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Committee of the Regions

Labour mobility and Local and Regional Authorities: benefits, challenges and solutions

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List of abbreviations

AW	Average Worker
AIP	Academic Incubators of Entrepreneurship
BMAS	Federal Ministry for Labour and Social Affairs
BTC	Brainport Talent Centre
CBT	Cross-Border Talent
CoR	Committee of the Regions
CWP	Commission Work Programme
CEBR	Centre for Economics and Business Research
CEPS	Centre for European Policy Studies
EC	European Commission
EEA	European Economic Area
EFTA	European Free Trade Association
EP	European Parliament
ERDF	European Regional Development Fund
ESF	European Social Fund
ESPON	European Observation Network, Territorial Development and Cohesion
EU	European Union
EU15	Austria (AT), Belgium (BE), Denmark (DK), Finland (FI), France (FR), Germany (DE), Greece (EL), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Portugal (PT), Spain (ES), Sweden (SE), United Kingdom (UK)
EU13	Bulgaria (BG), Croatia (HR), Cyprus (CY), Czech Republic (CZ), Estonia (EE), Hungary (HU), Latvia (LV), Lithuania (LT), Malta (MT), Poland (PL), Romania (RO), Slovakia (SK), Slovenia (SI)
EURES	European Employment Services
GDP	Gross Domestic Product
ICT	Information and Communication Technology
ILO	International Labour Organisation
IOM	International Organisation for Migration
IT	Information Technology
KIC	Knowledge and Innovation Communities
KIT	Knowledge, Innovation, Territory
LFS	Labour Force Survey
LRAs	Local Regional Authorities
MIPEX	Migrant Integration Policy Index
MS	Member State
NUTS	Nomenclature of Units for Territorial Statistics
OECD	Organisation for Economic Co-operation and Development
OSCE	Organisation for Security and Co-operation in Europe

PESs	Public Employment Services
R&D	Research and Development
RIS3	Research and Innovation Strategy for Smart Specialisation
TFEU	Treaty on the Functioning of the European Union

Executive summary

The freedom of movement for workers in the European Union shall be secured within the Community as a fundamental policy chapter of EU legislation (Article 45 TFEU). It is part of the free movement of persons and one of the four economic freedoms: free movement of goods, services, labour and capital.

Legally, labour mobility is based on:

- the **free movement of workers**, that gives every citizen the right to move freely to another MS to work and reside there without discrimination as regards employment, remuneration and other working conditions compared with nationals of that MS (Article 45 TFEU);
- the **freedom for businesses** (Article 16 of EU Charter of Fundamental Rights) to provide services in another MS.

Intra-EU labour mobility can take various forms, from permanent relocation to another country, to daily or weekly commutes across borders, or short periods of time abroad. However, although EU legislation seeks to promote labour mobility within EU countries, it still remains a phenomenon of scarce consistency in both the old and the new Member States (MSs), irrespective of their economic development or the openness of their labour market.

Labour mobility represents an important challenge not only for EU countries but also for Local and Regional Authorities (LRAs), which are called upon not only to best exploit, on the local level, the benefits of free movement of workers, but also to mitigate its potential risks. Intra-EU migration can in fact act as an important driver for local economic growth (both for sending and receiving regions) and, if directed with proper and efficient policy solutions, can lead to social cohesion with consequent additional spill-overs for the economic progress. But workers' migration can also produce negative effects on local economies, especially when bureaucratic, institutional and cultural barriers are not effectively alleviated.

Therefore, the objective of the present study is first to provide the CoR with an updated overview of the current situation of the EU workers flows by providing an intensive analysis of the available data. The absence of an accurate and exhaustive database at EU level on the inter-regional flows of EU workers requires in fact a more in-depth overview of the key characteristics of the mobile workers - such as information on the education level, the key reasons to move, the acquisition of citizenship, the duration of the migration period, the obstacles

to getting a job - in order to provide LRAs with rich information at state level, which is necessary to understand the size of the phenomenon. Secondly, this study aims to investigate the key labour mobility benefits, challenges and risks for the regions as a basis on which to formulate advanced policy solutions at the local and regional level. In this regard, the study is also enriched by examples and case studies of regional good practices in dealing with EU mobility.

The study presents the following structure:

Chapter 1 provides an overview of observed EU mobility (migrants), presenting data mainly focusing on EU migration entity, trends and patterns (paragraph 1.1) and analysing the reasons prompting EU migration flows (paragraph 1.2). Paragraph 1.3 is entirely dedicated to EU foreign labour force (migrant workers): several variables are taken into consideration e.g. labour force entity and provenance (EU or non-EU), employment rate, foreign workers distribution, workers migration duration, work access, job support, education level and main barriers. Finally section 1.4 is specifically dedicated to the analysis of the most updated data on posted and cross-border workers.

Several Eurostat databases have been adopted as main data sources to feed this section. Data on intra-EU labour mobility (paragraph 1.3) primarily derives from the Labour Force Survey (LFS) ad-hoc module ‘Migration and labour market’ (lfso_14, 2014) that aims at comparing the situation on the labour market for first generation and second generation migrants, and nationals, and further to analyse the factors affecting the integration into and adaptation to the labour market. Availability of data covers for 24 EU MSs (data not available for DK, IE, NL; no microdata available for DE). Specific data on EU foreign workers have been extrapolated from the LFS database and elaborated in this first chapter in order to represent a tailored and updated picture of intra-EU labour mobility.

Chapter 2 focuses on the main benefits of EU labour mobility for the European regions. Benefits for the regions of destination, such as positive contribution to the skill mix and labour shortages, and for the regions of origin, such as reduction in the unemployment rate or the contribution of remittances to the local economy, are analysed. In addition, overall benefits for the EU internal market and for individual workers are taken into account. The analysis is also based on the European and international literature (EC, OECD, OSCE, World Bank, ILO, IOM), and the main evidence is highlighted through the synthetic description of the case studies described in detail in chapter 4. Short fact sheets on these ten cases are presented in this chapter and in the following one, so that the key aspects and solutions offered by the proposed strategies can be clearly linked to the main benefits and challenges of EU labour mobility.

The same methodology is applied in **Chapter 3**, that presents an overview of the main challenges and risks both for the regions of destination, where the job market can be affected by peculiar aspects of the labour mobility phenomenon (fraud and abuse, working conditions, wage differentiation and social dumping), and for the regions of origin, that can suffer negative effects such as brain-drain or out-flow of young workers. The capacity of the LRAs to react to such as aspects of EU labour mobility represents one of the main areas of interest of the present study.

Chapter 4 offers an inventory of the possible territorial strategies, when dealing with EU labour mobility. The attraction of mobile workers to their own regions, the attempt to retain local workers in the region, and the enhancement of labour circulation in the EU are highlighted. Furthermore, ten case studies are referred to these three possible strategies, showing how LRAs have made use of their potential in encouraging labour mobility, or in reducing the imbalances that could be generated.

Chapter 5 synthetizes in conclusions the main findings of the study and provides recommendations to local, regional and national authorities, and to the European Union. Recommendations are hinged on the outcomes of the case studies and the analysis carried out in the first three chapters based on data and literature review, and seek to trigger further solutions to enhance the contribution of EU labour mobility to the socio-economic development and competitiveness of the European local and regional communities.

1 Overview of EU labour mobility

The free movement of citizens is a key principle of the European Union, and barriers to labour mobility have been substantially reduced with the single market and the EU2020 goals of smart and inclusive growth. However, mobility within EU countries remains low in both the old and the new MSs, irrespective of their economic development or the openness of their labour market.

Legally, labour mobility is based on:

- the **free movement of workers**, which gives every citizen the right to move freely to another MS and to work and reside there without discrimination as regards employment, remuneration and other working conditions in comparison to nationals of that MS;
- the **freedom for businesses** to provide services in another MS.
- Intra-EU labour mobility can take various forms, from permanent relocation to another country to daily or weekly commutes across borders, or short periods of time abroad.

The main definitions of people within a labour mobility context are:

Migrant	Any person who lives temporarily or permanently in a country where he or she was not born, and has acquired some significant social ties to this country ¹ .
Migrant worker	A person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which they are not a national ² . The term migrant worker means a person who migrates or who has migrated from one country to another with a view to being employed other than on their own account and any person regularly admitted as a migrant worker ³ .

¹ United Nations (1990).

² *Ibid.*

³ ILO (1975).

Posted worker	A worker is “a posted worker” when he/she has an employment contract in his/her home country, but is sent by the employer to work temporarily in another country in the context of a cross-border provision of services ⁴ .
Cross-border worker	Also called ‘border commuter’ or ‘frontier worker’, any person pursuing an activity as an employed or self-employed person in a MS and who resides in another MS to which he returns as a rule daily or at least once a week ⁵ .

These categories of workers will be object of the following sections. In particular, section 1.1 analyses data and information about EU migrant flows within the European Union. Section 1.2 investigates the key reasons to migrate, identifying employment as the main driving force for migration. Section 1.3 is therefore dedicated to the analysis of EU migrant workers. Section 1.4 is more specific on posted and cross-border workers.

1.1 Foreign population in the EU

1.1.1 Current situation

The EU MS sin 2014 hosted 33.9 million foreign citizens, representing 6.7% of the total population (Table 1.1). **Almost one-third (14.3 million, 2.8%) of these people are citizens of another EU MS (EU28 foreign citizens).** Males and females are equally represented in the EU foreign citizens population; 78% of them are between 15 and 64 years of age, 12.1% are under the age of 15, and 9.1% are 65 or older.

Table 1.1 - Foreign citizens in the EU MSs (2014)

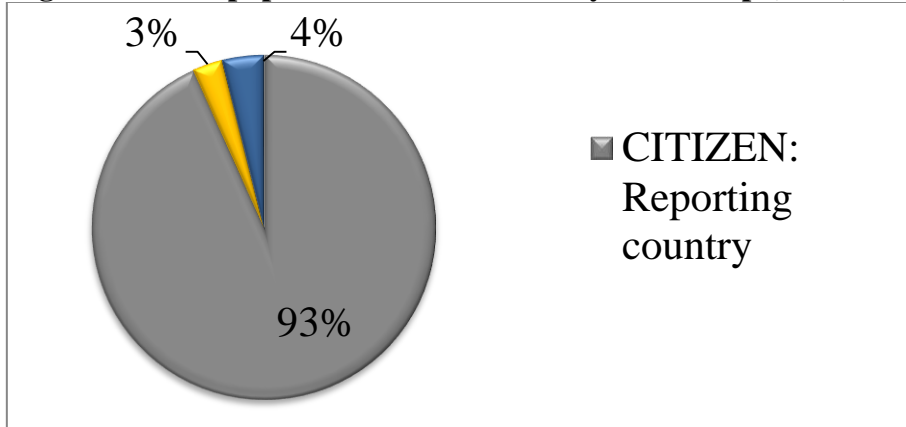
EU/non-EU		of which (15-64 years)	of which males	of which females
33.9 million foreign citizens	14.3 million EU28 foreign citizens (2.8%)	11.1 million 15-64 years (78%)	5.5 million (49.7%)	5.6 million (50.3%)
	19.6 million Non-EU28 foreign citizens (3.9%)	15.3 million 15-64 years (78.2%)	7.6 million (49.7%)	7.7 million (50.3%)

Source: Eurostat.

⁴ European Commission (2016c).

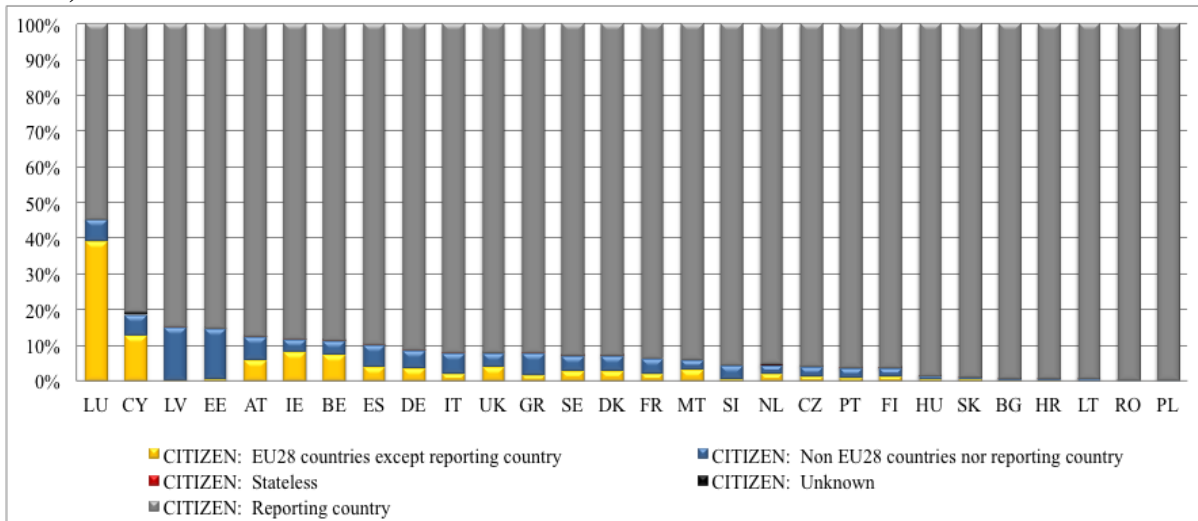
⁵ European Commission (2004).

Figure 1.1 - EU population broken down by citizenship (2014)



Source: own elaboration on Eurostat data.

Figure 1.2 - EU population of each MS broken down by citizenship (as % of population, 2014)

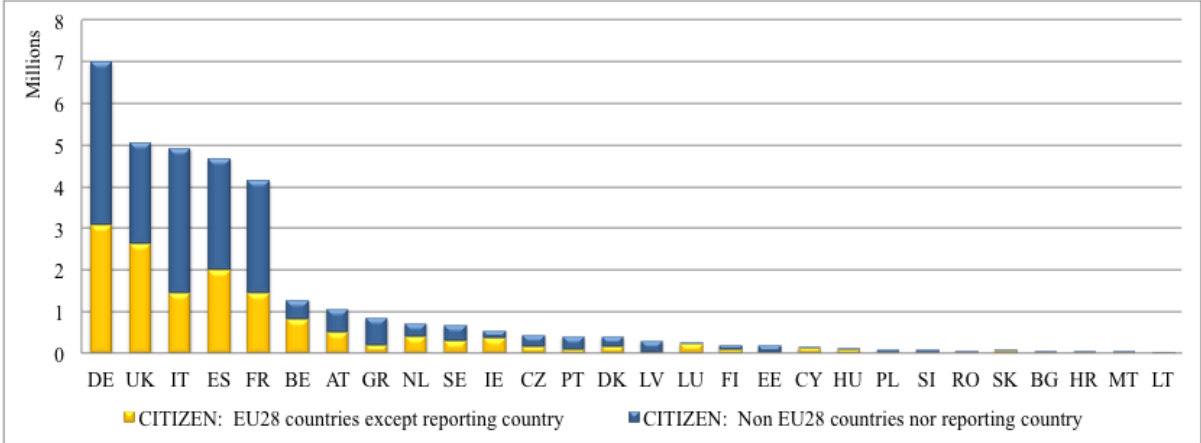


Source: own elaboration on Eurostat data.

In most MSs, the majority of resident foreigners are third-country nationals (Figure 1.2). In 2014, in only nine MSs (Luxembourg, Slovakia, Cyprus, Ireland, Belgium, Hungary, the Netherlands, Malta and the United Kingdom) are there more citizens of other EU MSs than third-country nationals. In relative terms, Luxembourg is the EU MS with the highest share of foreign citizens (45.3% of the total population). A high proportion of foreign citizens is also observed in Cyprus (18.6%), Latvia (15.2%) and Estonia (14.8%).

In absolute terms, **76.1%** of total foreigners (25.8 million persons, of which 41% is represented by EU foreigners) were hosted by five European countries: **Germany, the United Kingdom, Italy, Spain and France**. Overall, these are the also countries that host the **highest number of EU citizens** (Figure 1.3).

Figure 1.3 - EU and non-EU foreign citizens residing in each MS (million, 2014)

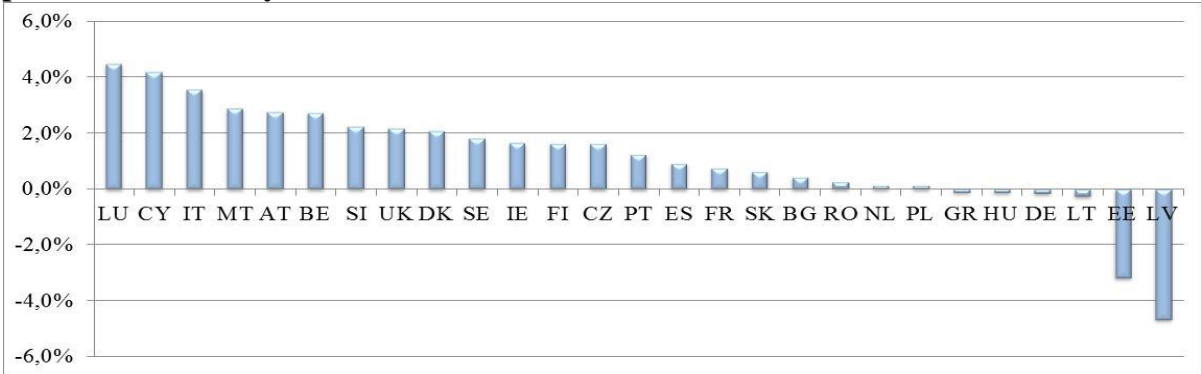


Source: own elaboration on Eurostat data.

1.1.2 Evolution over time

In the period 2009 (pre-crisis) to 2014, most EU MSs improved their capacity to host foreign citizens (Figure 1.4)⁶. The total number of foreigners in EU MSs increased by 6.5 million people between 2006 and 2014. Consequently, the rate of foreign citizens, with respect to total population, rose from 5.6% in 2006 to 6.7% in 2014. In several MSs (Luxembourg, Cyprus, Italy, Malta, Austria, Belgium, Slovenia, United Kingdom and Denmark), the foreigner rate increased from 2% to 4%. Latvia and Estonia followed the opposite trend, as their foreign population rate lowered dramatically in the period 2006-2014.

Figure 1.4 - Variation in the percentage of foreign citizens (EU and non-EU) in the period 2006-2014 by MS



Source: own elaboration on Eurostat data.

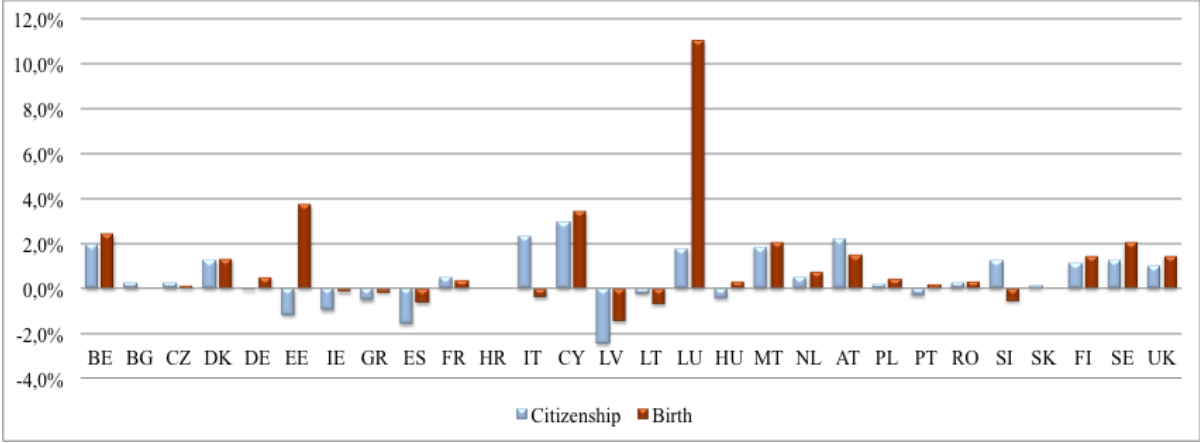
In 18 MSs, the percentage variation of the foreign-born population with respect to the total population registered in the period 2009-2014 is positive (Figure 1.5)⁷. In Luxembourg, Estonia, Cyprus, Belgium, Sweden, Malta, the foreign-

⁶ Data do not include Croatia. Breakdown between EU and non-EU foreign citizens is not available for years before 2014.

⁷ Data on birth are not available before 2009.

born rate increased by at least two percentage points (+11% in Luxembourg). Conversely, a decrease (Latvia, -1.5%) or a slight decrease can be observed for Lithuania, Spain, Slovenia, Italy, Greece and Ireland.

Figure 1.5 - Variation in the number of foreign people (foreign-born or foreign citizens) by MS (2009-2014)



Source: own elaboration on Eurostat data.

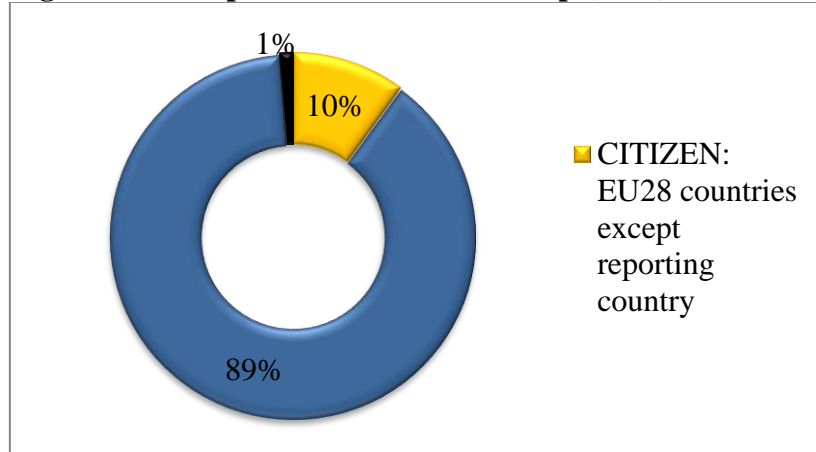
For most EU MSs, for the period 2009-2014, one observes the same tendency to host new foreign citizens and new foreign-born persons. However, six countries present an exception: while in Italy and Slovenia the rate of foreign citizens increased in 2009-2014, the rate of foreign-born persons decreased. The opposite situation can be observed for Germany, Estonia, Hungary and Portugal. The difference in the trend is particularly marked in Estonia, Italy and Slovenia.

1.1.3 Acquisition of citizenship

Data on obtaining citizenship can reveal important insights into the policy of the host country: normally, people who obtain a new citizenship stay longer in the host country and are more integrated into the host country, and, potentially, into its labour market.

In 2013 – the year of the most recent update - 981 thousand people acquired citizenship of a EU MS. Although the great majority of citizenship acquisitions were granted to people who were previously third-country nationals, **98.3 thousand persons who were already citizens of one of the MSs acquired citizenship of another MS**; this corresponds to **10%** of the total of persons acquiring citizenship (Figure 1.6).

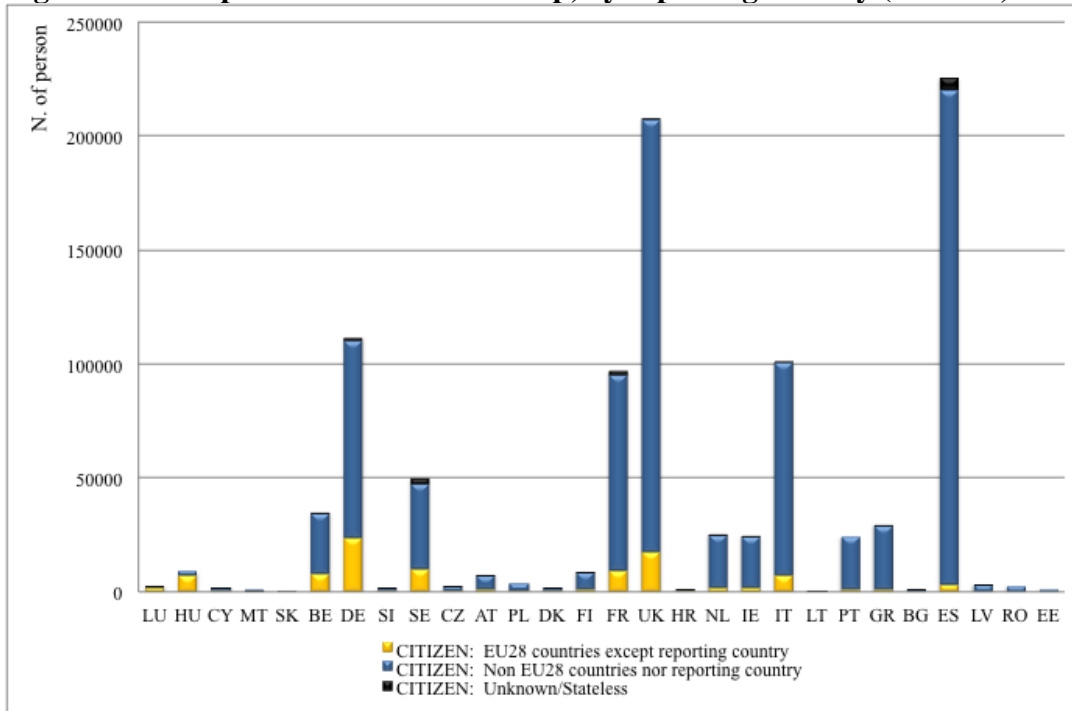
Figure 1.6 - People with a new citizenship (2013)



Source: own elaboration on Eurostat data.

Among the MSs that host the highest numbers of migrants (EU but also non-EU), those that grant the highest number of new citizenships to EU citizens are Germany, the United Kingdom, Italy, and France (Figure 1.7). This group also includes Belgium, Sweden and Hungary. Spain, on the other hand, presents the highest number of new citizenships granted to non-EU applicants, but a limited number of new citizenships to EU citizens. It is worth noting that Luxembourg and Hungary, granting a low total number of citizenships in 2013, gave their preference to EU foreigners (in both of these MSs approximately 80% of new citizens were previously citizens of another EU MS).

Figure 1.7 - People with a new citizenship, by reporting country (number, 2013)



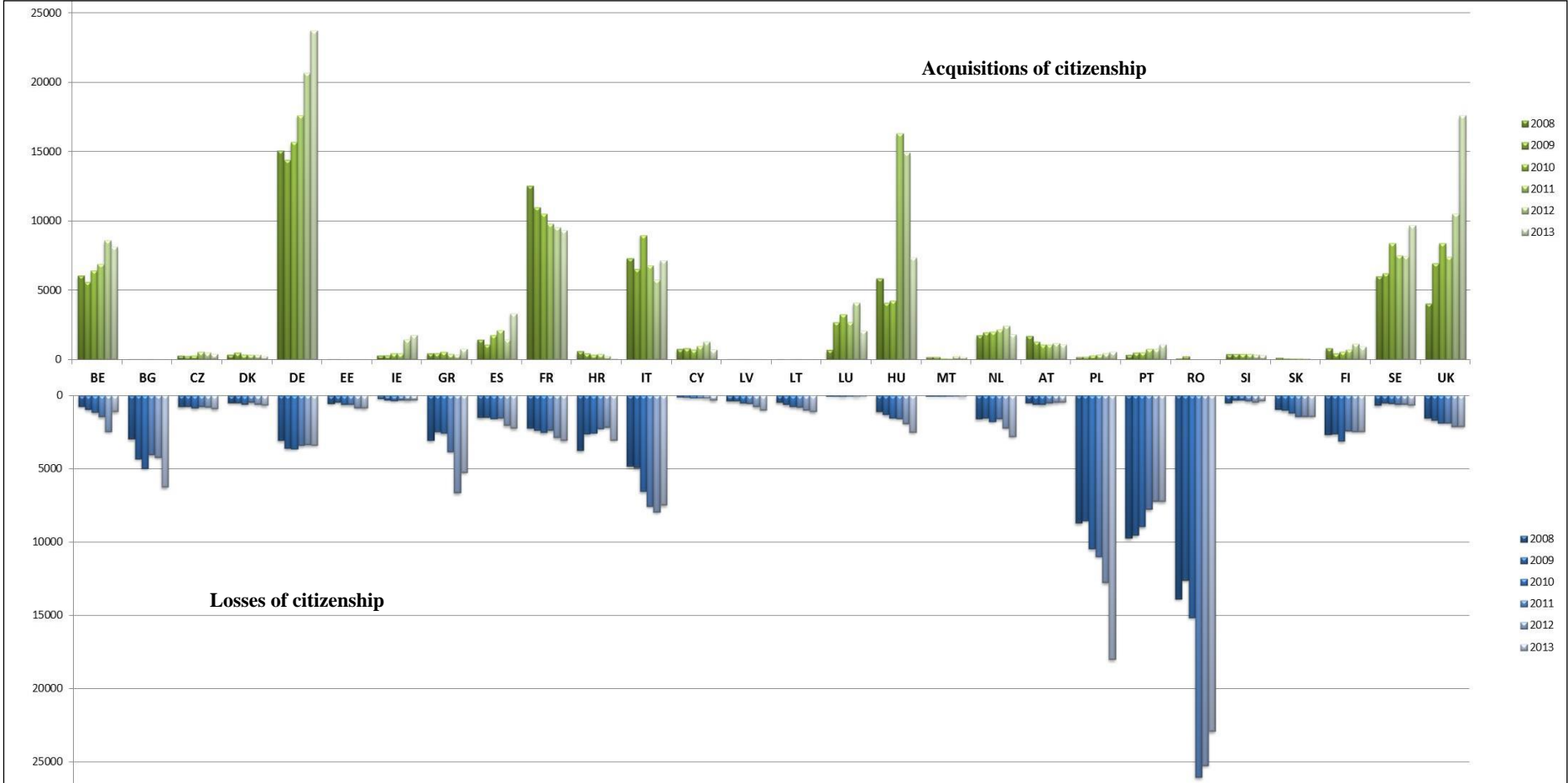
Source: own elaboration on Eurostat data.

Persons who were previously citizens of another EU MS obtained citizenship (Figure 1.8) mainly in Germany (22%), France (12.9%), United Kingdom (11.3%), Hungary (10.8%), Sweden (9.3%), Italy (8.7%) and Belgium (8.5%).

Regarding sending countries, 50% of these persons were previously residents in three MSs: Romania (23.8%), Poland (14.3%) and Portugal (10.4%). Other significant sending countries have been Italy, Bulgaria and Greece, to a lesser extent.

