

Opinion of the European Economic and Social Committee on ‘Enhancing labour mobility to support economic recovery’**(own-initiative opinion)**

(2023/C 75/08)

Rapporteur: **Philip VON BROCKDORFF**

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Outcome of vote (for/against/abstentions)	101/0/0

1. Conclusions and recommendations

1.1. The EESC has in a number of its opinions referred to the importance of labour mobility and has noted that over the years, intra-EU labour mobility has increased but only at moderate pace.

1.2. The EESC believes that a more in-depth analysis is needed as to why — other than the restrictions caused by the pandemic — the stock of EU movers of working age is growing by a smaller percentage increase than in previous years. The EESC also calls for a study to determine the economic cost of the current state of the labour market.

1.3. The EESC recommends more effective national measures with an emphasis on active labour market policies, such as in-work benefits for EU and third-country workers.

1.4. The EESC calls on the European Commission to include in the European Semester indicators as part of country-specific recommendations to monitor national policies that in one way or another restrict the mobility of workers across the EU.

1.5. The EESC also calls on the European Commission to analyse negative developments related to labour mobility, particularly the brain drain in certain sectors and regions. At the same time, measures to counter the brain drain must go hand in hand with those to promote upward social and economic convergence.

1.6. The EESC also recommends that Member States further improve their relevant portals with the inclusion of the minimum working conditions required by national legislation to avoid abuse. The EESC also calls for further efforts in improving language skills.

1.7. The EESC calls on Member States to facilitate the mobility of persons with disabilities.

1.8. The EESC also considers gender equality to be an important factor in enhancing labour mobility in the EU as stated in SOC/731 ⁽¹⁾.

1.9. The EESC calls on the European Commission to continuously monitor social security coordination and ensure common solutions to new arising situations such as teleworking from abroad. Moreover, the EESC calls for efforts to be stepped up to create a European social security number as a possibility to overcome obstacles in access to social security in cross-border situations.

⁽¹⁾ OJ C 443, 22.11.2022, p. 63.

1.10. The EESC notes that good working and employment conditions, as well as quality-of-life aspects such as the availability of good schools and recreational facilities, are necessary for businesses to maintain a competitive advantage and to attract skilled workers.

1.11. The EESC also notes that the COVID-19-pandemic clearly enhanced opportunities for teleworking. More and more workers are interested in working remotely from abroad for a short period or temporarily. The EESC looks forward to upcoming social partner negotiations on a directive on the matter.

1.12. The EESC calls for an EU-wide network of information points, including online but also physical and telephone services, aimed at helping workers and employers in dealing with enquiries in areas such as banking and insurance services.

1.13. Finally, the EESC highlights the importance of the ongoing statistical analysis of labour mobility flows to help address skills mismatches in EU labour markets and to assess the impact of developments such as the war in Ukraine and the movements of working-age persons within and between EU Member States.

2. General comments

2.1. At a time of great economic uncertainty, with economic forecasts being revised downwards and with a likely increase in the euro area interest rate to counter high rates of inflation just around the corner, labour mobility in the EU could play a crucial role in the EU's economic recovery and growth prospects. It is generally recognised that the free movement of workers and services contributes to economic growth and cohesion in the Union and creates job opportunities in the Single Market. The effect is clear: an increase in mobility to fill existing vacancies improves the allocation of labour resources, increases economic output and welfare, particularly if the working conditions on offer are fair. The EU's labour market is also based on the principle of equal treatment as enshrined in Article 45 TFEU and specified in a number of pieces of secondary legislation. Overall, the EU economy stands to gain from increased labour mobility. However, for individual Member States, there may be gains and losses, depending on the long-term effects of the direction of mobility flows. In the short-term, labour mobility would be beneficial for sending countries characterised by structural unemployment. However, the net effects for receiving countries would largely depend, inter alia, on the working conditions provided to workers.

2.2. The EESC has in a number of its opinions referred to the importance of labour mobility and has noted that intra-EU labour mobility has increased over the years but at moderate pace and, in percentage terms, still lags behind labour mobility with the US. According to a study conducted by the Directorate-General for Regional Policy of the European Commission, the US population who have moved to another state make up around 2,8 % of the total working age population, whereas in the EU the share is around 1,2 per cent ⁽²⁾.

2.3. According to the Eurostat population statistics for 2019, there were 13 million EU persons of working age (20–64) who moved from one Member State to another. However, the stock of EU movers of working age grew by a smaller percentage increase than in previous years, and the pandemic has not helped increase these numbers.

