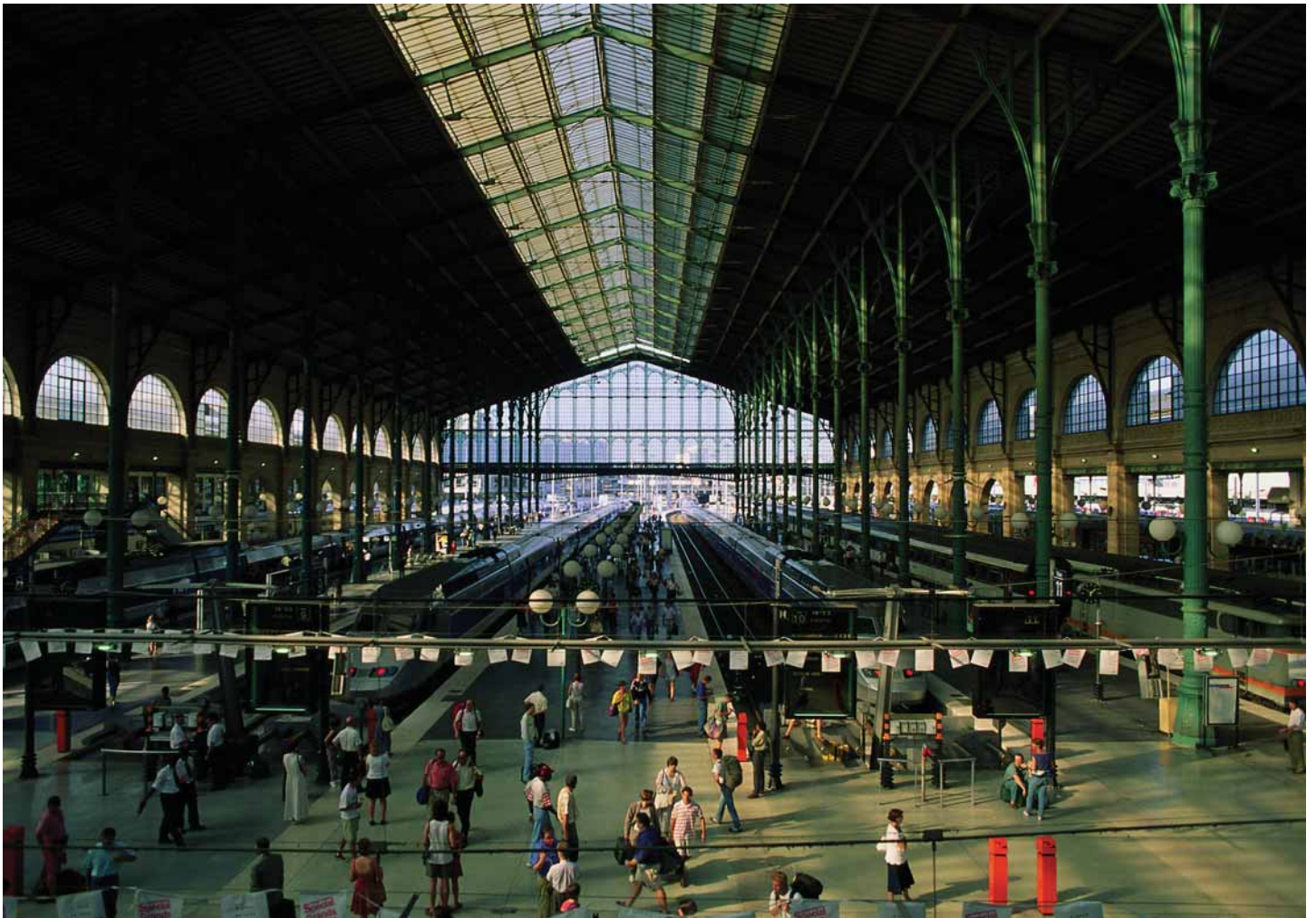
#### Bleeding dry?