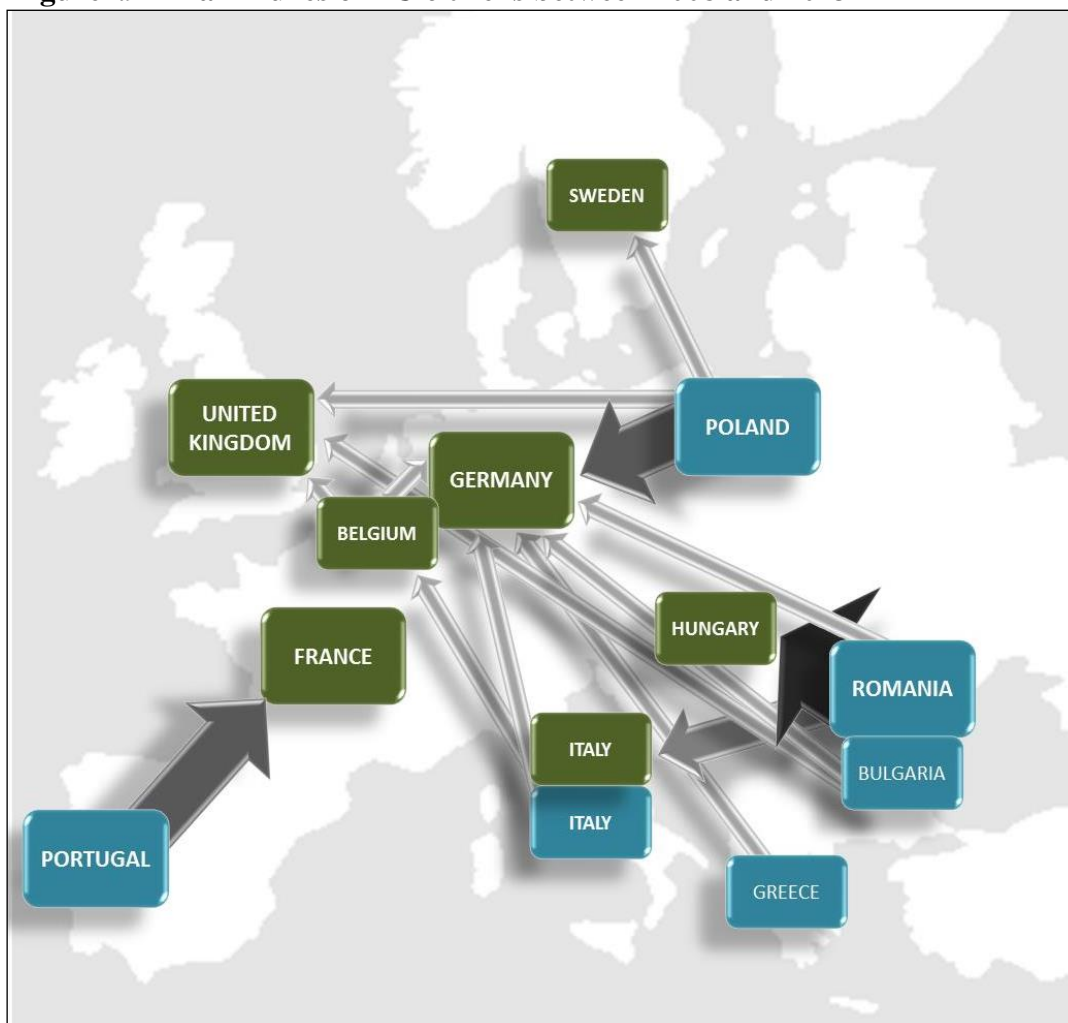
Therefore, it emerges that main fluxes flow from the southern and eastern EU MSs towards the central and northern ones (figure 1.9).

Figure 1.8 - Grants of citizenship (2008-2013) awarded in the years by each reporting country to persons who were previously citizens of another EU MS (green); and in the lower graph (blue): persons who moved to another EU MS and lost citizenship in the reporting country (blue)



Source: own elaboration on Eurostat data.

Figure1.9 - Main fluxes of EU citizens between 2008 and 2013



Note: blue indicates sending countries; green receiving countries; only main cumulative fluxes recorded between 2008 and 2013 have been represented.

Source: own elaboration on Eurostat data.

Despite the fact that regional data on specific inter-regional EU migration flows are not available, it is possible to analyse (Figure 1.10) which regions are most affected by migration (workers and no workers from other regions of the same MS, from other EU regions, or from non-member countries). According to the statistics⁸:

- **There are 784 NUTS3 regions in the EU28 that had positive net migration (more immigrants than emigrants) during the period 2008–12.** Among these, the highest influx of migrants is registered in the two regions that recorded the highest overall population growth, namely, the Ilfov region that surrounds the Romanian capital and the Spanish Balearic islands of Eivissa and Formentera (crude rates of net migration averaged 32.7 and 22.6 per thousand inhabitants respectively). The next highest net

⁸ Eurostat (2014), p.41.

migration rate is recorded in **Luxembourg** where the population rose by 16.9 per thousand inhabitants, the central Greek mainland region of Fokida, and York in the north of England. **There are a further 100 NUTS3 regions - predominantly urban -** across the EU where the net change in the population as a result of migration has, on average, increased by at least 8.0 per thousand during the period 2008–12⁹. However, **this pattern is reversed in France, where the regions with the highest crude rates of net migration are generally rural** and often located in the south of the country¹⁰.

- **There are 481 NUTS3 regions in the EU28 where net migration during the period 2008–12 is negative** (in other words, where more people left a region than arrived in it). **These were spread across much of eastern Europe** (particularly Bulgaria, Hungary, Poland and Romania), **as well as Latvia, Lithuania, eastern Germany, north-eastern France, pockets of Spain and the southern and western regions of Ireland**. The 14 NUTS3 regions with the biggest negative crude rates of net migration (each in excess of -10.0 per thousand inhabitants) feature 9 of the 10 regions contained within Lithuania (the exception being the Vilnius county). The only other regions to report double-digit net outflows of migrants (relative to their respective number of inhabitants) were the three German regions of Suhl, Kreisfreie Stadt, Mecklenburg-Strelitz, and Demmin and Dublin, the capital region of Ireland.

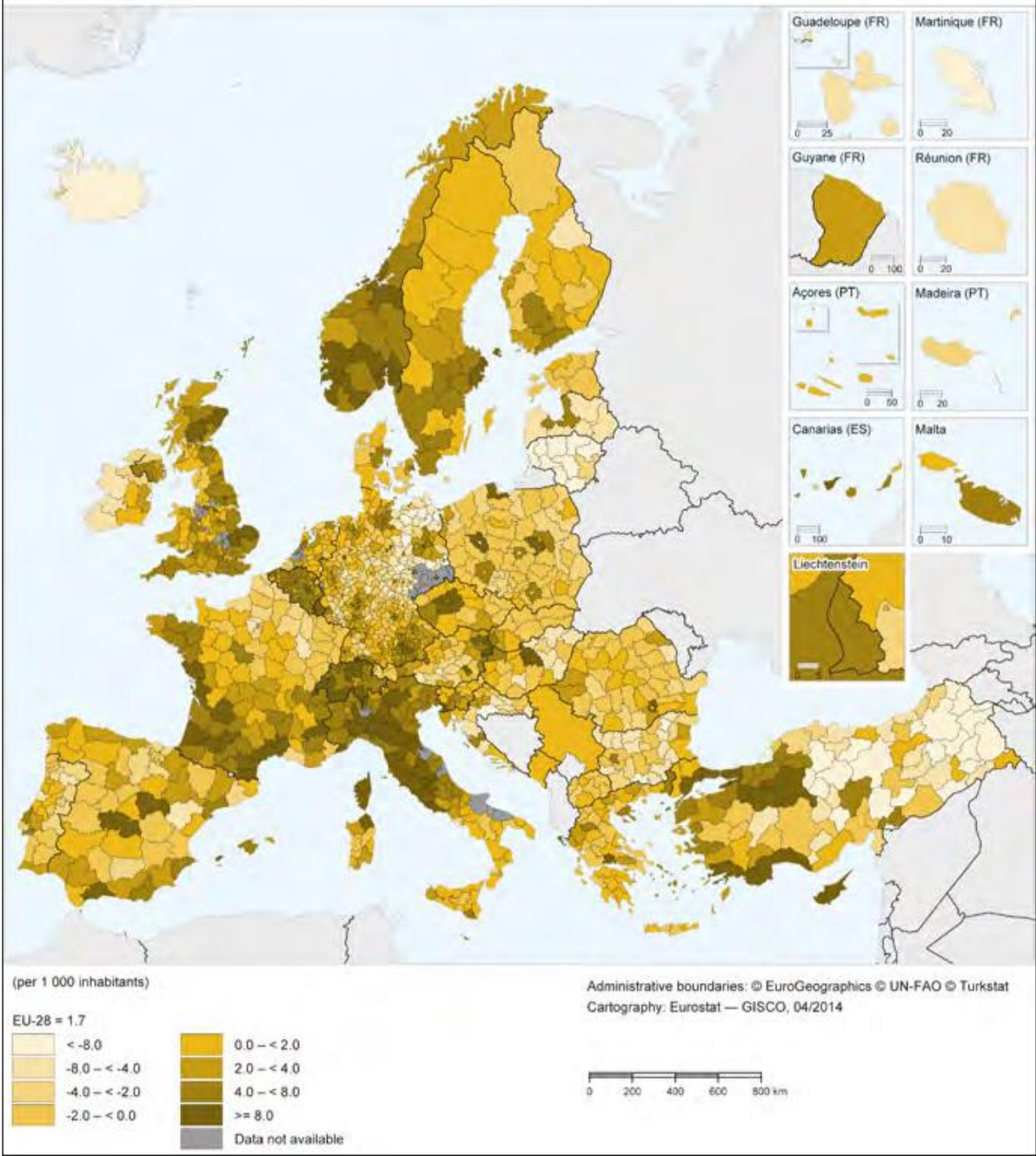
However, these NUTS3 data should be interpreted with caution, since migration flows include not only intra-EU mobile workers but also intra-state and extra-EU flows. Some regions that recorded high positive net migration are influenced more by internal flows or rural-to-urban migration, as in the case of the Ilfov region in Romania. The case of Luxembourg, on the other hand, can be interpreted as mainly influenced by intra-EU worker mobility. The same occurs for the regions with a negative net migration, where it is difficult to distinguish between intra-EU migration and other types of mobility. For example, by matching these data with state-level information, it can be surmised that most of the workers moving from regions in eastern Europe, mostly Poland, have moved to other EU regions, but the interpretation of migration flows from eastern Germany or north-eastern France is less evident. The absence of more precise

⁹ These regions are the capital regions of Belgium (Arr. de Bruxelles-Capitale/Arr. van Brussel-Hoofdstad), Denmark (Byen København), Italy (Rome), Hungary (Budapest) and Sweden (Stockholmslän), and a range of cities across Germany (for example, Leipzig, Frankfurt am Main, München, Dresden and Wolfsburg), Italy (for example, Parma, Bologna, Firenze, Pisa and Perugia) and the United Kingdom (for example, Portsmouth, Edinburgh, Luton, Nottingham, Sheffield, Tyneside, Bristol and Greater Manchester South). All data cover the period 2008–10.

¹⁰ For example, Tarn-et-Garonne, the Dordogne, the Landes, Hérault, Gers, Gard and the Hautes-Alpes.

information and data on intra-EU worker mobility at territorial level does not allow for an accurate understanding of which regions are the ones with a positive or negative net EU migration.

Figure 1.10 - Average crude rate of net migration, by NUTS3 regions, 2008–12 (per 1,000 inhabitants)



Source: Reproduced from Eurostat (2014).

Key messages of the section:

Immigration trend:

The total number of foreign citizens in EU MSs increased by 6.5 million between 2006 and 2014. In 18 MSs, the percentage variation of the foreign-born population with respect to the total population registered in the period 2009-2014 is positive.

Immigrants distribution:

In absolute terms, the 76.1% of total foreigners (25.8 million persons, of which EU foreigners represent 41%) were hosted by **five MSs** (Germany, the United Kingdom, Italy, Spain and France), which also host the highest number of EU citizens.

EU/non-EU foreign migrants:

In **nine MSs** (Luxembourg, Slovakia, Cyprus, Ireland, Belgium, Hungary, the Netherlands, Malta and United Kingdom), there are more citizens of other EU MSs than third-country nationals.

Intra-EU mobility entity:

Out of the total migrant population in the EU (nearly 40 million), people coming from another MS represent **14.3 million**, which corresponds to less than **3%** of the total EU population.

In 2013, 981,000 people acquired citizenship of a EU MS, **10%** of whom previously belonged to another MS.

EU citizens acquire new citizenship primarily in Germany, the United Kingdom, Sweden, France, Belgium, Hungary and Italy.

Main migration intra-EU fluxes flow **from the southern and eastern EU regions towards the central and northern ones.**

Positive net migration fluxes (including non-EU and within MSs) mainly **involve urban areas**, especially, Luxembourg, the United Kingdom, Romania and Greece. In France **the regions with the highest crude rates of net migration are generally rural.**

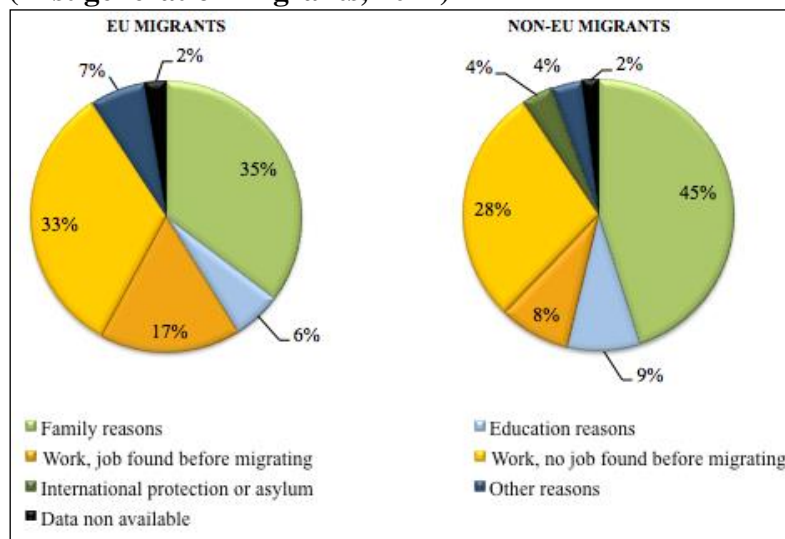
Regions with negative migration fluxes are mainly located in **eastern Europe** (particularly Bulgaria, Hungary, Poland and Romania), **as well as Latvia, Lithuania, eastern Germany, north-eastern France, pockets of Spain and the southern and western regions of Ireland.**

1.2 Reasons leading to migration

Mobility patterns within the EU have changed considerably during the last decade. Whereas intra-EU mobility remains low among the older MSs, the process of enlargement was accompanied by a substantial increase in intra-EU mobility, as people from new MSs moved westward to work in the older MSs¹¹. **High unemployment is one factor underlying migration of working-age people**, but there are others. **Wage differences seem to be a much more powerful driver of mobility in the EU** and this suggests only limited mobility within the EU15, even in the current economic climate¹². Overall, therefore, **work is the main factor of migration, much more important than education and family**.

However, there are differences between EU and non-EU migrants (Figure 1.11). Generally, first generation migrants – considering both EU and non-EU, whether or not they have citizenship of the hosting MS - mainly moved for family reasons (51%), and less for employment-related needs (31%). By contrast, **first generation migrants having the citizenship of another EU MS primarily moved in order to start a new job or to seek a job in the MS of residence (49.6%)**. For the first generation migrants having the citizenship of a non-EU country, the situation is intermediate between the two previous ones (45.1% of these migrants moved for family reasons while the 36.8% moved for work reasons).

Figure 1.11 – Main reasons to migrate (first generation migrants, 2014)¹³



Source: own elaboration on Eurostat data.

¹¹ Green, Anne E., Beate Baldauf, and David Owen (2009).

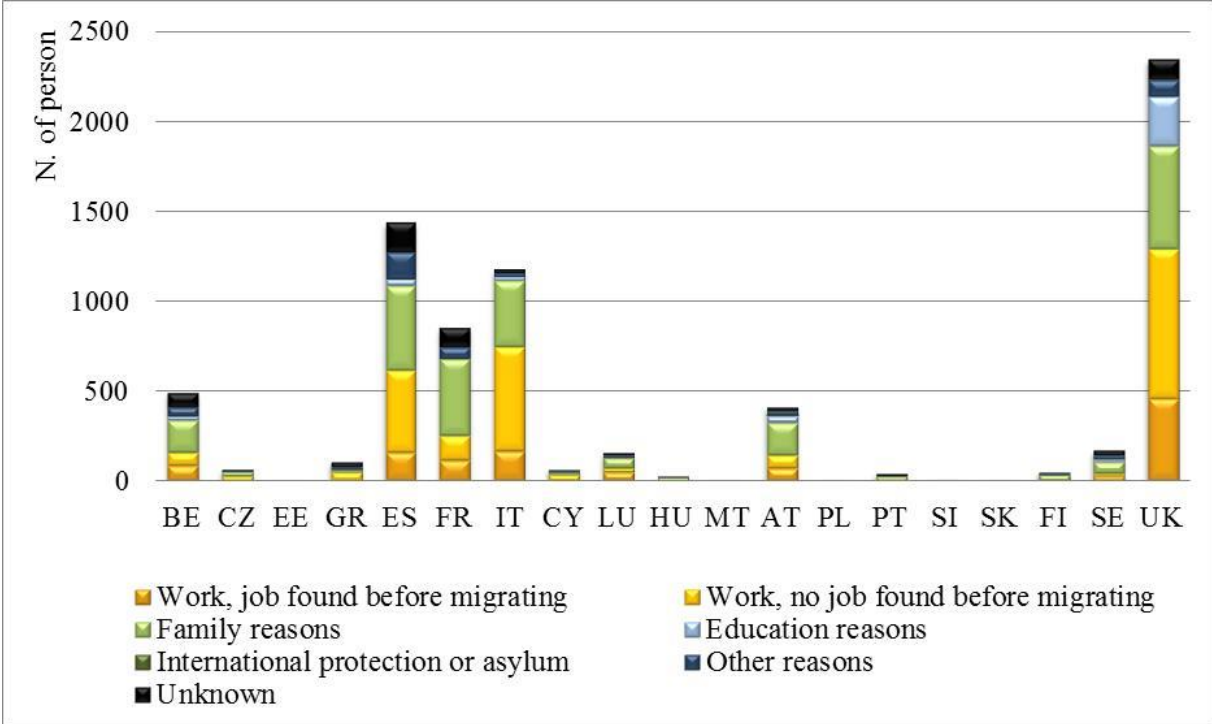
¹² Barslund, M., M. Busse and J. Schwarzwälder (2015).

¹³ Data not available for RO; data on EU foreign migration not available for BG, HR, LV, and LT; data on extra-EU foreign migration not available for SK.

Other drivers of labour mobility include short-term economic gain, broader experience for career development, improved language skills, discovering a different country (especially for short-term moves) and skills mismatch. The skills mismatch, for example, increased in Ireland, Lithuania, Spain, Sweden, Luxembourg, Finland, the United Kingdom, Denmark, Italy, France, Latvia, Portugal, Slovenia, Estonia, the Netherlands, Greece and Austria from 2007 to 2010.

The same picture is confirmed by looking more specifically at the country-level data regarding first generation migrants (Figure 1.12). Considering the MSs with the highest number of EU foreign citizens in 2014 (DE, UK, ES, FR, IT), one observes that EU citizens who have moved into IT, UK and ES (Table 1.2) did so mainly for job-related reasons (actually data on reasons of migration refer to EU first generation migrants representing 96% of the total EU foreign citizens). By contrast, EU citizens migrated into France mainly for family reasons.

Figure 1.12 - Total number of EU first generation migrants (persons with citizenship of an EU MS other than the one of residence) residing in each MS and main reasons that led to their migration (2014)¹⁴



Source: own elaboration on Eurostat data.

¹⁴ Data refer to 24 MSs (Eurostat ad hoc module on ‘Migration and labour market’); data for BG, HR, LV, LT, RO are missing.

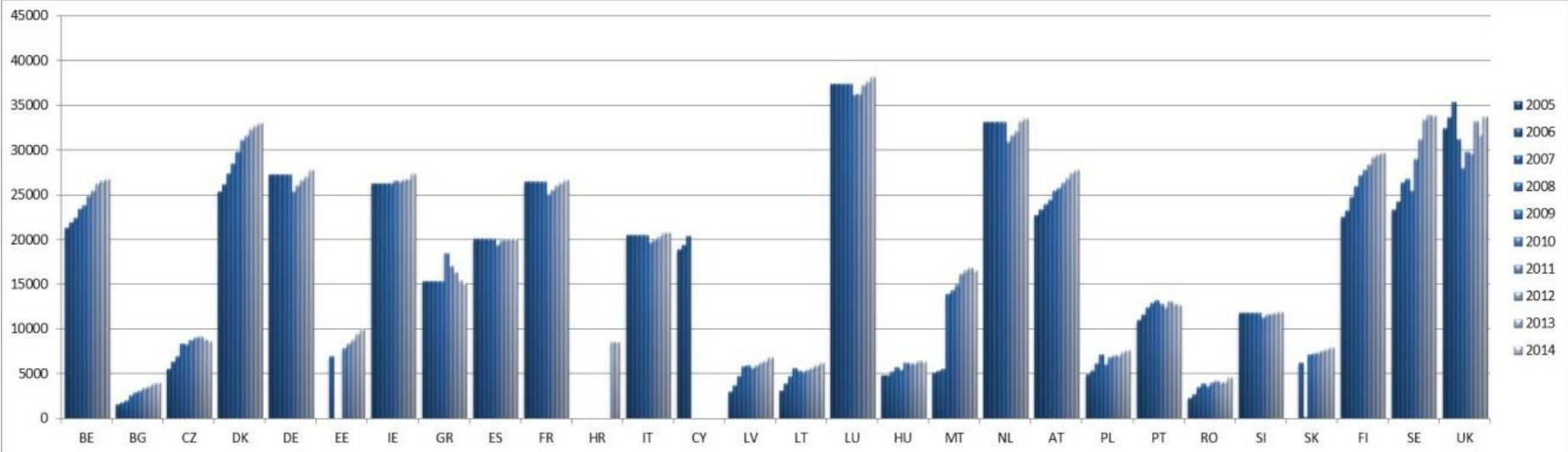
Table 1.2 - Main reasons that led first generation migrants to migrate (Germany, the UK, Spain, France and Italy), 2014

Reason	Germany	United Kingdom	Spain	France	Italy
Job-related	n.a.	57.4%	47.8%	32.4%	64.5%
Family-related	n.a.	25.5%	36.8%	54.0%	32.0%

Source: elaboration on Eurostat data.

There is a strong correlation between migration flows and earnings or social security benefits in the host countries (Figure 1.13 and Figure 1.14). Countries in which migrants have an expectation of high earnings per individual are the most attractive, even if there are exceptions, as in the case of Italy or Spain. However, if the following figures are seen in relation to Figure 1.8 and Figure 1.9 (citizenship acquisition), the relation appears less strong. On this issue, differences in national laws on granting citizenship can be seen as the major explanation.

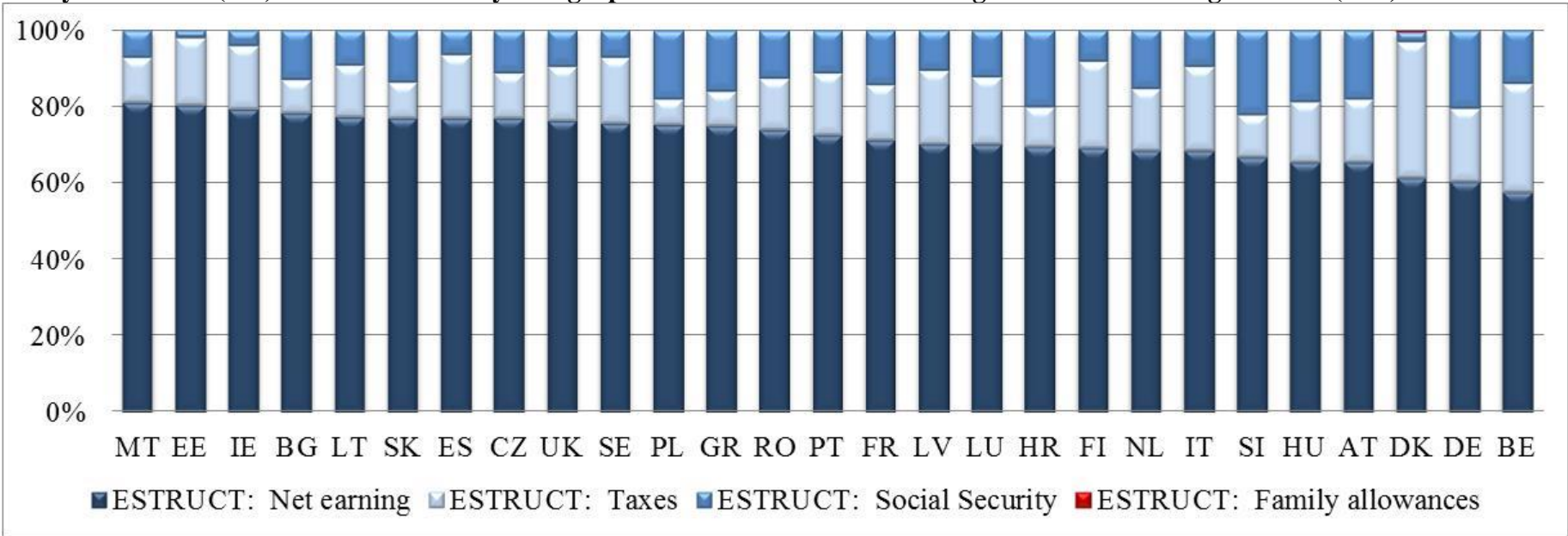
Figure 1.13 - Annual net earnings (euro) for the period 2005-2012 in EU MSs¹⁵



Source: own elaboration on Eurostat data.

¹⁵ Data partially available for EE, HR, CY, SK.

Figure 1.14 – Annual gross earnings (broken down by annual net earnings, taxes on gross earning, social security contributions and family allowances (red) received in 2014 by a single person without children earning 100% of the average worker (AW) when in work



Source: own elaboration on Eurostat data.

Key messages of the section:

Reasons leading to migration:

Generally, the **first generation migrants** (considering both EU and non-EU) mainly moved for **family reasons** (67.3%) and only to a small extent for employment-related needs (13.8%).

EU foreign migrants primarily moved for **job-related reasons**: i.e. to start a new job or to seek a job in the MS of residence (49.6%).

This pattern is confirmed in the countries with the highest number of foreign EU citizens, with the exception of France, where migration is mainly for family reasons.

EU migration flows are mostly directed towards countries where the **expectation of earnings is higher**.

1.3 Migration and employability

1.3.1 Data on employment

In 2014, just over **15 million people employed in the EU were foreign citizens** (Romanian data not available), corresponding to **7.1%** of the total population in employment. In the same year, 26.4 million migrants (with EU or non-EU citizenship) between 15-64 years of age were residing in the EU. This means that their **overall employment rate was 57%**. **7.2 million employed foreign citizens were citizens of another EU MS**, while 7.8 million were third-country nationals.

In the countries where the largest numbers of EU citizens are hosted, only Germany and the United Kingdom have a relatively high employment rate (Table 1.3).

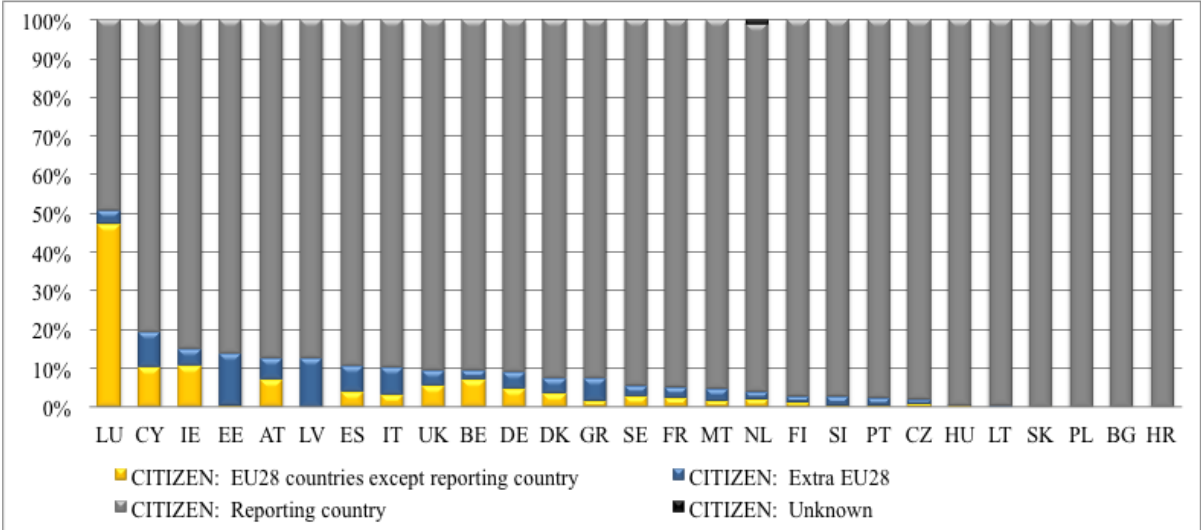
Table 1.3 – Employment rate of EU migrants in Germany, the UK, Spain, France and Italy, 2014

Number of employed EU foreign citizens	Germany	United Kingdom	Spain	France	Italy
Million	1.84	1.71	0.73	0.61	0.74
<i>Employment rate over number of EU foreign migrants</i>	59.5%	65.3%	36.7%	42.1%	51.4%

Source: own elaboration on Eurostat data.

The share of foreign citizens as a proportion of the employed population varied greatly between MSs (Figure 1.15). In 2014, Luxembourg had the largest proportion of foreign citizens in employment (50.7% of the employed population), followed by Cyprus and then Ireland, Estonia, Austria and Latvia.

Figure 1.15 – Share of employed foreign citizens as a proportion of the total employed population, 2014¹⁶



Source: own elaboration on Eurostat data.

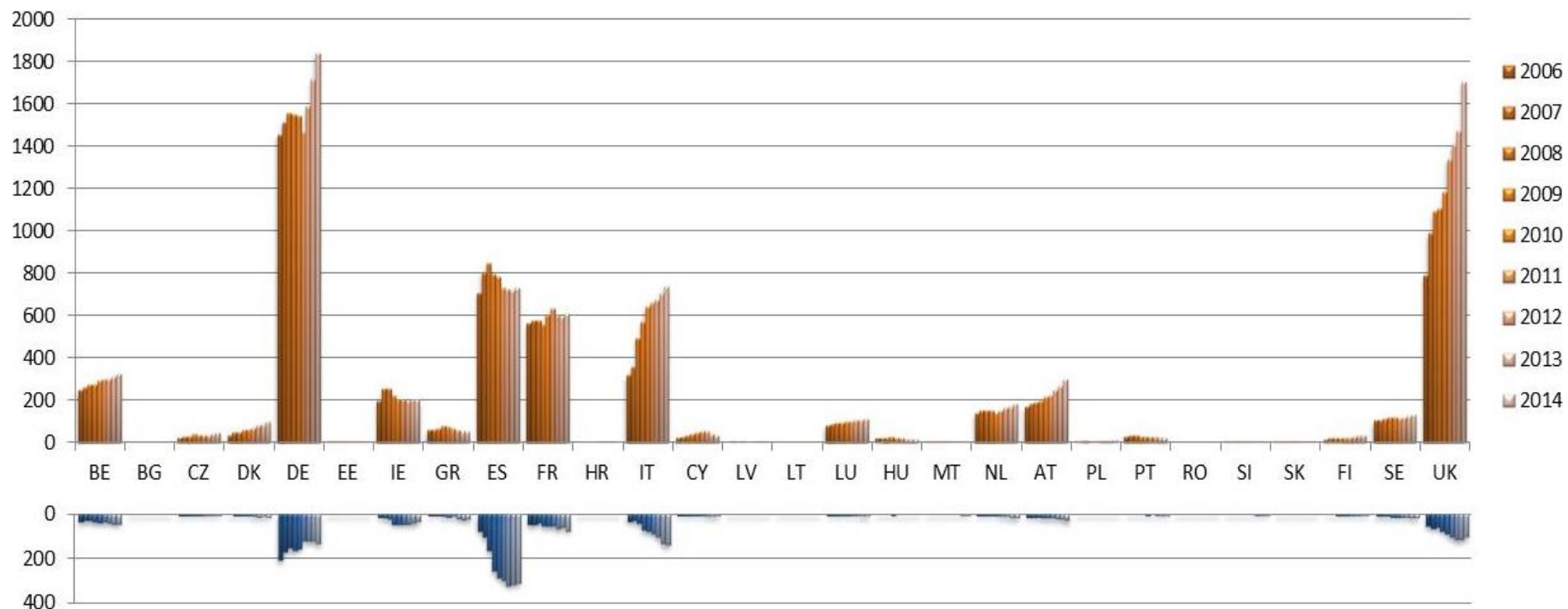
In 11 MSs, the majority of employed foreign citizens were citizens of other EU MSs. In order of magnitude, these were Luxembourg, Belgium, Slovakia, Hungary, Ireland, United Kingdom, Netherlands, Austria, Cyprus, Sweden and Germany. It should be noted that these figures relate only to persons resident in the reporting country. Cross-border workers (who work in the reporting country but who reside elsewhere) are excluded.

