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Intra-EU labour migration trends in times of the crisis with special regard to skills

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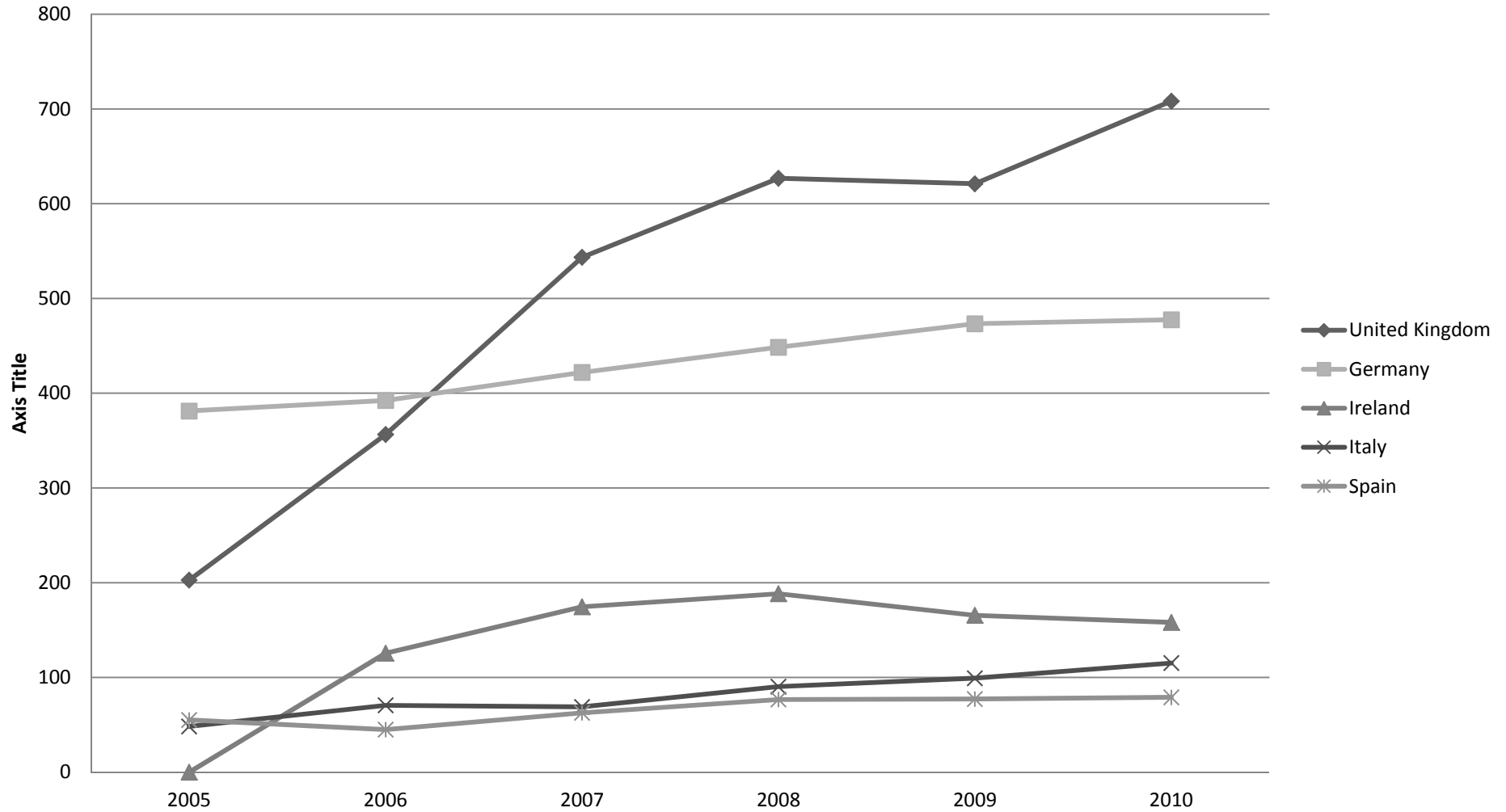
Main trends of labour mobility and labour market outcomes during the crisis

The main trends of intra EU labour mobility during the period of the crisis on the basis of the Eurostat LFS data (second quarter 2008 – second quarter 2011):

