

# The mobility profile of 25 EU Member States

*Input for the preparation of a Directive on the portability of pension rights, based on the Eurobarometer on Mobility*

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## Background

Europe has designated the year 2006 as the 'European Year of Workers' Mobility'. The general idea is that Europe would profit from more workers' mobility. More mobility would guarantee more adaptability of the workforce. To reach this objective, Europe is removing barriers to mobility. It is believed that the portability of pension rights is one of these barriers to international workers' mobility. At present, changing job or country can mean losing occupational pension benefits in some Member States. But the proposed 'portability of pensions' Directive would avoid major losses and in many cases allow benefits to transfer with the worker across sectors and countries in the EU.

To have more information on the effect of this Directive, the European Commission is exploring different databases with career information of European workers. One of these databases is the 2005 Eurobarometer on Mobility. In this paper, we present Eurobarometer data on job tenure, on expected job mobility, and on the duration of the entire career. In the final paragraph, we cluster the European countries according to the mobility profile of their workers.

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- 1 Laura Coppin and Tom Vandenbrande are researchers at the Higher Institute for Labour Studies (K.U.Leuven).
  - 2 Vandenbrande T. (ed.), Coppin L., van der Hallen P., Ester P., Fouarge D., Fasang A., Geerdes S. & Schömann K. (2006), *Mobility in Europe. Analysis of the 2005 Eurobarometer survey on geographical and labour market mobility*. Dublin: European Foundation for the Improvement of Living and Working Conditions, VIII, 82 p.
  - 3 Fouarge D. & Ester P. (upcoming), *Determinants of international and regional migration intentions in Europe*.
  - 4 Coppin L. & Vandenbrande T. (upcoming), *European workers' expectations on voluntary and forced job mobility*.
  - 5 Bukodi E. & Robert P. (upcoming), *Occupational career mobility and social stratification in Europe*.
  - 6 Schömann K., Geerdes S., Fasang A. & Siarov L. (upcoming), *Job satisfaction and labour market mobility*.
  - 7 Birindelli L. & Rustichelli E. (upcoming), *Long distance mobility: does it pay?*

## 1. The current job: job tenure

### 1.1 Average job tenure in the current job

A first set of graphs deals with the average job tenure in the current job, i.e. how many years a worker has been working for his current employer. Job tenure gives us an idea of the stability of the workforce.

On average, the European worker has been working for his current employer for the past 10 years. Important differences do however exist between countries, with the average tenure varying between 7 years in Latvia to 12 years in Belgium. The Esping-Andersen welfare state clusters are to a large extent reflected in these figures, certainly at the high end of job mobility. We find high job mobility, and thus low average job tenure in the current job, in Liberal and Social-Democratic regimes. The Baltic Member States display the same pattern. Lower job mobility is found in both the Corporatist and Southern regimes. The other post socialist new Member States are more difficult to situate along the job tenure scale: countries such as Poland and Slovenia find themselves among the countries with the highest average job tenures, Hungary on the other hand is with an average tenure of 8 years for its workers at the low end of tenure in the current job.

#### *Six employment regimes within Europe*

*Based on the strictness of employment protection legislation and properties of employment sustaining policies, we clustered the 25 countries of the European Union into six groups (see different reports and papers from European Foundation research<sup>2</sup>):*

*Social-democratic regimes (Denmark, Finland, Sweden): a relatively high degree of labour market deregulation and pronounced active labour market policies.*

*Liberal regimes (UK, Ireland): countries providing low measures on active and/or passive employment sustaining policies but displaying high flexibility.*

*Insider-protection conservative regimes (Germany, Austria, France, Belgium, Luxembourg, the Netherlands): nations with relatively strict employment protection legislation aiming at protecting and promoting the established insider workers, coupled with mainly passive labour market policies.*

*Insider-protection family-oriented regimes (Spain, Portugal, Italy, Greece, Malta, Cyprus): a distinct regime type with familial characteristics, selective labour market policies and a social security system with poor benefits and lacking a guaranteed minimum assistance.*

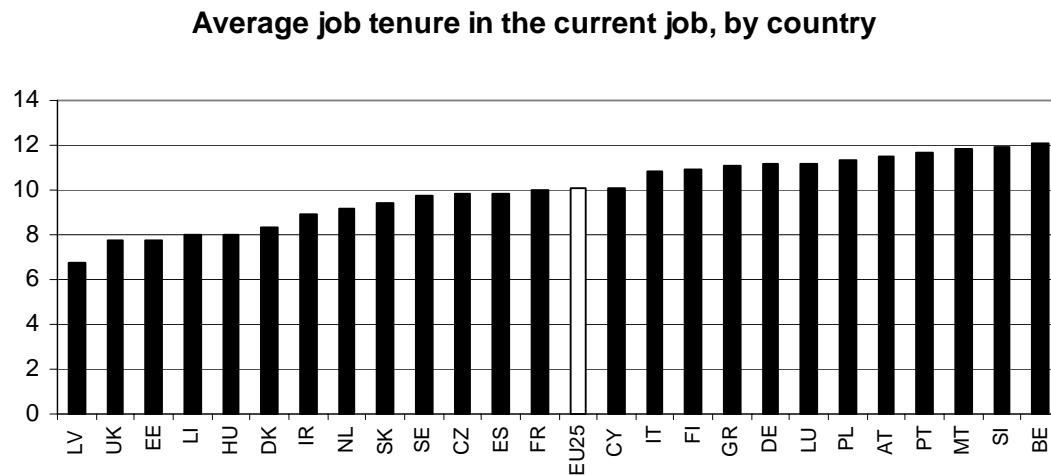
*Liberal post-socialist regimes (Estonia, Latvia, Lithuania): post-socialist countries with more flexible labour market and lacking employment sustaining policies.*

*Conservative post-socialist regimes (Hungary, Poland, Czech Republic, Slovakia, Slovenia): post-socialist countries with mostly transfer-oriented labour market measures and moderate extent of employment protection legislation.*

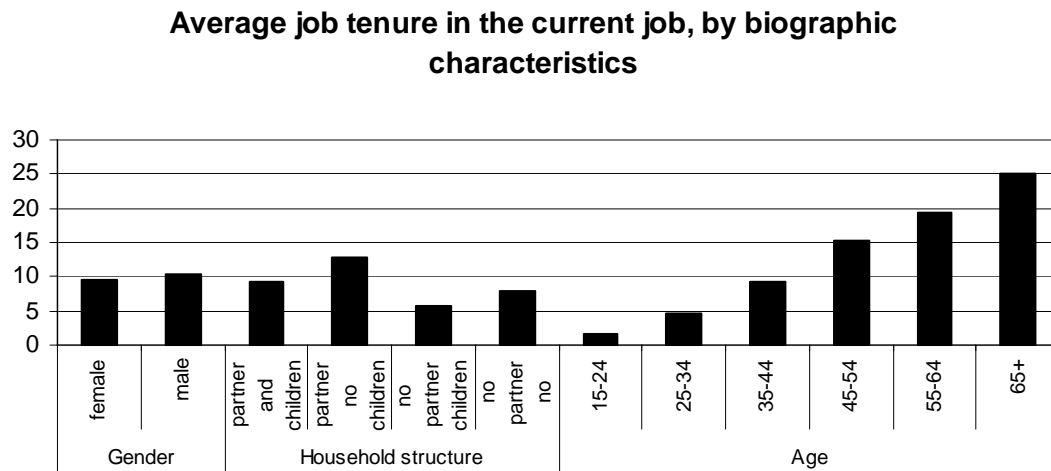
Looking at biographic characteristics of the workers, we find approximately the same average tenure in the current job for men and women. The household structure does appear to have an influence on current job tenure, although it is probably the underlying life course and age effect that explains for the low tenures among people who do not live with a partner (yet?) and don't have children, and the higher tenures among (older?) people who live with a partner but do not have children living in the household (anymore?). Age very clearly has a strong effect on job tenure. This is on the one hand logical even on purely mathematical grounds: youngsters aged 15 to 24 have not been on the labour market long enough to have high tenures in their current job. On the other hand, we find that all job mobility indicators point at an inverse relationship between age and job mobility. As people proceed in their careers, they are for ample reasons more likely to have found a job that satisfies them and are thus less likely to change employer. We thus find steadily increasing average tenures in the current job of 15, 19 to even 25 years for our three most senior age groups.