In absolute terms (Figure 1.16)¹⁷ **the MSs that in the period 2006-2014 employed the highest number of EU foreign citizens were Germany, the United Kingdom, Spain, Italy and France.** In the same period, the same MSs also hosted the largest number of unemployed EU foreign citizens.

¹⁶ Data not available for RO. Data on number of EU people working in a MS other than the one in which they are nationals not available for RO, LT, HR, BG.

¹⁷ Data not available for LV, HR, BG, LT, RO.

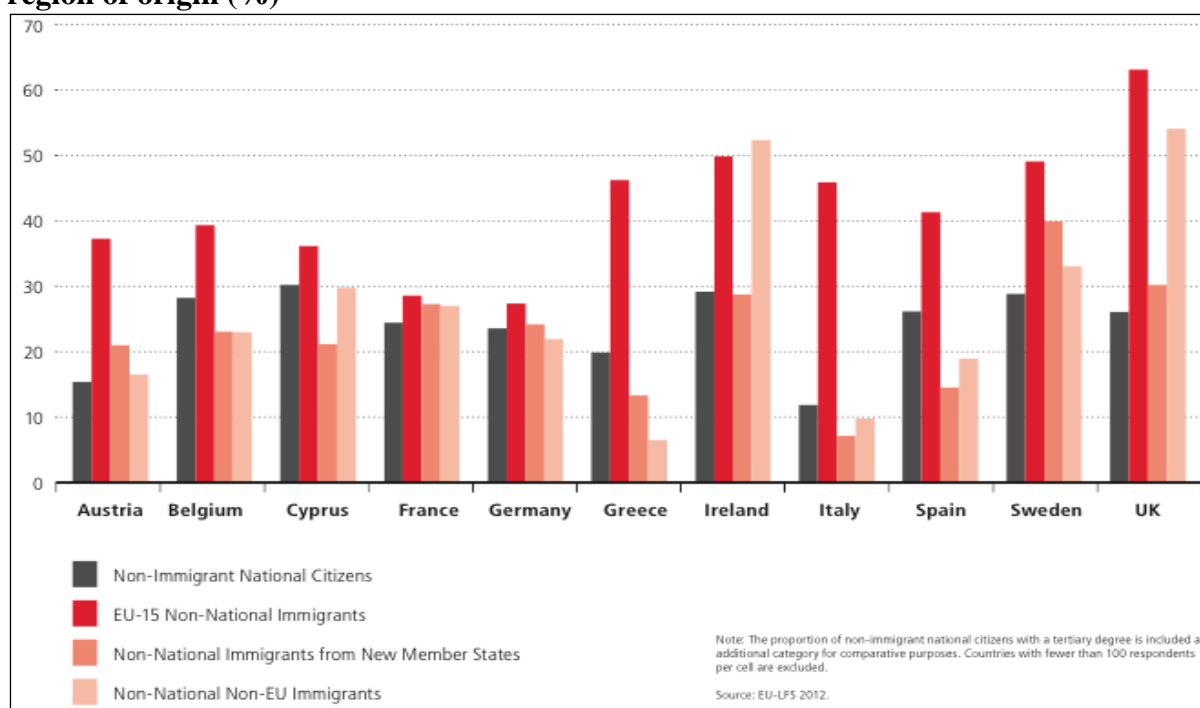
Figure 1.16 – Number of employed (orange) and unemployed (blue) EU foreign citizens in each EU MS (in thousands)



Source: own elaboration on Eurostat data.

Data on education level¹⁸ suggest that the population of EU migrants originating from the EU15 countries is, on average, **much more highly educated than the national population and the group of non-EU migrants** in all eleven countries (Figure 1.17). **MSs with the largest proportion of highly educated migrants from EU15 countries are the United Kingdom** (with 63% of migrants from the EU15 holding a tertiary degree), followed by **Ireland** (50%) and **Sweden** (49%). **MSs with the lowest proportion of highly educated migrants from the EU15 are Germany** (27%) and **France** (29%).

Figure 1.17 - Proportion of non-national citizens with a tertiary degree relative to the overall population of non-national citizens who immigrated within the past 15 years, by region of origin (%)



Source: reproduced from Schellinger, A. (Ed.) (2015).

In contrast to the EU15 migrant population, **the proportion of highly educated people among migrants from the new EU MSs is not as high and shows larger variation between countries of destination.** The countries with the lowest proportion of highly educated migrants from the new MSs are the southern European countries: Italy (7%), Greece (13%) and Spain (15%). The countries with the largest proportion of highly educated migrants from the new EU MSs are Sweden (40%), followed by the United Kingdom (30%), Ireland (29%) and France (27%). With the exception of Ireland, these countries are (together with Austria) the only destination countries where the migrants from the new EU MSs are more highly educated than the national population.

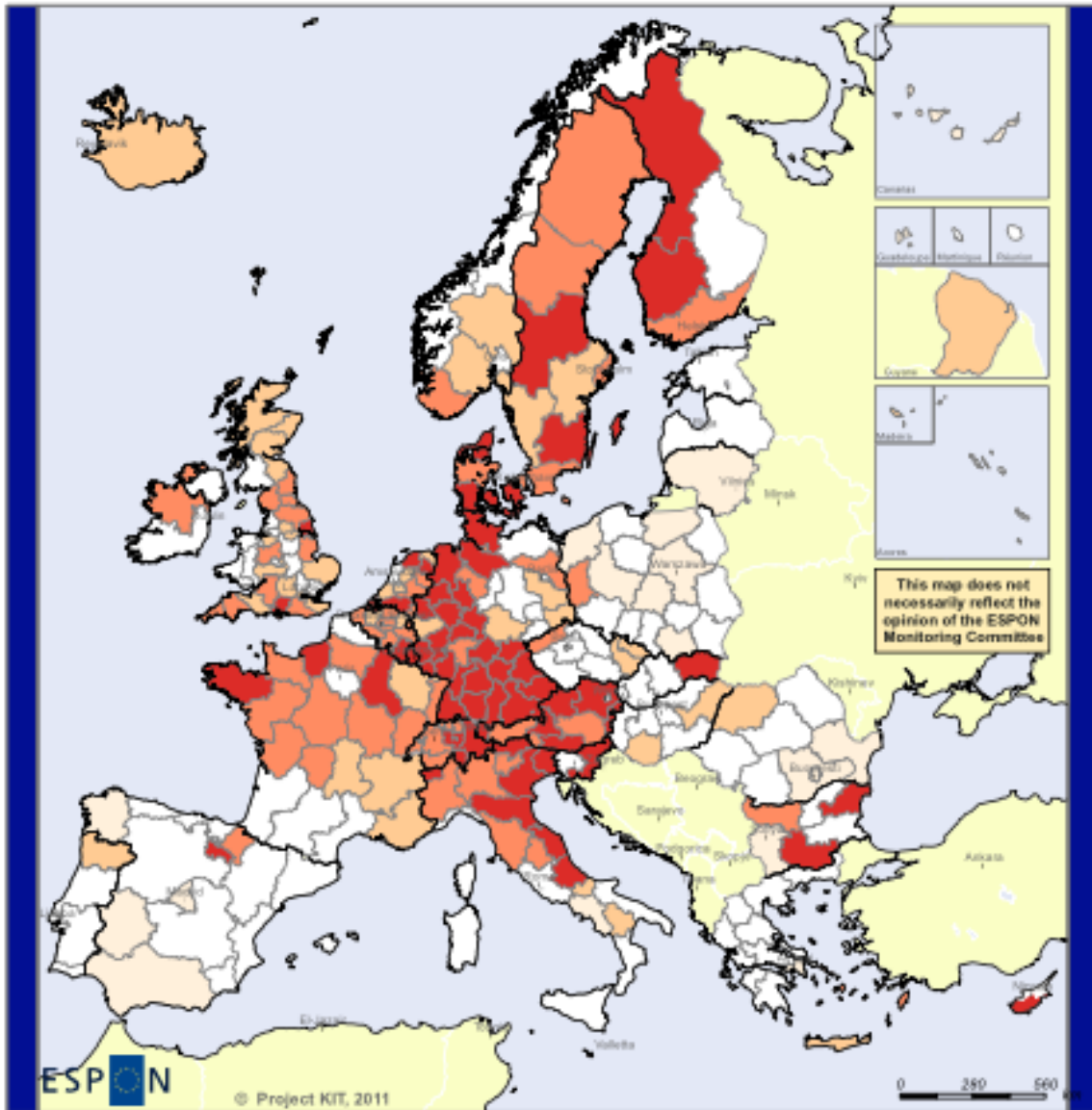
¹⁸ The Friedrich-Ebert-Stiftung (2015), 'Brain Drain – Brain Gain: European Labour Markets in Times of Crisis'.

The education level of EU mobile workers has an important effect also on the capacity of the regions to generate knowledge and implement a definite pattern of innovation. The KIT study provided by ESPON¹⁹ has measured the impact of labour mobility on the capacity of the region to transform knowledge into R&D (Figure 1.18). It emerges that the **highest values are obtained for most of the regions in western Germany, Austria, Denmark and Switzerland, as well as some regions in the Netherlands, northern France, north-eastern Italy, Finland and Sweden.** On the contrary, the non-significant or lowest values of the labour mobility elasticity are depicted in almost all of the eastern as well as the Mediterranean countries (Spain, Portugal, Greece and the south of Italy). It is worth highlighting some exceptions to this general pattern, since in the group of regions with the highest returns, we find Cyprus, two Bulgarian regions, one from the Slovak Republic and another from Spain. On the contrary, some regions hosting capital cities, such as Île de France, London or Berlin fall among the lowest ranges of the return. A plausible explanation of this a priori counter-intuitive result is the potential existence of non-disclosure agreements between knowledge employers and employees in regions with high levels of internal competition, that prevent employees from revealing their secrets to other local competing firms.

Labour mobility is therefore more efficiently used (i.e. shows a greater elasticity) in those regions that are more knowledge and innovation intensive, such as the ones that belong to the European science-based pattern and the applied science pattern (see Figure 1.19 and Box 1.1 for the definition of the five patterns of innovation). On the one hand, the first cluster of regions (characterised by the science-based pattern) is composed of the most knowledge and innovation intensive regions, endowed with those preconditions frequently associated with greater endogenous capacity of knowledge creation (highly educated population and presence of scientific human capital). The second cluster (characterised by applied science) includes regions that maintain a rather strong knowledge and innovation intensity, but that, unlike the science-based ones, are more technologically diversified. In both cases, the results would suggest that these two types of regions are more efficient than others in translating internal and external knowledge into new specific commercial applications, and that part of the external knowledge could come from workers coming from other enterprises. **On the other hand, regions characterised by low levels of R&D spending as well as a rather narrow innovation profile (imitative innovation area) do not benefit from the mobility of skilled workers, because their elasticity of labour mobility on knowledge is non-significant.**

¹⁹ ESPON (2012), p.140.






Figure 1.18 – Elasticity of labour mobility on knowledge




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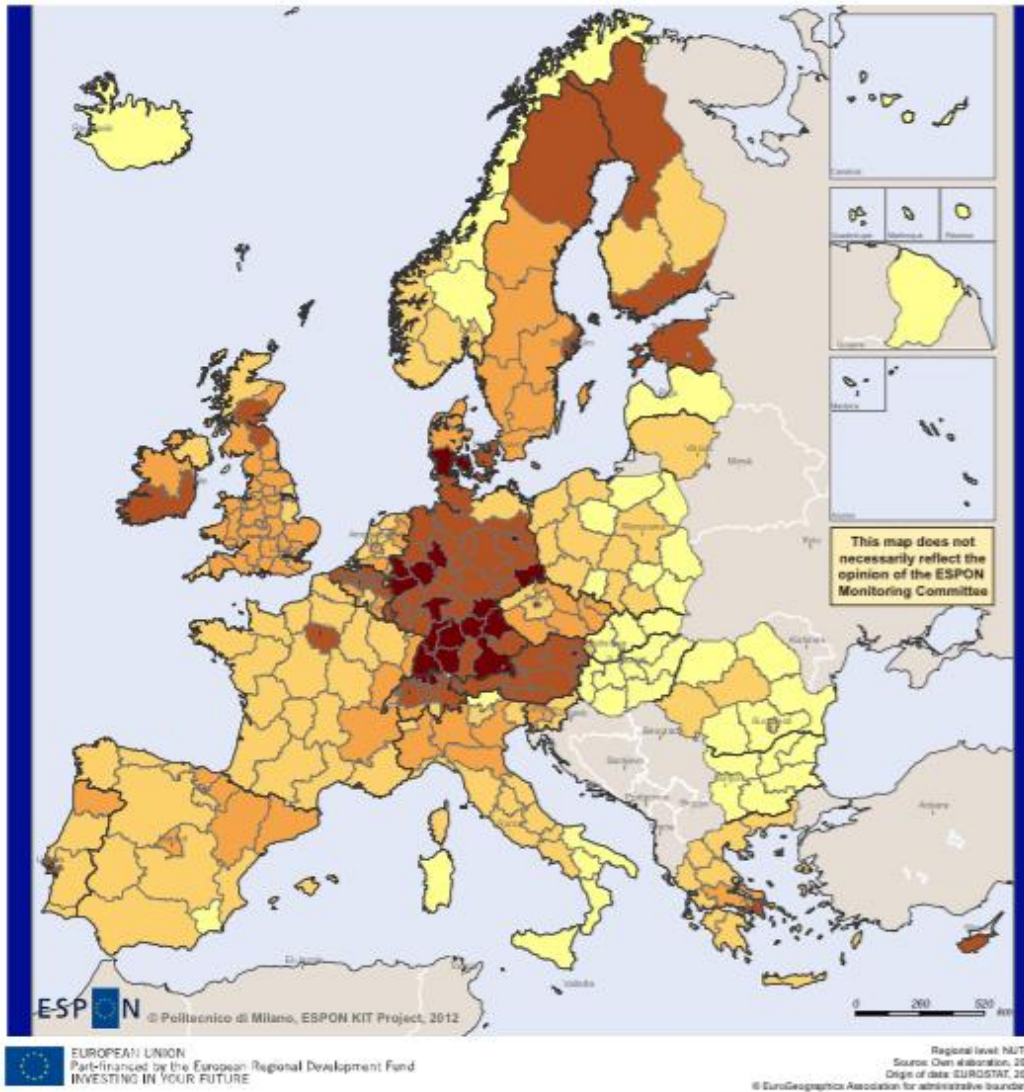
Regional level: NUTS 2
 Source: AQR elaboration, 2011
 Origin of data: EUROSTAT and OECD REGPAT
 © EuroGeographics Association for administrative boundaries

Mobility impact on knowledge

-  No impact
-  Very low elasticity
-  Low elasticity
-  Medium elasticity
-  High elasticity

Source: reproduced from ESPON (2012).

Figure 1.19 – Territorial patterns of innovation in Europe



Legend

- No data
- Imitative innovation area
- Smart and creative diversification area
- Smart technological application area
- Applied science area
- European science-based area

Source: reproduced from ESPON (2012).

Box 1.1 – The five patterns of innovation across EU regions²⁰

- *European science-based cluster*: composed of regions that are the most knowledge and innovation intensive. Their innovative attitude is well above the EU average across all dimensions (i.e. product, process, marketing and/or

²⁰ ESPON (2012), pp. 38-42.

organizational innovation). This couples with a very strong knowledge orientation, both in terms of amount of knowledge developed as well as in terms of specialisation profile. Interestingly, this knowledge tends to be of greater generality and originality; that is, of greater technological value and more radical than the EU average. The regions in this cluster are also well endowed with those pre-conditions frequently associated with greater endogenous capacity of knowledge creation, namely the presence of a highly educated population and, more importantly, the presence of scientific human capital, here measured by the share of inventors out of the total population. Their accessibility is also the highest, indicating that, probably, these regions cover to a large extent more urban and metropolitan settings (as confirmed by the variable accounting for the number of agglomerated regions), which are traditionally more open and fertile environments for new ideas generation. **These regions are mostly located in Germany, with the addition of Vienna, Brussels, and Syddanmark in Denmark.**

- *Applied science cluster*: group of regions sharing similar characteristics with regions in the previous group, although most of the variables show lower mean values. In particular, this is the case of the share of EU total patents, which is almost halved, as well as the share of scientific human capital and R&D expenditures. Importantly, these regions look more entrepreneurial, creative, attractive and with a larger capabilities potential than regions in the previous group, albeit less than the EU average. These regions thus maintain a rather strong knowledge and innovation intensity. **These regions are mostly agglomerated and located in central and northern Europe, namely in Austria, Belgium, Luxembourg, France (i.e. Paris), Germany, Ireland (i.e. Dublin), Denmark, Finland and Sweden, with some notable exceptions in the east such as Prague, Cyprus and Estonia and in the south such as Lisbon and Attiki.**

- *Smart technological application cluster*: regions comparable to those in the ‘Applied science cluster’ in terms of size of the knowledge base and its characteristics, with greater endowment of embedded knowledge in human capital (i.e. capabilities), but different in terms of innovation profile. In particular, they have a stronger orientation towards product innovation, are somehow weaker in terms of process in innovation (albeit being more innovative than the EU average also according to this dimension) and are among the weakest performers in terms of marketing and/or organizational innovation. Regional preconditions for knowledge and innovation creation are similar to those of regions in the ‘Applied science cluster’, albeit more limited. These regions experience the greatest advantage in terms of product innovation, accompanied by a high degree of knowledge potential flows and internal

preconditions to translate external knowledge into innovation, thanks to high creativity. These results suggest that these regions are able to efficiently translate internal and external knowledge into new specific commercial applications. **This group includes mostly agglomerated regions in EU15, such as the northern part of Spain and Madrid, northern Italy, the French Alpine regions, the Netherlands, Sweden and the UK.**

- *Smart and creative diversification cluster*: in these regions, the knowledge and innovation variables show smaller values than the EU average but the capabilities indicator, which takes the highest mean value in this cluster. This suggests that the not negligible innovation activities carried out in regions belonging to this cluster mainly rely upon tacit knowledge embedded into human capital. Also, regions in this cluster look highly entrepreneurial and, importantly, are strongly endowed with those characteristics, such as creativity and attractiveness, that help to absorb and to adopt innovations developed elsewhere. Additionally, whereas the knowledge potential does not look prominent, the capabilities and innovation potentials are well above the EU average. Thus, the key advantages of these regions reside in their embedded human capital and the entrepreneurial and creative attitudes that can be wisely exploited in the pursuit of upgrading innovative strategies. In these regions, internal innovation capacity is highly fed by external knowledge, as it is the case for the ‘Smart technological application cluster’, but the type of knowledge that is acquired from outside is neither basic nor applied formal knowledge. **These regions take great advantage of external knowledge, which is embedded in technical and organizational capabilities, in technicians and SMEs managers.** Thanks to the high degree of creativity present in the cluster, these regions are able to take advantage of specific capabilities present in regions with similar sectoral profiles, and innovate in different products in different industries. **These regions are mainly located in Mediterranean countries (i.e. most of Spanish regions, central Italy, Greece, Portugal), in EU13 agglomerated regions in Slovakia and Slovenia, Poland and Czech Republic, with few regions in northern Europe, namely in Finland and the UK.**

- *Imitative innovation cluster*: the last group could be associated with the ‘Smart technological application cluster’. In fact, it is composed of regions that have a rather narrow knowledge and innovation profile and are the lowest performers in both respects. However, some key distinctive traits characterize this cluster. In particular, entrepreneurship, creativity, attractiveness, capabilities and innovation potentials show greater than the EU average values. In particular, attractiveness is stronger than in the other clusters. These dimensions can be enhanced and supported to creatively embrace new adoption, imitation and

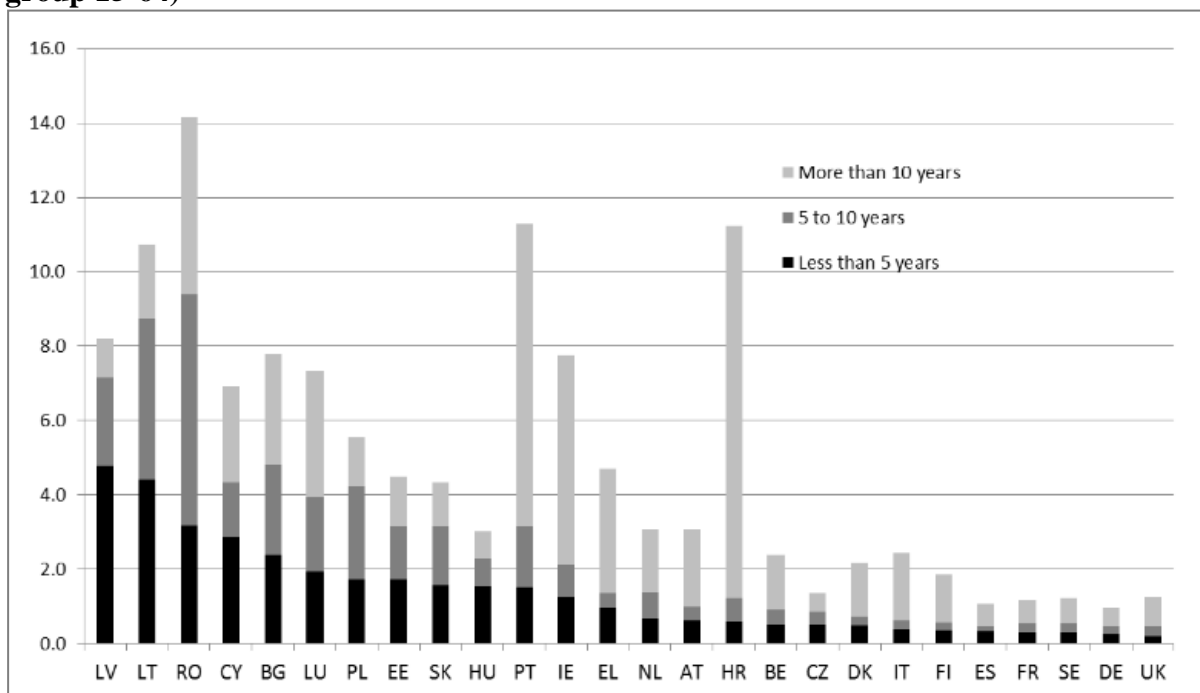
innovation strategies. The high level of creativity, entrepreneurship and collective learning present in this cluster provide potential assets to turn, in an evolutionary perspective, this cluster into a ‘Smart and creative diversification cluster’, through normative intervention that helps to exploit creativity and entrepreneurship for increasing endogenous innovation activities, and not only for imitative innovation. **Most of these regions are in EU13, such as all regions in Bulgaria and Hungary, Latvia, Malta, and several regions in Poland, Romania, and Slovakia, but also in southern Italy.**

1.3.2 Duration of migration

Important information can be revealed by looking at the duration of residence of EU migrants. EU labour mobility can take various forms, from permanent relocation to another country to daily or weekly commutes across borders, or short periods of time abroad.

According to Figure 1.20, 24.5% of total **first-generation migrants** moved to another EU MS for a short period of time (1-5 years), almost the same number (25.8%) of migrants moved for a longer period (6-9 years), while approximately **half (48.9%) of them moved for a long period (10 years or over).**

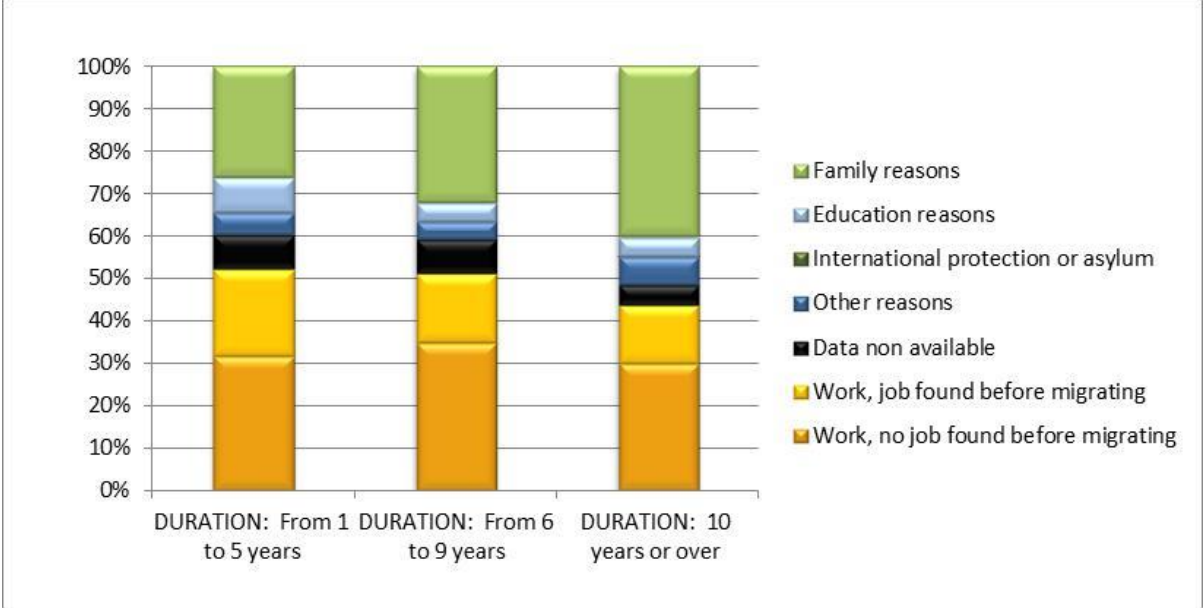
Figure 1.20 - Mobile EU citizens living in another EU MS, by years of residence (age group 15-64)



Source: ILO (2014).

According to Figure 1.21, while the EU first-generation migrants who moved to another MS for a limited period (1-5 years) did so mainly for work (52.2%) and to a lesser extent for family reasons (26.3%), those who stayed for longer periods (up to 10 years and over) did so less for job-related reasons (44.2%) but more frequently for family reasons (39.9%).

Figure 1.21 - Main reasons explaining migration of EU foreign citizens (2014) by the duration of the time of permanence abroad



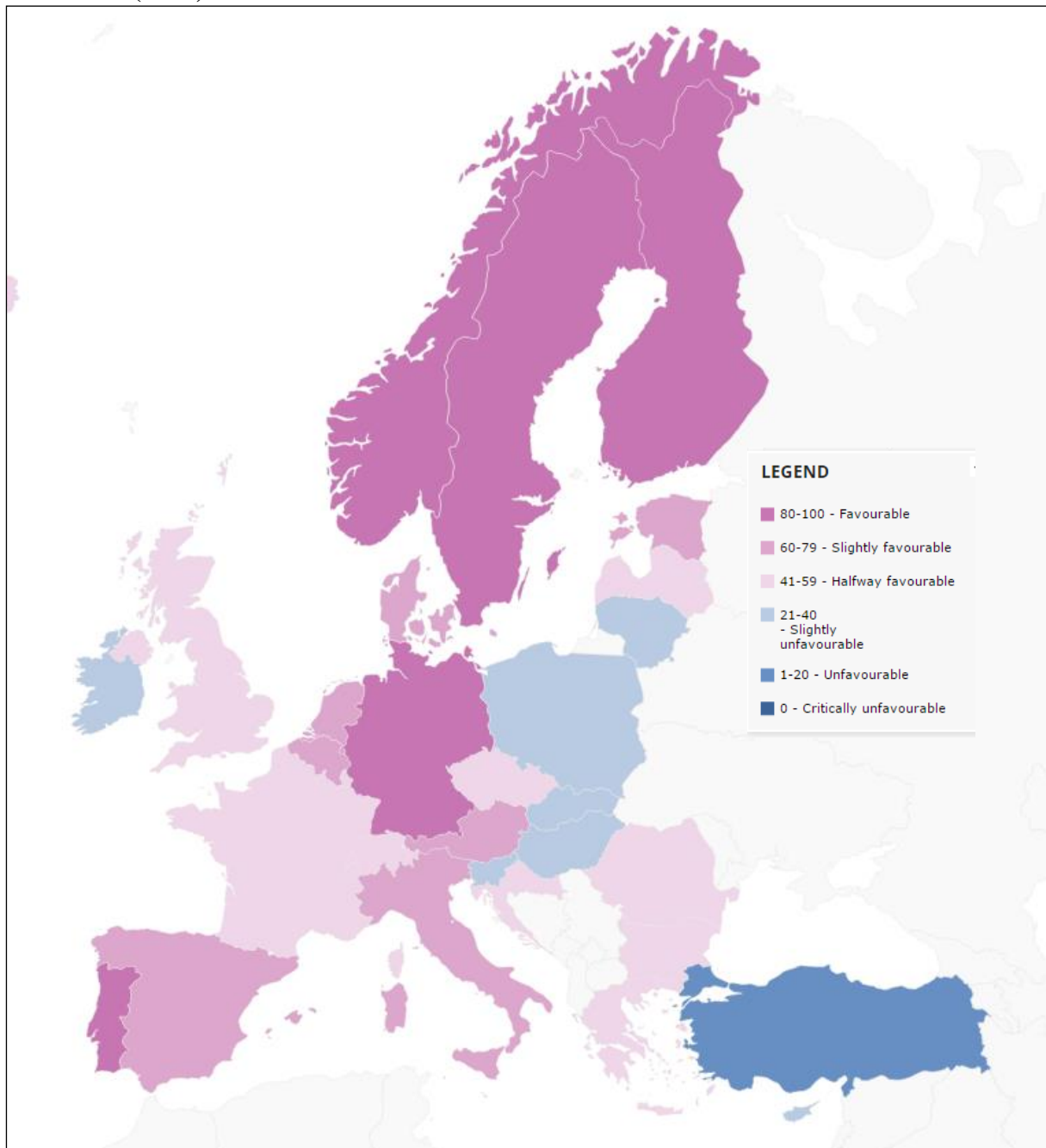
Source: own elaboration on Eurostat data.