Not surprisingly, the issue of brain drain is high on the agenda of the EU's new Member States. Though restrictions to the free movement of workers were initially in place for most (although not all) of the EU15 Member States and continue to apply in some, countries like Latvia have

experienced active recruitment drives for people working in science, the computer industry and medicine. An EIRO record on the situation in Latvia reported on the limited success of attempts to lure IT experts to EU15 Member States as wages for software programmers and other computing specialists in the home country remain competitive. The picture is different for Latvian scientists, who are readily accepting higher wages and better equipped laboratories and research conditions outside their home country. The situation is most dramatic for doctors and other healthcare professionals. With average wages for doctors low even by Latvian standards, a serious exodus is taking place in a country where the number of doctors per 100,000 people is already lower than in the EU15. The same holds true for Slovenia where low wages and inferior working conditions are leading to a medical brain drain. The Slovenian government intends to tackle the problem by recruiting more doctors from other countries – particularly from what was the former Yugoslavia.

#### Circular process

This policy response, though understandable and logical from Slovenia's point of view, could become part of a vicious circle – as shown by developments in many southern African countries. According to a 2003 study by the ILO, a 'beggar thy neighbour' approach leaves African countries such as Ghana unable to fill more than 40% of the doctors' posts and a quarter of nursing positions. The cycle starts with the hard-



to-resist draw of countries like the UK, where in 2002 over half of registered doctors had been trained in other countries and two-thirds came from countries outside Europe. Almost half of the nurses recruited in the UK in 2001–2002 came from foreign countries, like the Philippines or South Africa. The gaps appearing in South Africa are then filled by healthcare professionals from neighbouring countries leading to the dramatic shortages outlined for Ghana, but similarly for both Kenya and Namibia.

### Unions lack clear approach

Trade unions in the home countries find it difficult to deal with the issue. Many of their members are prospective migrants and expect support from the union in terms of certifying skills and avoiding exploitation in the host country. Migrant workers are often faced with a situation where the host country does not recognise their qualifications and they have to accept low-paid jobs below their skills level. Brain drain thus leads to 'brain waste'. Some unions have therefore developed forms of cooperation between the organisations in the home and host

country with the aim of ensuring equal treatment and a better match between skills levels and jobs. At the same time, unions in the home countries urge their governments to increase funding for the health and education sector and establish collective bargaining processes that allow the negotiation of pay increases in an attempt to make staying more attractive than leaving.

An emerging global job market and an increasingly mobile workforce is a concern for employers as well. The 2008 *Borderless Workforce Survey* conducted by recruitment company *Manpower* in 27 countries reveals that one third of the 28,000 employers questioned are worried about talented workers emigrating. Only 15% of those surveyed felt that governments were doing enough to slow outward emigration. This task is made difficult for policymakers in most countries by the lack of hard statistics on the number of workers leaving.

### Early warning system

The example of the Czech Republic, where, according to EIRO information, the migration potential of Czechs is monitored

through regular surveys since 2000, is the exception. As the country considers itself at risk of a brain drain, it is deemed important to identify migration intentions early, especially of professionals and highly skilled experts who will be hard to replace. Rather than attempting to plug the brain drain through drastic measures preventing workers from leaving, the aim is to adapt immigration policy, income policies and the education strategy in time to avoid negative effects on the economy's growth. As in most countries which send their talent abroad, the Czech Republic is no different in hoping that migration is not a one-way street and that returning migrants will improve the country's competitiveness through experience and knowledge gained abroad.

*Barbara Gerstenberger*



## RESEARCH

### Migration: some examples of social partner initiatives



The skills shortfalls in certain sectors, particularly in technical professional work is leading to a number of social partner initiatives, which deal with the issue of migration. The involvement of social partners has opened an avenue for influencing government policies geared to both labour force and immigration regulation.

Generally, employer organisations are focusing on skills shortages and unfair competition whilst trade unions have concerns about illegal work, moonlighting, exploitation of migrant workers (both legal and illegal) and various abusive practices by agencies either bringing in or sending out foreign workers. Social partnerships vary considerably in operation across the EU, depending on existing state arrangements: yet, despite differences and approaches, employers and trade unions have addressed common areas and social partner dialogue has led to important inputs into government policy regarding migration across Member States.