Regarding characteristics of the job, we find less pronounced patterns. With regard to sector, we see that agriculture very strongly and industries and public services to a somewhat lesser extent emerge as sectors in which workers have longer tenures than average. Occupation does not appear to have a great influence, with naturally the exception of agricultural workers with longer tenures, but also routine non manual workers with slightly shorter tenures than average.

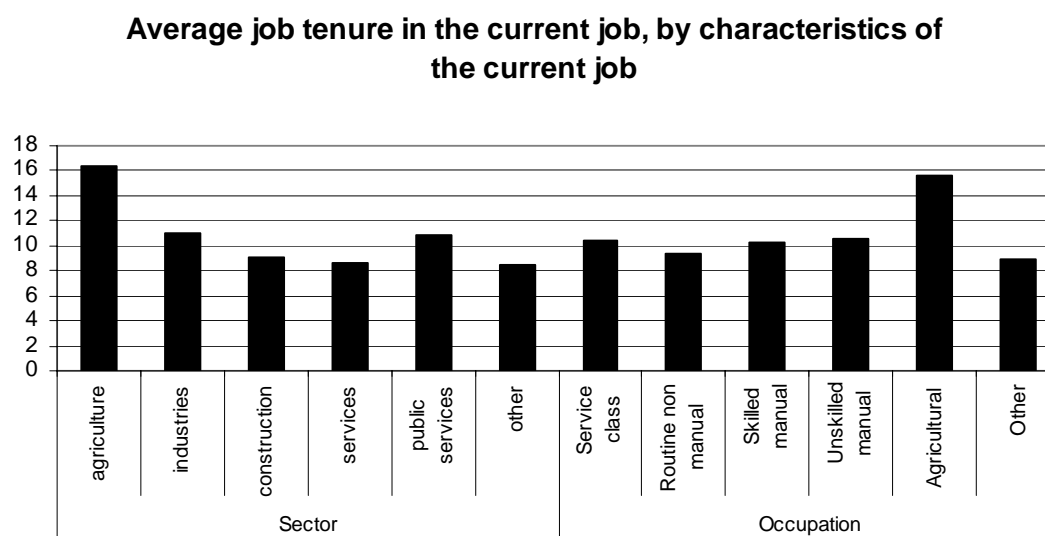
**Figure 1** Average job tenure in the current job, by country



**Figure 2** Average job tenure in the current job, by biographic characteristics



**Figure 3** Average job tenure in the current job, by characteristics of the current job



## 1.2 Distribution of job tenure in the current job

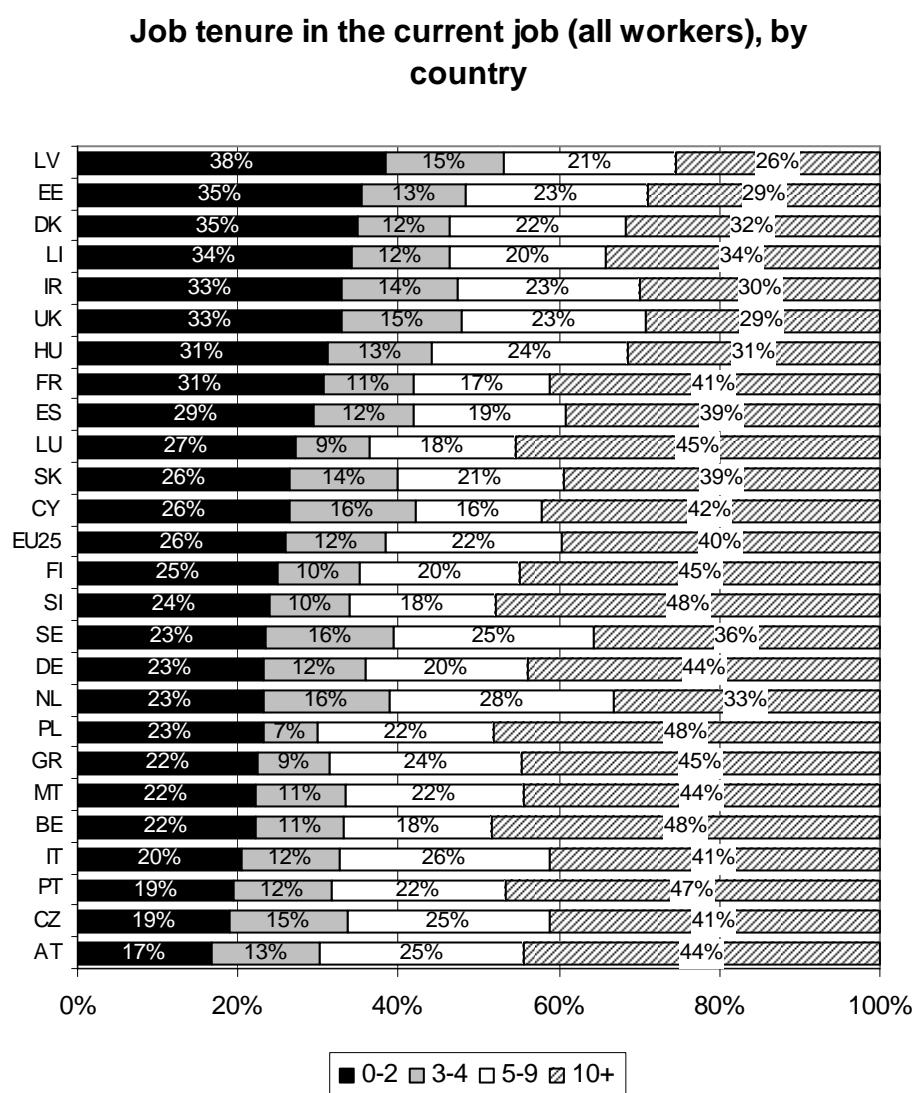
It is however not only interesting to look at the average tenure in the current job, we can also look at the distribution of tenure over the entire workforce, as in some scenarios, the portability of pension rights will be limited to work experiences with a minimum number of years of tenure. In the following graphs, we present a picture of the workforce as a whole; 100% corresponds to the entire workforce in a certain category, subdivisions represent the percentage of workers who have been working with their current employer during x years. As the Eurobarometer mobility survey is a survey that was carried out in 2005, this means that the '0-2' category consists of workers who have joined their employer in 2003, 2004, or 2005. We define 4 categories that seem to align with the different policy scenarios on the portability of pension rights: workers who have been working with their current employer for the zero to two years, three to four years, five to nine years and finally for 10 or more years.

A breakdown by country provides some background for better understanding the averages presented above. The workforce of the entire European Union consists of 26% workers who have been with their current employer for maximum two years, 12% three or four years, 22% from five to nine years and finally 40% who have been working with their current employer for more than 10 years.

