



Mobility in Europe

2010



This publication has been prepared by the European Job Mobility Partnership, which is a network of academics and labour market practitioners established to support the Commission's work in mobility issues by providing capacity for research and promoting awareness. The work is co-ordinated by a consortium of Applica Sprl (Brussels) and Ismeri Europa (Rome).

It is commissioned by the European Union Programme for Employment and Social Solidarity - PROGRESS (2007-2013).

This programme is managed by the Directorate-General for Employment, social affairs and equal opportunities of the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda, and thereby contribute to the achievement of the Lisbon Strategy goals in these fields.

The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

PROGRESS' mission is to strengthen the EU contribution in support of Member States' commitment. PROGRESS is instrumental in:

- *providing analysis and policy advice on PROGRESS policy areas;*
- *monitoring and reporting on the implementation of EU legislation and policies in PROGRESS policy areas;*
- *promoting policy transfer, learning and support among Member States on EU objectives and priorities; and*
- *relaying the views of the stakeholders and society at large*

For more information see: <http://ec.europa.eu/social/main.jsp?catId=327&langId=en>

The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

Authors and contributors

Andy Fuller & Duncan Coughtrie (Alphametrics Ltd); Terry Ward, Erhan Ozdemir & Fadila Sanoussi (Applica Sprl); Andrea Naldini, Carlo Chiattelli & Carlo Miccadei (Ismeri Europa); Hermine Vidovic & Isilda Mara (The Vienna Institute for International Economic Studies, WüW); Izabela Grabowska-Lusinska (University of Warsaw); Agnes Hars (Kopint-Tarki).



Table of contents

Executive summary	5
Mobility overview	5
The labour market context for mobility	5
The labour market situation of migrants relative to natives in the EU	6
Labour market experiences: transitions, unemployment and job changes	7
Return/circular migration	8
Youth mobility	10
The labour market context for youth mobility	10
Characteristics of youth unemployment	10
Young people in education and training and the labour market	11
Section I: Mobility overview	13
The labour market context for mobility	14
Europe's growth pinned back by recession	14
The labour market situation of migrants relative to natives in the EU	16
Migrants in the EU – where are they?	17
The labour market experiences of migrants: basis for the analysis	18
The situation of migrants before the recession (2007)	19
There are two distinct groups of countries in which migrants do better or worse than natives	19
Migrants from within the EU tend to be better integrated than non-EU migrants	19
Compared to their native counterparts, male migrants do better than female migrants	20
Older migrants do better than those of prime-age	21
Low-educated migrants do better than those with higher levels of education	22
Summary	23
The impact of the recession on the situation of migrants	24
All groups of migrants seem to have been similarly affected	25
Conclusions	26
Labour market experiences: transitions, unemployment and job changes	27
Basis for the analysis	27
Transitions between employment, unemployment and inactivity	28
Unemployment experiences	32
The incidence of unemployment	32
The frequency of unemployment spells	33
Duration of unemployment spells	34
Summary	34
Job to job mobility – the benefits (or otherwise) of changing employer	35
The incidence of job changes (with a different employer)	36
Changing employer increases the chances of career progression but also brings more risk	37
Changing employer also helps to boost income	39
Summary	39
Section II: Return and circular migration	40
Return and circular migration	41



Outline of analysis and data sources	42
Age and country of birth of migrants from Central and Eastern Europe	44
Migration trends, 2000-2008	44
The education composition of migrants	46
The effect of migration on employment in destination countries	50
Migration flows in 2008	52
The relative numbers of men and women	54
Developments in 2009	54
Men and women migrants during the recession	56
Changes in the educational composition of migrants during the recession	56
Employment rates by country of birth during the recession	57
Migration from Romania and Bulgaria	57
Employment status of returnees	59
Country case Studies	61
Poland	61
Policy for returning migrants	62
Romania	63
Hungary	65
Slovakia	65
Conclusions	66
Section III: Youth mobility	68
Youth mobility	69
The labour market context for youth mobility	69
Characteristics of youth unemployment	70
Young people in education and training and in the labour market	72
Trade-off between education and participation in the labour market	72
Combining employment with participation in education and training	74
Youth mobility – transitions from one year to the next	76
Transitions between employment, education and unemployment by country	77
Were the young hit harder by the crisis than adults?	79
Transitions from education or training into work	79
Timing of transitions into the labour market	80
Student work experience	82
Experience of unemployment	83
Temporary contracts – a stepping stone to more secure employment?	85
Conclusion	87



Executive summary

The new Europe 2020 strategy aims at delivering smart, sustainable and inclusive growth with more jobs and better lives for the citizens of the EU. Amongst five strategic headline targets to be achieved by 2020, the European Commission proposes that 75% of people aged 20-64 should be in employment.