#### Strengthening rights

Collective bargaining in Denmark has led to new provisions for migrant workers, under the 2007 collective agreements. The Danish 'flexicurity' model aims to strengthen both flexibility and security and although some concerns remain regarding the balance between the two concepts, migrant workers now have greater security concerning housing, pensions and paid leave. Through new initiatives, the trade unions are also offering increased security to their Danish members against wage dumping by monitoring new members of the employer associations. Social partners have also agreed on a 'code for agreements with migrant workers'. Another provision ensures that migrant workers are not forced to receive and pay for services such as housing and transport offered by the employer in connection with the contract of employment. A voluntary agreement between employee and employer is still possible; however, it may be terminated with one month's notice.

#### Monitoring influx

Social partner dialogue in the Czech Republic will impact on the proposed introduction of a green card system in 2009. Employers estimate that the predicted lack of certain professional workers will lead to serious shortfalls in the Czech skills base. It is expected that Czech companies will require about 5,000 foreign workers, mainly with a secondary school or higher qualification. A green card system, combined with attracting foreign students to Czech universities, is intended to plug this gap – Czech employers indicated an interest to recruit in particular from this group of qualified students. The President of the Confederation of Industry of the Czech Republic, Jaroslav Míl, highlighted: 'We've been fighting for something like this for many years ...if Czech universities do not open their doors to foreign students, they will not have anyone to teach.' However, the trade unions feel that the proposed system will lead to an influx of qualified workers inappropriately geared to actual sectoral shortfalls and allows too much scope for abuse by temporary work agencies. Additionally, the lack of guarantees ensuring clearly defined supervision by the Czech Labour Inspectorate has led to demands for social partner discussions within the framework of the Council of Economic and Social Agreement of the Czech Republic prior to government discussion. An amendment to the Employment Act is currently under discussion by social partners and changes are expected to precede the launch of the system in 2009.

#### Fighting unfair competition

In Belgium, social partners are tackling abuse arising from increasing migration

from central and eastern Europe. Illegal work, 'moonlighting' and fraud are taking place. In particular, some employment agencies use foreign workers who may be subject to cheaper tax payable in the country of origin. These workers were sent by their employers to another country to temporarily carry out a job on behalf of a local firm, but they remain subject to the social security and tax systems of their own country. This system, regarded by social partners as unfair competition, enables employers to use eastern European workers as cheap labour and avoid the consequences of inspections by shifting liability to the employee's country of origin. In summer 2005, the social partners in the building sector set up an 'unfair competition' working party in the building industry, in cooperation with the federal government's Employment, Labour and Social Dialogue Service. Labour inspection services are also increasing their efforts to combat abuse and fraud in this area.

#### Framework for migration

In Bulgaria, social partners have supported government attempts to develop a more comprehensive migration policy. In mid 2007, a tripartite working group was established with the specific task of developing a framework for future migration policy. The working group was composed of representatives of the social partners, several ministries and NGOs. Draft migration guidelines and strategic policies were then adopted by September and October 2007. The high level of migration from Bulgaria continues to pose a threat to the internal labour market due to 'brain drain' and so joint efforts between the government and social partners were needed to address the emerging labour market challenges. The consensus reached on new migration policy priorities represents a promising development.

*Jean-Michel Miller*

## Quality counts – migrant jobs in Europe

Despite the fact that the principle of free movement of people is one of the pillars of EU integration, so far only a small proportion of EU workers have taken advantage of their legal right to settle and work in another European country. According to the latest Labour Force Survey figures (2007), a mere 2.4% of EU citizens work in another EU Member State.<sup>1</sup>

Therein lies the paradox of migration flows in the EU: migrants from outside the EU, who generally have more restricted rights to work in the EU, are present on the European labour market in much greater numbers than migrants from inside the EU itself, i.e. citizens from other Member States, who enjoy largely unrestricted rights<sup>2</sup> to move and work where they wish within the EU.

The chart below summarises the proportion of non-nationals in the labour force of different Member States based on the most recent Eurostat data and gives some idea of the degree of diversity that exists across Member States in this area.