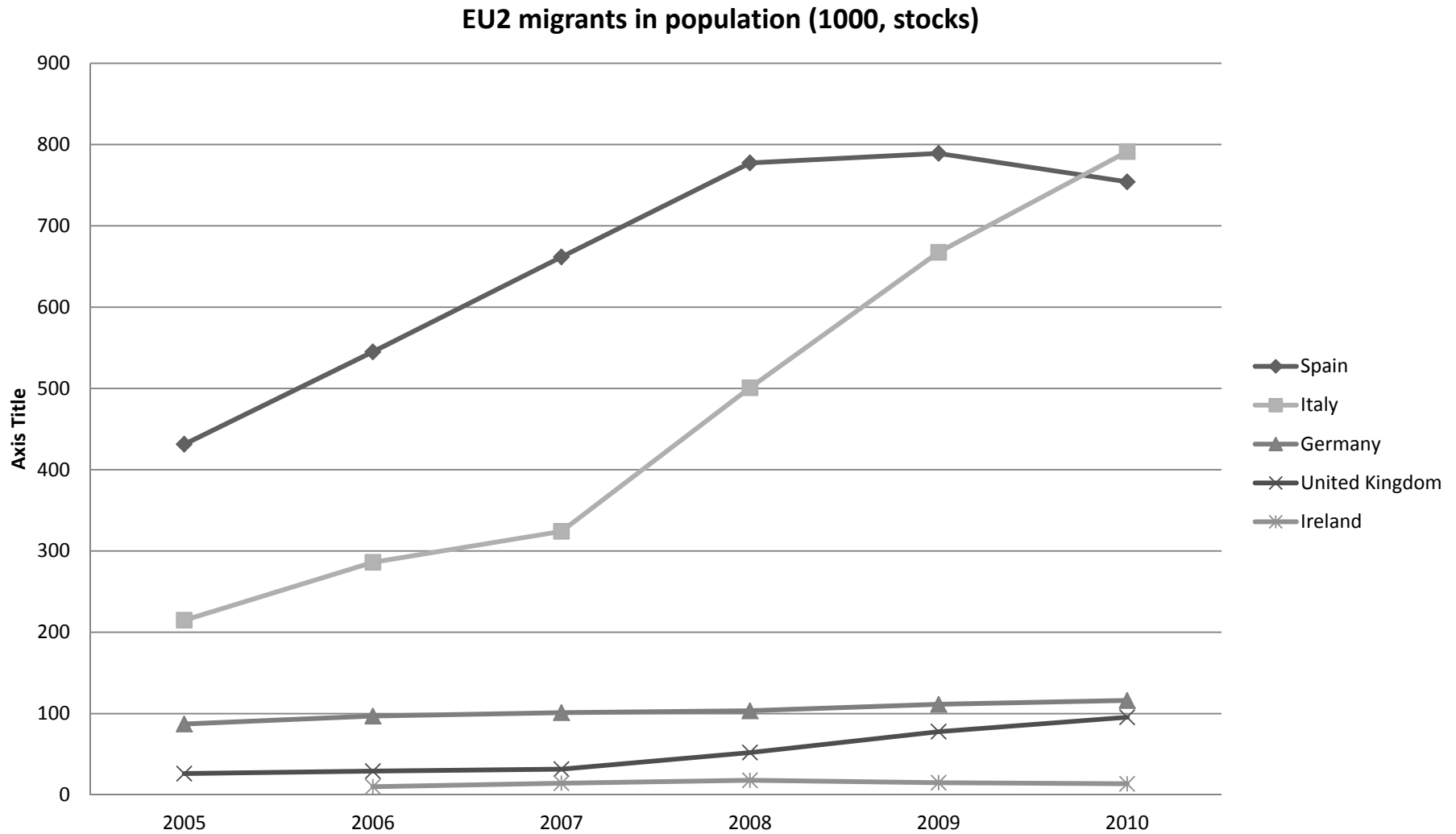
- Working age population – nationals vs EU10 citizens
- Employment
- Change of employment rate
- Unemployment and changes

EU8 migrants in population of receiving EU15 country (Stocks, 1000)

EU8 migrants in population (1000, stocks)



EU2 migrants in population of receiving EU15 country (Stocks, 1000)