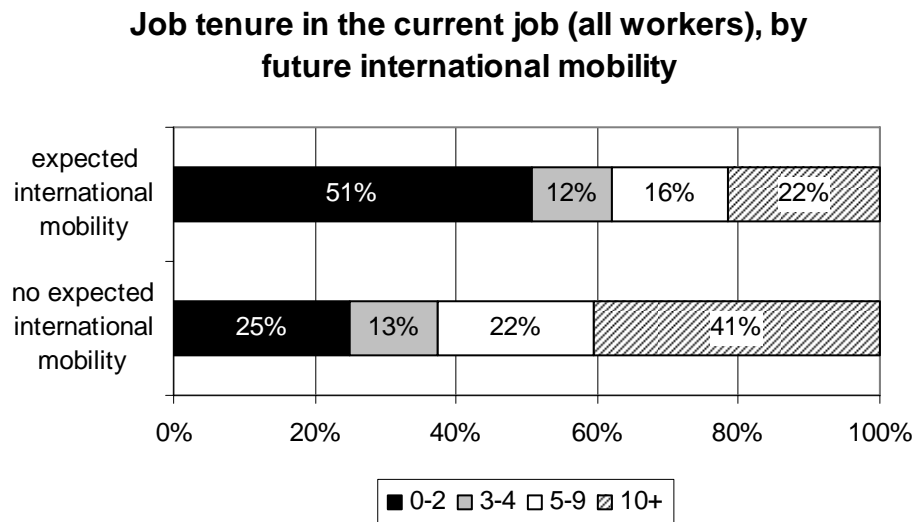
Looking at the relationship between expected mobility over the next five years and current job tenure, we find that people who intend to move to another country

(within the EU or not) are typically workers who are not bound to a certain employer. More than half of them (51%) joined his current employer as recently as maximum two years ago and almost 80% of them have been working with his current employer for less than 10 years. This observation is somewhat less marked with regard to expected future job mobility, but here too we find higher shares of workers who are less bound to their current employer (as reflected in a lower tenure) among the people who are planning on changing employer than among people who intend to stay with their employer. We may assume that longer tenures reflect better quality matches between employer and worker and that workers with longer tenures do therefore anticipate less future job mobility.

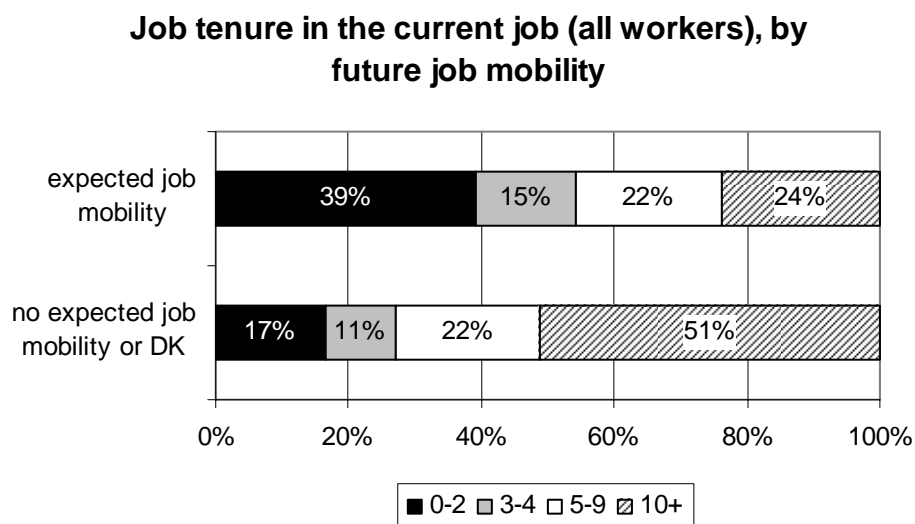
**Figure 4** Job tenure in the current job (all workers) by country



**Figure 5** Job tenure in the current job (all workers), by future international mobility



**Figure 6** Job tenure in the current job (all workers), by future job mobility



## 2. Expected job mobility: towards a future job?

Going somewhat deeper into this issue of expected job mobility, we differentiate between expected forced job mobility, i.e. employer initiated job mobility, expected voluntary, i.e. worker initiated and finally total expected job mobility which

consists of forced job mobility, voluntary job mobility and job mobility for 'neutral' reasons. The definition of these categories is as follows:

- Voluntary reasons include the belief of it being possible to find a better job, not liking the current job and the fact that the respondent enjoys change;
- Forced reasons, in contrast, include the respondent's expectation that they will be made redundant and the knowledge that their contract will expire;
- Neutral reasons finally include the fact that the respondent will move away; responses given in the category 'other' are also classified as neutral.
- Total expected job mobility groups forced, voluntary and neutral reasons.

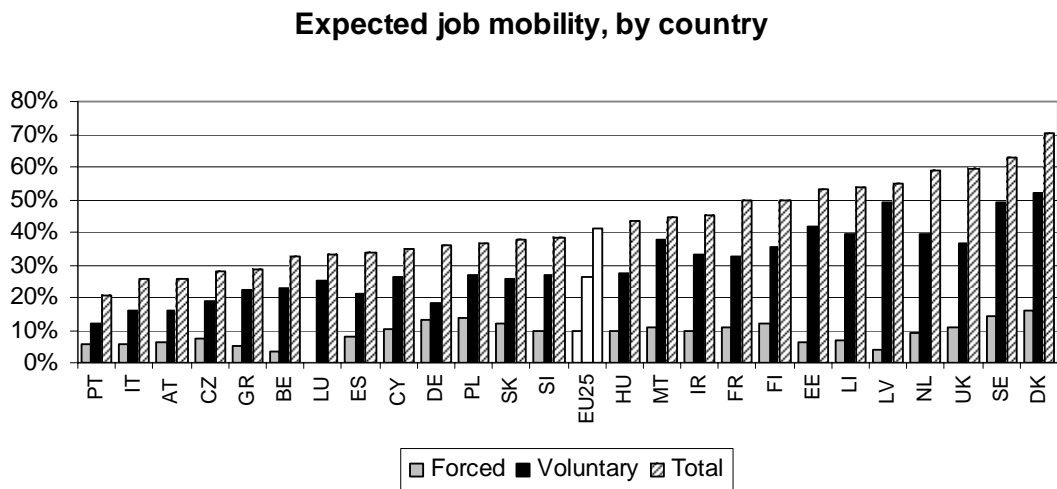
The graph below shows that 41% of all European workers expect to change employer during the next five years. 10% gives at least one forced reason for it and 26% at least one voluntary reason. From this perspective, Denmark emerges as the country with the highest job mobility: 70% of the Danish expect that in five years from today, they will not be working with the same employer anymore. The highly mobile position of the Liberal and the Social Democratic regimes, and the Baltic new Member States is again clearly reflected in this graph. The enthusiasm about changing employer is particularly high in Denmark, Sweden and Latvia with about 50% of the workforce anticipating a voluntary change within the next five years. At the low end of the job mobility spectrum, we again find an amalgam of South and Central European countries, with particularly low job mobility expectations in Portugal, Italy and Austria.

Male and female respondents of the Eurobarometer mobility survey hardly differ with regard to their job mobility expectations. With regard to household structure, we again observe the somewhat lower job mobility position of the respondents who live with a partner but do not have children living in the household. This may again be due to the fact that these are typically older people. Respondents who do not live with a partner show the highest job mobility expectations; they combine high levels of voluntary with high levels of forced job mobility. With regard to age, we again see the inverse relationship between this indicator and expected job mobility. Youngsters combine high voluntary and forced job mobility. Very soon however, the fear of being forced to change employer stabilises on a lower percentage of approximately 10%. This high share of expected forced job mobility among the youngest category is probably due to the fact that often, workers in this category do not have a permanent labour contract. For the 55 to 64 year olds and definitely for the respondents aged 65 or older, the 'neutral' category becomes more and more important, indicating that they anticipate a transition into retirement rather than into another job.