In total, as indicated above, the EU27 workforce comprises 2.4% of EU nationals working outside their countries of origin, made up of 0.9% of NMS nationals and 1.5% of nationals from the older Member States. The proportion of non-EU nationals working in the EU is substantially higher at 3.7%.

It is immediately evident from the chart that the proportion of non-nationals in employment is generally much larger in the old than in the new Member States. In most new Member States, in fact, the proportion of non-nationals in employment is below 1% according to the Labour Force Survey figures. Amongst the EU15 Member States, there are a number of identifiably different clusters as well as one exceptional case, Luxembourg, where trans-frontier movement between neighbouring countries combines with actual migration to generate the abnormally high figures shown in the chart above.

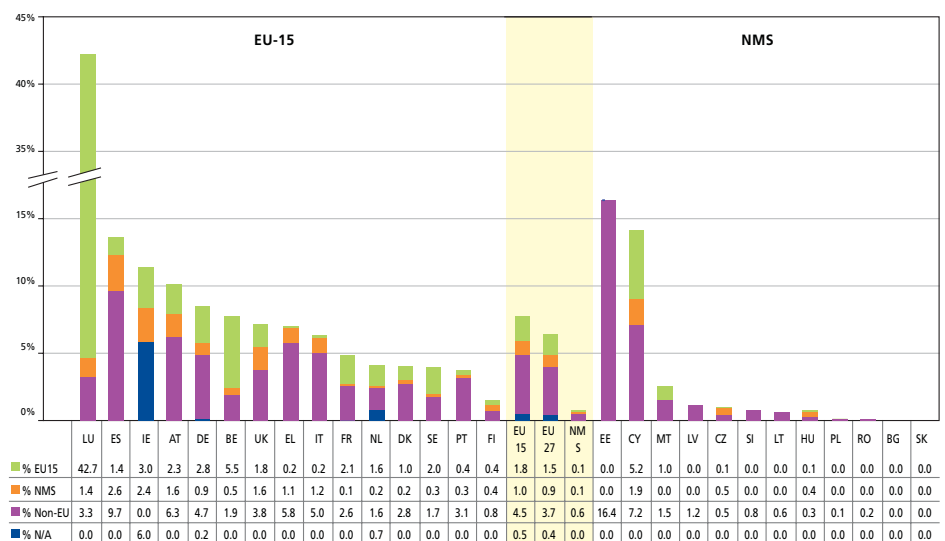
1) A group of countries can be identified with a strong tradition of sending

migrants abroad but which over the last decade or so have become the most important receiving countries in the EU. This group is largely made up of Member States that acceded in the first waves of EU expansion in the 1970s and 1980s: the clearest cases are Spain and Ireland, but Greece, Portugal (and Cyprus, from a much later enlargement round) may also be included. It is remarkable that within less than two decades, these countries – having received large transfers in order to boost investment and bring GDP per head closer to the levels in the original EU core – are now those

- with labour markets attracting the highest proportion of non-nationals.
- 2) A second group includes those Member States with a more longstanding history of economic immigration, often, but not exclusively, from former colonies. These countries traditionally had a relatively large proportion of migrants but over the last 10 years numbers have either stagnated or even declined. Examples of this pattern are Austria, Belgium, France, Germany and the Netherlands.
- 3) The Nordic countries, with the exception of Finland, tend to have lower but still significant levels of non-nationals in their labour markets (4% in Denmark and Sweden), with only a marginal increase in recent years.
- 4) Of the two remaining countries, the UK is something of a hybrid, sharing elements with both the first cluster (relatively high growth of non-national employment) and the second (traditional recipient country). Italy, too, is a hybrid: a country with a history of migration (both internal and external) but where the levels of non-national employment in the labour market have remained broadly stable.