Intra-EU migration dynamics at the time of the crisis

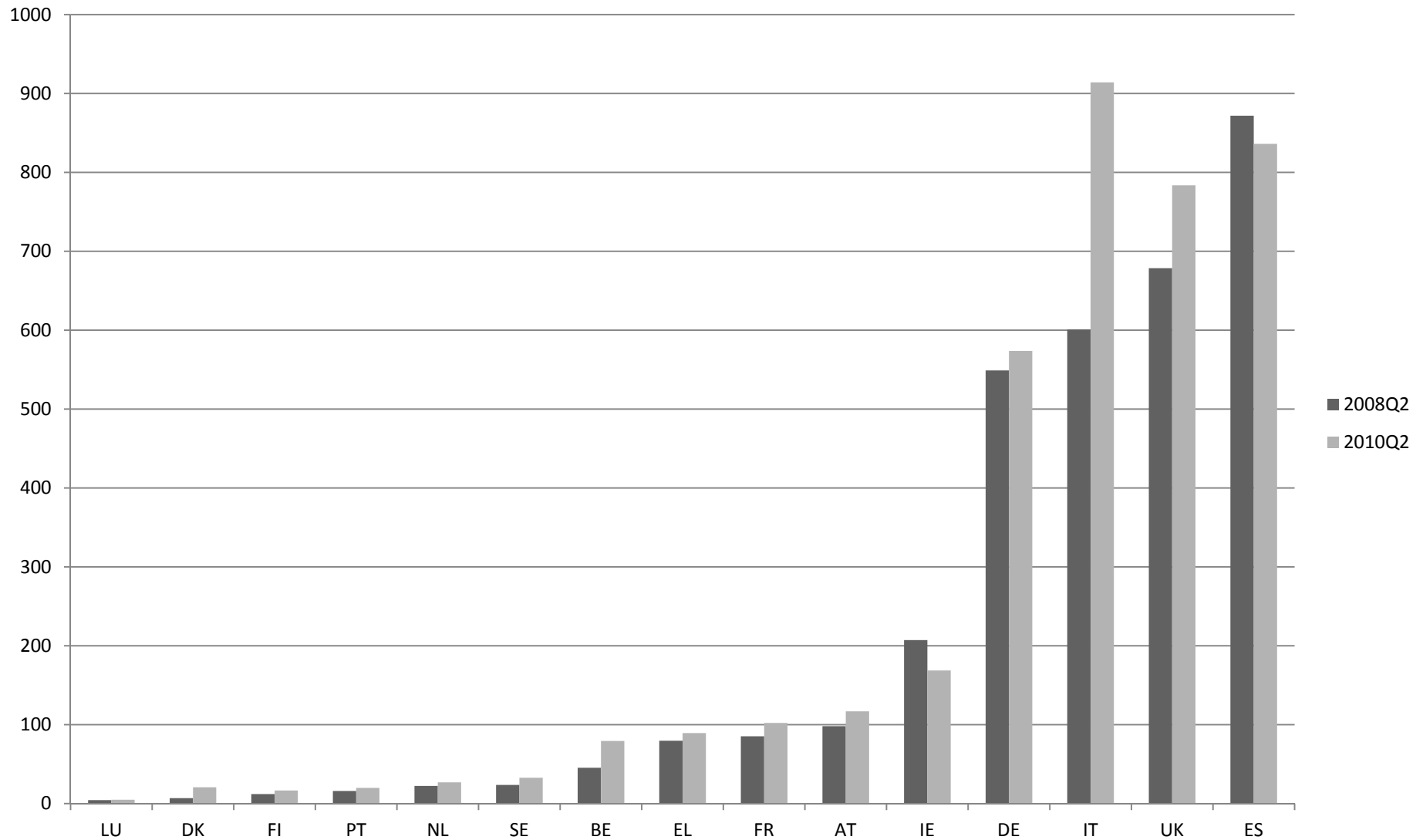
As regards receiving countries only Spain and Ireland show a decrease of EU-10 nationals of working age population between Q2 2008 and Q2 2010 more or less in line with expectations (severe recession/labour market tension in receiving country)

Surprising is however that all other major receiving countries saw an increase of EU-10 nationals, especially the 25% increase (+200th) EU-10 migrants in Italy, also the substantial increase in the UK (by about 100th) is remarkable

As regards EU10 countries, the working age population (nationals) did not show significant changes, only Poland shows an increase of about 340 thousand – is this a sign of return migration?