2.4. The EU 2019 Labour Force Survey indicated a figure of 11,9 million EU movers of working age (defined as EU citizens who reside in a Member State other than their country of citizenship), of whom 9,9 million were active movers (defined as EU citizens who take up employment in a different Member State without the need to obtain a work permit). This represents 4,2 % of the total labour force in the then 28 Member States. The UK leaving the EU has obviously reduced work opportunities for EU citizens and the main destination countries now are Germany, France, Italy and Spain.

2.5. Romania and Poland are the most important countries of origin of active movers, with the main sectors of economic activity for EU movers being manufacturing and wholesale and retail trade. Other relatively important sectors are construction and transport, social care and domestic services, tourism and agriculture.

2.6. The number of cross-border workers in the EU-28 was 1,5 million and, again, with UK exiting the EU, the number has fallen, with the main countries of residence of cross-border workers being France, Germany and Poland, with other notable flows occurring between Slovakia, Hungary and Austria. The EESC notes that labour mobility within the EU is

⁽²⁾ <https://epc2010.princeton.edu/papers/100976>.

motivated by a variety of reasons, depending on one's personal situation including pay differences between the host country and the cross-border worker's country of residence. The decision to move abroad to take up work can indeed be based on a combination of several reasons including employment offered on a seasonal basis in sectors such as agriculture and tourism. More recently, the worsening purchasing power impacting citizens across the EU may actually discourage labour mobility, especially if rising prices also have an impact on the cost of rented accommodation.

2.7. In recent years, there has been increased mobility among highly educated movers, with more than a third of EU movers falling into this category. Conversely, the share of low-skilled movers has fallen by the same percentage as the increase in highly educated movers. It is relevant to note that the mobility of highly skilled movers is an important developer of the knowledge-based economy. The most important EU destination countries for highly skilled movers are Germany, Spain, France, Belgium and Austria. Whereas highly skilled movers work most commonly as professionals in business, teaching, science and engineering, over-qualification appears to be quite prevalent. It is estimated that 55 % of highly skilled movers are women.

2.8. According to Eurostat's demographic projections, the mean age of EU citizens is expected to increase. Significantly also, the working age population is expected to fall as a proportion of the entire population, particularly those between the age of 20 and 39 years. Conversely, older age groups will have large proportional increases. These demographic developments will have a considerable impact on the potential number of EU movers in the years ahead, since people are most likely to move at the beginning of their working lives and, as they grow older, are less likely to move. This is corroborated by evidence, with persons aged from 20 to 29 and from 30 to 39 registering higher annual outflow numbers than other age groups.

2.9. Since the number of persons in younger age cohorts is also falling in sending countries, this is expected to result in falling numbers of mobility workers across the EU. However, this expected decrease in mobility flows may be counteracted by the EU's ageing population, with an increased demand for specialised health and social care, requiring an increase in the recruitment of mobile workers.

2.10. It is evident from the above that mobility flows across the EU remain a challenge that limits supply and causes mismatches in most sectors, including IT and high-tech industry. This situation has not been helped by the pandemic, with intra-EU mobility being constrained by lockdowns and other restrictive measures such as border closures and travel bans. Prior to the pandemic, East-West labour mobility had dominated South-North flows, and this is expected to continue with the influx of refugees from war-ravaged Ukraine. In any event, the sooner mobility among EU citizens returns to pre-pandemic levels, the better. The number of active labour market movers fell by 4 per cent between 2019 and 2020 ⁽³⁾.

2.11. The mutual recognition of diplomas and qualifications is essential to fill in vacancies where labour shortages persist and to facilitate mobility. However, the recognition system needs to be reinforced to work effectively and to support labour mobility. The problem mainly arises in the mutual recognition of vocational qualifications rather than at academic or professional level. That said, it is relevant to acknowledge that there is a different approach to the mutual recognition between academic and vocational qualifications. One should also keep in mind that according to Article 166 TFEU, the EU shall fully respect the responsibility of the Member States for the content and organisation of vocational training, while supporting and supplementing the action of the Member States.

3. Specific comments

3.1. The EESC believes that a more in-depth analysis is needed as to why — other than the restrictions caused by the pandemic — the stock of EU movers of working age is growing by a smaller percentage increase than in previous years. The EESC also calls for a study to determine the economic cost of the current state of the labour market, characterised by fragmentation along the lines of Member States: 'the cost of a non-unified EU labour market'.