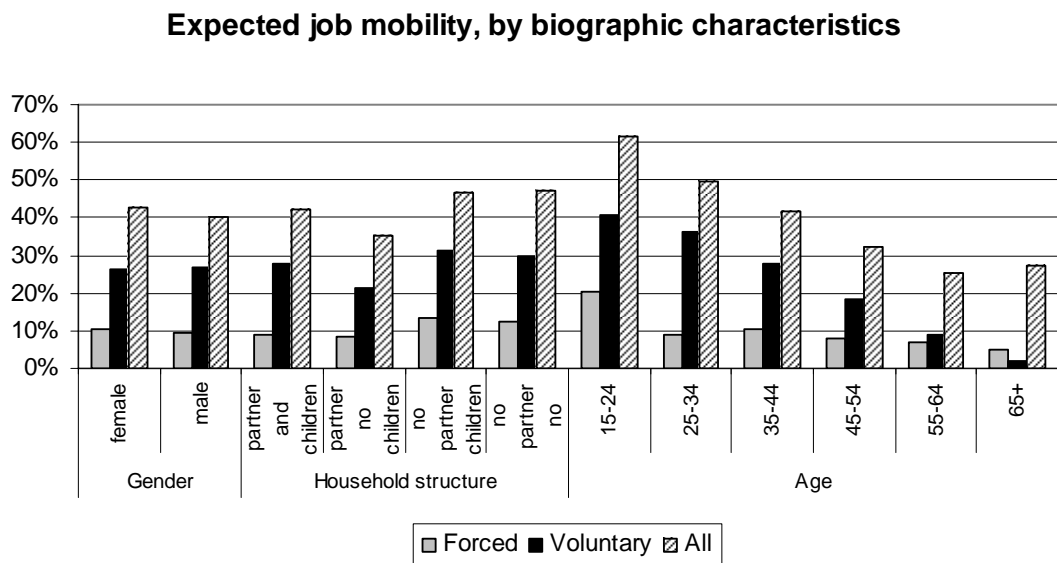
Looking at the sector of activity of the organisation in which the worker is active, we again find the agricultural sector to be an outlier at the low end of the job mobility spectrum. Overall highest job mobility expectations are found among

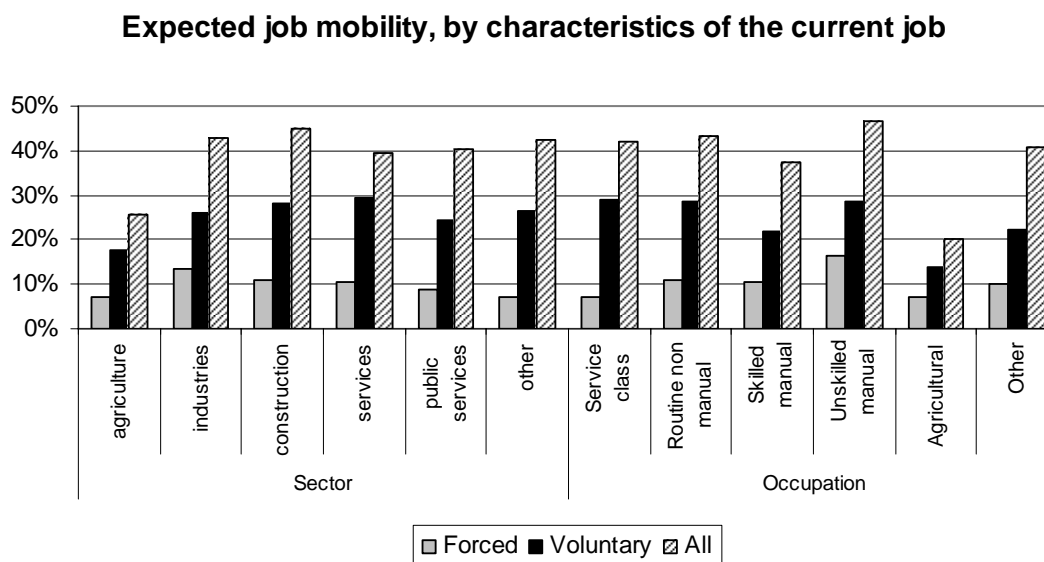
workers in the construction and industries sectors, with respectively 45% and 43% of all workers indicating that they expect not to be working for their current employer anymore in five years. Unskilled manual workers are by far the occupational group with the highest job mobility expectations. These high mobility expectations are mainly due to particularly high forced job mobility expectations.

**Figure 7** Expected job mobility, by country



**Figure 8** Expected job mobility, by biographic characteristics



**Figure 9** Expected job mobility, by characteristics of the current job

### 3. Career indicators for people aged 50 and over who are not active anymore

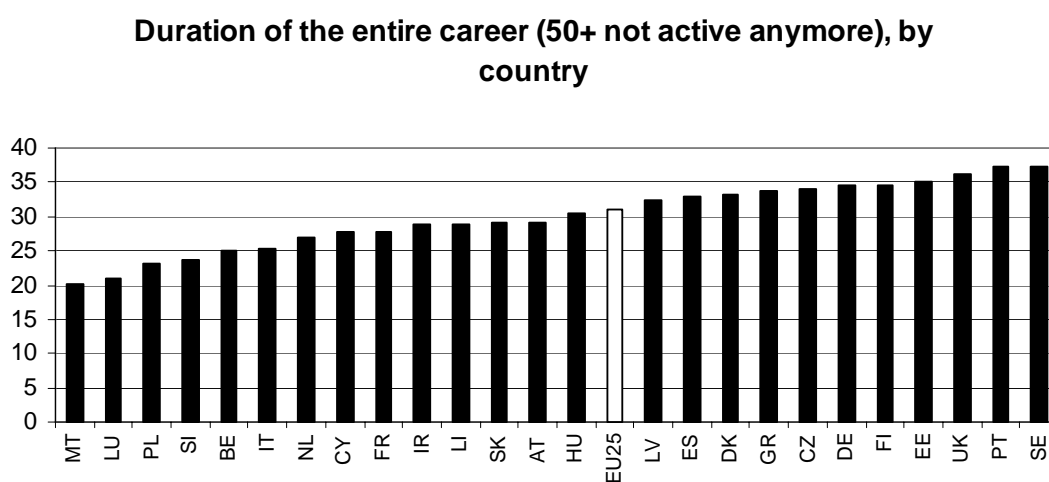
#### 3.1 Duration of the entire career

The duration of the average career of a European citizen aged 50 years or older who has worked earlier in his life course but is not active anymore at the time of the Eurobarometer mobility survey, amounts to 31 years. It is important to note that all workers who have ever worked, even if this was only for a very short period in time, e.g. women who worked for a couple of years before getting married, are included in this definition. Factors influencing this indicator may thus be the degree of female participation on the labour market, but more importantly, the welfare provisions a country offers with regard to retirement, the labour market entry age, etc. The average career durations range from around 20 years in Malta and Luxembourg to almost double in Sweden and Portugal with an average career duration for people aged 50 or older who are not active anymore of over 37 years.