How to account for the 100 thousand increase of EU10 citizens in the UK?

Working age population (nationals) of selected EU12 countries before and after the crisis (1000-s)



Employed nationals vs EU10 citizens in receiving countries during the crisis

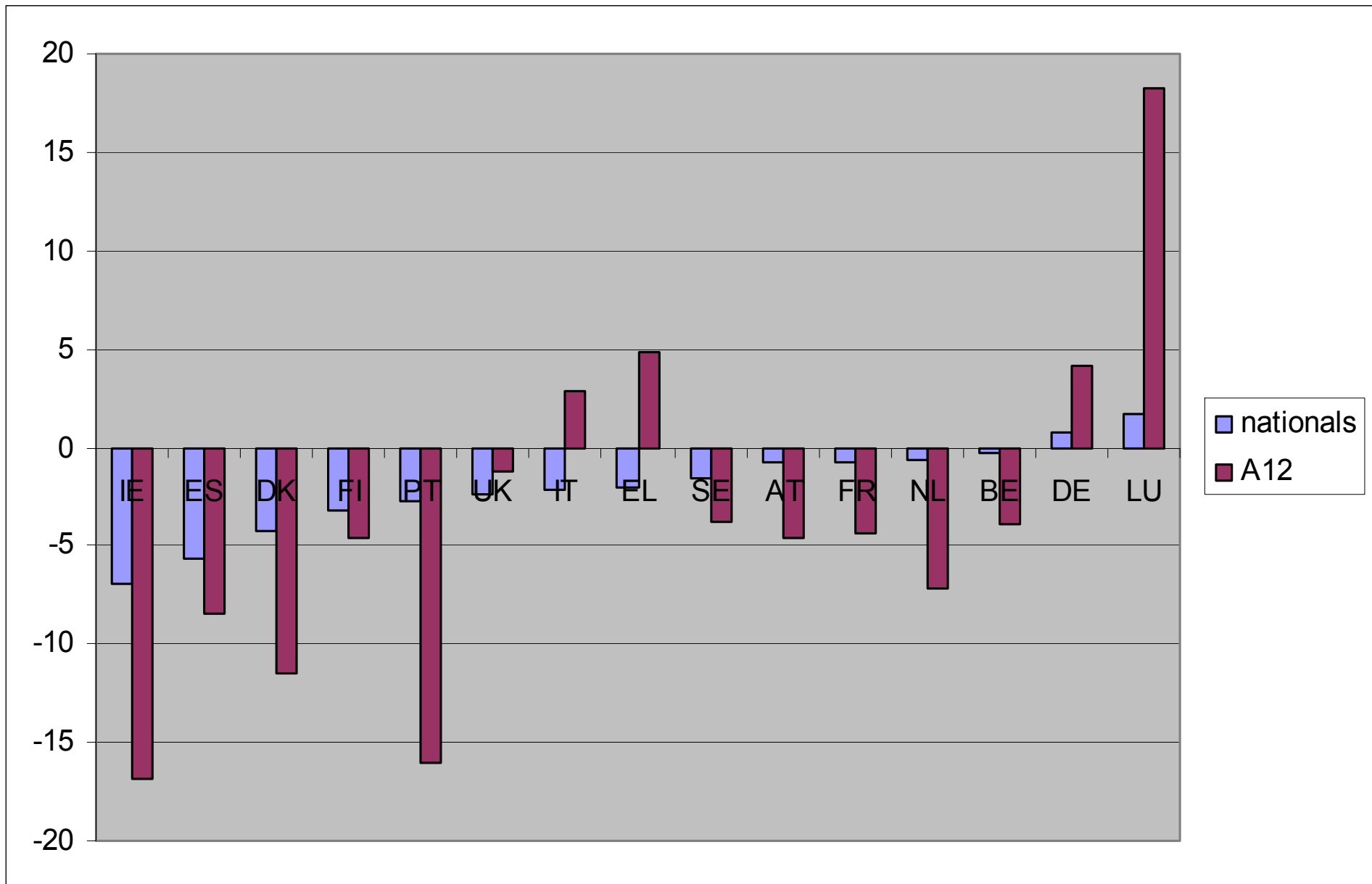
While the number of employed nationals showed a decrease in all receiving countries during the crisis (except Germany and Luxemburg), the number of EU10 employed grew in all but in Spain and Ireland

In DK, IT, GR, PT, FI, UK, SE, the number of employed nationals decreased while that of employed EU10 citizens increased

Particularly strong increase was seen in DK (but small absolute numbers – about 10th increase) Italy and Belgium (in Denmark and Italy this is in line with large growth in overall non-national population)

(Is this also an effect of the liberalisation of the LM after the second transitory period?)