1.3.3 Obstacles to getting a job

Migration flows also depend on the favourable/unfavourable conditions in the hosting countries. Resident families and individuals can immediately access the private labour market, public employment services and training. However, migrants looking for the right job often cannot rely on the same social safety net or strong targeted programmes to recognise their skills or foreign diplomas and orient them to jobs and mainstream services.

Migrants have better access to work and targeted job support in specific northern countries and in Germany (Figure 1.22). Portugal emerges as the only new country of immigration with a favourable framework for labour market mobility. The weakest rights and opportunities can be found in most central, eastern and southern European countries. Access, support and rights, however, differ significantly across countries, even between the traditional countries of immigration.

Figure 1.22 Labour market mobility index (MIPEX, Migrant Integration Policy Index), total score (2014)²¹



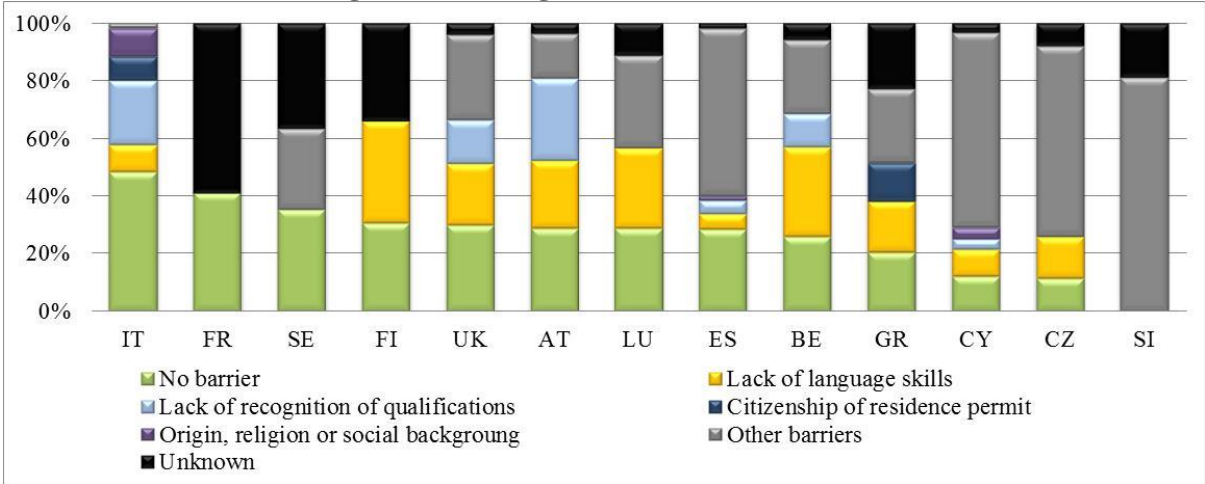
Source: reproduced from MIPEX.

Available data on obstacles to getting a suitable job encountered by employed/unemployed/inactive foreigners (first and second generation of migrants) with EU citizenship (Figure 1.23) are less accurate. In almost all the countries reporting data (data available for 13 MSs, and SI and FR reported just generic data), a quote (ranging from 11.4% of CZ to 48.2% of IT) of employed EU foreigners **did not report any barrier to getting a suitable job**. ‘Lack of

²¹ MIPEX measures policies to integrate migrants in several territories including all EU MSs. It considers four dimensions: access to labour market, access to general support, targeted support, workers’ rights.

language skills’ is a barrier encountered in most MSs, while the ‘lack of recognition of qualifications’ or difficulties related to ‘citizenship or residence permit’ and to ‘origin, religion or social background’ are barriers reported by a few MSs. Lack of language skills was the main barrier encountered by unemployed and inactive EU foreigners as well.

Figure 1.23 - Obstacles to getting a suitable job encountered by employed EU foreign citizens (first and second generation migrants)²²

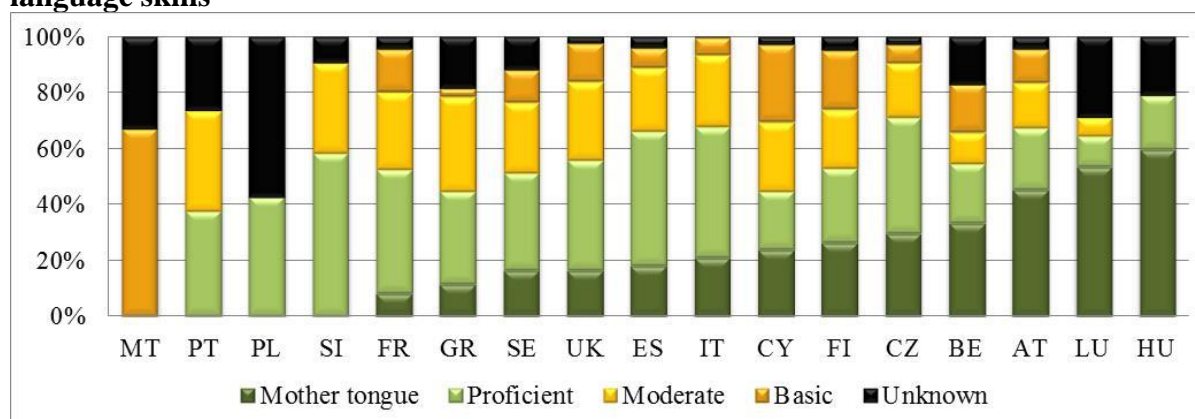


Source: own elaboration on Eurostat data.

In fact, in most of the MSs for which data are available (Figure 1.24), fewer than 35% of the EU foreign migrants in the host country speak the host country language with native speaker proficiency (HU, LU and AT exception with highest percentages: 59.5%, 53.6%, 45.2% respectively). Generally, the host-country language knowledge level that is most prevalent across EU MSs is ‘proficient’ (almost all MSs report a significant ‘proficient’ EU foreign migrants quote). **EU foreign migrants find the most challenging linguistic obstacles in Malta, Portugal, Poland, Greece, Cyprus** and, even to a lesser extent, in France, Sweden, Finland and Belgium (low quota of ‘native speaker’ and ‘proficient’ immigrants).

²² Data not available for BG, EE, HR, LV, LT, HU, MT, PL, PT, RO, SK.

Figure 1.24 – First and second generation of migrants (with EU citizenship) host country language skills²³



Source: own elaboration on Eurostat data.

However, the EU has established initiatives to overcome these obstacles, at least partially. One is **Europass**, a EU initiative designed to enable European students and workers to make their skills and qualifications clearly and easily understood in Europe. It is based on the use of standard documents, partly to be filled out directly by the applicants (Curriculum Vitae, Language Passport), partly to be issued by education and training authorities (Europass Mobility, Certificate Supplement, Diploma Supplement). The particular success of the Europass Curriculum Vitae lies in its simple and clear format, able to reach everyone across Europe, facilitating communication between jobseekers and employers and acting as a mediator between education, training and the labour market.

A second one is **EURES**, established in 1993, a job mobility platform developed as a cooperation network between the European Commission and the Public Employment Services (PESs) of the EEA States (plus Switzerland), and other partner organisations. It functions as a bridge between workers and employers, namely providing information and counselling services for recruitment/placement (job-matching), thus promoting free movement of people across the EU. PESs facilitate access to the labour market at the local, national and European levels to those jobseekers and employers/companies specialising in staff recruitment.

EURES is particularly active and relevant in cross-border regions with elevated commuting levels, serving as a facilitator for difficulties that may arise in cross-border commuting. Specifically, EURES offers assistance whenever administrative, legal or fiscal hurdles may emerge. The 12 EURES cross-border partnerships are meant to put together employment and vocational training services, employers and trade unions, and local authorities and other employment/vocational training institutions. EURES partnerships also oversee

²³ Data not available for: EE, SK, BG, HR, LV, LT, RO.

how employment develops in these cross-border areas, thereby providing a significant contribution to the smooth functioning of the European labour market.

In updated numbers, the EURES has involved more than 850 advisers, more than 5,000 local employment offices with more than 100,000 staff, 12 cross-border partnerships across Europe, comprising 19 countries. It has supported **239,551 CVs online and 6,092 companies**²⁴.

Key messages of the section:

EU foreign labour force:

In 2014, **15 million people employed in the EU were foreign citizens** (7.1% of the total population in employment). Overall immigrants employment rate was **57%**.

EU foreign labour force from EU MSs:

In 2014, **7.2 million employed** foreign citizens were **citizens of another EU MS**.

In **11 MSs** (Luxembourg, Belgium, Slovakia, Hungary, Ireland, United Kingdom, Netherlands, Austria, Cyprus, Sweden and Germany), the **majority of employed foreign citizens** were **citizens of other EU MSs**.

MSs that **employed the highest number of EU foreign citizens** in the period 2006-2014 were **Germany, the United Kingdom, Spain, Italy and France**.

Education level of EU foreign labour force:

All in all, this cross-national comparison of highly qualified intra-EU immigrants shows that **EU15 immigrants are much more highly educated than the group of non-EU immigrants and the national population in every country analysed**.

By contrast, **the proportion of highly qualified immigrants from the new EU MSs varies substantially across destination countries:** southern European countries are composed of a very low proportion of highly qualified immigrants from new EU MSs, while the other destination countries have attracted a much larger proportion of highly qualified immigrants from the new EU MSs.

The education level of EU mobile workers has important effect also on the capacity of the regions to generate knowledge and implement a definite pattern of innovation: **labour mobility is therefore more efficiently used in those regions that are more knowledge and innovation intensive**.

²⁴ Last updated 8th March, 2016.

Workers migration duration:

24.5% of total first generation immigrants moved to another EU MS for a short period of time (1-5 years), almost the same number (25.8%) of immigrants moved for a longer period (6-9 years), while approximately half of them (48.9%) moved for a **long time period** (10 years or over).

EU first generation immigrants who moved to another MS for a limited period of time (**1-5 years**) were mainly prompted by **job-related reasons**.

Work access, job support and barriers:

Immigrants have better **access to work and targeted job** support particularly in northern countries and in Germany, while the weakest rights and opportunities can be found in most central, eastern and southern European countries.

Lack of language skills seems to be the most challenging barrier encountered by migrants in most the MSs. EU foreign immigrants find the most challenging linguistic obstacles in Malta, Portugal, Cyprus, Poland, Greece, and Cyprus.

1.4 Focusing on specific categories of workers

1.4.1 Posted workers

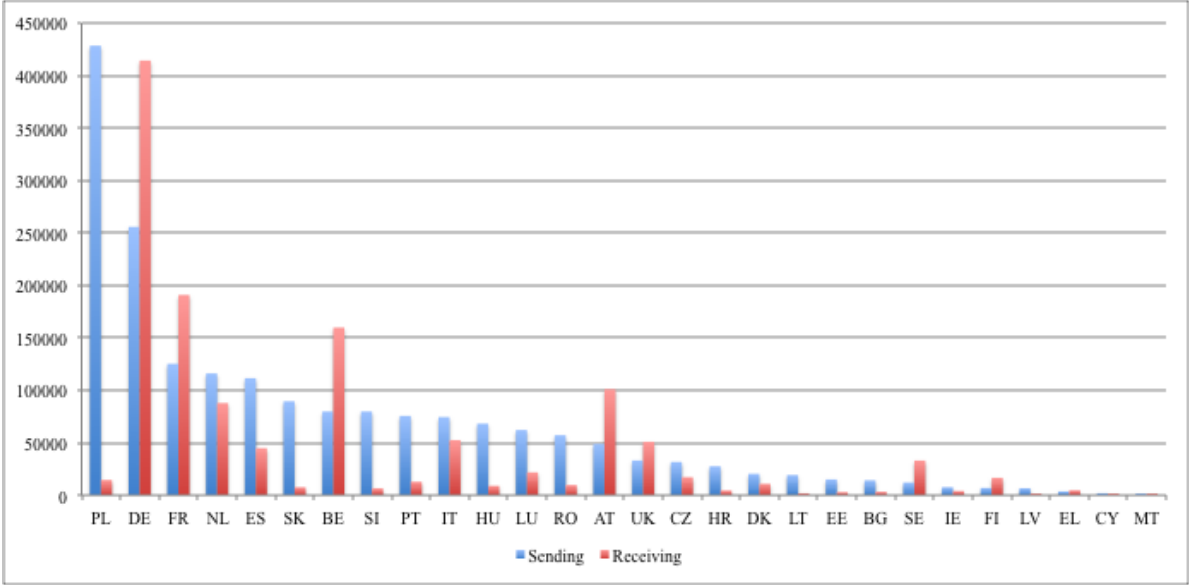
In spite of the fact that the number of posted workers remains low in terms of percentage of the European workforce (0.7% of total employment), it has increased by 44.4% since 2010. In 2014, the last year of available data,²⁵ there were 1.92 million posted workers in the EU. In particular, the number of workers employed in two or more MSs (multinational workers) augmented significantly, with an increase of 120% between 2010 and 2013²⁶.

As illustrated in Figure 1.25, in 2014, Poland, was the top sending country in terms of posted workers (nearly 430,000), followed by Germany (255,000) and France (125,000). In terms of MSs receiving the highest number of posted workers, the ranking is Germany (414,000), France (191,000) and Belgium (160,000).

²⁵ European Commission (2016c).

²⁶ European Commission (2014c). Data available in the EC's report – collected through questionnaires – are based on portable documents A1 (PDs A1) that MSs have released between 2012 and 2013. Specifically, PDs A1 represent a formal statement on the applicable social security legislation; in other words they show that a posted worker or a person employed in more than one MS pays social contributions in a different MS.

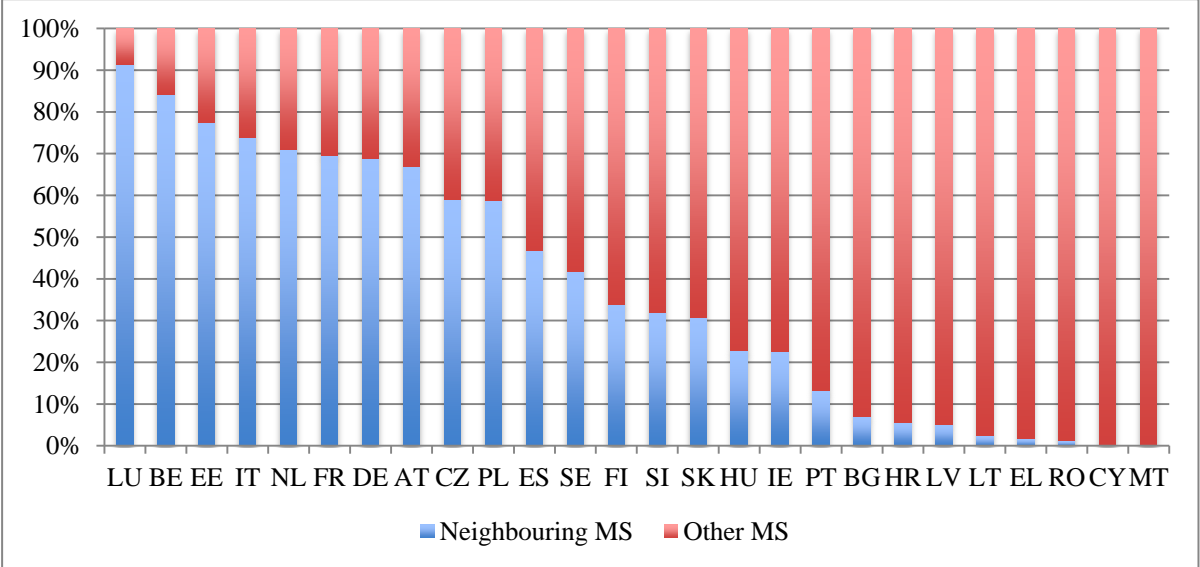
Figure 1.25 – Number of posted workers issued by sending and receiving MS, 2014



Source: own elaboration based on European Commission (2016), 'Posted workers country factsheets'.

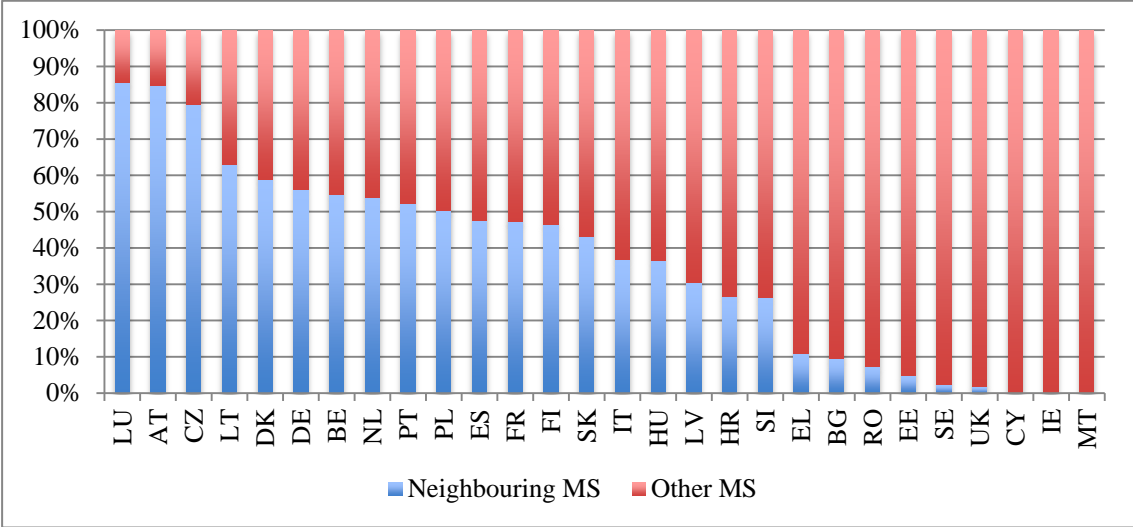
Geographic proximity obviously plays an important role in postings. Accordingly, workers are posted predominantly (52.3%) to a neighbouring country. Luxembourg, Belgium, Estonia and Italy are among the main MSs posting workers to neighbouring states (Figure 1.26). Luxembourg, Austria, Czech Republic and Lithuania are the countries that received posted workers mostly from neighbourhood MSs (Figure 1.27); in this top group Estonia is not present; instead, it is among those countries that received less than 10% of the posted workers from their neighbouring MSs.

Figure 1.26 – Percentage of posted workers to neighbouring MSs, by sending country, 2013



Source: elaborated from Table 14 in EC (2014c). DK and UK did not provide a breakdown by destination MS for 2012 and 2013. In 2011 most posted workers from DK were posted to NO, and from the UK to FR.

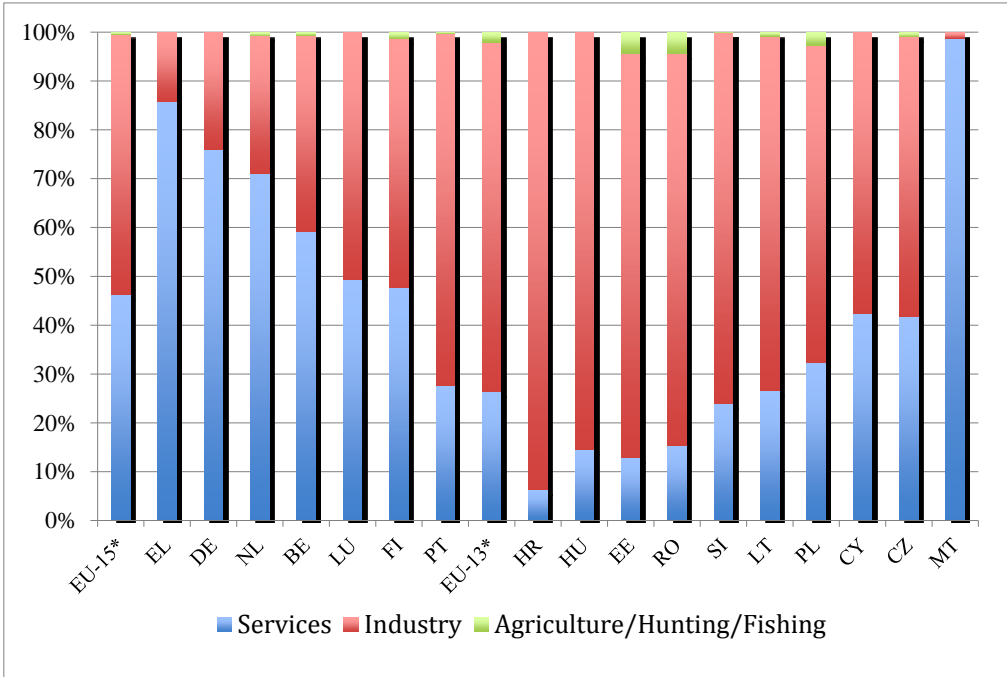
Figure 1.27 – Percentage of posted workers to neighbouring MSs, by receiving country, 2013



Source: elaborated from table 14 in European Commission (2014c).

Another interesting facet to investigate on posting is provided by the analysis of the economic sector in which this practice mainly occurs. The majority of EU posted workers is found in the industrial sector (66.6%), predominantly in construction activities (43.9%), followed by services (31.8%) and agriculture (1.6%).

Figure 1.28 - Posted workers issued by sending MSs, breakdown by economic activity, 2013



Source: elaborated from table 15 in EC (2014c). EU15*: the average provided includes only those MSs able to provide data by economic sector (BE, DE, EL, FI, LU, NL, PT). Consequently, AT, DK, ES, FR, IE, IT, SE, UK are excluded from the average calculation. EU13*: the average provided includes only those MSs able to provide data by economic sector (BG, CY, CZ, EE, HR, HU, LT, MT, PL, RO, SI). Consequently, LV and SK are excluded from the average calculation.

Interestingly, **there is a differentiation in terms of distribution of economic sectors between EU15 MSs and EU13+EFTA** (Figure 1.28). Posted workers issued by Belgium, Germany, Luxembourg, Malta and the Netherlands are employed in the service sector of the hosting MSs working mostly in **the financial and insurance sector**. However, this group also includes Greece. Conversely, Czech Republic, Estonia, Croatia, Cyprus, Lithuania, Hungary, Poland, Portugal, Romania, Slovenia, and Finland mainly post workers in the industrial sector. On average, 71.6% of the workers posted by one of the EU13+EFTA MSs work in the industrial sector while ‘only’ 53.4% of the workers posted by one of the ‘EU15’ MSs are employed in this sector. Regarding the service sector²⁷, **EU15 MSs send posted workers mostly in education, health and social work activities** (22.4% compared with 11.3% of EU13 MSs) and **in financial, insurance, real estate, and professional, scientific and technical activities** (18.3% compared with 2.6% of EU13 MSs). This trend seems to indicate that **there is a flow of low-medium skilled posted workers (in industry) from low-labour-cost to high-labour-cost European territories. On the other hand, medium-high skilled workers (in services), mostly move from high-labour-cost territories to finding a job in similar qualified occupations in other European regions.**

As far as the duration of the posting period is concerned, the average has decreased from 119 days in 2012 to 100 days in 2013²⁸. However, these numbers represent only 8 MSs, namely those that have provided data on the average duration of the posting period between 2012 and 2013. Furthermore, there is a sharp difference among MSs in terms of posting duration. Accordingly, France (32 days), Belgium (36 days), Slovenia (86 days) and Italy (100 days) registered a relatively low posting duration compared with other MSs such as Hungary (293 days), Ireland (241 days) and Germany (163 days).

1.4.2 Cross-border workers

The amount of comprehensive, updated statistical data on cross-border workers is strikingly low, so an accurate assessment of this particular group of European mobile workers is rather difficult to elaborate. According to a Commission estimation²⁹, there were approximately 1.1 million cross-border workers in 2014; thus the number of cross-border workers has increased by 41% between 2006 and 2014. The EU enlargement processes and the 2008 financial crisis, among other reasons, have had a strong impact on this increase.

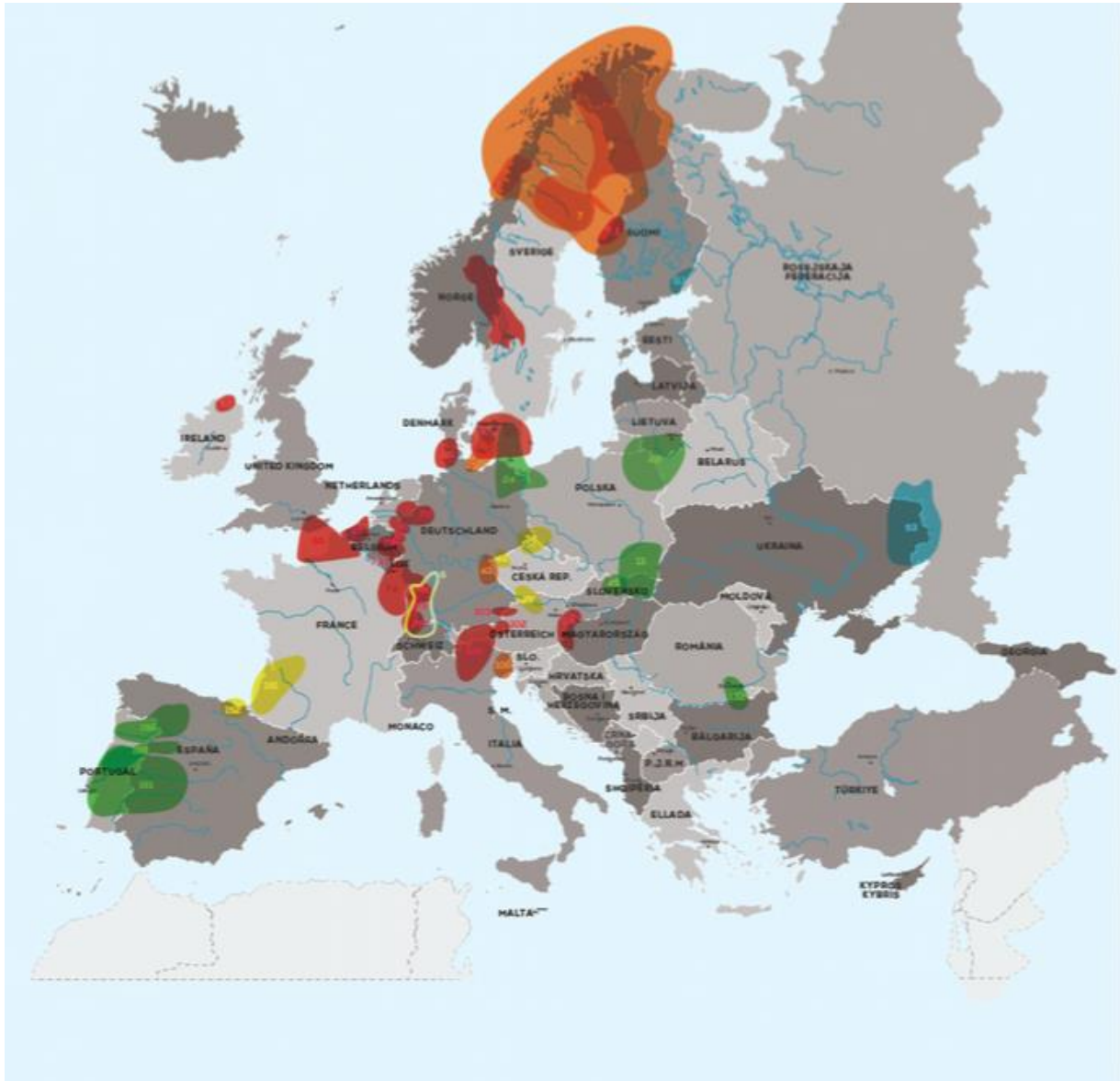
²⁷ See Table 15 in European Commission (2014c).

²⁸ According to Article 12 of Regulation (EC) No. 883/2004, the posting period cannot exceed 24 months.

²⁹ European Commission (2015a). See also EC (2014a).

The majority of cross-border workers are located in North-Western Europe (Figure 1.29), and the volume of employed cross-border workers in the Scandinavian States is substantial. Furthermore, frontier work between Estonia and Finland, Hungary and Austria, Slovenia and Italy has risen³⁰. Conversely, peripheral or disadvantageous geographical position and/or unattractive economic welfare deeply affect the incidence of cross-border workers willing to work in countries such as Bulgaria, Cyprus, Greece and Malta.

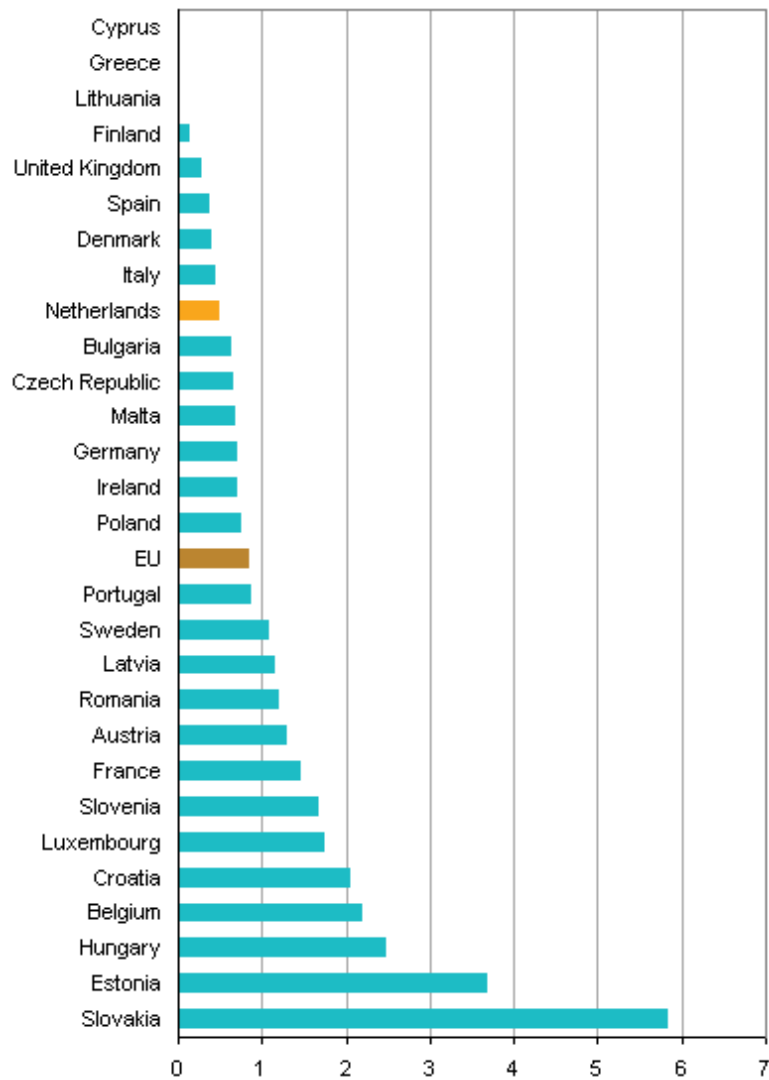
Figure 1.29 – Degree of regional cross-border mobility



Source: reproduced from the Association of European Border Regions (2012). Picture based on AEBR survey.
 ■ = High; ■ = Medium-high; ■ = Medium-low; ■ = Low; ■ = Particular conditions (external borders).