3.2. The EESC recommends more effective national policy measures such as mobility incentives including circular mobility (by investing in countries of origin through exchange and mutual learning programmes), with an emphasis on active labour market national policy measures, such as in-work benefits for EU and third-country workers. In this connection, the EESC believes that offering jobseekers financial support, such as covering costs of relocation to take up a

⁽³⁾ Annual Report on Intra-EU Labour Mobility (2021).

job in another Member State or region, would further encourage mobility. In addition, further efforts are needed to improve information regarding jobs in other EU countries, as well as relocation assistance to support the logistics of moving country — e.g. finding accommodation, registering for tax purposes, finding a school for your children, possibly assistance in finding a job for partners, etc. The EESC recommends making use of AI tools in a common EU-wide web that centralises all the job offerings across EU Member States, to better match profiles and job requirements. In the same vein, more targeted incentives should be provided to encourage unemployed workers to move to Member States with low levels of unemployment. The lack of skilled labour is the most pressing issue for European firms, as stated by the SAFE report issued by the ECB on 1 June 2022.

3.3. The EESC regrets that the EU labour market remains fragmented. Labour mobility has been the victim of the piecemeal approach adopted so far. Further disjointed policies, particularly at national level, need to be avoided. Whereas it is necessary to safeguard equal treatment between local and mobile workers, the EESC calls on the European Commission to include in the European Semester indicators as part of country-specific recommendations to monitor national policies that in one way or another restrict the mobility of workers across the EU.

3.4. Increasing the mobility of EU workers and professionals can only happen if there is better enforcement of existing provisions, access to information and cooperation between Member States. The EESC believes that the role of the European Commission in all this is critical. The EESC notes that individual Member States may be reluctant to adopt more Single Market reforms out of fear this might lead to short-term job losses, particularly in those countries that are already lagging behind, and in low-productivity countries/sectors. In theory, the free movement of labour would help address this issue, but from a national perspective, this could lead to a loss of resources and potential brain/skills drain in the interim. It may be necessary, therefore, for the European Commission to analyse negative developments related to labour mobility, particularly the brain drain in certain sectors and regions. At the same time, measures to counter the brain drain must go hand in hand with those to promote upward social and economic convergence. The EESC acknowledges that there could be a number of variables at play, including the demographic outlook and its effect on the size and composition of the working-age population in both sending and receiving countries.

3.5. Whereas educational and validation standards need to be maintained at all times, the EESC calls on Member States to reduce bureaucracy and adhere to the fundamental principle of equal treatment. In this connection, further improvements in the mutual recognition mechanisms and job mobility portals are deemed necessary. The EESC notes important improvements to the EURES job mobility portal, the Europass online platform and the European skills, competences, qualifications and occupations classification system (ESCO) and calls on Member States to further improve their relevant portals with the inclusion of the minimum working conditions required by national legislation. The latter is considered particularly relevant to avoid abuses in working conditions for mobile workers in cross-border regions and for third-country workers. The EESC also calls for further efforts to improve language skills, since lack of language skills poses a major barrier to free movement in the EU.

3.6. The EESC calls on Member States to facilitate the mobility of persons with disabilities. Relevant to this is the adoption of a common European definition of disability status, in line with the UN Convention on the Rights of Persons with Disabilities, and the mutual recognition of disability status among Member States.

3.7. The EESC considers gender equality to be an important factor in enhancing labour mobility in the EU, as stated in SOC/731. This should be part of a wider commitment to abide by the standards of democracy and equality for all as a means to increasing labour mobility.

3.8. The EESC recommends that host Member States provide persons working in the host country with access to training, such as language programmes, at the start of their professional experience and retraining, if required at a later stage, in order to address the shortage of labour in certain sectors and to support digital transitions and measures towards a climate-neutral economy.

3.9. The EESC also notes that Erasmus+ could enhance labour mobility across the EU and points to a study carried out in 2011 ⁽⁴⁾ which analyses how studying abroad affects labour market mobility later in life using the exposure to Erasmus as an independent source of variation in studying abroad. The study found that studying abroad significantly increases the likelihood of working abroad after obtaining an academic qualification. Graduates who have studied abroad are about 15 percentage points more likely to work abroad after graduation.

3.10. The EESC welcomes the improved social security coordination in the EU but notes with some concern that difficulties still exist for mobile workers, and especially cross-border and frontier workers, in accessing social protection systems. The EESC therefore calls on the European Commission to continuously monitor social security coordination and ensure common solutions to new arising situations such as teleworking from abroad. The importance of coordinated action at Union level cannot be stressed enough. Member States must ensure the social rights of mobile workers at all times, including during crisis situations. Whilst acknowledging existing differences in pension schemes across the EU, the EESC also calls for increased efforts to better coordinate and enforce pensions rights of mobile workers across the EU, possibly through targeted country-specific recommendations within the European Semester. Moreover, the EESC calls for efforts to be stepped up to create a European social security number as a possibility to overcome obstacles in access to social security in cross-border situations.

