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Labour Mobility – a key aspect of EU Employment Policy

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Ladies and Gentlemen,

Thank you very much for the opportunity to speak here at your conference on Labour Mobility, which I welcome as part of a broad debate in the framework of the European Year of Workers' Mobility.

We have spent this afternoon discussing mobility, so I would like to embark with you on a little *'tour d'horizon'* on the issue.

Within this *tour d'horizon* I will:

- reflect on the current situation of labour mobility in the EU,
- explain to you why workers mobility is a key aspect of EU Employment policies
- and finally present to you the forthcoming actions and initiatives by the European Commission for promoting labour mobility.

First of all, my reflections about the **current situation** start in Cyprus, my home country, because for me talking about labour mobility is like talking about myself and my family.

I come from Cyprus, but I work in Brussels, my husband has kept his job in Nicosia and my son is a diplomat, currently on posting in St. Petersburg. Last month he got married to a Finnish girl, whom he had met during his posting in romantic Helsinki.

You can imagine that dealing with labour mobility has become not just part of my professional, but also of my private life.

However, what has become a normality for me and probably also for many of you – to **leave one's home country for an interesting job** opportunity – is still the exception to the rule in Europe.

Less than 2 % of EU citizens live and work in another EU country. The picture is similar as regards occupational or job-to-job mobility: The average duration within a specific job is over 10 years in the EU, against 6.7 in the US. Hence, I

dare to state that **we do not really have a 'mobility culture' within the European workforce.**

This holds also true when we look at the development of **labour migration since 2004 from Central and Eastern Europe** to the so-called 'old' Member States. In February this year the European Commission issued a report¹ on the free movement of workers since the 2004 enlargement. The report's statistics - that were by the way submitted by the EU Member States themselves - show that most countries have seen rather low labour flows from the East. New Member State nationals represented fewer than 1% of the working age population in all countries except for Austria (1.4% in 2005) and Ireland (3.8 % in 2005).

So, why are there – almost 50 years after the Treaty of Rome – still so few Europeans working in another member state?

I would like to state three reasons for this:

¹ Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004 - 30 April 2006) - COM(2006) of 8.02.2006

First of all, **administrative and legal obstacles**, like differences in the social security systems, pension rights or taxation can make the job search in another Member State like running the gauntlet.

Secondly, **practical constraints**, like housing or spouses' and children's difficulties to adapt to a new living and working environment can deter people from seeking employment abroad or even in another region of their home country.

Finally, we should not underestimate **cultural and attitudinal** hurdles. Language certainly plays a role here, but also the absence of mobility patterns between countries or regions. If people cannot refer to others 'who made it', they may be more hesitant to take the leap.

All these constraints contribute to the absence of a mobility culture in Europe, and this takes me to the second part of our '*tour d'horizon*' - that is, to explain **why labour mobility is a key aspect of EU employment policy**.

The free movement of people is one of the **four freedoms** upon which we have been building the European Community and the European Union since the Treaty of Rome. Labour mobility is intrinsically linked to the free movement of persons. Only if people can earn a living in another member state, they can make their home there, and therefore move really freely inside the Union!

Labour mobility is an element of the **European Social Model** and this is why it appears in all policy documents dealing with employment: in the revised Lisbon objectives, in the European Employment Strategy, or in the policy orientations surrounding the Social Agenda. Accordingly, it is an important aspect in our current discussion with the Member States about the balance between flexibility and security on the labour market, the so-called 'flexicurity'.

You see, **labour mobility** is increasingly perceived as a **key instrument** in the quest for more and better jobs. Job-to-job-mobility **helps workers and enterprises to adapt** more quickly **to Europe's rapidly changing work environment** and to better cope with the effects of globalisation. For instance, the Commission report on the free movement of workers since the 2004 enlargement shows, that workers

from Central and Eastern Europe can help to overcome bottlenecks on the labour market in the EU-15 and thus boost the economic performance of their host country, as happened in particular in the UK and in Ireland.

Furthermore, mobility opens the door for citizens to new languages, new experiences, new skills.

And by the way: **The low degree of labour mobility in Europe has a cost:** We estimate the number of unfilled jobs because of the lack of mobility at between 2 and 3 million, whereas 16 to 17 million people are still unemployed.

Given the obvious **constraints to labour mobility** on the one hand, and its **importance for EU employment policies** on the other, it is fair to conclude that we have still a long way to go.

This takes us to the third and final part of our *tour d'horizon*: The forthcoming **actions and initiatives of the European Commission to promote labour mobility.**

As you may know, the Commission has implemented an Action Plan for Skills and Mobility during the years 2002 to 2005. It aims at expanding occupational mobility and skills, facilitating geographic mobility, and improving information and transparency of job opportunities.

A detailed report on the implementation of the Plans' 25 priority actions will soon be issued and *Mr. ten Geuzendam* may have the opportunity during tomorrow's panel discussion to refer to some of them in more detail.

However, the overall assessment of the Action Plan reveals that while significant progress has been made, **many Europeans remain unaware or unconvinced** of the rights, conditions and opportunities for occupational and geographical mobility.