This is an ambitious target. It will require better matching of labour supply and demand, prolific job creation and the mobilisation of millions of people who are currently not working. At the same time, the very nature of job markets is changing. Technological change, globalisation and the greening of the economy are combining to bring new pressures on employers and workers alike with a constant need to adapt production and skills in the face of increasing competition. Increasing the flexibility of labour markets to respond to these challenges will mean that workers are likely to experience more changes during their careers than ever before with more transitions from job to job and between different labour market statuses and with regular updating of skills and competences.

Transitions of any kind entail risk and policies to promote mobility, both geographic and from unemployment or inactivity to employment, or from job to job, need to be backed up by comprehensive and co-ordinated actions to ensure that adequate support is available to facilitate positive transitions and to guarantee income security during transition periods. Employment services of all types (public, private and third sector), training organisations, social services and benefit agencies will all have to work more closely together.

As part of the evidence-based background to support the development of appropriate policies to promote and support labour mobility, the *Mobility in Europe* report aims to present analysis of the current situation and trends around mobility related issues in the European Union in a way that will stimulate debate amongst labour market policy makers and actors.

Each year the report will include a general overview of the labour market context for labour mobility and some key mobility issues as well as two more detailed and specific thematic studies. In this first report, the thematic chapters focus on the issues of return/circular migration and youth mobility.

Mobility overview

The labour market context for mobility

From 2000 until 2008 the European Union experienced a period of continuous economic growth that supported the creation of around 20 million additional jobs and a reduction of around 4 million in the number of unemployed. Subsequently, the economic crisis has put a sharp halt to these positive developments – the number of people in work fell by not far from 4 million between 2008 and 2009 and unemployment rose by even more. Indeed, the unemployment rate rose rapidly from a long-term low of 7% in 2008 to 8.9% in 2009 and continued to rise in 2010 to a peak of 9.6%, though it does now appear to have stabilised.

So Europe is now once again confronted by high levels of unemployment and, until growth picks up, limited job opportunities. Geographical mobility can help to reduce concentrations of unemployment and localised skills shortages but the general labour market situation means that people will need extra encouragement and support to mobilise and seek work. Eight years of continuous economic growth saw the employment rate of those aged 20-64 increase by just 3.9 percentage points from 66.6% in 2000 to an all-time high of 70.5% in 2008. The latest annual data available for 2009 show that the crisis



resulted in more than a third of that gain being reversed in just one year, with the employment rate back to the 2006 level of 69.1%. So to reach the target of 75% by 2020, an increase of 5.9 percentage points is needed in ten years. That requires a faster rate of increase and starting from a higher level than in the previous period of growth. It will not be easy.

The labour market situation of migrants relative to natives in the EU

Free movement of labour is one of the cornerstones of the European economic policy and a principle that many EU citizens have taken advantage of in order to improve their career prospects and living standards. Although there are differing views as to the impact that migrant workers have on the economies that they move to and leave, there seems little doubt that, managed correctly, a mobile labour force can help to counteract localised pockets of imbalance in labour supply and demand. Moreover, on an individual basis, the experience of spells working abroad can have a dramatic and positive impact on the career and long-term aspirations of mobile workers. But it is not always that way. Some migrants move with great expectations only to discover that work is difficult to find or of lower quality than they had hoped, with consequential knock-on effects in terms of living standards and social integration as well as on future career progression and earning-power.

In order to effectively promote and support labour migration it is necessary to know more about the characteristics and experiences of mobile workers. To this end, the report examines the distribution of migrant workers around Europe, their labour market situation relative to native workers and how that has been affected by the crisis. Note that throughout the analysis migrants are measured by country of birth rather than by nationality since the latter is affected by differences between countries in the relative ease of obtaining citizenship.