But what kinds of jobs have been taken by migrants in the different Member States? Using Eurofound's recently completed project studying the patterns of employment expansion by job quality in the EU 1995–2006<sup>3</sup>, it is possible to make some broad comparisons of the quality of

Figure 1: Proportion of non-nationals in employment in each Member State, by origin



<sup>1</sup> It must be noted that the figures on migration are fraught with measurement problems (especially in the case of irregular, seasonal or temporary migrants), and should be read with caution.  
<sup>2</sup> The only (obvious) exception to this rule are the transitional arrangements for new Member States: in the 1986, 2004 and 2007 enlargements, the existing members could restrict access to their labour markets of workers from the new Member States for a provisional period (not all did).  
<sup>3</sup> John Hurley and Enrique Fernández-Macías, Eurofound, *More and better jobs: Patterns of employment expansion in Europe – ERM Report 2008*, available at <http://www.eurofound.europa.eu/publications/htmlfiles/ef0850.htm>

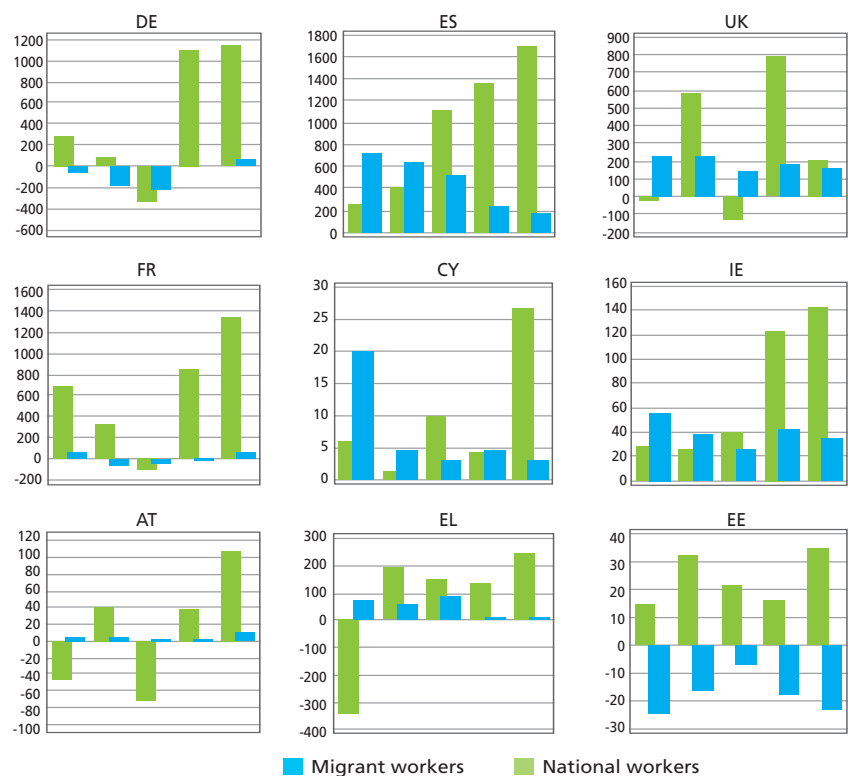


the jobs carried out by migrants from outside the EU in different Member States.

Figure 2 shows employment growth by job quality differentiating the nationality of workers for nine representative countries in the EU:

- 1) In Germany, France and Austria, there has been minimal contribution to employment growth from non-nationals between 1995 and 2006. In Germany, there has actually been a net decrease of non-nationals in employment and this is most marked in medium and low-medium quality jobs corresponding to semi-skilled jobs in low-tech manufacturing and construction. Both sectors are traditionally associated with migrant labour and have been in clear decline in Germany over the last decade.
- 2) In Spain and Ireland, 1995–2006 has been a period of very rapid employment expansion and also a period in which the labour markets of both countries have absorbed high volumes of non-national workers.

Figure 2: Job creation by job quality quintiles 1995-2006, by origin



Non-national employment tends to be skewed towards lower quality jobs, markedly so in Spain, where the quality profiles of national and non-national employment are almost perfect counter-images. In both these countries, as well as in Cyprus and Greece, most net employment growth in lower quality jobs is accounted for by non-nationals.

- 3) The Estonian figure principally shows the effect of the considerable reduction from 1997–2006 in the

share of employment of the Russian minority – attributable to a combination of naturalisation, unemployment and departure.