³⁰ Frontier work occurs mainly from the EU13 to the EU15, thus: from Estonia to Finland, from Hungary to Austria, and from Slovenia to Italy.

Figure 1.30 – Share of cross-border workers from EU MSs, 2013



Source: Eurostat.

Figure 1.30 shows the share of cross-border workers per EU MS in 2013. The EU average is below 1%, while countries such as Slovakia (close to 6%), Estonia (close to 4%), and Hungary (approximately 2.5%) display higher rates of cross-border workers. In this respect, European cross-border labour mobility, notwithstanding decades of integration based on the free movement of workers, appears not only concentrated in definite geographical areas (as shown in Figure 1.29), but also rather restrained in comparison to the United States or Australia. Accordingly, annual EU cross-border mobility barely reaches 0.3%, whereas the percentage is much higher in Australia (1.5%) and in the US (2.4%)³¹.

One successful example of cross-border labour mobility is represented by the Greater Region (Saar-Lor-Lux-Rheinland-Pfalz-Wallonie) between Germany,

³¹ OECD (2012).

Luxembourg, France and Belgium³². The Greater Region is mainly characterised by intermediate regions (i.e. in-between urban and rural) close to a city, and a few rural regions mainly on the Belgian side. The cities of the Greater Region are relatively near to main European urban agglomerations such as Paris and Brussels or the Rhein-Main and Rhein-Rhur areas with Frankfurt and Cologne, which play a role both with regard to European and inter-continental accessibility.

Within the Greater Region, formal EU labour market integration and especially cross-border mobility has been a reality for decades. Relatively low during an early phase until the mid-1980s, cross-border mobility started to increase continuously and rapidly here during the 1990s and the following decade up to around 213,400 commuters in 2011. At present, the **Greater Region shows the highest cross-border commuter flows in the EU28** and most of these flows concentrate on the narrow cross-border metropolitan area around the Grand Duchy of Luxembourg. Cross-border workers in the entire Greater Region are mostly male, younger than the resident working population of their country of work, slightly more qualified than the resident working population, less frequently employed in part-time jobs and working more often in larger companies.

General factors stimulating cross-border labour mobility in the Greater Region **are the existence of a high number of unrestricted border crossings, short commuting distances, an ever improving information flow through networking, and especially in the case of Luxembourg, the generally strong economic attractiveness** (e.g. dynamic financial sector of EU-wide relevance; comparative advantages in terms of tax regulations creating a favourable climate for enterprise location; high job creation rate and comparatively high wages etc.). **Differentials concerning net income wages are clearly acting as a ‘pull factor’** in all neighbouring regions, while unemployment is acting as a ‘push factor’ mainly in the neighbouring French and Belgium regions where rates are clearly higher than in Luxembourg or on the German side.

Among the factors hampering cross-border commuting within the Greater Region, the following are identified: lack of information available in the worker’s native language; recognition of diploma and lack of equivalent qualifications, with the risk for mobile workers of being employed at a lower level in comparison with a person having studied in the country; restrictive legislation on the place of residence; registration formalities or fixed dates related to social legislation; long delays for issuing specific administrative documents; hurdles relating to social and fiscal legislation.

³² See section 3.3 in Interact (2015).

Key messages of the section:

Posted workers:

In 2014, there were **1.92 million posted workers in the EU**. In particular, the number of workers employed in two or more MSs (multinational workers) augmented significantly, with an increase of 120% between 2010 and 2013.

Poland is the top sending country for sending posted workers, followed by Germany and France. **Germany is the first receiving country for posted workers**, followed by France and Belgium.

Geographic proximity obviously plays an important role in postings. Workers are in fact posted predominantly to a neighbouring country.

The majority of EU posted workers are posted in industrial sector, predominantly in construction activities, followed by services and agriculture.

There is a **differentiation in terms of distribution of economic sectors** between EU15 MSs and EU13+EFTA: there is a trend of flows of low-medium skilled posted workers (in industry) from low-labour-cost to high-labour-cost MSs, while medium-high skilled workers (in services), instead, mostly move from high-labour-cost MSs finding a job in similar qualified occupations in other MSs.

Cross-border workers:

There were around **1.1 million cross-border workers in 2014**, increased by 41% between 2006 and 2014.

The majority of cross-border workers are located in north-western Europe, and the volume of employed cross-border workers in the Scandinavian States is substantial. However, European cross-border labour mobility, notwithstanding decades of integration based on the free movement of workers, **appears rather restrained in comparison to the United States or Australia**.

The existence of a high number of unrestricted border crossings, the presence of intermediate regions close to a cities, short commuting distances, an ever improving information flow through networking and generally strong economic attractiveness (higher wages) **are among the success factors enhancing cross-border mobility**.

2 Benefits of labour mobility

Increased labour mobility within the EU has important benefits for local, regional and national communities, for individual citizens and the internal market. Labour mobility can contribute to economic growth, competitiveness, job creation and business opportunities. It can serve as a crucial adjustment mechanism for macroeconomic shocks – demographic, demand-driven, or even technological ones. It can also play an important role in macroeconomic adjustment where exchange rates and monetary policy cannot be used³³.

Moreover, the free movement of people can support a more inclusive and prosperous EU by reinforcing the idea of European integration, helping European regions grow together, developing a shared European identity, and fighting the threat of nationalistic and xenophobic sentiments³⁴.

According to the European Commission,³⁵ labour mobility has two main impacts:

- It helps **correct imbalances** between high and low unemployment regions. Labour mobility can reduce the burden of high unemployment in certain areas of Europe, enabling workers to escape unemployment or look for a better job. It increases the efficiency of labour markets and productivity by matching skills and jobs, supporting the reallocation of workers from less productive to more productive sectors and helping to fill job vacancies.
- It promotes the **dissemination of knowledge and innovation** across Europe by strengthening the innovative capacity of European firms, as more individuals share their knowledge and skills³⁶. In general, individuals with a better education are more likely to migrate because they expect a higher income and are also better at weighing up the risks of migration (with a greater ability to gather and process information)³⁷.

Different effects, however, can be distinguished between the regions of destination and of origin. The impact of labour migration on regional economies, and in particular on economic growth, productivity and poverty, is

³³ M. Barslund, M. Busse and J. Schwarzwälder (2015).

³⁴ Harnessing European Labour Mobility (2014).

³⁵ European Commission, DG Employment, Social Affairs and Inclusion (2015b).

³⁶ Harnessing European Labour Mobility (2014).

³⁷ K.F. Zimmermann (2009).

not uniform³⁸. It depends on the local context, as well as the nature and intensity of migration flows. Moreover, the earnings of migrants of working age are likely to depend heavily on their education level, age, gender, occupation, employment status and duration of the time spent abroad.

The benefits of labour mobility are analysed in the following paragraphs. Five fact sheets briefly presenting the evidence from the case studies are used to highlight specific aspects. A colour is associated with each of three thematic divisions: RED for fact sheets presenting strategies aiming to attract workers, GREY for fact sheets presenting strategies to retain local workers, GREEN for fact sheets presenting strategies to enhance labour circulation. These thematic divisions are fully illustrated in chapter 4. The same use of case studies is made in chapter 3, in order to highlight specific aspects related to the challenges and risks resulting from labour mobility.

2.1 Benefits for the regions of destination

2.1.1 Positive contribution to the skill mix and enhancement of competitiveness

Overall, facilitation of the mobility of highly skilled workers could serve to fill the skill gaps and contribute to the creation of new jobs for domestic workers, to the extent that it enhances the competitiveness of domestic firms³⁹.

Economic theory predicts that the impact of immigration on an economy depends on the characteristics of the immigrant labour force compared with the native one⁴⁰. In general, if the host regional labour market is mainly composed of low-skilled workers, the immigration of skilled workers may negatively affect the native skilled labour force, but, simultaneously, may have also positive effects on the employment and wages of the native low-skilled labour force. In fact, although immigrant skilled workers are in direct competition with native skilled workers (competing as substitutes), they do not compete with the low-skilled native workers (who, in economic terms, are defined as complementary in production). In fact, the depression of wages in the highly-skilled labour sector may lead to an expansion of firms' production and to a consequent increase in the demand for low-skilled workers, with a consequent rise in their employment and wages. Moreover, when migration is seasonal, the mobility of available labour would not affect regional unemployment

³⁸ OECD, ILO and World Bank (2015).

³⁹ Regional Cooperation Council and IOM (2015).

⁴⁰ DG for Internal Policies, Economic and Scientific Policy Department (2011).

significantly, especially in those regions where the majority of the unemployed refuse to work in seasonal jobs.

In addition, it is argued that each newly created high-skill job in a European region may lead to four additional jobs in non-high-skill occupations or sectors in the same region⁴¹. In fact, **the so-called regional multiplier indicates** that high-skill job creation leading to an influx of high-skilled workers indirectly benefits lower-skilled workers through increased demand for local services (household services, healthcare, childcare, restaurants, schools, shops or sporting and cultural activities)⁴².

However, as displayed by the sectorial flows of posted workers (section 1.4.1), high-skill jobs are more likely to move to regions that foster entrepreneurship, as innovation and entrepreneurial activity are strongly linked. In order to catch up with the leading European regions, LRAs of territories with lagging high-skill employment could benefit from policies aiming at attracting high-skill workers, directly investing in R&D and skills, supporting entrepreneurship through networking initiatives and facilitating access to financial market for funding. On the other hand, for the regions that are already more innovative (presence of R&D and technological centres and innovative firms), it is important to continue to favour labour mobility of skilled workers (as demonstrated by Brainport Talent Centre presented in the box below) in order **to enhance competitiveness**, by implementing strategies to attract new talents and exploit new market opportunities, new sectors, new products.

Box 2.1 - Brainport Talent Centre – Brainport region Eindhoven (NL)

www.talentbox.nl

Regional context in terms of labour mobility

- Brainport (Eindhoven region) is one of the most innovative regions in the Netherlands.
- The region has a long tradition of technical ingenuity, with inventions such as the LED lamp, Blu-Ray Disc, and innovative transport systems,

Key features of the initiative

- The Brainport Talent Centre (BTC) was created in 2014 as a collaboration between companies, education & knowledge institutes, and governments.
- The aim of the initiative is to retain, attract and jointly share (inter)national tech & IT talents and to provide access to related expertise. Key factor is the

⁴¹ OECD (2015).

⁴² See Goos, M., J. Konings and M. Vandeweyer (2015).

<p>among many others.</p> <ul style="list-style-type: none"> • The south-eastern region of the Netherlands, including Brainport, makes a significant contribution to the national economy in terms of innovation and growth. • The region spends EUR 2.5 billion in private R&D. Indeed, the strong performance of the region can be attributed to the investments made by companies in R&D for new products, services and technologies. • The most important labour market challenge over the coming years is the attraction and retention of tech and IT talent to the region. 	<p>collaboration of 30 companies.</p> <ul style="list-style-type: none"> • Main instruments of Brainport Talent Centre are: <ul style="list-style-type: none"> 1) the Brainport talentBox, a platform where international (EU) tech and IT job seekers can register their CVs and apply for tech and IT jobs. The participating companies use the talentBox to share CV's. 2) the Internship/Traineeship programme connected to the EU Erasmus+ & Global training programmes that enables interns coming to the Eindhoven region to acquire experience and skills to pursue a career in the fields of IT and high tech.
<p><i>Main achievements</i></p> <ul style="list-style-type: none"> • The initiative contributes to mitigating the shortage and mismatch in the labour market for Tech and IT jobs in the Brainport region. • It enriches the cultural and professional environment of the region through the experience of people coming to work from different countries. • The talentBox allows the partners to have unlimited access to the technical candidate profiles and to hire technical candidates without additional costs. • Out of the 90 students and graduates from the internship programme in Brainport Talent Centre over the last two years, 50% engaged in follow-up in other projects or jobs in the Eindhoven region. 	

2.1.2 Labour shortage reduction

Due to technological change, innovation improvements, population aging and a substantial decline in the future native European workforce, most developed regions may present a strong and increasing excess demand for skilled

workers⁴³. These needs clearly cannot be satisfied sufficiently by local workers. In this case, migrants arrive with skills and abilities, supplementing the stock of local human capital of the host region. Migrants can fill important niches both in fast-growing and declining sectors of the economy, and contribute substantially by providing the labour and skills needed in critical occupations. Bottleneck vacancies in fact occur also in occupations with declining employment, as well as in occupations with high replacement demand and an aging workforce.

A study published in 2014 by the European Commission⁴⁴ investigates whether regional aspects were relevant for bottleneck vacancies⁴⁵ and, if so, whether problems concerned rural areas, urban areas or both. **Regional aspects were reported as relevant for all or nearly all bottleneck vacancies in Denmark, Croatia, Portugal, Finland, Estonia, Slovenia, Netherlands, and Lithuania.** In some other countries, the regional dimension is reported as not being relevant, or only relevant for a few bottleneck occupations (Czech Republic, Malta, Slovakia, Greece, Latvia). The study reveals also that **regional disparities are somewhat more often mentioned for high-skill and elementary occupations** and, to a lesser extent, for occupations employing skilled manual workers, although the differences are small. **In particular, bottlenecks for teaching professionals, cleaners and helpers, health professionals and sales workers** are regarded as being partly related to regional differences in supply and demand. However, the score for science and engineering professionals, personal care workers, stationary plant and machine operators, refuse workers and other elementary workers and ICT professionals is also above average.

Moreover, **highly skilled workers are in general quite mobile, but tend to prefer to reside in (sub)urban areas. Low-skilled workers are less mobile and seek jobs in close proximity to their residence.** Bottlenecks in **rural areas** are more often mentioned for elementary jobs (cleaners and helpers, refuse workers and the like, agricultural and comparable workers), health professionals, teaching professionals and drivers and mobile plant operators. Such difficulties are more often mentioned in Cyprus, France, Sweden, Estonia, Croatia, Finland, Austria and Latvia. Bottlenecks in **urban areas** are reported

⁴³ OECD, ILO and World Bank (2015).

⁴⁴ European Commission (2014b). See also European Parliament, DG for Internal Policies (2015).

⁴⁵ Bottleneck occupations can be defined as occupations which fulfil one or more of the following criteria: where vacancies take a long time to be filled; for which employers state difficulties filling vacancies (either in the past or expected in the near future); few unemployed (compared to other occupations) are available to fill vacancies; where the number of vacancies increases (remains stable/decreases) while the number of job-finders remains stable (decreases/decreases to a greater extent). See European Commission (2014b) and European Parliament, DG for Internal Policies (2015), p.14.

more often for cleaners and helpers, teaching professionals, sales workers and business and administration professionals and more often mentioned in Lithuania, Croatia, Netherlands, Romania and Denmark.

The case of the Øresund region demonstrates how a cross-border strategy can be put in place to overcome regional bottlenecks, when there is a common demand for highly skilled workers. The use of a professional social network like LinkedIn is of particular interest, especially if English is used as a working language.

Box 2.2 - IT specialist for the Øresund Region (SE+DK)

www.europeanjobdays.eu/en/company/it-specialists-oresund-region

Regional context in terms of labour mobility

- The Øresund region is one of the most important IT clusters in Europe, and is permanently in need of IT and telecom professionals.
- Key industries in the Øresund region include biotechnology, pharmaceuticals and health; information technology and communications; food; tourism, culture and recreation; transport; building construction; and business and financial services.
- 20 higher education institutions in the Øresund region. The Øresund University is a voluntary collaborative venture designed to boost the research and human capital of the region through building synergies and partnerships in the design of teaching and research.

Key features of the initiative

- IT Specialists for the Øresund Region is a cooperation between EURES in South Sweden and EURES in East Denmark.
- It aims to **inform and attract foreign IT specialists** with regard to job opportunities in the Øresund Region within the IT sector, as well as working conditions, tax/welfare conditions and information on supply/demand of labour.
- It uses **LinkedIn** as recruitment platform.
- It targets mobile workers all over the EU, specialists in the IT sector, with fluent English and a LinkedIn profile in English.

Main achievements

- 5,000 employee profiles and 1,250 jobs for Work in Denmark (2014).
- 800 members in LinkedIn group that are visible to recruiters and companies.
- Since the start of the initiative, about 20,000 people commute daily between the two countries (mainly from Sweden to Denmark).

2.1.3 Migrants tend to be net contributors to the budget of the host region

Generally, studies on migration concur that migrants contribute more in taxes and social contributions than they receive in individual benefits⁴⁶. This means that they can contribute to the financing of public infrastructure, although admittedly to a lesser extent than the native-born. Contrary to the common public belief, in the case of low-educated immigrants, they have a better fiscal position – the difference between their contributions and the benefits they receive – than their native-born peers, since they have lower wages and thus tend to contribute less⁴⁷. On the other hand, well educated and highly skilled migrants can earn higher wages and contribute more to the budget of the host regions.

Recent surveys⁴⁸ conducted in the United Kingdom, for example, reveal that in 2011 (the most recent available data set), EU migrants received an estimated GBP 12.879 billion in public services from the government, while they paid an estimated GBP 14.622 billion into the United Kingdom public system. This equates to GBP 1.743 billion, or 13.5%, more than those individuals received in public services. Consequently, the United Kingdom government recorded an overall financial gain from incoming EU migrants. Moreover, estimations show⁴⁹ that the recent **EU migrants actually make a larger net contribution to the United Kingdom public finances than natural-born residents**. Between 2007 and 2011, European migrants made a positive net contribution of GBP 15.2 billion – amounting to GBP 2,610 per capita. Over that same time period, the United Kingdom natives cost the government GBP 1,900 per capita. Comparatively, non-EEA migrants posed a net fiscal cost of GBP 332 per capita. This disparity likely stems from the fact that European migrants are 43% less likely to be in receipt of state benefits, and 7% less likely to live in social housing. Not only do European migrant workers tend to contribute more to UK

⁴⁶ See also OECD (2013 and 2014).

⁴⁷ OECD (2014).

⁴⁸ Rapid Formations (2015).

⁴⁹ See CEBR (2015) and Centre for Entrepreneurs and Duedil (2014).

public finances than they withdraw in public services, but **they are also more likely than a domestic-born worker to start their own business**. Moreover, according to research from the Centre for Entrepreneurs, approximately 10.4% of UK-born workers preside over their own company, versus 17.2% of non-UK nationals.

2.2 Benefits for regions of origin

2.2.1 *Mobile workers send remittances home, contributing to the local economy*

Remittances represent personal cash transfers from a migrant worker or immigrant to a relative in the country of origin. They represent a source of income both for migrants' families and also for governments, with positive effects on both public finance and welfare. Transfers can be monetary (cash, money transfers, cheques, etc.) or in-kind (goods, donations, payments for a household, etc.). They can also be funds invested, deposited, or donated by the migrant to the region of origin. One key advantage of remittance is that it does not involve only the remittance sender and the recipient⁵⁰. In between, in fact, there are a host of actors: intermediaries in the transfer process, local governments in both receiving and sending countries responsible for policy framework, supervision and facilitation, and institutions engaged in research and seeking to enhance the development impact of remittances.

Around 60% of total remittances from MSs remain within the EU28 (2014)⁵¹. Germany (17.2% of total outbound personal remittances from the EU28), France (11.4%), Luxembourg (10.5%) and the United Kingdom (9.5%) are the major sending economies of personal remittances (in terms of outflows). In Germany, Luxembourg and the United Kingdom, remittance outflows are predominantly based on income generated through border, seasonal or short-term work abroad, while remittance outflows in France mainly stem from personal transfers.

Geographical proximity therefore naturally plays an important role in driving flows of remittances. In 2014, France observed major corridors with all its neighbouring countries representing significant inflows, most notably from border and seasonal work of French residents in Switzerland (EUR 9.2 billion), Luxembourg (EUR 4.3 billion) and Germany (EUR 2.7 billion). France figured as a main source for personal transfers to Spain (EUR 1.1 billion) and

⁵⁰ ILO, OSCE and IOM (2006).

⁵¹ Eurostat (2015).

Portugal (EUR 1.2 billion). In a similar manner, Germany, Belgium and Luxembourg were exposed to their neighbouring countries in terms of border and seasonal work relations, while Luxembourg additionally reported significant inflows from the European institutions domiciled in its jurisdiction (EUR 1.2 billion). Beyond the limits of geographical proximity, Germany was the major source of income for seasonal workers from Romania (EUR 1.6 billion) and migrant transfers to Turkey (EUR 0.8 billion), while Italy figured as a significant sending economy for migrant transfers to Romania (EUR 0.9 billion).

Remittances are not only financial but can be also social⁵². Studies on social remittances⁵³ of Romanian emigrants in Italy, for example, demonstrate that female repatriates have changed their view on social customs once they return home. Such changes include a more egalitarian view on gender issues, a better education for their children focusing on independence and emancipation (for girls), as well as challenges to traditional gender and family rigidities. Social remittances can be also transferred in terms of human rights, community empowerment, voluntary work, charity initiatives, ability to control lives, and institutional transformations.

2.2.2 Workers may return with more experience, skills and savings, contributing to local economy development

Return migrants have the potential to make a positive contribution to the economic development of local economies⁵⁴. Migrants coming back to their regions of origin may have accumulated both savings and human capital while abroad. They can therefore re-invest them in new entrepreneurial activities or finance local existing enterprise.

However, country-specific surveys on Eastern MSs⁵⁵ reveal that more than half of remittances are used for current expenditure such as food and clothing, durable goods, housing construction and repairs, **contributing therefore to the development of local markets**. Only a marginal share is used for education of the migrant him/herself or for a family member or for business investments; in the case of Romania, however, findings suggest that **returnees or households with migrants are more prone to invest in entrepreneurial activities than non-migrant households**.

⁵² CoR (2016).

⁵³ See for example Vlase, I. (2013).

⁵⁴ OECD, ILO and World Bank (2015).

⁵⁵ European Commission (2012).

The Global Training Programme carried out by the Basque government is of some interest in this respect, as it demonstrates the awareness of the multidimensional nature of labour mobility and the importance of enhancing personal experience and acquiring more skills abroad to be spent, potentially, to support local companies. The knowledge of the Spanish market, and language, by the Basque mobile workers is ‘sold’ as an added value to European companies employing Basque graduates. This seems to represent a greater capacity to encourage international careers, beyond the concept of traditional emigration to more promising countries.

Box 2.3 - The Global Training Programme - Basque Region (ES)

www.bic-innovation.com/news/basque-country-spain-global-training-grant-program

Regional context in terms of labour mobility

- The Basque government is very keen on enhancing youth employment.
- In 2011, the unemployment rate of people aged 16 to 24 was 21.7%, quite similar to the European average (20.9%) but well below the Spanish youth unemployment rate (46.2%).
- The government devoted EUR 8 million to the Global Training Programme to decrease the rate.

Key features of the initiative

- It offers extended professional experience in other EU countries in the selected participants’ field of expertise (10 months internship in an international company).
- It targets graduates of the Basque University and Vocational Training under the age of 30.
- It provides its selected participants with full scholarship for six months, full insurance and a 50-hour training course on skills development and **internationalisation** prior to departure.
- The initiative helps employers in the receiving country to integrate young people to work on their premises, with the intention that they can stay there for some years to gain experience and help the company grow by using their labour skills.

Main achievements

- Great opportunity for both the company and the trainee: while the latter gains

experience, the former has a competitive advantage due to the trainee's academic profile and knowledge of the Spanish market.

- It promotes internationalisation among young people by carrying out international internships directly linked to a professional activity.
- The programme has given 430 young people the chance to work internationally.
- 16 Basque Global Training interns have found jobs at Microsoft. (http://cor.europa.eu/en/news/events/Documents/OS_Pinto.pdf)

2.3 Benefits for EU internal market

2.3.1 Increased GDP in the EU

Overall, it is estimated that EU GDP has increased by almost 1% in the long-term as a result of post-enlargement mobility (2004-2009)⁵⁶. The influence of immigration on growth is found to be particularly positive in the case of immigrants endowed with financial or human capital⁵⁷. In fact, immigrants who provide financial capital have a positive effect on consumption and investments and highly skilled professionals are complementary to investment flows in the sectors they are employed in, thus attracting more investments. Only the low-skilled migrants were estimated to reduce labour productivity in sectors that are employing them.

Moreover, positive effects on growth can be derived also from low-skilled migrants. They are mostly taking jobs avoided by natives and in sectors with seasonal labour shortages (e.g. farming, road repairs and construction, tourism-related services).

In addition, migrants contribute to the EU economy through remittances to the home countries and support the public budget of the host countries.

2.3.2 Mobile workers may play a role in facilitating the flows of trade, investment and innovative ideas

Migrants may play a role in facilitating trade and investment flows between origin and destination territories and, as consumers representing large

⁵⁶ European Commission (2015b).

⁵⁷ Munz, R., T. Straubhaar, F. Vadean and N. Vadean (2006).

communities, they could create new demands for goods and services. Moreover, migration of workers can also promote flows of ideas, knowledge and technology, boost skills and entrepreneurship, spread ideas and knowledge and consequently foster innovation⁵⁸. The Italian regional authority Emilia-Romagna has put in place a strategy aimed at getting young European researchers to meet and to develop collaborative ideas. This is considered as an opportunity to establish links between research and business, so promoting innovation at regional level.

Box 2.4 - ASTER Talents and Knowledge – Emilia-Romagna Region (IT)

www.aster.it/tiki-index.php?page=TalentiConoscenza_en

Regional context in terms of labour mobility

- Emilia-Romagna is one of the most advanced regions in Italy for innovation, infrastructures, services, welfare and quality of life.
- It is one of the greatest hubs for people to reside, study and work.
- It has one of the highest rates of GDP per capita among the Italian regions. Its very dynamic economy has enabled the region to achieve one of the highest rates of employment in Italy.
- Due to its central position in the national territory and the vast variety of transport services it offers, Emilia-Romagna is a strategic commercial area connecting the principal cities of Italy and south-eastern Europe.

Key features of the initiative

- ASTER Talent and Knowledge helps researchers maintain their value for regional companies.
- The focus is on the transfer of know-how from research to the local business sector.
- It helps to enhance **career development** of industrial researchers and to promote intra-EU mobility paths through important events that ASTER organises to bring people from different parts of Europe together to work on a specific topic.
- Target: young researchers.
- Activity (example): Climate KIC knowledge and innovation community working to address climate change challenges. The project involved the participation of students from all over Europe in a summer school in Bologna to discuss their entrepreneurial ideas on projects focused on climate change. At

⁵⁸ Alesina, A., Harnoss, J., Rapoport, H. (2013).

	the end of the course, the students are required to present their ideas and the best receive an award.
<i>Main achievements</i>	
<ul style="list-style-type: none"> • 811 young graduates placed in research and development after training. • 547 contracts signed between enterprises and universities/research centres. 	

2.4 Benefits for individual workers

2.4.1 Better job opportunities

As shown by the analysis of data in chapter 1, the first reason for migration intra-EU is to find better job opportunities. Workers who migrate try to escape from territories characterised by high levels of unemployment, relative low income (with respect to the EU average), or where their qualifications do not match job demand. Therefore, migration represents an opportunity for them to improve their chances of finding a better job, or at least one that can match their qualification.

Moreover, migrants can gain more skills and experiences and improve their human capital (as in the case of CB Talent in Portugal, described in the box below). New skills and experiences can then be exercised at home once the migrant comes back.

Box 2.5 - CB Talents (PT)

<http://www.cbtalents.com/en>

Regional context in terms of labour mobility

- The Portuguese labour market has been deeply affected by the global financial crisis.
- Unemployment rate of the last quarter was 40% for the population under 25 years of age.
- One of the biggest challenges in

Key features of the initiative

- CBT is a special recruitment consultancy with a global network of recruitment partners across Europe providing permanent recruitment solutions for the Engineering, ICT, Medical and Contact Centre sectors.
- Born out of the need to solve the problem of skills mismatch on labour markets, it creates links between the

Portugal is a shortage of jobs for highly skilled people.

- The government has been very keen to develop regional policy that could decrease unemployment and enhance labour mobility, seen as a great benefit, not only for Portugal but for the EU internal market as a whole.
- By attracting companies (especially ICT's) it is possible to retain the most talented people in Portugal or to attract them again after they have left, resulting in brain gain.

academy and some of the best tech companies in Europe.

- CB Talents Academy is committed to the Europe 2020 targets, in particular concerning employment.
- More than one thousand recruitment partners across 50 countries.
- CB Talents Academy complements the business of the recruitment network, aiming to identify the skills gap in the market; then local tech companies are invited to upskill the candidate recruited by CB Talent Academy locally.
- It is a combination of a global recruitment organisation and training organisation.

Main achievements

- The main achievement of the initiative is the ability to challenge people to go beyond their comfort zones and to embrace the benefits of mobility.
- More than one thousand recruitment partners across 50 countries working to enforce brain circulation rather than brain-drain.
- Enhancement of competition in companies approached by CB Talents members.
- 2015 CB Talents was recognised as one of the 10 best practices in labour mobility.
- The goal for 2020 is to train 500,000 software developers through the CB Talent Academy.

2.4.2 More savings if returning home (for example starting a new business)

Better job opportunities, when matched, can ensure higher income compared with potential income in the sending regions. Higher income may imply higher savings. Savings that are not spent in the host region (for example, in case of longer permanence) or not sent back to families as remittance can be used by workers once they are back home to start a new activity or to improve their quality of life, with a positive effect on their propensity to consume or acquire local goods and services.

3 Challenges and risks as a consequence of labour mobility

Migration of workers raises challenges for both the sending and receiving regions. In particular, flows of workers may be costly, with pressure on local budgets for **social services**, and risky for **social cohesion**, especially in those regions where irregular non-EU immigration is also already high.

For the regions of origin, the most challenging aspect is to avoid any dramatic effect of **brain-drain** on the local economy and productivity, especially in those economies with problems of an ageing population with a low activity rate.

Migration can pose challenges also for individuals, who not only have to confront **cultural barriers** but also **bureaucratic and institutional obstacles**, which may arise not only at the local level but also at EU level.

3.1 Challenges and risks for regions of destination

3.1.1 *Pressure on local services (health services; schools; housing; transport)*

Despite the increasing debate around welfare tourism, research on intra-EU migration found **little evidence to suggest that welfare provisions in the host country are an important incentive to migrate**⁵⁹. As shown in chapter 1, the majority of EU migrants move to find employment; they are not more intensive welfare users than nationals, and they are more likely to be in employment than nationals living in the same country⁶⁰. Moreover, considering the ageing population in most countries of the region, mobility – particularly of young workers – could provide some relief to the labour market and could contribute to reducing the pressure on public finances to maintain welfare systems by reducing the age-dependency rate, especially in those regions affected by ageing problems (pension, health care)⁶¹.

However, **local governments should ensure that local services are available to all migrant workers and their families on equal terms with nationals**. But **this can generate pressures in those regions affected also by irregular non-**

⁵⁹ See for example Juravle, C., Weber, T., Canetta, E., Fries, T. E. and Kadunc, M. (2013).

⁶⁰ Cornell University ILR School (2015).

⁶¹ Regional Cooperation Council and IOM (2015).