Change of employment rate of nationals and of EU12 during the crisis, 2008Q2 and 2010Q2 (%-point)



Employment rates of nationals vs A12 citizens and its change during crisis

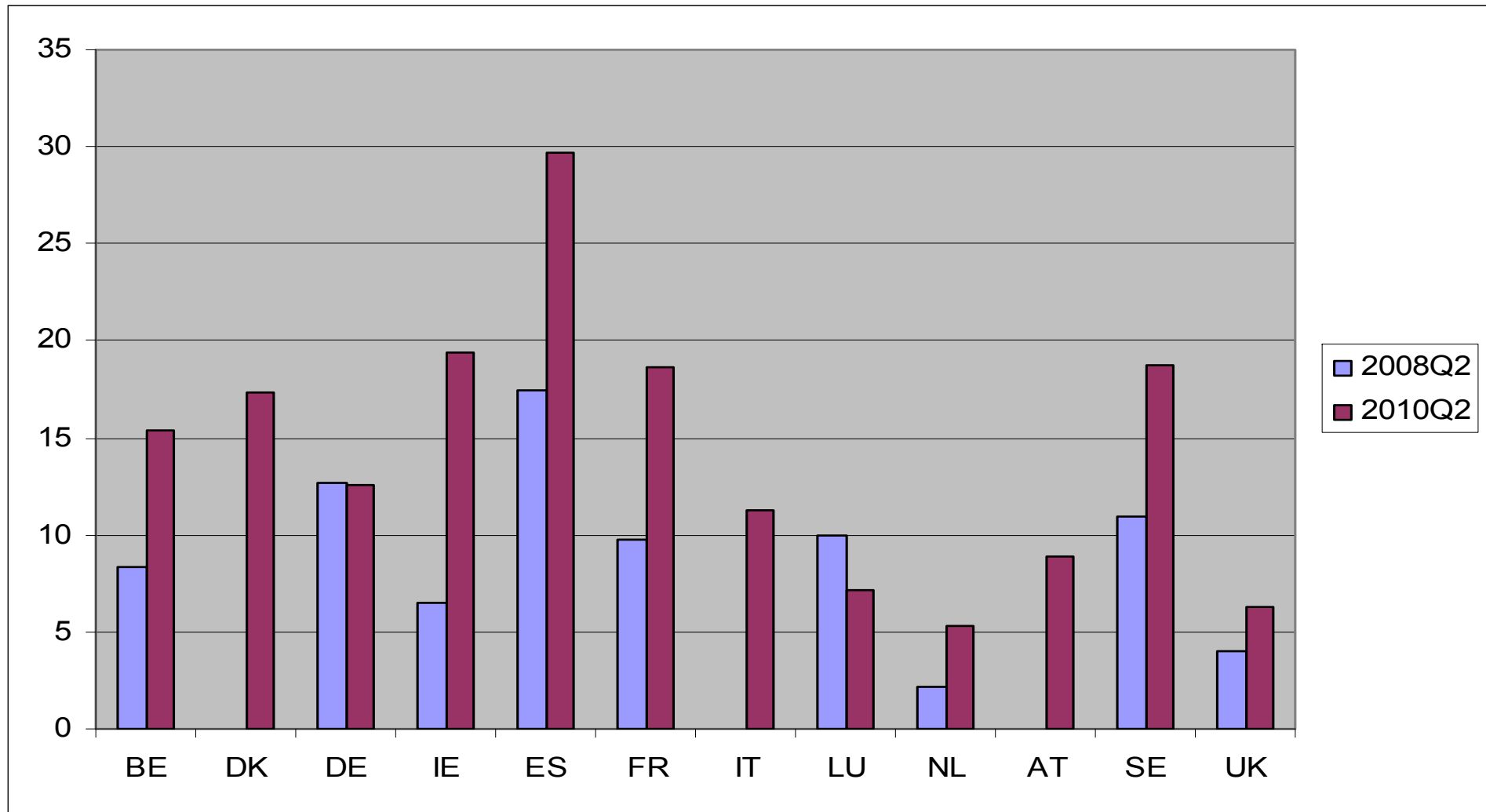
Employment rates of EU10 migrant tend to be generally higher than that of nationals, still there are exceptions: France, Germany, Austria, Sweden