Migrant workers are not evenly distributed around the European Union. For a mixture of both historical and current economic reasons, some countries have much higher migrant populations than others. Across the EU, the proportion of the population born outside the country of residence varies from less than 1% in Romania and less than 5% in Poland, the Czech Republic and Finland, to 15-16% in Austria, Latvia and Estonia, with Luxembourg a stand-out case with 33% of the population born elsewhere¹. In all countries except Ireland and Luxembourg, migrants from outside the EU outnumber those from within.

Achieving the EU 2020 employment rate target of 75% will mean getting large numbers of people who are currently inactive into work. Analysis therefore focuses on the proportions of migrants and natives aged 25-64 who are not working, both unemployed and inactive². Looking at the situation before the recession (2007) amongst the EU-15 countries³, two distinct groups of countries can be identified. In the first group, which includes countries from the northern and central parts of Europe⁴, more (i.e. a higher proportion of) migrants are out of work than natives and there is generally a significant gap in the out of work rates. In the second group, which covers the southern countries of the EU-15⁵ plus Ireland and Luxembourg, migrants do better than natives and there are smaller gaps in the out of work rates.

¹ Source: Eurostat, International Migration and Asylum statistics, 2009. Data are not available for Belgium, Bulgaria, Cyprus, Hungary, Slovakia or the United Kingdom.

² Analysis of the labour market situation of migrants is undertaken using data from the EU Labour Force Survey. The population covered is restricted to those aged 25-64 in order to exclude young people who are liable to be in education or training and therefore not in a position to work.

³ A combination of sample size and the relatively small numbers of migrants in some countries make the analysis practical only for EU-15 countries. There is no data by country of birth for Germany.

⁴ Belgium, Denmark, France, The Netherlands, Austria, Finland, Sweden and The United Kingdom

⁵ Greece, Spain, Italy and Portugal



Although there were some differences between the country groups, and to a lesser extent within groups, it was established that in general, when compared to their native counterparts in each case: EU migrants do better than non-EU migrants, male migrants do better than female migrants, older migrants do better than prime-age migrants and low-educated migrants do better than those with higher levels of education.

Comparing the situation in 2009 with that in 2007 gives an indication as to the impact of the recent economic crisis and subsequent recession on the situation of migrant workers relative to native workers. Across the countries covered, the recession has resulted in a widening of the gap between migrants and natives. In most countries the gap has either increased in favour of natives or, where the gap was previously in favour of migrants, decreased or even reversed in favour of natives. There is no evidence that the recession has affected one group of migrants more than others – the out-of-work gaps have moved in favour of natives for all breakdowns by origin, gender, age and level of education.

Labour market experiences: transitions, unemployment and job changes

It is anticipated that future European labour markets will be characterised by far more transitions from job to job and between different labour market statuses than ever before. Any form of transition entails risk and providing adequate support and income security for people making transitions will need a comprehensive and co-ordinated approach from employment services, training organisations, social services and benefit agencies. But managing transitions is complex and not enough is currently known about real experiences – the types of transition that occur and why, the frequency of transitions, and the factors limiting or facilitating transitions.

Using longitudinal data from the EU-SILC survey, which records the situation of people in each month of the previous year, it was possible to observe the transitions between different labour market situations (employed, unemployed or inactive) over a four year period. Over the period 2004-2007, which was one of strong employment growth, just over 60% of the population aged 25-54 who were active at some point during the period were employed continuously throughout the 48 months, whilst the remaining 40% experienced at least one spell of unemployment or inactivity. A very small proportion of these were unemployed throughout but it still means that roughly two out of every five people who were active during the period experienced at least one change of status and potentially needed support during that transition.

There are some important differences by gender. More than 70% of men remained employed throughout compared to around half of women whilst many more women (35%) than men (15%) had at least one period in which they were inactive. Whilst this might be expected because of maternity leave and the fact that women are still much more likely than men to take career breaks for family reasons, it demonstrates how women go through more transitions than men and therefore potentially need more support. Moreover, gender aside, the high proportion of people who were active in the labour market but also went through at least one spell of inactivity serves to demonstrate how support for transitions needs to focus not only on the unemployed but also on the inactive.