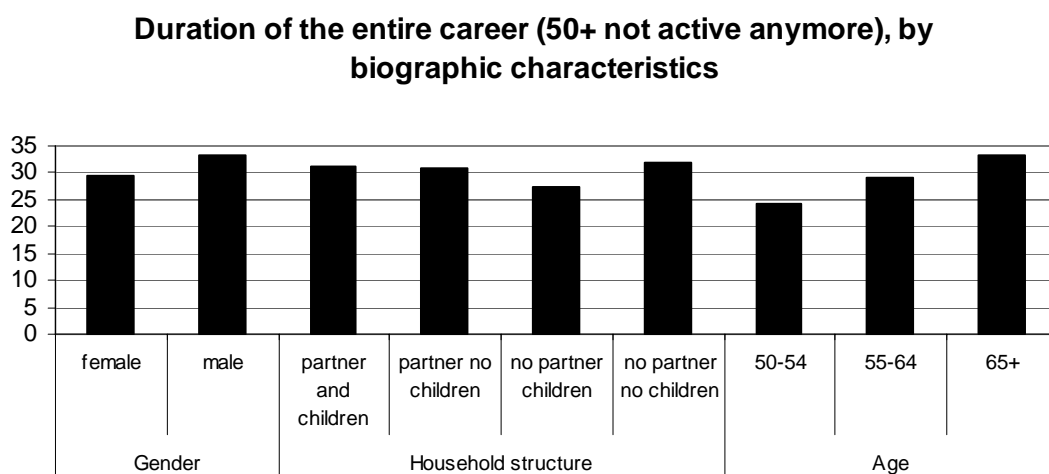
Female career duration is lower than male career duration, but the difference amounts to only 4 years, with women having an average career duration of 29 years and men of 33 years. The household structure is somewhat less informative in this context; respondents who still have children below the age of 14 living in the household are very likely to only be slightly older than 50; their

slightly lower average career durations can probably be attributed to their age, because, turning to the right hand side of the second graph, we can clearly see this very logical relationship between age and our indicator. It is not more than logical that people in the youngest category who have already stopped working have a shorter career than respondents in older categories, who may have still been working when belonging to a younger category.

**Figure 10** Duration of the entire career (50+ not active anymore), by country



**Figure 11** Duration of the entire career (50+ not active anymore), by biographic characteristics

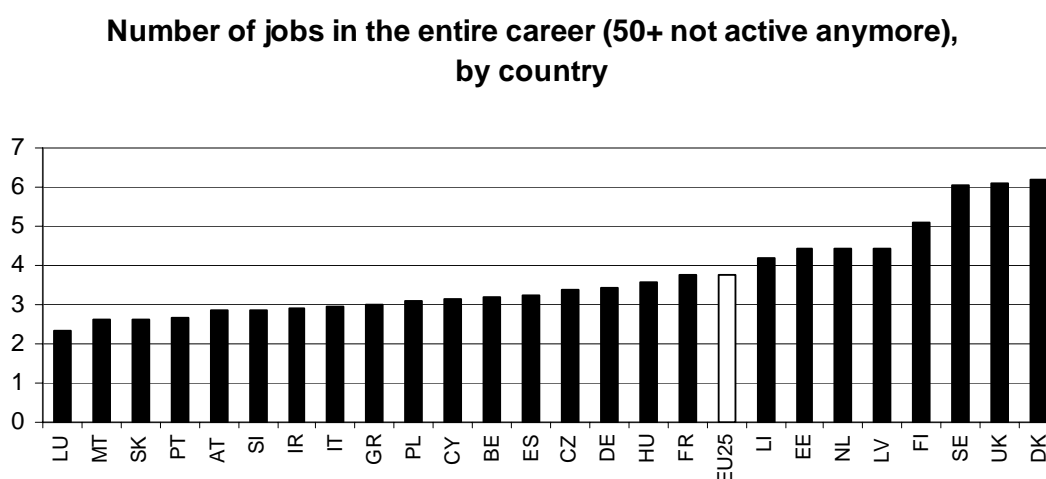


### 3.2 Number of jobs in the entire career

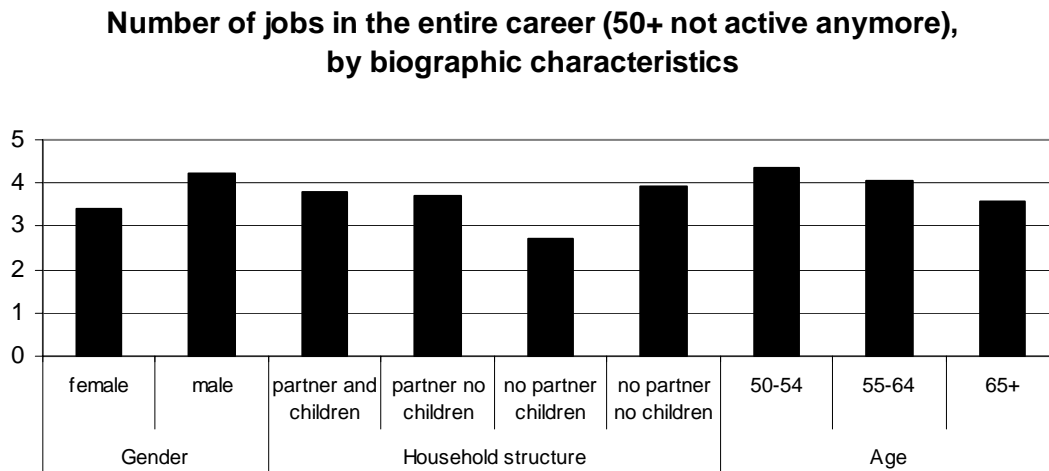
The number of jobs in the entire career again beautifully displays the ranking of European countries regarding job mobility. At the bottom of the list we this time find Luxembourgers who have on average worked with 2.3 employers during their entire career. Inhabitants of Denmark, the United Kingdom and Sweden however have on average worked for more than 6 employers in their entire career. The European average amounts to 3.8 employers.

Here, the difference between male and female respondents is important, with men having had (almost) one job more in their career than women: men have on average worked with 4.2 employers, women with only 3.4. The household structure again does not yield any spectacular results: we only find approximately one full job less among respondents with children living in the household but no children. The breakdown by age groups on the other hand is highly interesting. If the careers for all groups would be similar, we would in the same line of reasoning as for the average career duration anticipate a higher number of jobs among the older categories. Indeed, their careers are supposed to have been longer so at the same rate of job mobility, there should also have been more different jobs. This however is not the case: respondents in the older categories have held fewer jobs than respondents in the younger categories. This is a clear indication for higher job mobility in this latter group.

**Figure 12** Number of jobs in the entire career (50+ not active anymore), by country



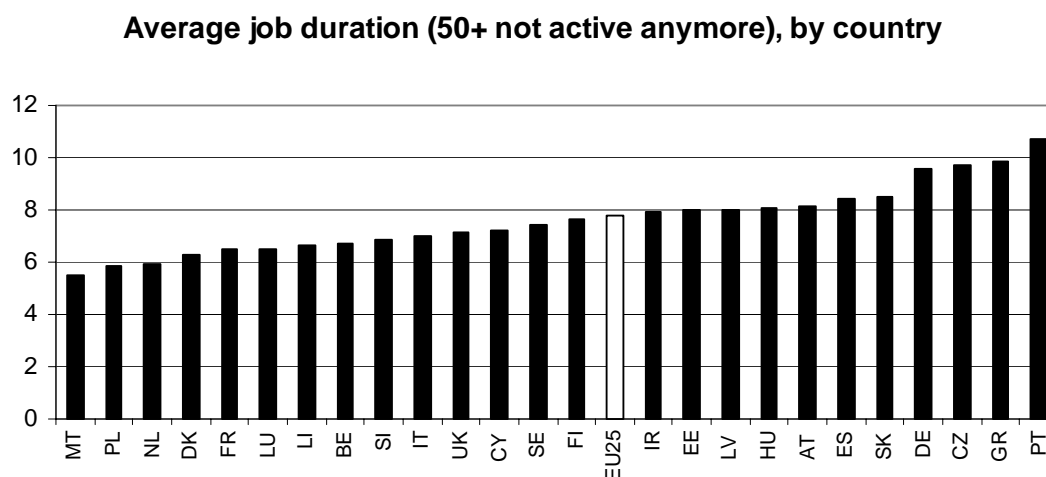
**Figure 13** Number of jobs in the entire career (50+ not active anymore), by biographic characteristics