In most receiving countries the employment rate of EU10 citizens suffered greater decreases than that of national during the crisis (in 10 out of 15 receiving countries)

In the UK, Italy and Greece EU10 nationals were less effected by the crisis than nationals (in the latter two EMP rate of EU10 increased while that of nationals decreased)

In Germany and Luxembourg the EMP rate of EU10 citizens increased more than that of nationals during the crisis

Unemployment rates of A12 citizens in receiving countries during the crisis



Unemployment rates of nationals vs A12 citizens and its change during crisis

Unemployment rates of A12 migrants grew in all receiving countries with the exception of Germany (stagnating) and Luxembourg (decreasing)

The increase and the levels are particularly high in Spain and Ireland where these rates also exceed the national average unemployment rates

Nationals vs EU10 migrants during crisis

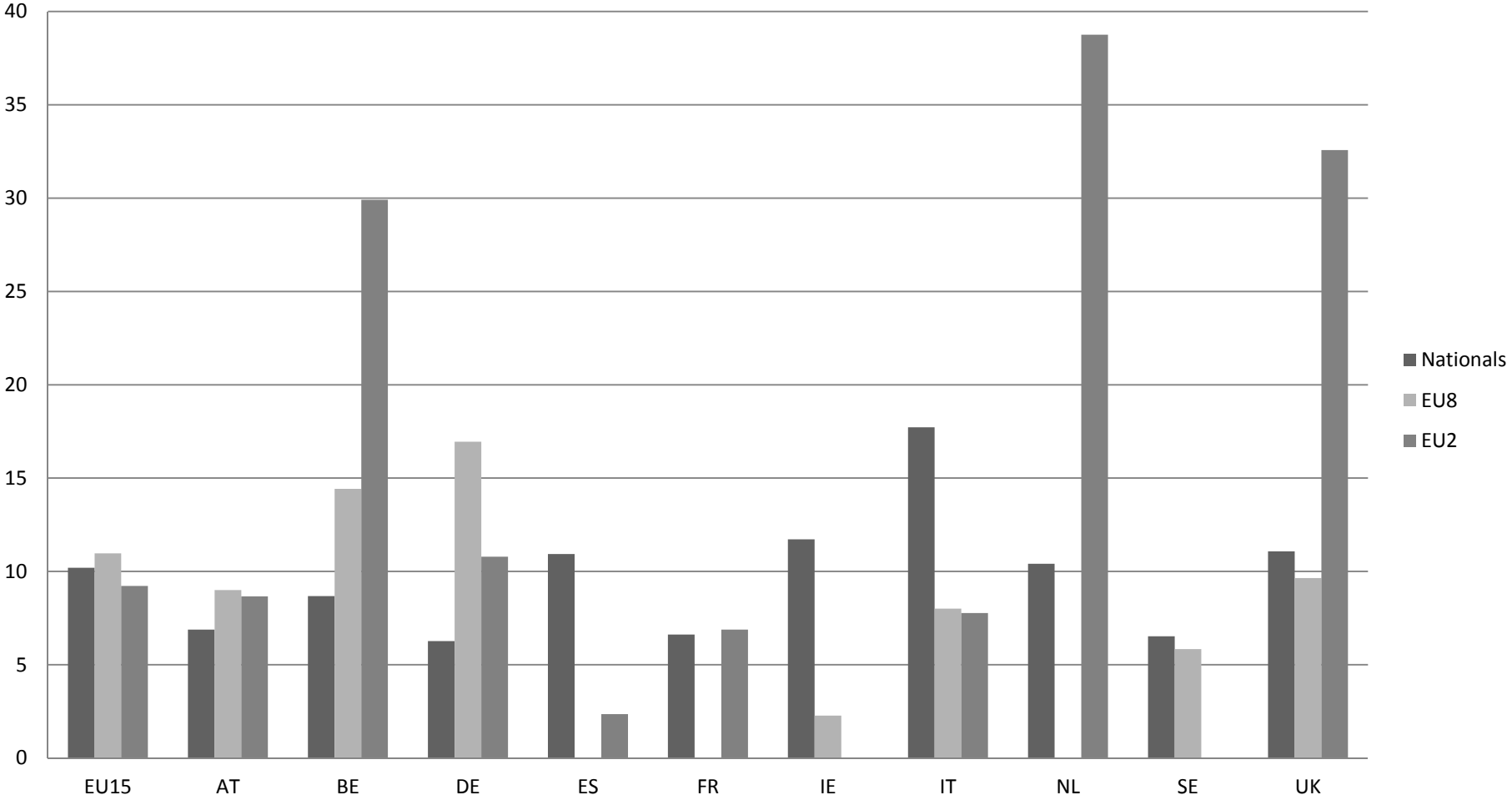
- During the crisis EU10 migrants were harder hit in the majority of EU15 countries and at least partially acted as labour market buffers. Both nationals and EU10 migrants saw declines in employment rates in the majority of EU15 countries but the trend was stronger for EU10 migrants; they were for example considerably more affected by declining employment in Denmark, Ireland and Portugal. On the other hand unemployment increased and EU10 migrants were again disproportionately affected (more often in irregular and non-standard forms of employment and in branches severely affected by the crisis).
- At the same time, as net inflow of EU10 migrants grew but jobs in receiving countries were generally lost, on absolute levels, jobs by nationals shrank more, than those filled by EU10 workers.