- 4) As mentioned earlier, the UK has enjoyed a significant growth of non-national employment and this growth has been reasonably evenly distributed across the job quality spectrum.

Given that the project deals with patterns of change in employment in the Member States in the last decade, the national figures tend to highlight changes in those countries where the share of non-national workers has grown significantly over the period. Labour migration has been concentrated in certain older Member States, but generally not in those which had been the main recipients of the previous generation of migrants. Non-nationals working in southern Europe are more likely to come from third countries and those working in northern Europe are more likely to come from other EU Member States. It is also clear that non-national workers tend to be concentrated at the lower end of the job quality spectrum and that in, for instance, Cyprus, Ireland and, Spain, they account for most net job growth in lower quality jobs.

*John Hurley and Enrique Fernández-Macías*

This project used median wage as a proxy of job quality and characterised 'jobs' in the way that a newspaper job advertisement would do – as a combination of a given occupation in a specified sector, e.g. an accountant working in car manufacturing. Breaking down employment data in this way and then tracking changes in the composition of national labour markets across time provides quite a detailed portrait of how change is impacting on the quality of employment in Europe. For the visual representation of change in the quality of work, each national labour market was divided into five quintiles, representing from left to right the lowest to the highest 20% of employment in terms of job quality in each country. The green bars represent the absolute growth in employment for nationals; the blue bar represents the absolute growth in employment for migrants (from within and without the EU) for each of the five job quality quintiles in each country.

## Migrants and the city: What municipal authorities can do to help integrate migrants

It is widely recognised at EU level that the promotion of non-discrimination and equal opportunities and the management of diversity play a crucial role in the context of integration of migrants. Access to jobs and progress in employment is recognised as a key dimension of the integration process. Municipal authorities are major employers, yet, surprisingly, their role in this context, particularly as employers of migrants, is rarely analysed. It was for this reason that sharing practice in employment provision for migrants was a priority for the CLIP project of Eurofound.

Despite the crucial role of the promotion of diversity, non-discrimination and equal opportunities for integration of migrants, the terminology in this field is often confusing. Diversity can be defined as respecting differences in the attitudes, values, cultural frameworks, lifestyles, skills and experiences of each member of a group. Diversity management, according to the European Commission, means 'understanding how people's differences and similarities can be mobilised for the benefit of the individual, organisations and society as a whole'.

### How to approach the subject

While diversity management focuses on the benefits (and costs) of a culturally diverse workforce and populace, a policy with this exclusive focus can lose sight of the fundamental right to freedom from discrimination which employees and service users have, regardless of whether their diversity is considered a benefit. Discrimination is defined as a person or group being treated less favourably than another on grounds covered by discrimination law, including gender, age and disability but in this report focusing on race, religion and belief.

Where the aim is to ensure equality of opportunity, the policy goes beyond procedures to avoid discrimination. Individuals may face barriers to equality such as lack of awareness that job

vacancies exist for which they are eligible, and an equality policy seeks to identify and address these barriers. While an anti-discrimination policy may treat everyone in the same way (regardless of the inequality in outcomes that may result), an equality policy recognises that different people have different needs and may in some respects need to be treated differently in order to provide genuine equality of opportunity leading to greater equality in outcomes. In this context, positive action may be considered.

### A 7-point checklist

Examining findings from 25 case studies carried out recently as part of CLIP research has led to some important policy recommendations for cities how to improve

their performance as equal opportunities employers for migrants.

### Check consistency

The research suggests providing leadership and ensuring consistency across departments. Cities should review, at the highest level, their range of objectives in relation to the employment of migrants within the local authority. In addition, cities should put in place both the leadership and management system that will ensure consistency in delivery on those objectives across all relevant departments and services, including endorsing good practice where, on the initiative of their staff, it already exists.

### Go beyond anti-discrimination

Cities should move beyond anti-discrimination procedures. They should review the evidence available to them on whether migrants and people of migrant backgrounds are able to access their jobs and services and identify any barriers that may be preventing them from doing so. This includes identifying steps that could be taken to overcome those barriers, to enable migrants to compete for jobs (and promotion) on an equal basis to other residents.