EU migration⁶². For example, the availability of adequate housing or accommodation for migrant workers can be a particular problem in a number of countries and regions, where accommodation is generally scarce, and especially in large cities where there is a shortage of public housing or where private accommodation is unaffordable for many migrant workers, including those with their families⁶³. This is the case for example of Dublin,⁶⁴ where EU mobile citizens are confronted with a limited affordability of private housing, poor quality of accommodation, and overcrowding due to resource constraints and/or the decision to increase remittances.

A study published in 2013 by the German Association of Cities⁶⁵ stresses that **local authorities face considerable expense** - providing emergency accommodation, basic health services and counselling - due to poverty-related immigration. The situation is aggravated by the fact that EU migrants in this category often move to neighbourhoods characterised by poor social standards and relatively high unemployment and social transfer rates. They often live in poor conditions, and a higher burden is thus placed on the local budget in order to ensure them dignified living standards. This also leads to the existence of a vicious circle, with improved integration policies leading to increased poverty-related immigration, as the existence of integration courses, child allowances, etc. attracts more immigration on the part of needy migrants. It is also reported that, in particular, Romanian and Bulgarian citizens belonging to the Roma minority often fall victim to traffickers who are paid high sums to prepare applications for child allowances or register sham companies. The effect is often increased pressure on migrants to find illegal sources of income, resulting in wage dumping, prostitution and begging. As a consequence, social peace is often at risk in the communities affected, with xenophobic and racist movements on the rise.

In more attractive regions, **the available housing tends to be occupied primarily by internal migrants**, restricting the possibilities for international migrants to settle in these regions. Urban regions, especially those that encompass big cities, also often attract a young population (students, young active and foreign immigrants) and expel older active ones, as is the case in inner London. On the other hand, there are also regions that either attract both young and older migrants (e.g. various regions in Spain) or expel both (e.g. various regions in Poland)⁶⁶.

⁶² See the recent document *European Council conclusions on migration*, 18 February 2016.

⁶³ ILO, OSCE and IOM (2006).

⁶⁴ Ernst & Young (2014).

⁶⁵ German Association of Cities (2013).

⁶⁶ See ESPON (2013a).

3.1.2 Socio-economic discrimination of mobile workers

Migrant workers may face various forms of discrimination, often beginning at the recruitment stage⁶⁷. Difficulties in finding suitable employment often result in highly qualified men and women doing relatively menial jobs. Discrimination prevents integration, and workers who are not well integrated may be costly for local public authorities (increasing expenditure in social services). Marginalised workers may result in high unemployment, low school attainment, and high crime rates, especially in those regions and cities already affected by irregular non-EU migration.

Discrimination may arise in the absence of:

- recognition of qualifications;
- protection of migrant (and national) workers in the employment context, including monitoring of terms and conditions of employment, access to vocational training, language and integration courses, allowing for freedom of association, and protection against discrimination;
- facilitation of social cohesion, particularly through measures to prevent discrimination, promote family reunification, and assist integration;
- improvements in social welfare, including areas of access to health care;
- education, housing and community organizing;
- provisions on social security.

Specific discrimination problems can arise where posted workers are concerned. The provision of minimum standards of employment and working conditions for posted workers remains rather problematic. Transnational employment can be exploited by companies whose main objective is merely to post workers abroad, hence circumventing national labour regulations in the host country through social dumping. This can lead to a worsening of the general working environment, including the environment for local workers.

In some MSs, in contradiction with EU legal requirements, the principle of equal treatment is not applicable to EU citizens and members of their families⁶⁸.

⁶⁷ ILO, OSCE and IOM (2006).

⁶⁸ See Czekaj-Dancewicz, A. (2013). Regulation 492/2011 aims to secure and guarantee for migrant workers, including frontier workers, equal treatment with national workers as regards access to social benefits. In this context, it aims at facilitating the principle of equal treatment as enshrined in the primary law (i.e. Art. 45 of

Most of the problems are related to the fact that **residency requirement in a given MS is a prerequisite for eligibility for certain advantages, therefore affecting more cross-border and temporary workers**. For example, in Denmark EU workers are reported to encounter difficulties in accessing certain benefits, including social assistance, publicly financed shelters and care homes and assistance to job seekers provided by the municipal job centres. Furthermore, some Danish legislation lays down residence/employment requirements that may be more difficult to meet for EU workers than for national workers. In Hungary and Italy, as **social benefits may be established not only by national but also by regional authorities**, the latter are often discriminatory for EU citizens. In Greece, access to special pension and free medical care for people older than 68 are granted only for Greek citizens and people of Greek origin, which is discriminatory for other EU citizens. In Latvia, there is a fragmentary regulation concerning access for EU workers to social benefits such as free medical treatment or right to study (the latter only concerns EU citizens and not members of their families). In general, the right to social advantages is only for workers who are either Latvian nationals or have permanent residency rights. In Germany, equal treatment of migrant EU workers and their family members fully applies to those who reside in Germany. The same situation exists in Poland, Slovakia, Lithuania and Estonia, as a residency requirement is a condition of granting various social advantages.

The Transpo Project, developed by Italian, French and Romanian bodies, represents an attempt to contribute to the enforcement of European legislation on the posting of workers, with particular attention to the appropriate inspection procedures to be followed.

Box 3.1 - TRANSPO Project (IT+FR+RO)

www.tagliacarne.it/files/141031/transpo_project_summary.pdf

Regional context in terms of labour mobility

- Reference to Directive 96/71/EC on posting of workers is pivotal to grasp the regional context of the TRANSPO project.

Key features of the initiative

- TRANSPO was a pilot project on the application of the Directive 96/71/EC on posting of workers in road transport.
- It was implemented by a partnership between Istituto Guglielmo Tagliacarne,

the TFEU). The concept of “social advantages” as defined in Art. 7(2) of Regulation 492/2011 covers not only all benefits connected with contracts of employment, but also all other advantages which are open to citizens of the host MSs and consequently are also open for workers primarily because of their objective status as workers or by virtue of the mere fact of their residence on the national territory.

- Directive 96/71/EC was elaborated in 1996 and therefore, it falls short of embodying the current political spectrum of the EU in 2016 (a Union with 28 MSs and not 15 as in 1996).

- Effective cooperation among MSs, especially with regard to collaboration between national labour inspectorates, is still lacking.

- Multiple, coordinated enforcement agencies carry out inspections of the rules of posting across France, Italy and Romania.

- France: The Ministry of Labour through the ‘Directorate General of Labour’ regulates posting.

- Italy: the Ministry of Labour and Social Policy is responsible for the supervision of posting.

- Romania: the Labour Inspectorate is the control authority.

the Italian Ministry of Labour and Social Policy, the French Ministry of Labour and Social Affairs and the Romanian Labour Inspectorate.

- It aimed to:

- follow up on legal and administrative aspects concerning the enforcement of EU legislation on posted workers;

- exchange practices among labour inspectorates and other stakeholders involved in controls;

- support administrative cooperation among institutions involved in controls for the enforcement of the Directive in the road transport sector.

- Project activities were carried out through short seminars, working groups and workshops on application of the Directive.

Main achievements

- Formulation of a Guide that is the result of a ‘transnational reflection’ developed by the officers of the three involved countries, which offers information and practical tools for authorities involved in controls.

- The Guide, resulting from the French-Italian-Romanian cooperation, provides an opportunity to improve mutual knowledge of respective legislations and procedures.

3.2 Challenges and risks for regions of origin

3.2.1 *Outflows of young workers*

Migration has a demographic impact, not only by increasing the size of the population but also by changing the age pyramid of receiving countries. The fact that migrants tend to be more concentrated in the younger and economically active age groups compared with natives contributes to reducing dependency ratios⁶⁹.

However, the reverse effect may occur in the sending regions when they are affected by ageing problems. In fact, large outflows of young workers reduce the active population, with consequent negative effects on labour productivity and income generating activities. Moreover, they increase the dependency ratio with consequent pressures on public expenditure for social services and pensions.

The regional-based forecast provided by ESPON⁷⁰ suggests that by 2050, 75% of the regions will be population gainers. Gains come from three sources: extra-Europe migration, international intra-Europe migration and internal migration. In the EU15 almost all regions, except those in north-eastern France, north Portugal, north-eastern Finland and some regions in the former East Germany will profit from migration. The most profound gains would take place in Italy north of Naples, south-western France, some south-western regions of Spain, and in Algarve, all forming a broad Mediterranean crescent, and in east and south-west England. **The European regions that would pay for these gains are located in the east, especially in Romania and southern Poland.** Internal migration also plays a role and would fuel, for example, gains in Bucharest, Mazowsze and the hinterland of Prague. In Paris, on the other hand, large internal outmigration is responsible for the negative population balance.

In 32% of regions, intra-Europe migration has a larger impact on population change than extra-Europe migration. This is true in particular in the regions of Bulgaria, Poland, Romania and Slovakia, where population decreases significantly through intra-Europe migration. **In the majority of regions in Western Europe, extra-Europe migration is more significant than intra-Europe migration:** in some regions, especially in Italy, but also in Algarve and inner London, without extra-European migration, the population in 2050 would be almost one-third smaller.

⁶⁹ OECD, ILO and World Bank (2015).

⁷⁰ ESPON (2013b).

3.2.2 *Brain-drain' effect*

Brain-drain has important consequences for the sustainable development of origin countries. The magnitude of such an impact depends on the size and level of development, the sectors and occupations involved, and the nature of migration (temporary, permanent or circular).

The negative effects of brain-drain are not only economic but also social⁷¹. The departure of skilled workers represents a loss of public investment in education and a loss of potential tax revenues. The departure of highly skilled individuals could affect innovation and technological progress and, in turn, productivity and growth. All these factors may result in economic slowdown, higher unemployment rates and an increase in the number of overqualified workers. Moreover, the brain-drain trend of highly-skilled professional leaving Eastern and Southern Europe can play a major role in the increase in inequality in the EU, contributing to the slowdown of the affected MSs' economies.

In the case of Eastern Europe, the brain-drain has created specific shortages in the labour market, especially in the fields of medicine, science and research and IT⁷². **The loss of highly-skilled professionals in the fields of medicine, social services and education can have severe negative social effects in the affected countries,** decreasing the quality of education and services, directly affecting citizens.

However, it is also observed⁷³ that **migration of highly educated workers can increase the incentives for schooling and the positive effect on average schooling.** The desire to seek employment opportunities abroad can in fact increase the desire for receiving high-level education. By improving labour supply incentives through reforming the social security systems, for example, and opening the labour market to foreign workers, the negative effects of brain-drain can be mitigated. Measures such as programmes encouraging the return of highly skilled migrants together with more investment in R&D and education (as for example shown by the Polish Academic Incubators of Entrepreneurship described in the box below) may lead to a reversal in the brain-drain and increase the economic stability.

⁷¹ Bridging Europe (2014).

⁷² Ionescu, L. (2014).

⁷³ Mayr, K. and G.Peri (2009).

Box 3.2 - Academic Incubators of Entrepreneurship – Subcarpathian Region (PL)

<https://inkubatory.pl/about-aip>

Regional context in terms of labour mobility

- The Subcarpathian region is one of emigration.
- Unemployment and lack of well-paying jobs seem to be highly related to emigration.
- Warsaw is the city with the most positive net migration.
- Young people move to Warsaw to find employment. If emigrating to other EU countries, they usually move to the UK, Sweden, Norway.

Key features of the initiative

- Warsaw-based business incubator specialized in seed and early stage investment.
- AIP stimulates entrepreneurship by supporting people who intend to start a business, providing assistance from experts in management, marketing, finance and with specialized training.
- It targets university students and young people aged 25-30.
- An important aspect of AIP is the collaboration with the scientific environment, which facilitates a close link with universities.
- The main goal of the initiative is to promote activities that would prevent the migration of the region's inhabitants.

Main achievements

- 2,200 opened start-ups that generated EUR 1.6 million in government tax revenue in 2015.
- 50 offices in 24 cities, workplace, conference and meeting rooms.
- 108 mentors from various industries and individual counselling sessions with business practitioners.

3.3 Challenges and risks for EU internal market

3.3.1 *Persisting legal and administrative barriers to the single market*

One key challenge for the EU is to reduce the legal and administrative barriers on labour mobility. These barriers aggravate the mismatch between job seekers and employment opportunities across Europe and represent an obstacle for an efficient and effective application of social and labour rights and law.

One of the most significant barriers is represented by the **recognition of skills**, which does not only affect workers when they seek a job abroad, but also when they return back home. Migrant workers still encounter difficulties in translating their experiences from the destination countries into improved employment outcomes upon their return⁷⁴. Recognition of prior (non-formal/informal) learning plays an important role in enhancing employability and occupational prospects for returnees, who have acquired new skills abroad but without the necessary certification.

The enhancement of mutual recognition of professional qualifications is a prerequisite for realizing the potential benefits of migration in terms of an improved and more efficient allocation of human capital across EU labour markets. The European Union has already made significant progress in recognizing professional qualifications⁷⁵. However, there is still a substantial gap between the regulatory framework and the reality on the ground⁷⁶. **There are many significant regional and national differences in terms of the recognition and validation procedures** of non-formal and informal knowledge/skills in education systems, with some EU countries and regions still lagging behind in terms of recognising non-formal and informal education and learning.

3.3.2 *Lack of information about workers' rights*

The need for clear and exhaustive information is fundamental to all migration decisions. Distorted perceptions and insufficient information about the realities in the countries of destination increase the importance of giving migrants access to information⁷⁷. Most migrants are unaware of the practical, legal, social and economic consequences involved in moving to another country. This lack of

⁷⁴ OECD, ILO and World Bank (2015).

⁷⁵ European Parliament and Council (2013).

⁷⁶ CoR (2014).

⁷⁷ ILO, OSCE and IOM (2006).

awareness puts migrants at risk and undermines orderly migration. Information and dissemination help fill this void by providing migrants with the basis to make informed decisions. The DGB Fair Mobility initiative appears of particular interest, because it is promoted by the German Federal Ministry of Labour and by authorities of four eastern ‘sending’ countries. Based on this partnership, DGB Fair Mobility has the potential to make a specific contribution to the improvement of the mobile workers’ situation, including that of posted workers.

Box 3.3 - DGB Fair mobility (DE+RO+BG+SI)

www.faire-mobilitaet.de/en

Regional context in terms of labour mobility

- Free movement of workers from Romania (RO) and Bulgaria (BG) since January 2014.
- Recent increase in cross-border temporary and contract labour and postings of workers.
- Between November 2013 and November 2014, increase in the number of people from RO (+33%) and BG (+25%) living in Germany.
- Workers from Central and Eastern Europe with insufficient knowledge about their rights and working conditions in Germany.
- Unionists not familiar with the rights and conditions for workers from Central and Eastern Europe.
- Need for advice and information for workers from Central and Eastern Europe and labour unions and other union-linked organisations.

Key features of the initiative

- Project duration from August 2011 until July 2016.
- Funding from the DGB, the German Federal Ministry of Labour and Social Affairs and the European Social Fund.
- Aim: Improve the situation of workers from Central and Eastern Europe on the German labour market.
- Six local advisory centres in Germany provide mobile workers with information on labour and social law.
- Each centre has a specific focus on selected economic sectors and the regional labour market.
- Three partner centres in Bulgaria, Romania and Slovenia for workers that return from or plan to start a job position in Germany.
- Awareness-raising about the general situation of mobile workers.
- Provision of education and information material for training modules.

Main Achievements

- In 2014, advice for more than 5,500 persons (2,700 cases).
- 25 training sessions for almost 300 representatives of staff councils and workers' councils and other multipliers.
- Regional networking activities at the local centres.
- International conference (April 2014, Berlin) on fair movement for workers, with 120 participants.

3.3.3 Increasing euroscepticism driven by anti-immigration positions

Recent international developments, coupled with the on-going negative consequences of the financial, economic and political crisis, have fed extreme attitudes in favour of euroscepticism in many MSs. It seems that in times of economic and political uncertainty, national or regional interests tend to prevail and be sustained by larger parts of the population.

Especially in new MSs, extreme right-wing parties are growing in terms of political power – especially at the local level - pushing citizens towards prejudices, fears (racism, anti-immigrant stances) and rage against the marginalization of broad social strata. Some parties sustain an anti-European political programme that is based on national purity, regional autonomy and xenophobia. Therefore, the migration issue tends to become a major challenge for the future integration of the EU and the mutual solidarity of members⁷⁸.

Euroscepticism has also grown in some old MSs, in particular in the United Kingdom, which is currently on course for a referendum on its EU membership. More recently, the new euroscepticism driven by anti-migration stances against national policy for refugees has also influenced the regional elections in Germany.

Even if these tendencies are mainly directed towards non-EU migrants, they have an effect also on the perception of EU mobile workers. These positions, however, ignore the positive effect of migration and the contribution of EU workers to the host economies. Recent surveys conducted in the United Kingdom, for example, reveal that 71% of voters told pollsters that immigration has been negative, believing that additional migrants cause a drain on public

⁷⁸ Panagiotopoulou, R: (2016). See also European Commission (2016a).

finances, whereas this view – as shown in section 2.1 - is in contradiction with the data.

3.4 Challenges and risks for individual workers

3.4.1 Overcoming language and culture obstacles

As shown in chapter 1, differences in language and culture among MSs are arguably the biggest barriers to mobility. Foreign language skills are important for mobility, even if they are not intrinsically part of the job⁷⁹. They facilitate contacts between employer and worker, and make integration and dealing with administrative issues easier. Not speaking the language of the host country can be a factor for not moving abroad or, when the worker is abroad, can be an obstacle to integration. Moreover, for migrants who cannot speak the language of the host country, learning it can be costly and time-consuming and have an impact on the migrant’s income as well as quality of life. MobiPro-EU is a German initiative that aims to reduce the impact of ageing and population decline by attracting young workers from other European countries. It is worth noting that it includes German classes in the sending country, so demonstrating a full awareness of the need to reduce language obstacles when mobile working experience across Europe is encouraged.

Box 3.4 - MobiPro-EU (DE)

www.thejobofmylife.de/en/home.html

Regional context in terms of labour mobility

- Ageing and population decline in Germany.
- Decrease in labour supply and need to attract young people from other countries (in and outside of Germany).
- Barriers to labour mobility for young people persist (e.g. financing, language).

Key features of the initiative

- Launched in 2013 by the Federal Ministry for Labour and Social Affairs (BMAS) in cooperation with the Federal Employment Agency.
- Aim: support labour mobility of young citizens who intend to start training in Germany.
- Duration extended from 2016 to 2018, funding from EUR 139 million to EUR 560 million.

⁷⁹ CEPS (2014).

- Additional challenges due to new environment at work, school and in everyday life.

- Involvement of regional and local project providers (2015: almost 100) as interfaces between programme and enterprises.

- Project provider organises everything on behalf of the trainee and provides mentoring support for the apprentices.

- Target group: young citizens from the EU, EEA or Switzerland, between 18 and 27 years old, with school-leaving qualification but without vocational training or Master's degree.

- Before apprenticeship in home country: German classes.

- Before apprenticeship in Germany: three-month internship.

- During apprenticeship in Germany: support and advice through a contact person.

Main achievements

- In 2014, 5,000 applications were approved.

- Limit for 2015: 2,000.

- Most apprentices from Spain (2013: 63%), Hungary, Romania, Bulgaria, Greece and Poland.

- Most important sectors: construction, hotel and restaurant, electrical engineering, the food industry and automobile industry.

3.4.2 *Overcoming institutional and bureaucratic barriers*

In spite of the efforts to harmonize institutions and regulations across the EU, migrants often still face significant administrative barriers. These include complicated, lengthy and non-transparent procedures when transferring social-security and health-insurance rights⁸⁰. For example, moving from one MS to another still leads to loss of occupational pension benefits in some MSs. In addition, complex and non-harmonized tax codes may lead to double taxation and often do not permit tax deductions on expenses incurred abroad. This can be especially challenging for highly skilled workers, who often engage in more complex migration trajectories. Some discrimination is also present in the business world, for example in access to mortgage financing if the applicant's place of residence, work or property to be purchased are not in the same MS. Temporary workers (posted and cross-border) are affected more – with respect to other categories of EU workers - by the heterogeneity of social security systems across MSs. Social security benefits are coordinated among MSs under Regulation 883/2004⁸¹, which provides for the exportability of social security benefits and the aggregation of contribution periods and the resulting benefit entitlements. According to the Regulation, only earnings from the first day of employment in the new country of work should count towards calculating the benefits for the whole relevant period. This point is still under an intense debate and even the hypothesis of discrimination in favour of mobile workers relative to nationals has been formulated⁸².

Similar problems arise in the case of minimum wage for the posted workers. While minimum wage requirements of the host country apply to posted workers, they continue to pay their social security contributions in the MS where they are normally based for up to two years. During this period, they do not pay social security contributions in the MS where they are temporarily posted. Companies providing cross-border services therefore **have a cost advantage when social security contributions are lower in their home country than in the host country**. Moreover, the principle of 'equal pay for equal work at the same place' – still under debate⁸³ - may prevent social

⁸⁰ World Bank (2012).

⁸¹ European Council (2004 and 2009).

⁸² CEPS (2014), *Making the Most of EU Labour Mobility*.

⁸³ The Labour Ministries of several high-wage EU countries pointed out in June 2015 that fair intra-European competition is threatened because employers of posted workers have an unfair advantage compared to employers in host countries. They highlight that the maximum duration of posting is not defined in the directives, and on several occasions the 'temporary' posted positions become so long that they resemble permanent jobs in the host country. They draw attention to the improper and abusive use of the Posting of Workers Directive and while they welcome the 2014 Enforcement Directive, they demand the 'modernisation' of the directive to ensure 'equal pay for the equal work at the same place'. See Vaccarino, E. and Z. Darvas (2016).

dumping when workers move from low-wage to high-wage MSs. However, the ‘equal pay’ principle would require also that posted workers from high-wage to low-wage countries should also earn less than at home, causing an additional obstacle to the free movement of workers from an individual point of view.

In relation to cross-border workers, the Austrian-Italian-Swiss case of TransTirolia demonstrates that even when regional and national authorities of cross-bordering countries actively cooperate to facilitate labour mobility, administrative burdens are still significant, especially where taxes and social security systems are concerned.

Box 3.5 - EURES TransTirolia (AT+IT+CH)

www.eures-transtirolia.eu/it

Regional context in terms of labour mobility

- The three regions cooperating in the initiative ‘EURES TransTirolia’ (www.eures-transtirolia.eu) are North Tyrol (Austria), South Tyrol-Alto Adige (Italy) and Grisons (Switzerland).
- The total number of employees in the regions is about 550,000, of which around 3% are cross-border commuters.
- Labour markets in the three regions have similar characteristics: rather low unemployment, labour shortages and surpluses in the same sectors, and a prevalence of small and medium-size companies.
- Number of cross-border commuters is relatively low.
- Most South Tyroleans move to German-speaking parts of Europe, notably Germany and Austria.

Key features of the initiative

- 26 regional and three national and trans-regional organisations from regional authorities, chambers and employers’ associations, employment agencies and unions are partners in EURES TransTirolia.
- The initiative aims at promoting cross-border labour mobility in the regions of North-, East- and South Tyrol and Grisons.
- In all three countries, the information and support structures needed to foster cross-border labour mobility are in place.
- EURES TransTirolia maintains an online job portal that enables job seekers to look for employment in the entire EURES TransTirolia region.

- | | |
|--|--|
| <ul style="list-style-type: none">• Most migrant workers come from Eastern European countries. | |
| <p><i>Main achievements</i></p> <ul style="list-style-type: none">• EURES TransTirolia has had a tangible and visible impact on job placements.• It has enhanced networking and collaboration of the employment agencies of the three regions. | |

Main achievements

- EURES TransTirolia has had a tangible and visible impact on job placements.
- It has enhanced networking and collaboration of the employment agencies of the three regions.

4 Case studies

The ten case studies of the chapter have been previously introduced in chapters 2 and 3 to offer practical examples of the main benefits and challenges related to labour mobility. Starting from this assumption, the present chapter undertakes a step forward in the description of the cases, this time defining each initiative in detail and each strategic approach towards labour mobility. Indeed, the cases are divided according to definite criteria, and specifically, two main dimensions are taken into consideration:

1. the type of migrant worker the initiative targets (migrant worker, cross-border workers, posted worker);
2. the ultimate aim of the initiative in terms of labour mobility:
 - a. initiatives that aim at attracting mobile workers towards their regions;
 - b. initiatives that aim to retain local workers in their regions;
 - c. initiatives that favour labour circulation across the EU internal market.

The idea behind this classification is based on research into the ten best practices, focusing on the different regional contexts and their relative needs in terms of labour mobility. Although each initiative has its own specific mission, they all aimed at overcoming a certain challenge related to labour mobility. Thus, whether the aim is to attract workers, to retain them, or to encourage them to circulate within the European labour market, each case generates some benefits on both the regional context and also on a broader European level. Indeed, for this reason, they have been selected as best practices to serve as examples for similar initiatives dealing with labour mobility issues. Some cases, however, demonstrate the difficulty to overcome barriers to European labour mobility, or show imbalances linked to the phenomenon of labour mobility.

The first set of cases examined regards those initiatives that aim at attracting mobile workers to their own regions. Usually, such initiatives aim to tackle the common challenge of **skills-shortages** in a specific market sector (mostly ICT, high-tech). The typology of workers they target are migrant workers. What was interesting to note is that, although there is a common aim (attract mobile workers) borne out of the necessity to tackle a common challenge (skills-shortages), for some regions this need was more evident and therefore more ‘urgent’ than for others. Indeed, for regions such as Brainport and Øresund, both well-known for being among the most prestigious hubs for technology and innovation in Europe, the attraction of highly skilled professionals in the field of

tech & IT mostly serves to make a positive contribution to the regional skill mix and reinforce a specific market sector. On the other hand, for Emilia Romagna, an innovative Italian region that is more likely to experience brain-drain effects, attracting competent mobile workers is important both to reduce labour-shortages and to prevent emigration of highly skilled people. The common benefits of these initiatives are the reduction of labour shortages and the enhancement of **internationalisation** resulting from the co-existence of people from different cultures working and living together.

In the second set, the only case aiming to retain local workers in the region is the Polish initiative. The strong position of the Polish Subcarpathian region, which could almost be regarded as “against-labour mobility”, is sustained by the serious challenge it faces concerning **depopulation**. After Poland’s accession to the EU, the region experienced a dramatic increase in the rate of emigration, as people moved to pursue better career progression, working conditions and higher wages. Therefore, the initiative takes a strong stand on retaining labour and thus against brain-drain. The initiative mainly targets local workers.

The third set of case studies focuses on the enhancement of labour circulation. These are initiatives that consider an increase in intra-EU labour mobility as a benefit to be encouraged, as it makes a **positive contribution to the skill mix**, improves the **mutual knowledge** of respective legislations and procedures, and could enhance experiences and skills for workers. The five initiatives under this category target different typologies of workers (migrant, cross-border and posted workers), thus fulfilling different specific needs. The two initiatives that target posted workers, for example, involve many regions, mostly with different bureaucratic systems and different languages. Here labour mobility is mostly encouraged within those territories that, despite their geographical proximity, present differences that hamper movements between them. By contrast, the Spanish and Portuguese initiatives are really keen towards the EU internal market, offering services that embrace the whole European reality.

Common challenges of the initiatives mainly relate to **bureaucratic burdens**, incongruities in the **tax, healthcare, and social security systems**. Indeed, the picture of the European Union that emerges from these case studies is still a vast area filled with countries that are in close proximity, but that have their own rules and characteristics. Free entrance to every European country does not entail easy and straightforward adjustment to the countries of destination. Mobile workers face many fiscal and administrative obstacles, let alone cultural and linguistic challenges.

The table that follows provides the reader with an overview of each case according to their distinctive criteria, their benefits and challenges. It offers a

general frame of the typology of workers targeted by the initiative and its ultimate aim. Throughout the text, the benefits and challenges of each case will be displayed by an additional table.

When formulating the case studies, we tried to answer the following questions, which mostly mirror the ones asked during the conducted interviews (Annex 1):

- What are the regional needs in terms of labour mobility?
- What type of migrant worker is a target of the initiative (migrant, cross-border, posted)?
- What is the main aim of the initiative in terms of labour mobility?
- What are the direct results of the initiative (new jobs, new market opportunities, preventing social dumping, fraud, abuse, cross-border partnerships, increase in skilled labour force, etc.)?
- What do you think your government and the European Union should do in the future to increase labour mobility in the EU?

Methodologically, the information provided in the following cases was retrieved through desk research, mostly using the literature listed in the references, and phone interviews conducted with representatives of the initiatives.

As already mentioned in chapter 2, to help the reader distinguish between the cases, we decided to associate a colour with each thematic division: RED for initiatives aiming to attract workers, GREY for initiatives to retain local workers, GREEN for initiatives to enhance labour circulation.

Table 4.1 Overview of the case studies

Case study	Aim of the initiative	Typology of workers	Benefits	Challenges
Brainport Talent Centre – Brainport region Eindhoven (NL)	Attract mobile workers	Migrant workers	<ul style="list-style-type: none"> - Positive skill-mix contribution. - Labour shortage reduction. - Better job opportunities. - Facilitation of the flows of innovative ideas and investment. - Increased experience and skills for workers. 	<ul style="list-style-type: none"> - Pressure on local services. - Legal and administrative barriers. - ‘Brain-drain’ effect.
ASTER Talents and Knowledge - IT - Emilia-Romagna Region (IT)	Attract mobile workers	Migrant workers (mainly young population)	<ul style="list-style-type: none"> - Facilitation of the flows of innovative ideas. - Labour shortage reduction. - Net contribution to the budget. - Increased experience and skills for workers. 	<ul style="list-style-type: none"> - Outflows of young workers. - ‘Brain-drain’ effect. - Legal and administrative barriers. - Language and cultural barriers.
MobiPro EU (DE)	Attract mobile workers	Migrant workers (mainly young population)	<ul style="list-style-type: none"> - Labour shortage reduction. - Increased experience and skills for workers. - Positive skill-mix contribution. - Better job opportunities. 	<ul style="list-style-type: none"> - Pressure on local services. - Language and cultural barriers. - Socio-economic discrimination of mobile workers. - Lack of information about workers’ rights.

IT specialist for the Øresund Region (SE+DK)	Attract mobile workers	Cross-border workers, migrant workers	<ul style="list-style-type: none"> - Labour shortage reduction. - Increased experience and skills for workers. - Better job opportunities. - Facilitation of the flows of innovative ideas (at cross-border level). - Positive skill-mix contribution. 	<ul style="list-style-type: none"> - Pressure on local services. - ‘Brain-drain’ effect. - Legal and administrative barriers. - Language and cultural barriers.
Academic Incubators of Entrepreneurship – Subcarpathian Region (PL)	Retain local workers	(Potential) migrant workers	<ul style="list-style-type: none"> - Labour shortage reduction. - Positive skill-mix contribution. - Increased experience and skills for workers. 	<ul style="list-style-type: none"> - Outflows of young workers. - ‘Brain-drain’ effect. - Legal and administrative barriers.
The Global Training Programme - Basque Region (ES)	Enhance labour circulation	Migrant workers (mainly young population)	<ul style="list-style-type: none"> - Increased experience and skills for workers. - Positive skill-mix contribution. - Net contribution to the budget. - Facilitation of the flows of innovative ideas. 	<ul style="list-style-type: none"> - Language and cultural barriers. - ‘Brain-drain’ effect. - Legal and administrative barriers. - Socio-economic discrimination of mobile workers.
CB Talents (PT)	Enhance labour circulation	Migrant workers	<ul style="list-style-type: none"> - Positive skill-mix contribution. - Better job opportunities. - Increased experience and skills for workers. - Net contribution to the budget. - Facilitation of the flows of innovative ideas. - Labour shortage reduction. 	<ul style="list-style-type: none"> - ‘Brain-drain’ effect. - Outflows of young workers. - Legal and administrative barriers. - Language and cultural barriers. - Socio-economic discrimination of mobile workers.