Using the same longitudinal data it is also possible to look at the incidence and duration of unemployment spells. Around 20%, or one in five of people who were active at the start of the period 2004-2007, were unemployed at some point in the four years and, on average, each of these people went through 2.5 unemployment spells. Of all those who were unemployed at least once, two thirds were unemployed on more than one occasion. In other words, for a significant number of people, unemployment is a regular feature of their working life.



Future European labour markets are expected to be characterised by increasing numbers of job to job transitions. In the period 2005-2008, the proportion of employees who changed employer within those 48 months varied from over a third in Sweden and more than a quarter in the UK to less than one in ten in Portugal, Austria, Poland and Ireland. Staying with the same employer offers stability so that it would be reasonable to assume that a change in employer tends to occur when people are looking to improve their career prospects or because they are forced out of their previous job. In a slightly crude way the EU-SILC data allow the occupational level of workers to be monitored through time and show that people who changed employer were three times as likely to have progressed in their career as those who did not (21% compared to 7%). However, the proportion whose occupational level declined after changing employer was also three times higher (15% compared to 5%). Changing employer therefore significantly improves the chances of career progression but also increases to the same degree the risk of taking a backwards step. Analysis of income data also suggests that people changing employer do better than those that do not but the difference is not so conclusive.

Return/circular migration

Although it is difficult to identify the extent of return and circular migration between the EU12 countries in Central and Eastern Europe which entered the Union in 2004 and 2007 and the EU15 countries, the Labour Force Survey provides some valuable insights. Together with the data available from Eurostat on migration flows in 2008, it reveals that:

- Migrants from the EU12 have tended to be disproportionately young people, especially since their accession to the EU;
- there is sharp distinction between the migration flows from Bulgaria and Romania and those from the rest of the EU12 countries, the former being predominantly to Spain, Italy and other southern countries and the latter to other EU15 Member States;
- circular migration of seasonal workers is relatively common, especially of Bulgarians and Romanians to Italy and those from other EU12 countries to Germany and Austria; this has typically involved traditionally relatively low skilled manual workers taking up seasonal work in agriculture or the tourist industry (hotels and restaurants, especially);
- a disproportionate number of Romanians who have migrated to Italy, 60% or more, are women, who account for around half of migrants elsewhere;
- accession of the EU12 countries to the EU has been followed by substantially increased migration flows to the UK and Ireland in particular, which tend to be of the more highly educated for longer durations but a significant proportion still involve return or circular migration;
- such migration has tended to be of mutual benefit to the countries concerned, the migrants helping to relieve labour shortages, particularly of skilled workers with vocational qualifications, in EU15 countries, and at the same time representing an important source of income for EU12 countries, as well as a source of know-how when the people concerned return home;
- there is little sign that the countries which gave largely unrestricted access to their labour markets at the time of enlargement (the UK, Ireland and Sweden) have suffered as a result; although the inflow of migrants was much larger than anticipated, it did not lead to any fall in the employment rates of British, Irish or Swedish workers, which either increased or remained high; moreover, many migrants, true to their initial intentions have since returned home;