3.10.1. It has to be noted that the pan-European Personal Pension Product (PEPP) ⁽⁵⁾ is supposed to be particularly appealing to self-employed individuals and to mobile workers who work in different countries throughout their working life. The ability to switch providers of PEPPs across borders will undoubtedly contribute to labour mobility, although quite how far it will do so is not clear, as no PEPPs are available yet.

3.10.2. When it was introduced, the EESC welcomed the PEPP concept as a crucial step in encouraging EU citizens to make adequate provision for their retirement years and as an essential building block in the Capital Markets Union (CMU). However, as the supply of PEPPs still has to materialise, the EESC sees the need to make an additional effort in the context of the CMU's Action Plan ⁽⁶⁾, under Action 9, with a view to stimulating participation in occupational pension schemes.

3.11. The EESC notes that the COVID-19-pandemic clearly enhanced opportunities for teleworking ⁽⁷⁾. More and more workers have an interest in working remotely from abroad for a short period or temporarily. The EESC looks forward to upcoming social partner negotiations on the review and update of the 2002 Autonomous Agreement on Telework, to be put forward for adoption in the form of a legally binding agreement implemented via a directive.

3.12. The EESC notes that good working and employment conditions, as well as quality of life aspects such as the availability of good schools, and facilities of a high and sustainable standard, are necessary for businesses to maintain a competitive advantage and to attract skilled workers. The EESC also highlights the relevance of ongoing investment in formal and informal training and life-long learning, in order to support the transition towards the digital and carbon-neutral economy. In a dynamic and rapidly changing environment, adapting quickly and effectively to the changing needs of the labour market, while recognising the impact of labour supply shortages on the existing workforce, is crucial. Relevant to this is the European social partners' framework agreement on digitalisation, which states that both parties commit to upskill or reskill to meet the digital challenges of enterprises.

3.13. The EESC stresses the need for the digitalisation of procedures for labour mobility and the posting of workers in order to improve the exchange of information between national authorities and remove barriers that are not proportionate. This will also help to monitor and enforce rules correctly. The EESC agrees with the proposal contained in the European Parliament resolution of 20 May 2021 — *Impacts of EU rules on the free movements of workers and services: intra-EU labour mobility as a tool to match labour market needs and skills* (2020/2007(INI)) ⁽⁸⁾ — which recommends setting up a one-stop helpdesk for workers and future employers on applicable EU rules, based both digitally and physically within the European

⁽⁴⁾ Parey and Waldinger (2011) Studying abroad and the effect on international labour market mobility; evidence from the introduction of Erasmus.

⁽⁵⁾ EESC opinion: Pan-European Personal Pension Product (OJ C 81, 2.3.2018, p. 139).

⁽⁶⁾ See EESC opinion: A Capital Markets Union for people and businesses — new action plan (OJ C 155, 30.4.2021, p. 20).

⁽⁷⁾ OJ C 220, 9.6.2021, p. 13, OJ C 220, 9.6.2021, p. 106.

⁽⁸⁾ OJ C 15, 12.1.2022, p. 137.

Labour Authority (ELA). As laid down in Article 5 of the ELA Regulation, the ELA shall improve the availability, quality and accessibility of information on labour mobility, including through a single Union-wide website acting as a single portal for accessing information sources and services at Union and national level in all languages of the EU. Furthermore, the ELA should support Member States in updating their national websites.

3.14. Concurrently, the EESC calls on Member States to digitalise public services, in particular the relevant social security services, to facilitate European worker mobility across the EU, while at the same time guaranteeing the portability of rights and compliance with obligations with regard to the mobility of workers and professionals.

3.15. At the same time, the EESC calls for an EU-wide network of information points, including online but also physical and telephone services, aimed at helping workers and employers in dealing with enquiries in areas such as banking and insurance services.

3.16. The EESC highlights the importance of the ongoing statistical analysis of labour mobility flows to help address skills mismatches in EU labour markets and to assess the impact of developments such as the war in Ukraine and the movements of working-age persons within and between EU Member States. The EESC acknowledges that matching at the European level is far more difficult than at the national or regional level. Nonetheless, the EESC believes that the role of EURES advisors in providing informed support to mobile workers is crucial.

3.17. Also relevant is research on the mobility of third-country workers and their working conditions. The EESC is concerned at the occurrence of precarious working conditions for third-country workers in Member States and calls for stronger enforcement of rules. The EESC also notes that labour mobility from EU Member States will not be enough to meet skills shortages. Labour migration from third countries will also need to be facilitated and enhanced. In this respect, the EESC welcomes the recent package on migration policy, but reiterates its viewpoint that effective steps need to be taken to enable unemployed EU citizens to enter the labour market.

Brussels, 26 October 2022.

The President
of the European Economic and Social Committee
Christa SCHWENG