EURES TransTirolia (AT+IT+CH)	Enhance labour circulation	Cross-border workers, migrant workers	<ul style="list-style-type: none"> - Positive skill-mix contribution. - Labour shortage reduction. - Increased experience and skills for workers. - Better job opportunities. 	<ul style="list-style-type: none"> - Legal and administrative barriers. - Pressure on local services. - Socio-economic discrimination of mobile workers.
TRANSPO Project (IT+FR+RO)	Enhance labour circulation	Posted workers, cross-border workers	<ul style="list-style-type: none"> - Better job opportunities. - Facilitation of the flows of trade. 	<ul style="list-style-type: none"> - Socio-economic discrimination of mobile workers. - Lack of information about workers' rights. - Legal and administrative barriers.
DGB Fair mobility (DE+RO+BG+SI)	Enhance labour circulation	Posted workers, cross-border workers	<ul style="list-style-type: none"> - Better job opportunities. - Facilitation of the flows of innovative ideas. - Positive skill-mix contribution. - Increased experience and skills for workers. 	<ul style="list-style-type: none"> - Socio-economic discrimination of mobile workers. - Lack of information about workers' rights. - Legal and administrative barriers. - Language and cultural barriers.

4.1 Brainport Talent Centre - Brainport region Eindhoven (NL)

Brainport region Eindhoven is located in the south-eastern part of the Netherlands, not far from important European centres such as Paris (450 km) and London (460 km). Its population of 752,500 inhabitants constitutes 4% of the national population. In 2015, Brainport region Eindhoven's gross regional product of EUR 32.3 billion represented 5% of the total for the Netherlands.

It is one of the most innovative regions of the country, considered a European top technology region of stature, as it has managed to attract many important high-tech companies that have greatly contributed to overall national growth. In 2015, Eindhoven's expenditure on R&D was 19% (EUR 2.5 billion) of the total national amount. In 2015, the region had 4,200 first-year engineering students (16%) attending one of the most prestigious technical engineering universities of the country.

Part of the region's technological strength is due to a solid, well-educated labour force resulting from the close ties between knowledge infrastructures and industry. In 2011, the region received an award as 'Intelligent Community of the Year 2011' to acknowledge its strong international position with one of the best research systems and intellectual performances in the world.

However, regardless of its position of strength, the region faces major challenges related to, for example, employment and public R&D investments. Of great regional concern is the progressive **ageing of the population** and the consequent decline of the younger population working for local industries. **Highly skilled professionals are in constant demand** in the European labour market, triggering a 'battle for talents' to retain them. Usually, after attending universities in the Netherlands, students tend to stay if they have the opportunity.

4.1.1 Territorial strategy towards labour mobility

Brainport Talent Centre (BTC) is a programme developed through the independent collaboration of companies, education and knowledge institutes and governments in the Brainport Eindhoven Region and the Netherlands. It is a non-profit, online career platform that gives European professionals access to a dedicated community of tech & IT companies and knowledge institutes in the Netherlands. These latter, through BTC, have joined forces to attract and retain global professionals. An objective of BTC is indeed to stimulate advanced collaboration in the field of talent mobility between the partners – which are

currently 28 regional and national employers – and to serve as an expertise centre for the partners and other stakeholders in the broad range of topics concerning talent attraction and retention.

Overall, the main aim of the initiative is to **attract, share and retain (inter)national tech & IT talents** and to provide access to related expertise. It undertakes this mission through various tools such as the Brainport talentBOX, the Brainport communities; advance collaboration; live and online marketing and Erasmus+ internship.

Worthy of particular attention are the Brainport talentBOX, the Brainport communities and the Erasmus+/Internship. The first is an online platform through which tech & IT professionals and employers can find each other. This allows them to automatically connect and be matched, based on vacancies, internships and assignments. Brainport communities are worldwide online communities that share knowledge and build networks on specific technological subjects in order to trigger the use of the talentBOX by potential job seekers, through the sharing of in-depth information on topics that are relevant for the partners.

Finally, for those students who are interested in experiencing a period of time working abroad, Brainport Talent Centres encourage them to apply to Erasmus + Internship. This is a very successful part of the BTC, as currently the number of trainee requests exceeds the number of available trainees.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.2 Benefits and challenges of the Brainport Talent Centre initiative

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Positive contribution to the skill mix • Reduce labour shortages 	<ul style="list-style-type: none"> • Increased experience and skills 	<ul style="list-style-type: none"> • Facilitation of the flows of innovative ideas 	<ul style="list-style-type: none"> • Better job opportunities, better wages

Challenges	<ul style="list-style-type: none"> • Pressure on local services 	<ul style="list-style-type: none"> • The departure of highly skilled individuals (brain-drain) could affect innovation and technological progress and, in turn, productivity and growth 	<ul style="list-style-type: none"> • Incongruities in the recognition of qualification system 	
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BTC contributes to labour mobility in several ways. First and foremost, the vast net of partners with a demand for highly qualified professionals allows newcomers to identify a number of vacancies. Moreover, strong collaboration between the tech industry, knowledge and education institutes and governments, enforces actions taken to attract and retain talents.

The BTC offers each partner the possibility of applying for an international trainee via the Erasmus+ programme or the Global Training Programme in the Basque Region (see paragraph 4.6 of this chapter). This direct link immediately affects labour mobility within the EU, as highly qualified people are invited to come and work for a partner of the BTC.

Skills mismatches, one of the challenges faced by the region whose population is progressively ageing, are effectively acted upon by initiating new mutual projects and programmes. Although the BTC has only been funded since 2014, in one year it has managed to attract 28 partners to participate in the network. The number of partners is growing every month.

Through the talentBOX, 635 candidates were registered, 135 vacancies were published and 299 candidates applied.

BTC shows that collaboration between different sectors of the region is of utmost importance for the creation and execution of a clear vision and strategy on the attraction and retention of talent. Retention of local and international tech workers is indeed increasingly important to overcome skills shortages.

When dealing with labour mobility policies, it is important not to underestimate regional aspects and the characteristics of the industry, with differences in demand for tech and IT talents.

4.2 ASTER Talents and Knowledge IT - Emilia-Romagna Region (IT)

One of the most economically dynamic and entrepreneurially driven regions in Italy, Emilia-Romagna enjoys a strategic geographical location, which has allowed the region to become a significant junction between northern and southern Italy on the one hand, and northern Europe and the Mediterranean regions on the other. Not surprisingly, Emilia-Romagna seeks to be regarded as an advantageous incubator for new business, research and innovation for regional residents, Italian nationals and foreign citizens.

The region registers one of the highest employment capacities in Italy, a noteworthy number of foreign students study and graduate in Emilia-Romagna (13% and 14% respectively, 2012 data) and, although the risk of brain-drain is still present, PhD students have, on average, a lower tendency to leave for better chances abroad. Thus, as a result of its entrepreneurial outlook, its research and development investments and the presence of important national research centres, Emilia-Romagna has traditionally exercised attraction.

4.2.1 Territorial strategy towards labour mobility

ASTER is a consortium among the Emilia-Romagna Regional Government, the universities, the national research centres, the Regional Union of Chambers of Commerce and the regional entrepreneurial associations located in the region. The goal of the consortium is to provide support and to ascribe value to research and technology transfer across the entire region.

Accordingly, ASTER promotes programmes and events focused on those areas that Emilia-Romagna considers as having strategic relevance for regional development (i.e. advanced mechanics, agri-food, sustainable development and energy). Specifically, the initiative favours the expansion and innovation of industrial research; it seeks to connect researchers and enterprises; it promotes the training of highly skilled professionals and career advancement in the technology transfer field; and it tries to determine which technology developments will affect the economy, so as to invest in them.

As mentioned above, the activities that ASTER puts forward are ultimately meant to significantly contribute to regional development. In this respect, the initiative looks for approaches that encourage people to remain in Emilia-Romagna, while working towards strategies designed to lure both national and international citizens. Therefore, the cornerstone of the initiative is talent retention and talent attraction, thereby avoiding brain-drain.

In a competitive global economy, the retention capacity and attractiveness of Emilia-Romagna is contingent upon the ability to adapt to new issues and/or absorb innovative plans within a traditionally successful regional economy archetype. The Climate KIC programme, sponsored and financed by ASTER, goes in exactly this direction; the project brought together students from all over Europe through organised summer schools in Bologna to discuss and come up with possible entrepreneurial solutions to the challenges posed by climate change.

The main difficulties in maintaining retention capacity arise from the possibility that highly skilled people leave for better opportunities abroad, which has happened, especially in the aftermath of the financial crisis. As for talent attraction, in particular ‘foreign talents’, a relatively low or not-yet sufficient level of internationalization (compared to other European regions) is a considerable hurdle.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.3 Benefits and challenges of the ASTER Talents and Knowledge initiative

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Reduce labour shortages • Net contribution to the budget 	<ul style="list-style-type: none"> • Increased experience and skills 	<ul style="list-style-type: none"> • Mobile workers play a role in facilitating flows of innovative ideas 	
Challenges		<ul style="list-style-type: none"> • ‘Brain-drain’ effect • Outflows of young workers 	<ul style="list-style-type: none"> • Institutional and bureaucratic barriers 	<ul style="list-style-type: none"> • Language and culture obstacles

With reference to Climate KIC program, one can observe how ASTER attempted to encourage foreign labour mobility, hence to attract young Europeans towards a region that comprehends where business and research should be heading (i.e. addressing a current challenge such as climate change). At the same time, projects such as Climate KIC show the propensity of Emilia-Romagna to pursue internationalisation. Not only does the establishment of a more international environment attract foreign citizens, but it is arguably also an incentive for Italian citizens to choose Emilia-Romagna over other Italian or European regions.

Between 2011 and 2014, ASTER placed 811 young graduates in research and development after training, and 547 contracts were signed between enterprises and university/research centres. This indicates the on-going effort that the consortium sustains in order to make the region an even more dynamic and smart commercial hub, capable of enhancing labour mobility.

An increase in the number of activities similar to Climate KIC's summer schools is undoubtedly advisable. The benefits arising from initiatives, such as the above-mentioned, are manifold and include: exchanges between young people with different backgrounds; spreading of ideas and possibly of business/research solutions concerning those issues that require urgent attention; and facilitation of networking capacity among potentially mobile workers.

4.3 MobiPro EU (DE)

Demographic development in Germany includes both **population decline** and **ageing** and will thus lead to an increasingly difficult old-age-dependency ratio. Hence, a decreasing labour supply will become a challenge faced by an increasing number of German regions. This leads to a need to attract young people not only from other German regions but also from other European countries, and to fully exploit the potential of free movement of workers in the European Union. However, young people from other EU MSs who are interested in moving to Germany still face various barriers to labour mobility, especially **language barriers**. When they arrive in their new home region or town, additional challenges may arise with regard to the new environment at work, school and in daily and personal life.

4.3.1 Territorial strategy towards labour mobility

'The Job of my Life' is a special programme that aims to support labour mobility of young citizens who intend to start a three-to-four-year vocational training in Germany. The programme was launched in 2013 by the Federal Ministry for Labour and Social Affairs (BMAS) in cooperation with the Federal Employment Agency. The programme was initially supposed to end in 2016 but, due to its success, it was extended to 2018, while the funding was raised from EUR 139 million to EUR 560 million (CEPS 2014).

Regional and local project providers must apply for benefit payments and be admitted to the programme. **For 2015, almost 100 regional and local providers were selected.** They organise all measures that are eligible for

support on behalf of the trainee⁸⁴. **Due to their knowledge of the local and regional labour market and their networks with cooperation partners, they serve as interfaces** between the programme on the national level and the local apprenticing companies. **As they are located in the respective municipality or region, they can personally provide mentoring support for the apprentices** in case challenges occur during their training or in their personal lives.

The programme addresses young people who are between 18 and 27 years of age⁸⁵, are citizens of an EU MS, an EEA country or Switzerland, have obtained a recognised school-leaving qualification and have not yet completed a vocational training or Master's degree. Before their apprenticeship, the apprentices already take part in German classes in their home town. Upon their arrival in Germany, they first do a three-month internship in the respective company to learn more about their job and improve their linguistic skills. Afterwards, the apprentices start their training. A contact person provides them with support and advice during the training. The programme ends with final exams at the end of the training.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.4 Benefits and challenges of the MobiPro-EU initiative

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Positive contribution to the skill mix • Reduce labour shortages 	<ul style="list-style-type: none"> • Workers may return with more experience, skills and savings, contributing to local economy development 		<ul style="list-style-type: none"> • Better job opportunities, better wages
Challenges	<ul style="list-style-type: none"> • Pressure on local services • Socio-economic discrimination of workers 		<ul style="list-style-type: none"> • Lack of information about workers rights 	<ul style="list-style-type: none"> • Language and cultural barriers

⁸⁴ Until June 2014, the trainees had to apply for benefit payments.

⁸⁵ Until the end of 2014, also qualified professionals who were not older than 35 years (in exceptional cases up to 40 years), could receive support.

In 2014, 5,000 applications were approved, which far exceeded the number initially expected. As the total investment per apprentice is about EUR 20,000, expenses also increased, i.e. almost doubled. For 2015, the number of apprentices was therefore limited to 2,000 (CEPS 2014).

So far, most apprentices are from Spain (2013: 63%). In Spain the MobiPro-EU programme has had a significant impact on labour migration. The Spanish participants of the MobiPro-EU programme account for about 30% of all new workers moving from Spain to Germany. Other important home countries of MobiPro-EU participants are Hungary, Romania, Bulgaria, Greece and Poland.

The apprentices mainly take up training in the construction sector and hotel and restaurant sector. Other important sectors are electrical engineering, the food industry and automobile industry.

As the first group of apprentices only started in 2013, they have not yet finished their apprenticeship. Hence, no statistics are available on their final exams, the dropout rate, whether they intend to stay, how successful they are on the German labour market or whether their employers even offer them employment after completion of the apprenticeship.

Some key success factors can be identified and should be taken into consideration when developing similar approaches. The approach benefits from a comprehensive preparation phase, which allows the applicant to get familiar with the situation step-wise. The preparatory German course that takes place in the applicant's home country allows the applicants to learn the language in their familiar environment. Upon their arrival in the German territory, the apprentice does not directly start the apprenticeship. The three-month internship allows the applicants to slowly get used to the new country and its culture but also the training enterprise and the work environment. Furthermore, it gives them some time to improve their language skills.

Another important factor is the continuous local provision of support and advice through local and regional project providers. A contact person personally helps them if they encounter difficulties in their enterprise, school and in their personal life during the entire apprenticeship. Mentoring, guidance and assistance is of particular importance for young people who left their families and friends behind to move to another European territory, and can support the integration process. This prevents the apprentices from being left all on their own after signing the training contract.

4.4 IT specialist for the Øresund Region (SE+DK)

The Øresund region comprises the southern part of Sweden and the eastern part of Denmark. The two sides of the region are connected by the Øresund Bridge, which links Copenhagen and Malmo, and by ferries sailing the route between Helsingborg and Elsinore. Very dynamic, it is considered an example of an international region characterised by two countries complementing one another in a region without frontiers.

The building of the bridge led to an increase in labour market integration. It helped in overcoming border problems and facilitated the movement of people and goods across the border, usually from Sweden to Denmark. The factors behind this trend are related to differences in salaries (higher in Denmark), housing prices (higher in Denmark) and unemployment rates (higher in Sweden). Swedes tend to commute to Denmark to fill labour shortages, thus keeping their residence in Sweden.

The region is home to the largest concentration of **highly educated people in northern Europe**. This factor justifies the fact that the region became one of the most important technology hubs of Europe, with excellent innovation potential. It accounts for a large share of the Danish and Swedish R&D (4.9% of GDP). It is also one of the most important IT clusters in Europe, **and permanently needs IT and telecom professionals**. The main high-tech specialisations are pharmaceutical and electro-medical equipment. It hosts several research-intensive multinational companies, innovative SMEs, and leading higher education and research institutions, specialised in life sciences and ICT.

In both states, burdensome national regulations obstruct comprehensive cross-border labour market integration for highly skilled personnel. Among some of the most prominent hurdles to cross-border mobility and integration, one observes: incongruities in taxation, social security and pension regulations; poor transparency records concerning respective norms; only partial acknowledgment of education qualifications (i.e., grades); the application of international rates to postal and telecom services.

4.4.1 Territorial strategy towards labour mobility

IT Specialists for the Øresund Region is a cooperation between EURES in south Sweden and EURES in east Denmark. It was created to tackle the skill shortage of the region in terms of IT professionals. Indeed, the aim of the initiative is to inform foreign IT specialists about job opportunities in the Øresund region within the IT sector. LinkedIn is the tool used as a recruitment platform, where any EU citizens can apply, and if accepted as a member of the LinkedIn group,

the profile of the selected candidate will be visible to Danish and Swedish companies and IT recruiters.

The requirements to become a member are:

- proven English fluency;
- 3 years proven record of accomplishment within the IT sector. Master’s degree in IT is an asset;
- English written LinkedIn profile;
- specialisation in high-tech, IT related skills.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.5 Benefits and challenges of the Øresund Region initiative

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Positive contribution to the skill mix • Reduce labour shortages 	<ul style="list-style-type: none"> • Increased experience and skills 	<ul style="list-style-type: none"> • Facilitation of the flows of innovative ideas at cross-border level 	<ul style="list-style-type: none"> • Better job opportunities, better wages, better housing price
Challenges	<ul style="list-style-type: none"> • Pressure on local services 	<ul style="list-style-type: none"> • The departure of highly skilled individuals (brain-drain) affect innovation and technological progress and, in turn, productivity and growth 		<ul style="list-style-type: none"> • Institutional and bureaucratic barriers • Language and culture obstacles

Up until 2014, IT Specialists for the Øresund Region counted 800 members in the LinkedIn group who are visible to recruiters and companies.

The construction of the Øresund bridge (in 2000) increased the number of commuters. Normally, on average, 20,000 people cross the bridge daily, mainly from Sweden to Denmark. The number of commuters is unlikely to decrease.

Denmark in particular is facing significant demographic changes and is consequently dependent on labour supply from bordering countries. Furthermore, an increase in cross-border mobility could help in lowering prejudices and decrease psychological barriers.

Given the geographical proximity of the Øresund region, a further eradication of barriers restricting integration, such as those for cross-border students and labour mobility, is advisable. Moreover, national governments should invest in cross-border statistics and analyses, considering the innovative attitude that characterises the region. Additionally, further steps ought to be taken to build an Øresund internal identity and advertise it, so as to lure international brands and foreign mobile workers. The IT Øresund initiative indicates that national governments should prioritize those programs or initiatives that are more likely to significantly affect enterprises (i.e., cross-border business incubators, science parks and innovation support services). Ultimately, the more that effective platforms such as LinkedIn are used, the more opportunities there will be to attract new candidates.

4.5 Academic Incubators of Entrepreneurship – Subcarpathian Region (PL)

The Subcarpathian region, located in south-eastern Poland is traditionally a region of **emigration**. Indeed, one of the main challenges that the region faces is related to depopulation. Historically, this problem increased in the years following accession to the EU. The region with the most positive net migration is Mazovia, where Warsaw is located; and the eastern regions are the ones that lost the most population.

Unemployment, but also a lack of well-paid jobs, seems to be highly related to emigration. In 2011, more than 178,000 emigrants from the Subcarpathian region were registered as staying abroad for more than 3 months, mainly moving to the UK, France, Italy and Germany. Concerning data on the labour market, the Subcarpathian region lacks workers in the construction and health sectors. Salaries have been increasing incrementally in recent years to stimulate supply. A challenge of the region is the growing numbers of the ageing population. Given the challenge of depopulation, the regional government issued a series of policies aimed at retaining workers in order to decrease brain-drain.

4.5.1 Territorial strategy towards labour mobility

The Academic Incubators of Entrepreneurship (AIP), based in Warsaw since 2004, is a business incubator that specializes in seed and early stage investments. It is a network of entrepreneurship incubators (start-up centres) located at Polish universities. The focus of the incubators is on promoting the spread of knowledge about innovation and entrepreneurship, removing obstacles to a pro-innovative and pro-entrepreneurial environment around the university. The policy rationale for the AIP is to address the issues of high unemployment among university graduates, the lack of entrepreneurial knowledge, practical training and experience of the average students, complicated start-up procedures, and the high costs of starting a business.

Hence, AIP targets university students, graduates and academic staff, not exceeding 30 years of age, who wish to start a business or the commercialisation of innovations, but who lack the expertise to do so. AIP provides them with assistance from experts in management, marketing and finance. The academic incubators are indeed linked to academic advisors who provide expertise to incubating entrepreneurs. Moreover, it offers specialized training, workshops and business plan competitions designed to enhance their knowledge on the steps to starting a business and the commercialisation of innovation. The activities of AIP also aim at leveraging new resources from institutions and potential investors to seed growth-potential ideas. Funding support for academic incubators is based on an annual competition for proposals by the Ministry of Economy.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.6 Benefits and challenges of the Academic Incubators of Entrepreneurship

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Positive contribution to the skill mix • Reduce labour shortages 	<ul style="list-style-type: none"> • Increased experience and skills for locals 		

Challenges		<ul style="list-style-type: none"> • Outflows of young workers • ‘Brain-drain’ effect: the departure of skilled labour represents a loss of public investment in education, as well as reduced potential tax revenues 		<ul style="list-style-type: none"> • Institutional and bureaucratic barriers
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Today, there are about 50 incubators operating in 24 cities of Poland, providing employment for 107 employees. The incubators managed to invest in 2,200 start-ups that generated EUR 1.6 million in taxes for the government in 2015.

In 2007, AIP received the European Enterprise Award from the European Commission, and the RegioStarts Award in 2013.

In terms of employability, the success of the initiative allowed talented young local workers to take an interest in the facilities offered by AIP, and thus to decide to stay and start their own business.

To encourage more talented young people to initiate a business in Poland, thus avoiding a move to other EU countries, the Polish government is currently working on simplifying the law and on eliminating administrative barriers, to enable the dynamic development of entrepreneurship. Relaxing strict administrative rules and enabling new business creation can be one solution to retain young people and highly skilled professionals, preventing them from moving to other EU countries in search of better wages and higher recognitions.

4.6 The Global Training Programme - Basque Region (ES)

The Basque Region is located in northern Spain. The region has implemented a series of initiatives to **increase labour mobility**, both to attract talented students and workers to the region and to encourage them to move to other EU countries to acquire different experience and to enhance their background.

The main needs faced in terms of labour mobility are demographic challenges related to the ageing of the population. According to two scenarios relating to the formation of new jobs, the development survival of the Basque region is contingent upon **talent importation**, in particular talent with a technical background (including ICT).

On the one hand, despite the desire of the national and regional governments to increase labour mobility in and out of the Basque region, public opinion is still very sceptical about the possibility of allowing foreign talents to work in the region. Admittedly, the ‘**fear of others stealing our jobs**’ triggered by the crisis is still quite widespread. In light of this, the government needs to take urgent action to stimulate a shift in mentality.

On the other hand, in order to attract workers, the region has to face the problem of **language barriers**. In other words, the region experiences difficulties in attracting talents coming from non-Spanish speaking countries. Notwithstanding the fact that the level of English in the Basque region is the highest in Spain, it remains below that of Portugal and other EU states.

4.6.1 Territorial strategy towards labour mobility

The Global Training Programme is an international traineeship scholarship programme funded by the Basque Government. The programme promotes transnational mobility among young people from the Basque region by offering youngsters the possibility of carrying out activities and projects related to their academic and professional background at companies/organizations in foreign countries, through a practical training programme.

The Global Training programme offers selected trainees a full scholarship for six months of approximately EUR 6,750 (or EUR 1,125/month). The scholarship also provides full insurance, covering accident and third-party liability and a 50-hour training course on skills development and internationalisation prior to departure. It is important to note that housing, living and/or travelling expenses are regulated according to the country of destination. The Basque Government devotes a total budget of EUR 3,200,000 annually to the programme.

The objective of the Department of Economic Development and Competitiveness of the Basque Government when launching the programme was to find operative solutions for emerging realities and future challenges on a broader European and global level.

In further detail, the aims of the programme consist of:

- **promoting internationalisation** among young people through the delivery of the international scholarship that allows the selected candidates to take part in professional activities, enhancing their experiences;

- encouraging **economic and social cohesion through cooperation** between different agents and the generation of mutual benefits both for the young person and the host country;
- underpinning the importance of international learning to strengthen knowledge, intercultural dialogue and opening towards other people and cultures.

The eligible candidates must have certain requirements, such as age (under 30 years), suitable language proficiency for the function to be developed in the host company, and they must hold a higher-grade qualification in technical training. Moreover, the motivational attitude of the candidate is also considered, as he or she must be fully committed to engage in an experience possibly far from home and be keen to adapt to the rules and culture of the country of destination.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.7 Benefits and challenges of the Global Training Programme

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Positive contribution to the skill mix • Migrants tend to be net contributors to the budget of the host region 	<ul style="list-style-type: none"> • Workers return with more experience, skills and savings contributing to local economy development 	<ul style="list-style-type: none"> • Facilitation of flows of innovative ideas 	
Challenges	<ul style="list-style-type: none"> • Socio-economic discrimination of mobile EU workers and their families 	<ul style="list-style-type: none"> • ‘Brain-drain’ effect 	<ul style="list-style-type: none"> • Incongruences of the recognition of qualification system 	<ul style="list-style-type: none"> • Language barriers for newcomers and for local moving abroad

The Global Training Programme was launched in 2012 and as of the beginning of 2015, it offered 370 grants to trainees every year. In terms of labour mobility, most of the trainees move internally into other EU countries, but some also reach Latin America and the United States. Within Europe, the preferred countries of destination seem to be the UK, Belgium, the Netherlands and Germany.

In more general terms, the initiative represents a win-win situation for both the worker and the hosting company: while the first gains experience, the latter has the chance to enhance business relations with the Basque and the whole Spanish market.

Through Global Training Programme, 16 Basque trainees managed to find an internship in Microsoft headquarters of Norway. Prior to participation in the programme, none of the participants had been able to find a job and nobody seemed to know what a future work plan would look like.

Based on the main features and aims of the initiative and on the overall characteristics of the region, the need of the government is to improve the dual career system. **Opportunities should be offered for couples so that they can both build their careers abroad.** This will stimulate more couples to actually take the opportunity and live abroad for some years. Although the younger generation does show signs of improvement in language skills, more structural reforms ought to be implemented to prevent **linguistic barriers** from continuing to hinder foreign labour integration. A system showing surplus/shortage of talents per region/country could facilitate the recruitment at the European level.

4.7 CB Talents (PT)

The Portuguese labour market has been deeply affected by the global financial crisis, with youth unemployment (population under 25 years) amounting to 40% in the last quarter. Portuguese regions experience a **shortage of jobs** for highly skilled people. Against this backdrop, the government has sought to foster regional policy so as to reduce unemployment and enhance labour mobility, regarded as a great benefit, both for Portugal and for the EU internal market as a whole. In particular, Portugal has tried to **attract companies** (in particular ICTs); in so doing, the risk of losing talented people can be reduced and there is actually the possibility of attracting those who have left to return, thus achieving brain gain.

4.7.1 Territorial strategy towards labour mobility

Cross Border Talents (CBT) is a special recruitment consultancy with a global network of recruitment partners across Europe providing permanent recruitment solutions for the Engineering, ICT, Medical and Contact Centre sectors. It was funded to **tackle the problem of skills mismatch on labour markets**, creating links between the academy and some of the best tech companies in Europe.

The aim of CBT is to solve the skills shortage challenge through consistently facilitating employment transitions in increasingly volatile and complex labour markets. This is done by helping talents find the best jobs and companies to boost their productivity.

The objective of the organization is fulfilled through a series of activities, all underpinning innovative international sourcing. Today, CBT counts more than 1,000 partners engaged in listening to the clients' needs and developing tailor-made solutions for their problems in finding the best candidates. These are some of the tools used by CBT to contribute to solving the skills shortage challenge:

1. Global Recruitment Partners Network. The skills that CBT's clients outline in their job descriptions are sought by more than 1,000 recruitment partners across 50 countries. Each client has at his disposal a Global Recruitment Coordinator and a single point of contact to a unique Talents database. Clients cannot access any recruitment platform; they are supposed to express their requests so that CBT can present a suitable offer.
2. CB Talents Academy. It is a platform that helps potential applicants who want to acquire the knowledge, skills and self-confidence to succeed and find a suitable job. The Academy supports applicants in reinforcing their ability related to design and maintenance of computer networks, gaining hard and soft skills, and improving their career prospects while filling the global demand for networking professionals.

An important marketing tool that has allowed CBT to be well known internationally is the system of personal referrals from the candidates: they can recommend their friends or colleagues whom they believe could benefit from the personalised service that the company offers to CBT. If, in the next 12 months, the recommended candidate secures a position (doctor, engineer, nurse or IT specialist) through CBT, the person who recommended him/her will receive EUR 500.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.8 Benefits and challenges of the CB Talents initiative

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Positive contribution to the skill mix • Migrants tend to be net contributors to the budget of the host region • Reduce labour shortages 	<ul style="list-style-type: none"> • Workers may return with more experience, skills and savings, contributing to local economy development. 	<ul style="list-style-type: none"> • Mobile workers play a role in facilitating flows of innovative ideas 	<ul style="list-style-type: none"> • Better job opportunities
Challenges	<ul style="list-style-type: none"> • Socio-economic discrimination of mobile EU workers and their families 	<ul style="list-style-type: none"> • ‘Brain-drain’ effect • Many young people leave, causing pressure on active population and elderly dependency rate. 	<ul style="list-style-type: none"> • Incongruities in the system of recognition of qualifications 	<ul style="list-style-type: none"> • Language and cultural barriers

CBT seeks to balance the labour markets in different countries by placing talents in country A with high unemployment rates, in country B that has a skill shortage. As such, CBT directly affects labour mobility, also considering the importance of CB Talent Academy. This trains people with specific skills that increase their chance of finding a job and enables CBT to place them with a company.

More than one thousand recruitment partners across 50 countries are working to enforce brain circulation rather than brain-drain. In 2015, CB Talents received an award as one of the ten best practices in labour mobility. It managed to enhance competition in those companies approached by CB Talents members.

In this regard, an important point that emerges from this case is the need for governments and also for EU institutions to regard labour mobility as a strength for each single country. The general fear of the phenomenon of brain-drain should be overcome by conceiving labour mobility, otherwise called brain circulation, as a benefit for both the hosting region and for the sending region.