- at the same time, the scale of outward migration had been substantial in a number of countries, especially from Bulgaria, Romania, Slovakia and the Baltic States. The figures suggest that those migrating from Bulgaria and Romania taken together and now living in EU15 countries amount to over 11% of those aged 15-49 living in the two countries and over 15% of those with only basic schooling. The number of Slovaks living and working abroad increased by 2.5 times in the four years 2003-2007 to an estimated 9% or so of the employed population of the country;
- the recession seems to have hit migrant workers more than nationals in most EU15 countries; this is partly because of the kinds of job in which they tend to be employed – in traditional manufacturing, construction and the tourist industry, where job losses have been disproportionately large. In Ireland, the employment rate of workers from Central and Eastern Europe fell by 18 percentage points between 2007 and 2009, over twice as much as for those born in Ireland; in Spain, the employment rate fell by 14 percentage points, three times the fall of those born in Spain;
- the recession has both increased the number of migrants who have returned home and reduced the number moving to EU15 countries; in 2009, there was a net reduction of people from the EU12 countries living in both Ireland and the UK; continued uncertainty over economic prospects seems to be deterring people to move back to Ireland and the UK, while migration to the Nordic countries seems to be increasing;
- there has been less return migration, however, of Romanians from Spain, partly because of the onset of deep recession in Romania – which contrasts with the situation in Poland, where the economy continued to grow in 2009 – partly because of their access to unemployment benefits and health care; this contrasts with the situation in Italy, where most migrants have little job security and limited or no access to social welfare;
- in general, migrants returning home to EU12 countries tend to have higher rates of unemployment or inactivity than non-migrants, though the figures could be misleading because of returnees not necessarily actively looking for work and having the income earned abroad to support them until a job that suits them comes along;
- in Hungary, where outward migration was less than from most other countries in the region, return migration has been significant, but many of those concerned have been unable to find a job, especially manual workers without educational qualifications beyond basic schooling. Most of those with higher education levels who worked in higher level jobs abroad have been able to find employment on their return;
- Poland has had a policy of encouraging return migration for a few years, especially of those with skills which are in short supply in the country, such as doctors or researchers; measures have also been implemented in some local areas to help returning migrants to re-integrate;
- in Italy, quotas have been imposed on migrant workers in sensitive sectors hit by the crisis – in manufacturing though not in domestic service or the healthcare sector where many migrants, especially women work. There is no central government policy in respect of return migration, but some initiatives have been undertaken at local level – for example, in the form of training provided to



potential returnees to Romania in Lombardy to help to prepare them for finding work at home;

- in Spain, financial incentives have been introduced to induce migrants to return home, but these are confined to those from outside EU. However, unlike in Italy, migrants losing their jobs in Spain are entitled in many cases to unemployment benefits, which are more than the minimum wage in Romania. In addition, the Spanish Government, in agreement with the Romanian Government, has organised access to database on vacancies in Romania – informing migrants of job opportunities should they decide to return home. At the same time, however, measures were introduced in 2009 to restrict the ability of migrants to bring members of their family to live in Spain.

Youth mobility

The labour market context for youth mobility

The level of youth unemployment following the recession has become a serious concern with around one in five of young people active in the labour market now out of work. Across the EU, the unemployment rate amongst those aged 15-24 rose from 15.5% in 2007 to 19.8% in 2009. Increases occurred in the majority of Member States but were particularly marked in Ireland, Spain and the Baltic States, where unemployment rates more than doubled. Only Germany and Poland bucked the trend and saw the unemployment rate of young people decline over the period.

Although the recent increase in youth unemployment has stimulated renewed political debate, it is not a new problem. Even though 20 million net additional jobs were created during the period of economic growth in the European Union between 2000 and 2008 these did not go to young people. In fact the numbers of young people in employment actually declined very slightly and over the period as a whole the unemployment rate of young people aged 15-24 averaged 17.5% compared to 7.5% for those aged 25 and over.

Characteristics of youth unemployment

The increase in youth unemployment as a result of the recession hit across the board but particularly affected young men and those with low levels of education. Before the recession unemployment rate was marginally higher for young women than men but this gap has now reversed with the unemployment rate for young men across the EU being 20.8% compared to 18.4% for young women. Whilst the unemployment rate for young people rose by just over 4 percentage points between 2007 and 2009, the increase for those with low levels of education was almost 6 pp (from 20% to 26%). In 2009 there were ten Member States where more than one in three active young people with low levels of education were unemployed. However, in some countries (Italy, Cyprus, and Romania) the recent increases in youth unemployment were most pronounced amongst those with higher levels of education (tertiary qualifications).

Long-term unemployment amongst young people brings a risk of permanent scarring of future career prospects. The proportion of the unemployed aged 15-24 that has been out of work for a year or more declined steadily across the EU between 2005 and 2008 but then rose during 2009 to nearly 24%, not far short of one in four. While the proportion in 2009 was still slightly lower than in 2007, the fear is that it will continue to increase unless jobs for young people expand.