Source of data: Eurostat LFS data 2010

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Self-employed (without employees) as share of total employment, by nationality, 2011Q1

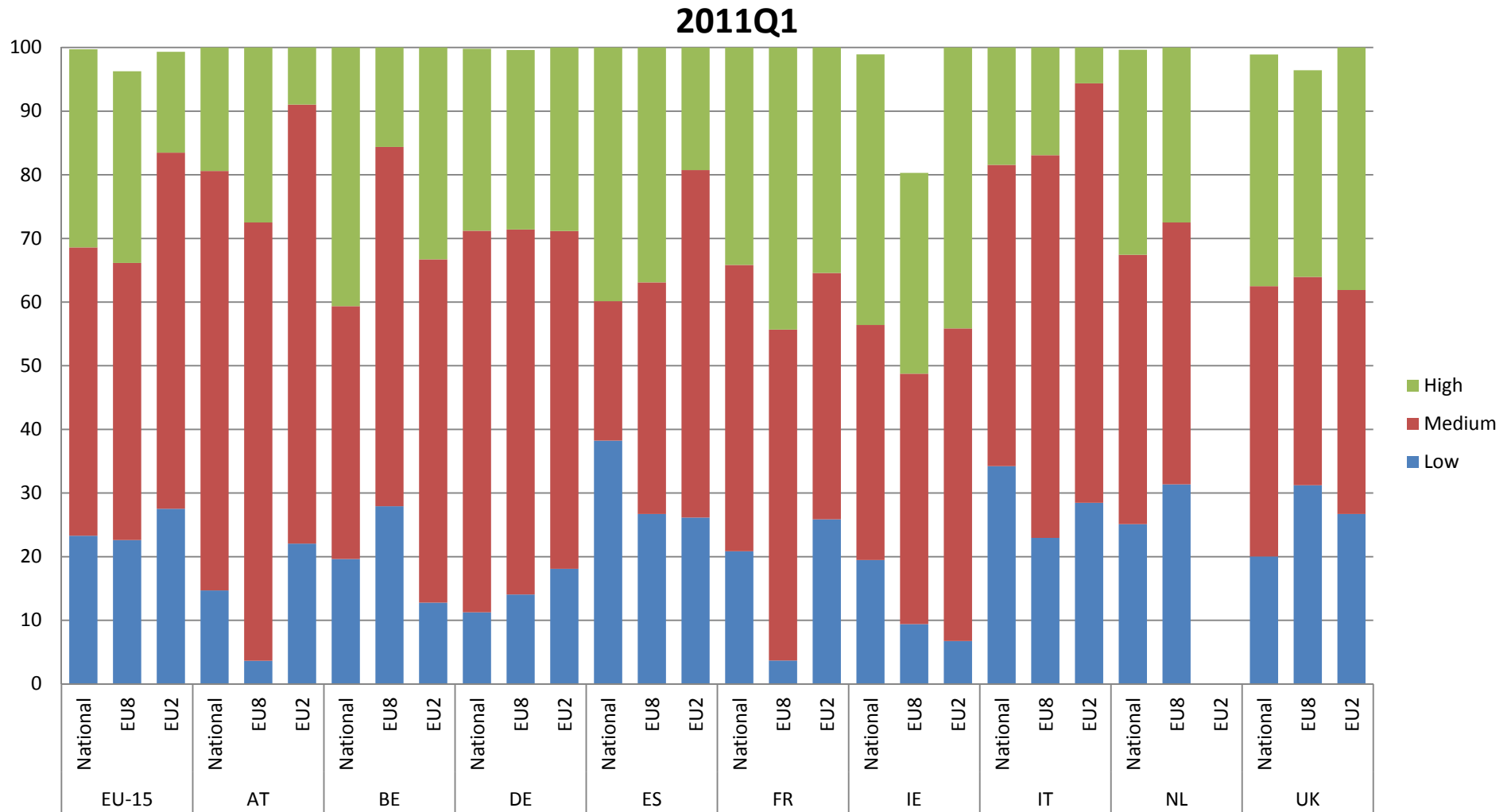
2011Q1



Self-employed

- The use of self-employment as a means of avoiding the transitional measures imposed by that country can be documented for a number of countries. Own-account EU2 self-employment in the Netherlands and Belgium have a share of up to four times higher than nationals. Both countries still have transitional measures in place for EU2 workers with some simplifications. The case of the United Kingdom is also very illustrative. The proportion of self-employed amongst EU8 migrant workers with no transitional measures is broadly in line with natives, but among EU2 workers, who remain subject to such measures, the proportion is more than three times as high.

Qualification levels of the working population in selected EU15 countries (nationals, EU8 and EU2 migrants), 2011Q1



Skill levels and skills/occupation mismatch

- Before the crisis EU8 workers in the UK were considerably overrepresented amongst medium-skilled (58 per cent compared with 45 per cent for natives) and correspondingly underrepresented, to approximately equal extents, amongst the low and high-skill categories. Strikingly, however, by the first quarter of 2011 a sharp drop in EU8 mid-level skills occurred, while EU2 patterns remained the same.
- The United Kingdom managed to attract high-skilled workers (at least for 2011), although statistical concerns remain. Italy is characterised by a high share of medium skills amongst EU10 migrants, particularly given that among natives the low-skilled are, on these data, overrepresented.

Skill levels and skills/occupation mismatch