### Provide sound data

Cities need to provide data and implement effective monitoring and accountability. CLIP research shows that many cities are unable to report on whether migrants are accessing jobs, including senior jobs, within the administration. Cities may decide to review whether they have sufficient data to be able to monitor their progress in relation to the extent and quality of employment of migrants. Where this is not the case, additional forms of cost-effective data collection need to be



considered which could be put in place across the administration.

### Review eligibility criteria

CLIP results suggest that cities review the eligibility of migrants for jobs across their administration and consider whether the criteria that apply to all applicants but disproportionately disadvantage migrants, such as the level of language proficiency, are necessary in all cases. It also suggests cities raise with the appropriate national authority any difficulties which they or job applicants have experienced in relation to recognition of qualifications with a view to securing a system that is able to confirm comparability of qualifications within a reasonable time scale. Finally, it recommends that cities consider the relevance of the proactive approaches taken by other CLIP cities to attract migrant recruits and, where appropriate, pilot such approaches within their own recruitment strategy.

### Improve training

Training on diversity management and equality practice should be extended. Securing equality of opportunity for migrants in employment is not the only objective. Cities need to ensure that they achieve the maximum benefit from a culturally diverse workforce and that any challenges it poses are managed effectively. Some cities are developing their diversity management strategy within a broader recognition of the need to service a population that is diverse in terms of gender, age, disability and sexual orientation, while ensuring their employees are trained to comply with the law and ensure equality of opportunity.

### Adapt procurement

Many cities do not provide all of their services directly but procure them from private and voluntary organisations. In a minority of cases, cities are now making provisions to ensure that the contract provider observes best practice in relation to discrimination and equality of opportunity among its employees and in the services it provides. In this way the city can ensure that its own objectives and obligations in this respect continue to be fulfilled even though it does not provide the service directly. Guidance has been produced on ways in which cities can do this without breaching EU rules on public procurement. CLIP results suggest that cities consider the appropriate way in which they could include within contracts a provision to ensure that the provider fulfils the city's objectives in relation to



securing equal access for migrants to the service provided and to the employment of the service provider.

### Consult those affected

Finally, cities have found that consultation with migrants about the challenges they face in accessing jobs has helped to inform their policies and particular initiatives. Making the necessary contacts and establishing communication is not always easy, particularly, where migrants come from increasingly diverse countries of origin,

with differing languages, cultural and faith backgrounds. Nevertheless, many cities have succeeded in establishing standing advisory committees or ad hoc means of consultation to inform their work.

Cities should consider the most effective means to ensure that the voices of migrants are heard when new policy approaches and reforms are under consideration, moving beyond consultation to involve migrants and people of migrant backgrounds in the policy planning process.

*Hubert Krieger*

The CLIP network was founded at the beginning of 2006 by the Congress of Local and Regional Authorities of the Council of Europe, the city of Stuttgart and the European Foundation for the Improvement of Living and Working Conditions (Eurofound). In the following two years, the cities of Vienna and Amsterdam and ENAR (European Network against Racism) also joined the Steering Committee of CLIP. The network now comprises more than 30 large European and non-European cities and has the political support of the European Committee of the Regions.

In 2007, CLIP published 20 in-depth case studies, a research report and a practice guide on *Housing and integration of migrants in Europe*. In 2008, 25 case studies and a report, *Equality and diversity in jobs and services: City policies for migrants in Europe*, were published. This article is based on findings from the 25 case studies of this second research module.

The activities of CLIP are supported by a group of research institutes, which are part of the IMISCOE network of excellence coordinated by DG Research of the European Commission.

## A foot in the door – the reality behind occupational promotion of migrants



Though often described as hard working, eager to succeed and praised by their employers for their work ethic, migrant workers find little active support in their struggle for professional advancement. Occupational promotion does not play a considerable role in terms of public policies, collective bargaining or HR initiatives, as the provisional findings of Eurofound research on occupational promotion of migrants show.