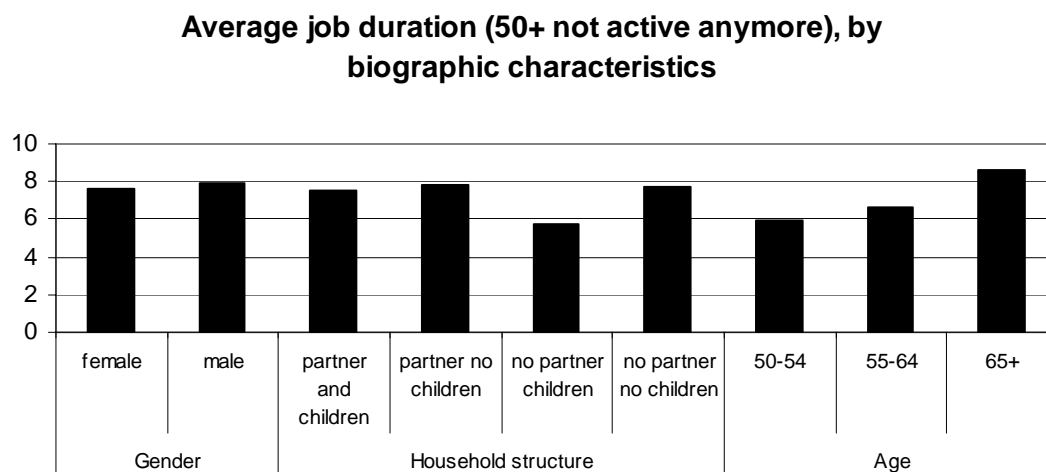
### 3.3 Average job duration

Looking at the average job duration does not provide us with much extra information, since average job duration is the quotient of the two other career indicators. The average job duration of a European worker is 8 years.

**Figure 14** Average job duration (50+ not active anymore), by country



**Figure 15** Average job duration (50+ not active anymore), by biographic characteristics



### 3.4 Occupational homogeneity

A last set of indicators we will deal with, is the homogeneity of the career. In this paragraph, we look at the degree of homogeneity in occupations a worker has held in his career; in the next paragraph we investigate to what extent workers have shown fidelity to a sector over their entire career. Homogeneity is in this context defined as holding the same occupation (or working in the same sector) during the last job as in the first job. The Eurobarometer mobility survey does not

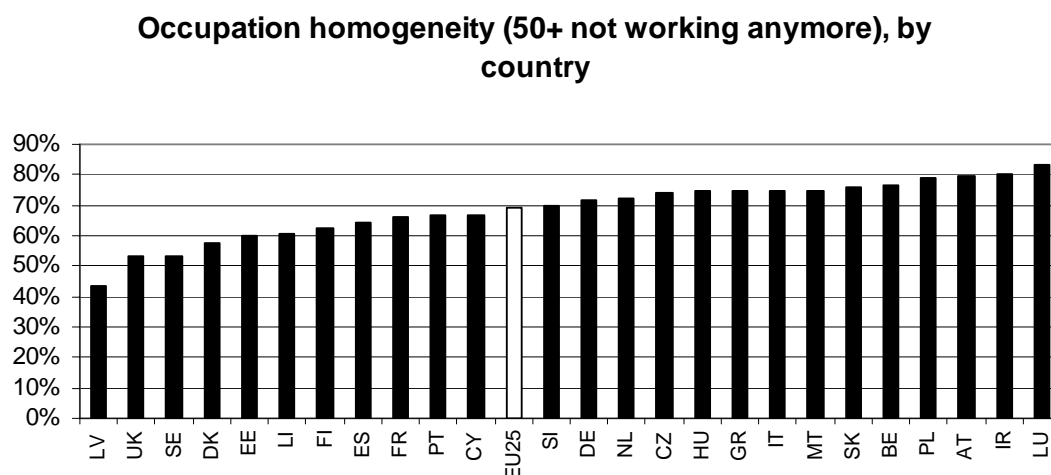
provide us with any information on intermediate jobs. Respondents who have never changed employer have per definition had a homogenous career. We can also be certain of homogeneity in the career of workers who have only held two jobs, it is only when a worker has worked for three or more employers that the possibility of unidentified heterogeneity arises in the intermediate jobs.

Homogeneity is of course to a certain extent determined by job mobility; the less people change employer, the higher the chance they have a homogenous career. It thus is not surprising that we find lower degrees of homogeneity in high job mobility countries. On average, 69% of all European workers have had a homogenous career with respect to their occupation as defined in the EGP classification (Erikson-Goldthorpe-Portocarero).

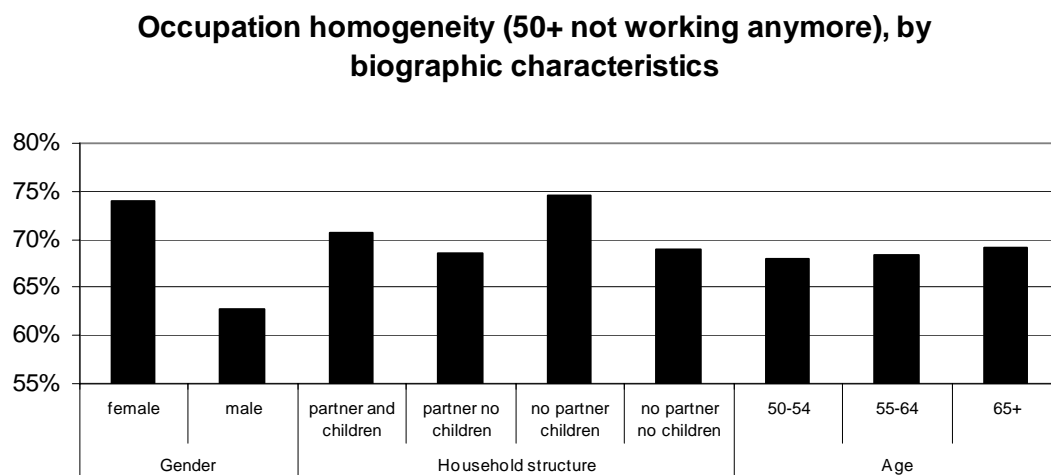
Women show a markedly higher degree of occupational homogeneity; 74% of female respondents as opposed to 63% of male respondents have not changed occupation over the career. This should not be surprising as, with on average 3.4 different jobs, women have had less opportunity to change occupation than men, who have on average held 4.2 jobs in their career. Occupational homogeneity does not appear to vary at all with age, also household structure does not seem to have a major influence.

The last graph in this paragraph is probably the most interesting one. Which occupations now show the highest homogeneity? From the graph we can see high homogeneity among service class workers and routine non manual workers. Workers who start in these occupations will in 86% (respectively 79%) of the cases at the end of their career still hold the same occupation (or rather, this was the case for people older than 50 who are not active anymore at the time of the survey). This is less the case for blue collar and agricultural workers. Only 60% of the skilled manual and 58% of the unskilled manual workers have a homogenous career with regard to the occupation they hold at the different organisations in which they are active.

