

# Social dimension of intra-EU mobility: Impact on public services

## Executive summary

### Introduction

Freedom of movement of citizens constitutes one of the core values of the European Union and is closely linked to European citizenship. There is, however, a heated debate in many of the destination Member States about the impact of intra-EU mobility on their public services. The debate centres on the 'welfare magnet hypothesis', which holds that migrants, including mobile citizens from the central and eastern European Member States, are attracted by the better quality of these services and easier access to them in the host countries. The issue has become highly politicised recently, especially as a consequence of the economic crisis and the increased inflow of these EU mobile citizens.

The main objective of this research project is to explore whether there is any evidence to support the welfare magnet hypothesis. It examines the take-up of benefits and social services by mobile citizens from 10 central and eastern European Member States (EU10 mobile citizens) in 9 host countries – Austria, Denmark, Germany, Ireland, Italy, the Netherlands, Spain, Sweden and the UK – compared to the native populations and other citizen groups. It also seeks to identify the obstacles to their integration in the host countries and initiatives to aid their integration.

### Policy context

Key points of the debate on the impact of mobility in individual host countries were reflected in a letter of April 2013 written by the home affairs ministers of Austria, Germany, the Netherlands and the UK to the President of the European Council. They claimed that certain mobile citizens from other Member States place a burden on their public services, especially on education, health and housing services, and that they draw on social assistance, often without having genuine entitlement.

The European Commission subsequently in its 2013 Communication *Free movement of EU citizens and their*

*families: Five actions to make a difference* made five proposals on how to address these issues. It specifically mentioned the need to support local authorities and concluded that it is a shared responsibility of the EU and the Member States 'to make the free movement rules work to the benefit of citizens, growth and employment'.

Previous research has shown that welfare dependency of migrants is reduced when they are successfully integrated in host countries. However, evidence shows that EU10 citizens have problems with integration. In addition, according to a 2012 European Commission policy document, there are few integration measures specifically aimed at EU10 citizens in the countries to which they immigrate.

### Key findings

#### Take-up of benefits and social services

- EU10 mobile citizens' take-up of welfare benefits and public services in host countries is lower overall than that of the native population, and significantly so in the case of social housing and pensions. However, there are certain benefits, mainly employment-related benefits (unemployment and in-work benefit), that EU10 citizens claim more than the native population. Evidence from this research project confirmed findings of previous analyses showing that EU10 citizens make a positive fiscal contribution to host countries' economies.
- Since work is their main reason for mobility, EU10 citizens' take-up of services focuses on employment services, although take-up of education is increasing, especially compulsory education for younger children. Available data also suggest that because they are concentrated in younger age groups, EU10 citizens tend to use health services less than native populations.

- Their less favourable labour market position (most are in jobs for which they are over-qualified) and the consequent wage penalties have important implications for their take-up of benefits and their need for social services.
- As regards the impact of increased use of education, some countries, such as the UK, have high concentrations of mobile citizens in certain geographical areas. The increasing pressure this puts on schools could cause tension, especially in rural areas that have no previous experience of immigration.
- Take-up of social housing by EU10 mobile citizens is lower than that of native populations. Data from Ireland and the UK showed that the difference is significant even when their socioeconomic characteristics are the same as natives. One reason is insufficient supply, even for the native population, leading to waiting lists. These were already long prior to the arrival of mobile citizens, who join the bottom of the list when they apply.

#### Main challenges

- Access to benefits in the host country can be problematic even for eligible EU10 citizens, partly because of difficulties with navigating the often complicated social welfare systems, and partly because they often lack information and language skills.
- Certain services do not always meet the needs of EU10 mobile citizens. For example, employment services may not provide help with recognition of diplomas.
- Apart from increasing destitution and homelessness as a consequence of the financial crisis, the vulnerable position of older, low-skilled migrants especially is exacerbated if they have little knowledge of the local language.
- Looking to the future, challenges in integrating children of EU mobile citizens in the education system will need to be addressed.
- Although intra-EU mobility might help ease the problems caused by population ageing and an ageing workforce in the host countries, it could exacerbate the consequences of demographic change in the sending countries.
- Demand on housing services is likely to increase as citizens from the EU10 become more settled in the host countries.

## Policy pointers

- There is a need for greater employment support for EU mobile citizens because of the disadvantages they face in the labour market and in integrating into society.
- In order to more precisely assess and remedy the situation, much more data on nationality in relation to the use of welfare services and entitlements needs to be recorded.
- At EU level, to achieve more systematic support for the inclusion of mobile citizens, it is worth considering having a separate fund within the European Social Fund that specifically serves this purpose.
- More stability in legislation at national level is needed for easier application of rules.
- At municipal level, more attention should be paid to applying for EU funds. Central government can help with this and with ensuring that service providers are properly trained to apply rules correctly in complying with the fundamental rights of EU citizens.
- Homelessness is a serious challenge in some host countries and is also recognised by the EU as a severe obstacle to social inclusion. The recently established Fund for European Aid to the Most Deprived (FEAD) could prove to be an efficient way of alleviating this problem.
- Migrant organisations, particularly, require more financial support in order to meet increased demand and improve integration, in close cooperation with public authorities.
- The EU should play a more proactive role in helping host Member States to support language learning. Recent budget cuts by individual Member States badly hit the language learning opportunities of the most vulnerable EU mobile citizens.

#### Further information

The report *Social dimension of intra-EU mobility: Impact on public services* is available at <http://www.eurofound.europa.eu/publications>.

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