In principle, migrants living legally in a Member State are covered by the same legislation and collective agreements as national employees in terms of employment contracts, working hours, occupational health and safety, remuneration, access to training and so forth. This, in theory, should guarantee equal opportunities when it comes to occupational promotion. In practice, however, unequal treatment and even severe violations of the legal provisions governing migrant employees are not uncommon.

### Overqualified and overlooked

A key issue in connection with occupational promotion of migrant workers is the fact that many of them are overqualified for the job they are currently working in. According to the OECD International Migration Outlook, one fifth of foreign-born migrant workers in Germany were overqualified in 2003-2004 (20.4%). This compares to 11.4% of native-born workers in the same period. Overqualification of migrant workers is also striking in southern European countries like Spain, Italy and Greece.

Training (or lack of it) also plays an important role: migrants are less likely than national workers to receive training.

The 2004 Spanish survey on *Quality of Life in the Workplace* shows that up to one fifth (20.8%) of foreign workers in Spain claim that their company is offering training activities for its employees, whereas one third (31.4%) of national employees report this for their companies. Also, only 10.2% of migrant workers participate in training activities offered by the enterprise, whereas this percentage is 17.6% for the national average. Given the high likelihood of migrant workers being overqualified, the question also arises whether standard training programmes and participation in training opportunities for the present job would benefit those workers or whether a tailor-made approach focusing, for example, on language training would not be more appropriate.

### The impact of tenure

Making use of training opportunities and benefitting from occupational promotion is likely to be further hampered by the fact that, on average, non-nationals, when compared to nationals, stay much shorter with the same employer. The situation varies considerably from country to country, but the Finnish Labour Force Survey 2006, for example, shows that whereas tenure of employment for Finnish employees was 9 years 10 months, it was

4 years 11 months for the non-national employees.

The Spanish Business School (IESE) has produced a White Book on Best Practices for the Integration of Migrants into Spanish Enterprises in which it suggests that most Spanish enterprises do not have specific policies aimed at the integration of migrants. However, awareness among enterprises that these kinds of policies are needed is increasing.

Research on good practice on workplace promotion of migrant workers is rare. Analyses show that once employed on standard terms, migrants often do not receive any special workplace promotion offers for fear that 'special treatment' could be seen as discriminatory practice. Research findings also suggest that migrant workers are often reluctant to express wishes and demands with regard to career development and advancement. This calls for specific efforts from HR managers if they want to ensure workplace promotion and retention of migrant workers.

### Some examples of good practice

Eurofound research does, however, identify some interesting practices and approaches. In Sweden, there are initiatives where migrants receive support during the initial stages of starting a new job. The introduction to the new workplace is combined with language training, as the lack of knowledge of the country's language is often a major impediment when it comes to looking for a job and being promoted at work.

In some countries, the social partners have taken up the issue and are addressing integration and anti-discrimination in collective agreements. In

France, a national intersectoral agreement on diversity at the workplace was signed in October 2006. The purpose is to guarantee equality of treatment for recruitment, wages, training and career advancement, with no distinction based on 'the real or supposed origin or belonging to an ethnic group, a nation or a race, not on the basis of the name, the physical appearance or the place of living'. It stipulates that a yearly report on diversity has to be presented by the employer to company's works council.

## Changing behaviour

Interestingly, the agreement focuses on communication and training of the actors involved, mainly managers at all levels. For recruitment, new methods are proposed that would guarantee the anonymous treatment of candidates ('anonymous CV'). The agreement acknowledges that preventing discrimination in recruitment and promotion requires many changes and targets unconscious discriminative behaviour (in the wording of the job advertisement, in the questions asked in the interviews etc). A bipartite working group has been established to identify good practice.

At the heart of many of the initiatives currently developed by social partners and companies is the realisation that a diverse workforce can be a competitive advantage for the company or the sector. The campaign 'Diversity as an opportunity' in Germany seeks to increase awareness for migrant workers' issues in companies, administrations and other organisations through the organisation of conferences, workshops and competitions. The aim is to respect and encourage diversity in the company and to create a working environment free of prejudice or discrimination. However, behavioural change will take time to reach all sectors of the economy and all levels of the enterprise.

Jean-Michel Miller

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