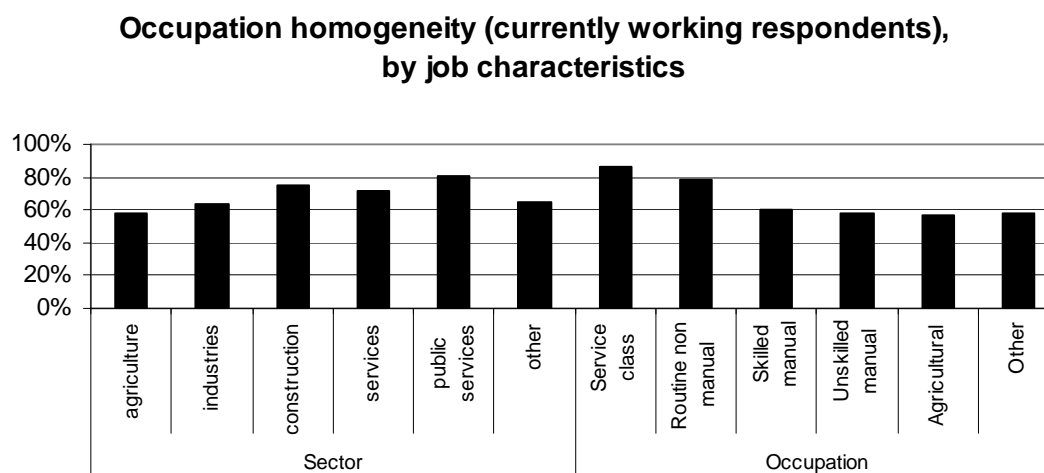
**Figure 16** Occupation homogeneity (50+ not working anymore), by country



**Figure 17** Occupation homogeneity (50+ not working anymore), by biographic characteristics



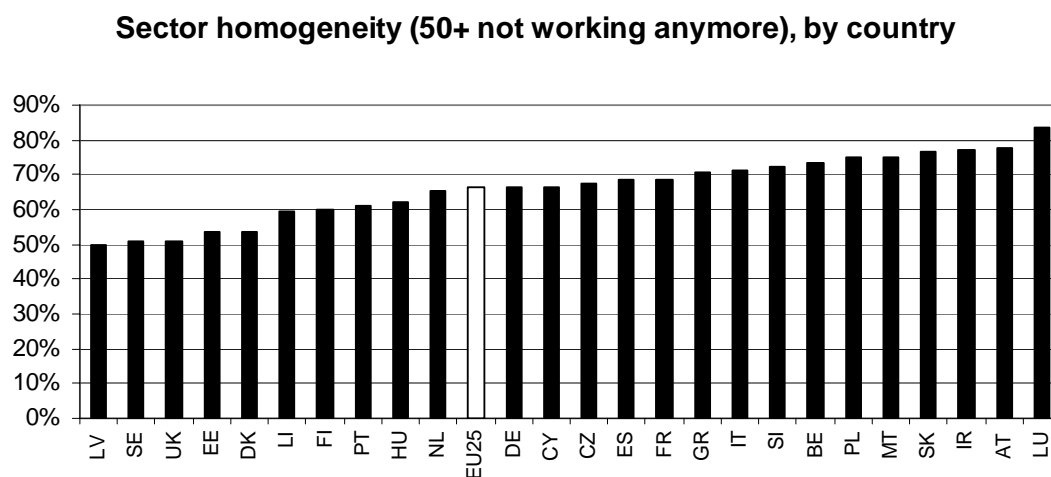
**Figure 18** Occupation homogeneity (currently working respondents), by job characteristics



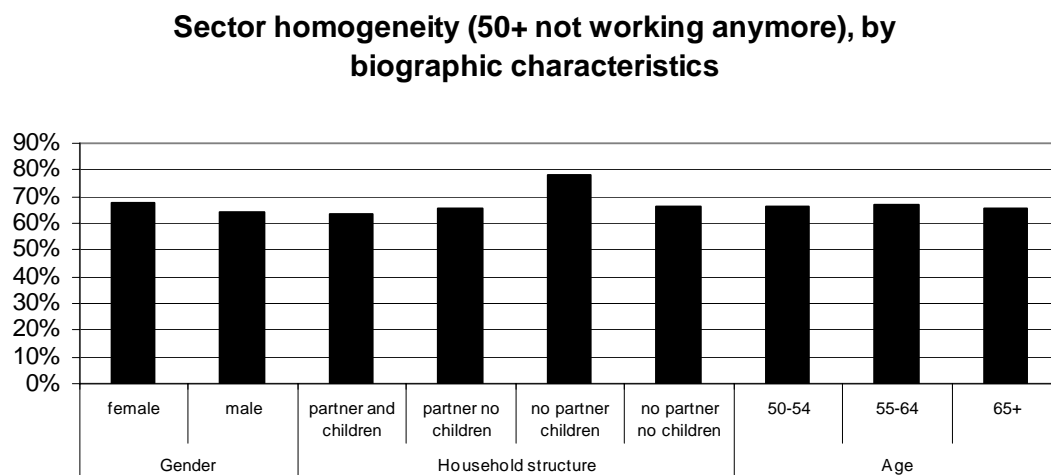
### 3.5 Sectoral homogeneity

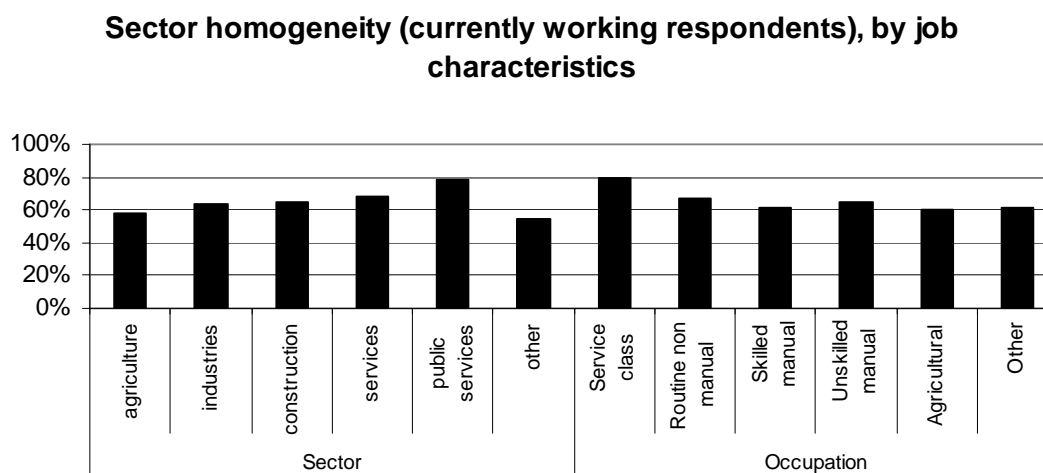
With regard to sectoral homogeneity, we find that 66% of the Europeans aged 50 or older who are not working anymore display a homogenous career with regard to the sector they have worked in. Going directly to the sectoral picture, we find public sector workers show the highest fidelity to their sector. 78% of people who started in this sector have also ended their career in it. The three other major sectors have homogeneity levels ranging from 63% for industries to 69% for services.

**Figure 19** Sector homogeneity (50+ not working anymore), by country



**Figure 20** Sector homogeneity (50+ not working anymore), by biographic characteristics



**Figure 21** Sector homogeneity (currently working respondents), by job characteristics

#### 4. A typology of countries? A clustering exercise

As a final step, we try to build a typology of the 25 European Member States, based on a set of different mobility indicators. In order to do so, we perform a cluster analysis, based on six variables for which we take the national averages for the 25 Member States. Two of these variables deal with international mobility: the first one is the percentage of respondents in a given country who have ever changed country of residence after leaving the parental home; the second one is the percentage of people in the country who intend to do so in the next five years. Then, we have two indicators dealing with recent and future job mobility. We include the percentage of people who have been recently mobile, i.e. who have been working for their current employer for not more than 2 years, and the percentage of people who expect to change employer during the next five years. The two last variables used in the cluster analysis are career indicators for people aged 50 or older who are not active anymore: we include the total number of jobs in the entire career and the duration of it.