Our **main conclusion for the Commission's forthcoming initiatives** and actions is therefore twofold:

If we want to create a European labour market we have to first of all **intensify the efforts** to remove the legal, administrative and cultural obstacles and secondly consider this as a **global task**.

This means on the one hand that current actions in the areas of social security, the portability of pension rights or the transferability of qualifications for non-regulated professions need to be fully implemented and, where necessary, completed. On the other hand we have to explore new areas of investigation: Language skills, training prior to mobility and assistance to partners or spouses of mobile workers in finding employment can also support people in overcoming obstacles to occupational and geographic mobility.

Such an **integrated approach** is exactly what the **Community Lisbon Programme and the new Employment Guidelines** ask from us: to develop mobility not only as an instrument to create employment, but also as a means to foster the personal development of individuals in a lifelong learning perspective.

This is the background, against which the Commission will issue next year a Communication on a new EU Job Mobility Action Plan until the year 2010. It will incorporate three main strands which I would circumscribe as:

- monitoring and analysis,
- removing obstacles to mobility
- creating awareness.

First of all, the Commission will continue to **monitor and analyse the situation** of labour mobility inside the European Union. I am convinced that, for instance, the report by the Commission on the free movement of workers since enlargement contributed to objectifying the debate in the so-called 'old' member states about maintaining or lifting the restrictions for workers from Central and Eastern Europe. Also, the 'Employment in Europe' reports regularly deal with mobility issues.

By providing monitoring and analysis, the Commission can give an added value to policy discussions on European level as well as in the member states. By the way, the Commission will also present in the autumn a Communication on the Labour Market in Europe, which will deal amongst others with aspects of mobility.

Secondly, the Commission will continue its efforts to lower **legal and administrative obstacles** to labour mobility. As I said earlier on, major achievements have already been made in recent years, for instance through the improved transparency, transferability and recognition of qualifications, the European Health Insurance Card and a better coordination of social security schemes. Now it is crucial to carrying on such efforts, for instance the portability of supplementary pension rights. We will also continue to run instruments such as EURES, the European Employment Service that provides information on vacancies as well as living and working conditions in all EU member states.

Last, but not least, the Commission will devote particular attention to successfully concluding the **European Year of Workers' Mobility** as part of our **awareness raising** activities that will continue after 2006. The European Year was launched in February against the backdrop of the poorly developed mobility culture in Europe. By means of activities such as conferences, surveys, studies or the EURES Job Mobility Portal on the Internet, we could raise awareness about mobility issues. We could also accompany the debates in the so called 'old Member States' about the lifting or not of restrictions on the free movement of labour from

Central and Eastern Europe. Meanwhile, eight of the EU-15 Member States have opened up their labour markets completely, and out of those, that will maintain restrictions, the majority have announced to introduce simplified procedures for access to their labour markets.

By the way, I'm pleased that our host country **Finland** has already indicated so clearly that it will not apply free movement restrictions to Bulgarian or Romanian workers when Bulgaria and Romania join the EU. On behalf of the Commission I would like to welcome this decision.

The **second part of the European Year of Workers' Mobility** will be more focused on the involvement of actors, whose input into the discussion about mobility is most welcome. We will have hundreds of events and contributions from various organisations. Next week the Commission will organise in Brussels a conference with the social partners on job mobility. Furthermore, on 29th and 30th September we will be holding the **first-ever European Job Fair**. Hundreds of events will be taking place simultaneously in no less than 250 European cities. We have also launched the 2006 Mobility Awards, which will be given to institutions, businesses or individuals that have contributed significantly

to promote mobility in the context of the European Year. And we will organise the closing conference in Lille in December where we will bring together all ideas and contributions from the different stakeholders. The results and findings of the European Year will be taken into account in next year's Communication on a new EU Job Mobility Action Plan.

Ladies and Gentlemen,

I have argued in my speech that we **lack a mobility culture in Europe.**

I have also explained that the **free movement of labour is a key element of EU-Employment policy.**

Finally, I have presented a number of **initiatives and actions by the European Commission** to promote labour mobility.

I would like to conclude this speech like I started it – by referring to my **personal experience**:

For me, going to Brussels to work was a choice. Unfortunately many Europeans still consider labour mobility as something that is imposed on them.

Therefore, **a lot needs to be done in order to change people's attitudes**:

- we need to persuade business, and in particular SMEs that mobility increases people's skills and performance;
- we need to show to workers at all levels that mobility increases their employability;
- we need to remind public authorities to engage in support activities for workers - in particular the lower-skilled workers
- both to facilitate the inclusion of foreign workers and also the return of their own nationals after a longer or shorter spell abroad;
- we need finally to convince governments that they speed up their actions in order to remove remaining obstacles.

This is what we have to do if we want to offer all workers, as President Barroso mentioned in the opening conference of the European Year, the **chance to experience a mobility experience at least once** in their career. I am sure our conference contributes to achieving this aim!

I thank you very much for your attention!