4.8 EURES TransTirolia (AT+IT+CH)

The three regions cooperating in the initiative ‘EURES Trans Tirolia’, North Tyrol (Austria), South Tyrol-Alto Adige (Italy) and Grisons (Switzerland), comprise a working population of about 550,000 employees, of which around 1,700, (i.e. around 3%), are cross-border commuters. Additionally, approximately 4,000 young people are undergoing training in one of the neighbouring regions, which is a high number compared with other EURES areas. The labour markets of the three regions have similar characteristics: **rather low unemployment, labour shortage and surplus in the same sectors** and a prevalence of small and medium-size companies. Therefore, the number of **cross-border commuters is relatively low**, but has increased in South Tyrol with the economic crisis, which induced more workers from South Tyrol living in the border areas to take on jobs in Switzerland, but also in North Tyrol or in the Trentino. In terms of migration, most South Tyroleans move to German-speaking parts of Europe, notably Germany and Austria. This holds true in particular for university graduates in the entire EURES TransTirolia region, who often do not find suitable jobs in their regions of origin. Concerning labour immigration, most migrant workers come from Eastern European countries. They mainly find work in the tourism and agricultural sectors.

4.8.1 Territorial strategy towards labour mobility

Twenty-six regional and three national and trans-regional organisations from regional authorities, chambers and employer’s associations, employment agencies and unions are partners in EURES TransTirolia. All partners were involved in setting up and implementing the initiative, and they contribute to its further development in working groups and meetings. In broad terms, the initiative aims at promoting cross-border labour mobility in the regions North-, East- and South-Tyrol and Grisons. Towards this end, EURES TransTirolia, through its regional contact points:

- provides information about job vacancies;
- advises employees as well as employers about working and living conditions in the neighbouring regions, with regard to social, labour, pension legislation and collective labour agreements;
- initiates projects to harmonise the regional labour markets and foster cross-border labour mobility;

- provides all sorts of hands-on support on labour market related questions to employees who want to work abroad or employers who want to recruit abroad.

In addition to individual advisories, EURES TransTirolia maintains an online job portal that enables job seekers to look for jobs in the entire EURES TransTirolia region. In addition, a number of print publications have been prepared, targeting job seekers as well as employers on a number of topics ranging from legislative issues to advice on how to seek employment.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.9 Benefits and challenges of EURES TransTirolia

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Positive contribution to the skill mix • Reduce labour shortages 	<ul style="list-style-type: none"> • Workers return with more experience, skills and savings, contributing to local economy development 		<ul style="list-style-type: none"> • Better job opportunities, better wages
Challenges	<ul style="list-style-type: none"> • Pressure on local services • Socio-economic discrimination of mobile EU workers and their families 		<ul style="list-style-type: none"> • Incongruities in the system of recognition of qualifications 	

The border regions North Tyrol, South Tyrol and Grisons can look back on a long tradition of cooperation. Since all three regions have a well-functioning labour market with a relatively low unemployment rate and a shortage, or respectively, a surplus in similar sectors, the actual impact of the initiative on employment is rather low. Benefiting the most is the South Tyrolean valley “Vinschgau”, where workers have the option of taking on a well-paid job in neighbouring Switzerland and benefitting from the higher Swiss wages.

Nevertheless, EURES TransTirolia has had tangible and visible effects on job placements. Moreover, it has resulted in an enhanced network and collaboration of the employment agencies of the three regions. This network is currently

expanding, with the aim of getting Bavaria (Germany) on board for joint activities and projects.

In all three countries, the necessary information and support structures are in place that could foster cross-border labour mobility. Remaining barriers to an increased mobility of workers are mostly outside the realm of influence of the employment agencies such as, for example, the need to improve transport connections. Furthermore, labour mobility is still hampered by administrative hurdles such as differences in the tax and social security systems and the ensuing insecurities as well as hurdles regarding the **recognition of degrees and diplomas**. A lot remains to be done concerning language skills, which are a high entry barrier to working in South Tyrol, where fluency in both German and Italian is often required. Offering targeted language courses, tailored to the needs of each profession, could be a way forward.

Within the EU, it can be observed that workers in regions with high unemployment tend to be much more mobile and flexible than those living in regions that offer good labour market conditions. The EURES TransTirolia region has therefore seen a migration movement with migrant workers mainly coming from the new MSs. To increase labour mobility within the EURES TransTirolia region, more substantive structural reforms would be needed alongside substantial investments in research and development in niche markets. However, these measures would only yield results in the long-term.

This case study suggests considering the following solutions:

- the unbureaucratic recognition of degrees and diplomas;
- the recognition of work experience so that workers who change jobs are assigned to the same salary group as in their previous job;
- enhanced coordination of social security systems in the EU so that insecurities related to differences in these systems do not remain with the employers;
- reduced bureaucratic burden associated with dealing with social security;
- targeted language courses tailored to the needs of different professions;
- campaigns and initiatives targeting families and couples, supporting partners and spouses in finding a job in the new country of residence;

- promoting and enabling labour market mobility in the public sector by creating opportunities for civil servants to work outside their countries;
- a shift of focus away from jobs in the knowledge-based economy (e.g., high tech, research), which are only a very small segment of the work force, towards other economic sectors;
- mentoring programmes to broker contacts across borders and foster professional networks.

4.9 TRANSPO Project (IT+FR+RO)

TRANSPO project comprises France, Italy and Romania, and investigates the specific issues of posted workers in the road transport sector. Directive 96/71/EC constitutes the backbone of TRANSPO project. Often referred to as the ‘Posting of Workers Directive’, it establishes that posted workers must abide by the labour law of the host country, except when working conditions and salaries are more favourable in the origin country. In this respect, the road transport sector falls within the provisions of Directive 96/71/EC and its implementation is of critical importance to the objectives of TRANSPO.

However, the Directive is perceived as no longer representing the economic and political facets of the EU. In truth, Directive 96/71/EC was formulated in 1996 when the EU consisted of 15 MSs characterised by a relative uniformity of labour costs. With the EU Central and Eastern enlargement, the political-economic spectrum has notably changed and the number of posted workers has consequently increased, and so too have cases of fraud.

Shortcomings of Directive 96/71/EC notwithstanding, TRANSPO acknowledges that full compliance is essential to the purpose of the initiative. Furthermore, the project seeks modes to deepen transnational cooperation, within a sector, which is, *inter alia*, marked by a multitude of national enforcement agencies.

In France, the Ministry of Labour regulates posting through the ‘Directorate General of Labour’; in Italy, the Ministry of Labour and Social Policy is responsible for the supervision of posting, and in Romania, the Labour Inspectorate is the control authority. From the examination of the national legal frameworks, it emerged that in all three countries, enforcement of Directive 96/71/EC faces obstructions in terms of the scope of the legislation in the transport sector, and security and wage controls.

4.9.1 Territorial strategy towards labour mobility

TRANSPO was a pilot project concerning the implementation of Directive 96/71/EC within the road transport sector. The project involved France, Italy and Romania and ran from 2010 to 2011. The goals of the initiative can be summed up as follows: to investigate the application of EU legislation on posted workers, with particular emphasis on inspection activities; to share information and enactment procedures among labour inspectorates and other control agencies; to stimulate cooperation between all the bodies that verify the correct implementation of Directive 96/71/EC.

French, Italian and Romanian participating bodies conducted seminars, working groups and workshops to comment on the correct implementation of Directive 96/71/EC. Cross-examinations of the French, Italian and Romanian national legal frameworks, alongside analyses of inspection cases, have highlighted the challenges in managing posted workers in the road transport sector. In particular, it has emerged that the absence of an amended Directive 96/71/EC and non-compliance thereof hamper market expansion and arguably, labour mobility, leading to a lax attitude towards social dumping.

Additionally, it has been advanced that cooperation among MSs, which includes effective collaboration between national labour inspectorates, is a *sine qua non* for the observance of the existing rules on posting. To this end, it has been emphasized that verifications of driving times, rest periods and wage controls are remarkably important in order to achieve fairer labour mobility and, by extension, an effective transnational cooperation.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.10 Benefits and challenges of the TRANSPO project

	Region of destination	Region of origin	EU internal market	Workers
Benefits			• Facilitation of flows of trade	• Better job opportunities, better wages
Challenges	<ul style="list-style-type: none"> • Pressure on local services (transport) • Socio-economic discrimination of mobile EU workers and their families 		• Lack of information about workers' rights	• Institutional and bureaucratic barriers

TRANSPO has formulated a Guide, elaborated as an instrument to increase mutual knowledge of respective legislations and control procedures. In the road transport sector, there are several (usually coordinated) enforcement agencies; therefore, each European control service should be able to distinguish their respective entitlements.

The initiative has put forward discussions on shared control methodology and has advanced some possible ways of cooperation in the road inspections and in the transmission of gathered information.

The Posting of Workers Directive requires revisions that take into account the political spectrum of a Union that comprises 28 MSs, where there is distinct heterogeneity in terms of labour costs. Fairer labour mobility, as far as posted workers are concerned, largely depends on the willingness of MSs to reform Directive 96/71/EC.

Meanwhile, efficient cooperation among MSs, especially between the various inspection agencies, provides a good tool to comply with Directive 96/71/EC as it is today.

4.10 DGB Fair mobility (DE+RO+BG+SI)

As restrictions on the free movement of workers and services have been abolished iteratively, labour mobility has continuously been increasing in recent years. At the same time, deregulation of the labour market has led to an increase of cross-border temporary and contract labour and postings of workers. Especially workers from Central and Eastern European countries do not have sufficient knowledge about their rights, the labour market and working conditions in Germany. On the other hand, union members and other relevant multipliers in Germany are also not familiar with the rights of and conditions for workers from these countries. This leads to a need for advice and information for both workers from Central and Eastern Europe and labour unions and other union-linked organisations in Western Europe, namely in Germany.

4.10.1 Territorial strategy towards labour mobility

The lead partner of the ‘Fair Mobility’ project is the Federal Executive Board of the Umbrella Organisation of the German Labour Unions (DGB). Other project partners are the Berufsbildungswerk – Competence Centre EUROPA (bfw CCE), the European Migrant Workers Union (EVW e.V.) and Project Consult Ltd. (PCG). It runs from August 2011 until July 2016 and receives funding from

the DGB, the German Federal Ministry of Labour and Social Affairs (BMAS) and the European Social Fund (ESF).

The project aims to improve the situation of workers from Central and Eastern Europe on the German labour market. It supports workers from these countries in enforcing their rights with regard to fair treatment, fair wages and acceptable working conditions. As a first step, a status quo analysis and needs assessment were conducted that provide an overview of the legal and general situation, challenges, existing advisory and information services, transnational cooperation initiatives and recommendations for action.

Six local advisory centres (Berlin, Dortmund, Frankfurt, Kiel, Stuttgart, Munich) **provide mobile workers with information on their rights and opportunities** in the field of labour and social law. **Each local advisory centre focuses on selected economic sectors depending on local and regional needs.** The economic sectors covered comprise the construction and cleaning industry, health care, the meat industry, the hotel and catering sector, transport and logistics, industry-oriented services, and subcontracted labour and postings. In addition to the German advisory centres, **three partner centres** in Bulgaria (**Sofia**), Romania (**Bucharest**) and Slovenia (**Ljubljana**) **offer advisory services for workers that return from or plan to start a job position in Germany** (‘European Fair Mobility’ project).

Furthermore, the project aims to raise awareness for the general situation of mobile workers. Education and information material for different training modules was therefore produced and used for various training sessions for unionists and other multipliers.

The following table provides an overview of the benefits gained and the challenges overcome through this strategy.

Table 4.11 Benefits and challenges of the DGB Fair Mobility initiative

	Region of destination	Region of origin	EU internal market	Workers
Benefits	<ul style="list-style-type: none"> • Positive contribution to the skill mix 	<ul style="list-style-type: none"> • Increased experience and skills 	<ul style="list-style-type: none"> • Facilitation of flows of innovative ideas 	<ul style="list-style-type: none"> • Better job opportunities, better wages

Challenges	<ul style="list-style-type: none"> • Socio-economic discrimination of mobile EU workers and their families 		<ul style="list-style-type: none"> • Lack of information about workers' rights 	<ul style="list-style-type: none"> • Institutional and bureaucratic barriers • Language and cultural obstacles
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In the six German local centres, job positions for advisors were created, considering that each centre developed **a specific focus on foreign languages** and economic sectors. All advisors speak at least German and one Eastern European language. **In total, Bulgarian, Croatian, English, Hungarian, Macedonian, Polish, Romanian, and Serbian are covered.** In 2014, the advisors of the German local centres worked on more than 2,700 cases. As some cases involved more than one person, more than 5,500 persons were advised.

The training material produced was used for 25 training sessions, some of which lasted more than one day. They were conducted with a total of 293 participants, such as representatives of staff councils and workers' councils, and other multipliers, such as representatives of union-linked organisations and educational institutions.

In addition, networking activities and exchanges of experience were promoted, ranging from regional networking activities at the local centres to strengthen the dialogue with regional labour unions and the respective state government and administration, to an international conference (April 2014, Berlin) on fair movement for workers with 120 participants (union members, decision-makers, MEPs, advisors) from Belgium, Bulgaria, Croatia, France, Germany, Hungary, Poland and Romania.

For a study⁸⁶ that was conducted at the beginning of the project to analyse the status quo and assess the needs, four main fields of activity were identified. First, the general labour situation and working conditions have to be improved. This includes, i.a., the amendment of EU directives, stronger employment rights and the introduction of effective control and sanction measures. Second, the provision of advisory services needs to be improved in both the workers' home and work countries. Third, more information should be available to give first assistance and suggestions. This information should not offer 'one size fits all' solutions but focus on the needs of specific target groups, be written in the

⁸⁶ An English abstract of this study is available here: <http://www.faire-mobilitaet.de/ueber-uns/++co++f98430ee-85a3-11e2-8b9c-00188b4dc422>. The full report (in German) can be found here: <http://www.faire-mobilitaet.de/ueber-uns/++co++fa3f5ea4-0d90-11e2-bff6-00188b4dc422>.

respective native language, and be widely disseminated. Finally, trans-border cooperation and agreements need to be further developed between national labour unions, networks and other union-linked associations and institutions.

5 Conclusions and recommendations

The study has illustrated how, regardless of the great potential of freedom of movement for European citizens and their right to easily reach every European country, today only a very low percentage of Europeans decide to pursue a new career path in a different MS from their own. However, the ten selected best practices analysed in this study have demonstrated how intra-EU labour mobility can be an important source for local and regional socio-economic development as well as human capital enhancement.

Labour mobility is in fact a source of new skills, generates additional revenues, creates new business opportunities, produces innovative ideas and enhances competitiveness of the regional economy. But labour mobility also poses challenges such as pressure on social services, brain-drain effect, presence of institutional and bureaucratic barriers, risk of social dumping, cultural and language obstacles.

All these effects mainly occur at the local and regional level. European local and regional communities can therefore benefit from the advantages of mobile workers and, at the same time, be affected by risks and challenges of labour mobility. A few regions, in fact, can be defined as ‘pure’ destination or ‘pure’ sending regions for mobile workers. Regions can, for example, have a need for foreign specialised workers in particular sectors of the economy, but also have sectors at full employment where job seekers are pushed to migrate to find work. Alternatively, they can face problems regarding the brain-drain of skilled workers as well as pressure on social services for the arrival of less qualified workers. LRAs are therefore called upon as the institutions that can govern and drive labour flows in order to maximize the benefits of labour mobility and mitigate the related challenging risks. **The adoption of local and regional policies stimulating brain circulation, attracting innovative talents, and filling the gap in job vacancies contributes to workers’ (both mobile and not mobile) and citizens’ welfare, and facilitates the functioning of the EU internal market.**

In spite of the importance of the intra-EU labour mobility phenomenon for the ‘European project’, the analysis carried out in chapter 1 has revealed that there is no detailed EU database on European workers flows within the Union, including intra-EU migrants, posted and cross-border workers. This information gap can distort the perception of the phenomenon at the local and regional level, so leading to the adoption of inappropriate policy measures. **Regional authorities are therefore called upon to make special efforts to monitor data and information on both the workers present in the territory coming from other**

EU regions and those who left the region to go abroad. Characteristics such as immigrants' education level, qualifications, past working experiences, sectoral specialization or, once employed, their contribution to taxes and use of social benefits, are important information that must be taken into account by LRAs. It is also important to understand which factors are pushing those who move to another EU region to work. Moreover, regions should be also informed about workers flows in the other regions (especially in the case of cross-borders). More specifically, the EU should come up with a system, similar to a map showing surplus/shortage of workers per region/country. In so doing, it would be easier and much less time-consuming for firms or institutions to look for matching labour demand and supply.

Regions should therefore: **set-up an internal monitoring system** to constantly monitor and evaluate the magnitude and the characteristics of EU migration flows at the local level; for cross-border regions, **set up a cross-border monitoring system** to collect data about frontier workers; at EU level, **solicit the EC to set up a yearly European database** for the collection of data on inter-regional labour mobility of EU workers.

The collection of accurate information about EU workers migrations has also a direct twofold use. Firstly, collected data on how EU migrants contribute to regional tax revenues –net of the costs - can be a useful instrument to inform the territory and prevent different forms of anti-migration requests. It seems that in times of economic and political uncertainty, national or regional interests tend to prevail and be sustained by larger parts of the population. Uncertainty and doubts can be overcome by clarity and by the reassuring precision of statistical data, i.e. numbers based on scientific reports. **In the absence of such transparent and complete information, citizens are overwhelmed by different and opposing views on immigration and labour mobility, with the risk of relying instead on politicised opinions, not supported by real data, which unleash fears and suspicions.** Especially MSs with a rise in the popularity of extreme anti-migration parties should consider solutions to overcome a growing feeling of Euroscepticism that leads to xenophobia, and poses threats to the potential benefits of intra-EU labour mobility. Inaccuracy of information has led segments of the EU population to consider migrants, including EU mobile workers, as a threat to the regional economy. As today, Euroscepticism is one of the biggest challenges for the prospects of the European Union, it is particularly urgent to ensure the spread of transparent and reliable information on labour mobility. **The flow of negativity and growing scepticism could be counteracted by publishing surveys at the local level that report numerical facts that manage to shed light on the fallacy of some generic assumptions.**

Availability of data and information about migration flow is not only important to enable LRAs and MSs to share correct messages on intra-EU labour mobility with their citizens. It is also **useful for the identification of regional strategies, and the design of relevant policies**. In order to be effective, regional strategies should be designed starting from a clear analysis of the territorial context, which has to include an accurate collection of quantitative and qualitative information about the size and the characteristics of the EU labour flows. In this regard, a specific reference to **the research and innovation strategy for smart specialization (RIS3)** can be made. As a pre-condition for ERDF funding (*ex ante conditionality*), it had to be adopted by all regions before the approval of their Operational Programmes. **When designing innovation strategies, LRAs should not only identify the most promising sectors, but also ascertain the territorial needs in terms of human capital, new talents, innovative ideas and knowledge, taking stock of the opportunities of European labour mobility**. An innovation strategy could in fact opt for the attraction of those professionals needed to direct the regional economy towards innovative sectors, which have higher potential in terms of regional competitiveness. **The five clusters identified by the KIT study** (see box 1.1 in chapter 1) **provide an applicable guideline for regions on how the different patterns of innovation can benefit from labour flows and brain circulation**. Collecting the data on regional labour shortage is therefore more significant for regions in need of filling certain skill gaps and enhancing the skill mix. Especially for regions in which the percentage of the highly-skilled labour force is much lower than the low-skilled one, implementing initiatives that attract professionals specialised in certain sectors is of fundamental importance.

The study has shown, however, that intra-EU labour mobility does not create only opportunities, but also poses important challenges. A specific obstacle faced by regions that want to promote and exploit the benefits of EU labour mobility is represented by the differences between regulatory and administrative systems, as well as discrepancies in remuneration, social security, and health systems, which can be a source of further obstacles to the free movement of workers. This is particularly true for **posted workers**. In March 2016, the European Commission published a proposal for the revision of Directive 96/71/EC. New ideas include the application of the same rules in the hosting MS as in the sending MS, on remuneration, collective agreements in all economic sectors, and equal treatment with local temporary agencies. This proposal represents progress, but it has to be noted that **there is still a need for more accurate information at the local and regional level about the magnitude and the inter-regional direction of posted workers flows**. The fact sheets published together with the proposal by the European Commission contain important information on the provenance and the destination of the posted workers, as well as on their sectoral occupation, but this information is still

provided only at MS level. As previously stated, **a more territorially oriented collection of data in this regard is still needed.** This would help regions to correctly design their policy strategies for addressing posted workers' needs.

On their side, **regions can adopt supporting tools – also at the cross-border or inter-regional level – for workers who are posted.** Again, information and awareness are very important tools for mobile workers when moving to another country. An efficient and effective knowledge transfer represents a benefit that is not limited only to the workers, since, as mentioned before, workers who are not well integrated may be costly for the public authorities. Regions can therefore improve the conditions of posted workers and facilitate a free and fair circulation of labour by raising awareness and **providing them with information on their rights and opportunities through regional (or cross-border and inter-regional) information points and local advisory centres.** These should provide tailor-made information, give first assistance and suggestions focused on the needs of specific target groups - preferably in their respective native language – and support workers in dismantling doubts on different regulatory and labour systems, or offer them tools to prevent discrimination. **Partnerships between the labour offices of the sending and receiving regions should be established,** in order to increase the information capacity of the local advisory centres. Each local advisory centre could also be **oriented on selected economic sectors, depending on local and regional needs.** Here the LRAs' role is crucial to institutionalise platforms that track the rates of workers in the different economic sectors, and to estimate the needs to increase supply in certain areas.

Beyond the specific case of posted workers, **more targeted information on the intra-EU labour mobility opportunities should be warranted for job seekers, workers and employers.** Workers need to be informed not only of job vacancies across Europe, but also on the realities of the regions of destination. Lack of information puts migrant workers at risk of making uninformed decisions or, even worse, of encountering social dumping. Data sources on these aspects are more available in some MSs than in others. There are indeed existing tools at the EU level that could support awareness-raising strategies, for matching demand and supply of labour and supporting regions in dealing with labour shortage and skills mismatch. **The most important resource is EURES,** the cooperation network illustrated in chapter 1, which was established in 1993 with the aim to facilitate the free movement of workers within the EU28 plus Switzerland, Iceland, Liechtenstein and Norway. Recently, a re-design of the platform has been proposed, which would lead to better cooperation among public employment services. In this regard, it has to be remembered that **EURES is based on cooperation between more than 5,000 local employment offices, which implies a direct involvement of the European LRAs.** The

upgrade of EURES can be particularly useful for cross-border regions that can foster initiatives through the platforms and enhance collaboration between stakeholders. EURES can also contribute to incrementing the promotion of tools and services, aimed at empowering young people to successfully create a personal coordinated portfolio of documents. In this regard, **Europass** tools have to be mentioned, particularly the standard document for the Curriculum Vitae, which has been shown to play a positive role in the communication between jobseekers and employers, acting as mediator between the dimensions of education, training and labour.

LRAs aiming to implement successful policies in relation to labour mobility cannot ignore that the use of EU platforms and tools should be complemented by interaction with the global social networks, which are considered by EU citizens as important opportunities to develop their careers at European and international levels. **Therefore, the use of social networks represents an additional source for stimulating labour flows.** The best-known professional networking web service is LinkedIn, which has definitely transformed the traditional recruitment process. Using LinkedIn allows the job opportunity to be promoted and marketed at a low cost and in far-reaching areas. The notoriety of the platform makes it one of the most used and effective online recruiting tools, both for recruiters and for candidates. LinkedIn helps the recruiter to quickly sort the applicants through the basic requirement, to build their initial target list and to reach out to candidates; the candidates who acknowledge the potential of the platform's role have a decided advantage. For example, regions needing to respond to shortages of IT professionals can implement initiatives employing LinkedIn to match job-seekers with IT companies. If the candidates understand the key words strategy, they will show up first in the recruiter's searches. If the recruiter sets clear requirements and is able to promote the opportunity effectively, the initiative will receive a great number of applicants able to fill labour shortages in the region. Raising awareness in the territory on the use of EU initiatives like EURES, or intensifying promotional activities to enhance the use of web tools and social media that match labour supply with labour demand are issues to be considered by LRAs willing to make positive contributions to the intra-EU labour mobility.

To have a stronger impact, LRAs could also consider that **direct inputs coming from the region of origin or from the region of destination can significantly encourage workers to experience labour mobility.** An interesting example of a practice that fosters movements and flows of ideas are **summer schools**. The benefits arising from these initiatives are manifold and include: exchanges between young people with different backgrounds; spreading of ideas and possibly of business/research solutions concerning those issues that require urgent attention; and facilitation of networking capacity among potentially

mobile workers. Moreover, summer schools are positive tools to promote the hosting region for newcomers, who will not attend only the scheduled and organized events, but will also have the chance to experience the life and the culture of the hosting region, and might potentially decide to stay. Summer schools can also help promote, as regions of destination, those territories that do not have an indisputable brand in terms of labour attraction.

The case studies presented in the previous chapter have shown that there is room, at local and regional level, to design policies aimed at encouraging intra-EU **labour circulation**, allowing migrant workers to acquire new expertise and, eventually, transfer them back to their country of origin. Not only intellectual gains are acquired through their experience abroad, but also financial. However, it is also true that the more a person is educated and skilled, the greater are his/her chances of moving from one occupation or place to another. On a broader, long-term perspective, the mobility of labour depends in fact on the extent to which the labour force is educated and trained. Therefore, LRAs can encourage practices that improve the skills and professional capabilities of workers, and incentivise people to circulate throughout the EU internal market. Of primary importance in this aspect is the enhancement of **the language skills of the workers, especially when young**. A challenge that migrant workers face when arriving in the region of destination is indeed related to cultural shocks. Not knowing the language or the culture of the country of destination is one of the major factors preventing people from moving. Moreover, learning a new language is not only time-consuming, but it involves financial costs that not everyone is able to afford. Seen from the perspective of a region with a modest capacity to attract talents at EU level, the difficulties in communicating with EU workers, normally related to an insufficient level of English, represent a problem to be overcome. In this respect, labour circulation can be considered as a strategy to be pursued by **LRAs through specific programmes delivering international scholarships that allow local candidates to take part in professional activities in other EU countries**, enhancing their experiences. On the other side, regions in need of migrant workers to fill shortages could be inspired by the way certain initiatives have managed to overcome language and cultural barriers. For example, an effective initiative aiming to attract young citizens through a three-year apprenticeship managed to reduce the impact of cultural shocks by offering the selected candidates **preparatory classes in their countries of origin**. The classes include language courses and preparatory training on their future jobs. Mentoring, guidance and assistance is of particular importance for young people who left their families and friends behind to move to another country, and can support the integration process. If carried out prior to the candidate's arrival in the region of destination, these experiences are even more effective for preventing cultural shocks and encouraging more workers to move across European MSs. **These initiatives can be also implemented with**

higher intensity at the cross-border level, by adopting a joint strategy between neighbouring regions and also involving private stakeholders. The **involvement of private actors** closely linked to the territory and very aware of the regional needs is of utmost importance, for the creation both of a clear vision and strategy for developing new solutions and also of initiatives to enhance skills and professional capabilities of workers.

Moreover, as mentioned in chapter 3, there are regions facing serious challenges posed by large outflows of young and skilled workers. High emigration rate has a negative impact on local production and GDP growth. These regions are mostly in need of labour retention, as great numbers of local young talents leave the territory to pursue new career paths elsewhere. To prevent brain-drain, regions can implement initiatives together with private stakeholders to foster entrepreneurship on the local level and motivate local young professionals to start their own businesses in their regions of origin. The creation of **inter-regional business incubators and networks of entrepreneurship** provide support for new companies in seed and early stage investments and in search of new professionals. The benefits of business incubators are manifold and include: providing young entrepreneurs who lack expertise with assistance from experts in management, marketing and finance; offering training, workshops and following the young entrepreneurs during the first steps of launching their companies. When problems of workers' outflow have already occurred, **LRAs should develop more programmes to re-integrate and attract emigrated workers, inviting them to invest in their town of origin**. It was observed that this happens more easily if a certain infrastructure is already in place, and this confirms the **important role of LRAs in taking an active part in the dynamic of labour circulation**. This element, combined with **administrative simplification in the creation of new businesses**, could motivate the mobile workers to come back to their region and exploit their acquired new skills and networks. In this regard, the observation of the so-called 'social remittances' allows for an appreciation of the strength of the 'European project', beyond the concept of a mere single market. Once back in the town of origin, families having experienced life and work conditions abroad (normally in a richer European country), tend to challenge traditional gender and generational relations, and to dedicate special attention to education.

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Annex 1. Methodology

To create a comprehensive picture of labour mobility in EU MSs and its key benefits, risks and challenges, the study was based on data analysis, literature review and case studies.

a) Data collection was conducted in parallel, using European statistics and information from recent studies. The main databases used were:

- **Eurostat** (European Labour Force Survey);
- **ILO** (Labour Force Surveys);
- **Migration Integration Policy Index (MIPEX)** Database;
- **ESPON**;
- **EC surveys**.

Data on *EU migrant* and *EU migrant workers* are mainly derived from the European Labour Force Survey. The dimension is mainly at NUTS1. Current available data on regions (NUTS2), in fact, do not distinguish between EU and non-EU migrant workers. This makes it difficult to have a clear and unbiased analysis of more disaggregated data, especially taking into account the recent new inflows of extra-EU migrants, which may distort the interpretation of intra-EU flows. However, the literature review from the regional perspective significantly contributed to completing the analysis, especially in chapters 2 and 3.

Data on *posted workers* are taken from the country fact sheets published in March 2016 by the EC and from the yearly report published by the EC on posting of workers based on the survey on portable documents A1 (PD A1), previously E101 forms, issued by the EU MSs and EFTA countries during 2012 and 2013 (EC, 2014c).

Data on *cross-border workers* are derived from the comparative report on frontier workers published by the EC (2015a).

b) The in-depth literature review was mainly based on:

- EU regulations and directives;
- European opinions, reports and studies;
- CoR opinions;
- OECD, ILO and World Bank studies and reports;
- ESPON studies and reports;
- Academic research papers.

A complete and detailed list of literature resources is provided in the references.

c) The **ten case studies** were selected through desk research in accordance with the CoR and further investigated through interviews with representatives of the selected best practices. Below is the questionnaire guiding the interviews.

Regional context

- What are the regional characteristics and main challenges in the labour market?
- What are the regional needs in terms of labour mobility?
- Where do most people migrate to? Where do most people come from?

Strategy and tools

- What are the key features and aims of the initiative?
- Which basic requirements did you set for applicants and what were your target groups?
- How did you involve stakeholders in designing and delivering the initiative?
- How does the initiative fit with the European Structural Investment Funds (European Structural Funds, ETC programmes)?

Main achievements

- What are the direct results of the initiative (new jobs, new market opportunities, preventing social dumping, fraud, abuse, cross-border partnerships, increase in skilled labour force, etc.)?
- Can you quantify the economic and social impact of the initiative?
- What follow-up is anticipated?

Recommendation

- What do you think your government should do in the future to increase labour mobility in the EU?
- What should the European Commission do to increase labour mobility in Europe, e.g. promote 'brain circulation', simplify the tax system, expand EU programmes on labour mobility, increase the focus on families instead of solely on individual talent, improve the qualification recognition system?