We use the exploratory method of hierarchical cluster analysis, in order to identify clusters of European countries, each of them with a typical mobility profile. The variables are standardised on a scale from 0 to 1 to prevent the sort of skewed analysis that might result if some variables with a broad range of absolute values were allowed to dominate the data analysis. For the actual groupings, we have adopted the commonly used Ward's method, which minimises the variance within groups and thus maximises their homogeneity.

The results of this clustering exercise are shown in the dendrogram below. This type of graph allows us to see how the clustering process took place and which countries within the eventual clusters are most alike. The eventual number of clusters is largely a matter of policy relevance in this type of analyses. A realistic number of clusters would probably be four to five. When taking four clusters, we obtain the following result:

1. Belgium, Slovenia, Malta, Poland, Slovakia, France, Hungary and the Netherlands, with the three last ones forming a separate cluster in case six clusters are preferred.
2. Estonia, Latvia, Lithuania, Denmark, the United Kingdom, Finland and Sweden, with the Baltic Member States being a separate cluster in case five clusters are preferred.
3. Germany, Greece, Spain, Cyprus, Italy, Austria, Portugal and the Czech Republic.
4. Ireland and Luxembourg.

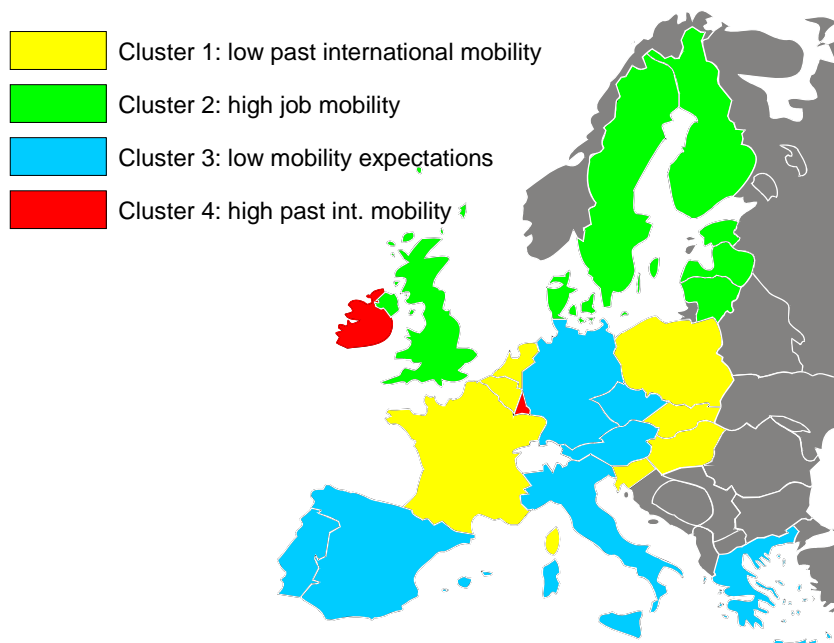


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In the table below, the average values on the six cluster determinants are given for each cluster. Note that these averages are not weighted so that small countries have the same influence on the average as large countries. The most distinctive features of each cluster by which the cluster can be characterised, are printed in bold.

Cluster 1 comprises three Western European countries (Belgium, France and the Netherlands) and five NMS (Slovenia, Malta, Poland, Slovakia and Hungary) that are geographically situated in the centre of Europe. It is characterised by low past international mobility. Belgium with its European capital Brussels and the Netherlands raise the average with relatively high past international mobility percentages (7%) as opposed to the other countries in the cluster. The dichotomy in this cluster between Belgium, Slovenia, Malta, Poland and Slovakia on the one hand and France, Hungary and the Netherlands on the other is due to a difference in job mobility: while the first group has rather low past mobility percentages and future job mobility expectations, we find markedly higher job mobility in the three latter countries. This is also reflected in the number of jobs and the duration of the entire career: inhabitants of countries in the former group have shorter careers with fewer employers than inhabitants of France, Hungary and the Netherlands.

**Figure 22** Presentation of cluster analysis results



The second cluster consists of all countries in the north of Europe: the three Baltic countries, the three Scandinavian Member States and the United Kingdom. This cluster is mainly characterised by high job mobility figures. The share of people who have been working for their current employer for less than three years is high, particularly in the Baltic States, and so is the percentage of people who expect to change employer during the next five years, though this last characteristic is particularly pronounced for the Scandinavian countries and the UK. The number of jobs in the entire career and the duration of it are also highest in this latter group. Nevertheless, there is an important difference between the Baltic Member States on the one hand and the four other countries on the other: the difference in international mobility behaviour. While the inhabitants of the Baltic countries have not been internationally mobile in large numbers in the past and greatly aspire to be so in the future, the situation is opposite for the Scandinavian countries and the UK, where past international mobility is higher than average, but future intentions are not. That is why these two groups can be regarded as different clusters if five clusters instead of four are withheld.

The third cluster groups the two remaining NMS (Cyprus and the Czech Republic), the two German-speaking Member States Germany and Austria, and the majority of the Southern European countries: Greece, Spain, Italy and Portugal. The main characteristics of this cluster are the low mobility expectations,

with regard to both changing employer and changing country of residence. The percentages with regard to these two indicators are lower than average for all countries comprised in the cluster. Also past job mobility is low. The picture of past international mobility on the other hand is mixed; both countries with high past international mobility (e.g. Cyprus (11%) and Germany (8%)) and countries with low past international mobility (such as Italy and the Czech Republic (both 2%)) can be found.

The fourth cluster finally is a small one: it comprises only two countries, i.e. Ireland and Luxembourg. It nevertheless is a very pronounced cluster in the European mobility landscape: only when reducing the number of clusters from three to two, these two countries are added to another cluster. The factor that renders Ireland and Luxembourg unique in Europe, is their very high percentage of inhabitants having ever lived abroad. 18% of the Irish and 16% of the Luxembourg respondents have also lived in another country after leaving the parental home. The international character and high GDP of Luxembourg and the recent economic boom in Ireland can to a large extent explain for this. The two countries are much less similar with regard to other mobility characteristics. Whereas Ireland is characterised by higher than average figures on past job mobility and future international and job mobility, Luxembourg has consistently lower than average mobility rates.

**Table 1** Results of the cluster analysis: cluster averages on the six variables

	Past international mobility (%)	Past job mobility (<=2y in current job) (%)	Future international mobility (%)	Future job mobility	# jobs entire career	Duration entire career
Cluster 1 (BE, SI, MT, PL, SK, FR, HU, NL)	4%	25%	5%	43%	3,3	26
Cluster 2 (EE, LV, LI, DK, UK, FI, SE)	7%	<b>32%</b>	7%	<b>58%</b>	<b>5,2</b>	<b>34</b>
Cluster 3 (DE, GR, ES, CY, IT, AT, PT, CZ)	6%	<b>22%</b>	<b>3%</b>	<b>29%</b>	3,1	32
Cluster 4 (IR, LU)	17%	30%	6%	39%	2,6	25
EU mean	6%	26%	5%	42%	3,7	30

Source: Figures in bold indicate that the cluster can be characterised by the indicated variable. Most of the countries in the cluster will have a higher resp. lower value than the mean value of all European countries.