- Skills–jobs mismatch among migrant workers is substantial in both the United Kingdom and Italy, with disproportionate shares of migrant workers in both countries working in blue-collar jobs. While UK nationals and EU15 citizens are employed mainly as white-collar workers (56 per cent and 64 per cent, respectively, in 2010), the share of blue-collar workers is 82 per cent for EU8 and 79 per cent for EU2 nationals. Over-education thus seems to be far more widespread across EU8 and EU2 immigrants compared to the other groups. As regards Italy, while Italian nationals are almost equally distributed between white-collar and blue-collar jobs, the foreign-born population is fairly polarised. On the one hand, eight out of ten EU15 citizens are employed as white-collar workers, thus taking advantage of their higher level of human capital. On the other hand, the remaining groups are specialised in low-skilled jobs, especially EU2.

Conclusions

East–West post-enlargement EU migration is a highly differentiated process with diverse implications. It includes various forms of mobility in a rapidly changing economic and regulatory environment. The interaction of the timing of both the transitional measures and the crisis impacts are also important.

Over-education proves to be a clear phenomenon for EU10 migrants, with a number of explanations. EU10 migrants characteristically have higher educational attainment than non-EU migrants and often also than the local population in the target countries. The jobs–skills mismatch and thus the under-utilisation of human capital points to one of the biggest challenges facing intra-EU labour mobility. We see little sign that the associated waste of human resources and inefficient cross-border labour allocation declines as migration duration increases. This phenomenon can be seen also as a failure of migration related policies to improve the efficiency of cross-border labour mobility.

Book publication

- <http://www.ashgate.com/isbn/9781409434504>