Young people in education and training and the labour market

Unemployment rates alone do not paint a full picture of the situation for young people. Large parts of the population are engaged in full-time education and the part that is actually active in the labour market varies considerably between countries. The proportion of young people aged 15-24 that is economically active in the EU ranges from 54% in Austria to 25% in Luxembourg, while the proportion in education or training largely varies inversely to this (in most countries there are relatively few young people who are neither economically active nor in education). The differences between countries reflect differences in the age at which people tend to leave full-time education or training and enter the labour market. Young people in countries such as Austria, Germany, Spain, Malta and the UK tend to enter the labour market relatively early whilst those in the Czech Republic, Greece, Hungary, Slovenia and Luxembourg tend to remain in full-time education or training longer.

Moreover, the situation is not static. Changes in the youth unemployment rate and activity rate over time suggest that the number of young people who enter the labour market is sensitive to the economic cycle – as jobs become limited more tend to remain in education and training rather than joining the labour market. Accordingly, unemployment rates understate the real scale of the problem facing young people who would like to work.

Youth mobility – transitions from one year to the next

The rates at which young people moved from year to year between different labour market situations (employment, unemployment, student and other inactive) have changed since the onset of the recession. The proportion of young people who remained employed from one year to the next fell from 89% in 2007 to 84% in 2009 and the share that moved into jobs from unemployment also fell from 38% to 31%. On the other hand, a larger proportion either remained in education or returned to it.

Young people were hit disproportionately by both job losses and a reduced rate of job creation such that unemployment rate gap between those aged 16-24 and those aged 25-64 increased from 9 percentage points in 2007 to 12 in 2009. This development is reflected in the transition rates of the two cohorts. The proportions of people moving from unemployment into employment fell generally but more for those aged 16-24 than those aged 25-64 and, similarly, the proportion moving from employment into unemployment increased more for the younger age-group.

Transitions from education or training

Analysis of the labour market experiences of young people moving into the labour market over a four year period shows that those leaving education at an earlier age (16-17) tend to have less success in finding jobs than those who leave at an older age (18 or over). However, the data also suggest that there is not much gain (in terms of the chances of finding a job of any type) from remaining in education beyond the age of 20.

The data also showed that a later exit from education into the labour market does not noticeably reduce the chances of experiencing unemployment during the transition period. In fact, those who moved into the labour market at an older age, tended to experience more spells of unemployment and more time in unemployment than younger age groups despite being more successful in the long run. However, this pattern is not evident for all countries.

Temporary contracts – a stepping stone to more secure employment?

Young people are much more likely than other age-groups to be employed on a temporary contract. In 2009, 40% of employees aged 15-24 were on a temporary contract



compared to just 10% of those aged 26-64. There are considerable differences between countries in these shares, particularly in terms of the proportion of young people in temporary contracts (from 67% in Slovenia to 4% in Romania), but in all cases temporary work is much more prevalent amongst young people.

Workers on temporary contracts tend to be the first to be dismissed by employers during recession. At the same time, during periods of uncertainty, employers are more likely to create temporary jobs than permanent ones. The former tendency serves to reduce the share of people in employment on fixed-term contracts, the latter to increase it. Over the recession period, when employment declined generally, the proportion of employees aged 15-24 who were engaged on a temporary contract fell slightly from 41% in 2007 to 40% in 2009 indicating a general tendency for more temporary than permanent jobs to be destroyed, but this pattern was not consistently observed and the share of young employees on temporary contracts actually increased in nearly half of EU Member States.

For young people temporary contracts can be valuable stepping stones towards more secure long-term employment. Analysis of how the employment situation of young people on temporary contracts changes over one or two years suggests that this is the case in some countries but not in others. For instance, in Belgium 70% of young people working on temporary contracts had an open-ended position two years later. However, in countries such as Spain, Portugal, Luxembourg and Poland less than half made the same transition.



Section I: Mobility overview

The **Mobility in Europe** report aims to present an analysis of the current situation and trends around mobility related issues in the European Union in a way that will feed and stimulate debate amongst labour market policy makers and actors. Each year the first section of the report will be a general analytical section giving an overview of the some key data on mobility issues and the context in which they are occurring. This year the focus is on the labour market context for mobility; the situation of migrant workers compared to natives and how this has been affected by the recession; and people's labour market experiences including transitions between different labour market statuses, spells of unemployment, and the impact of changing jobs on career progression and income.

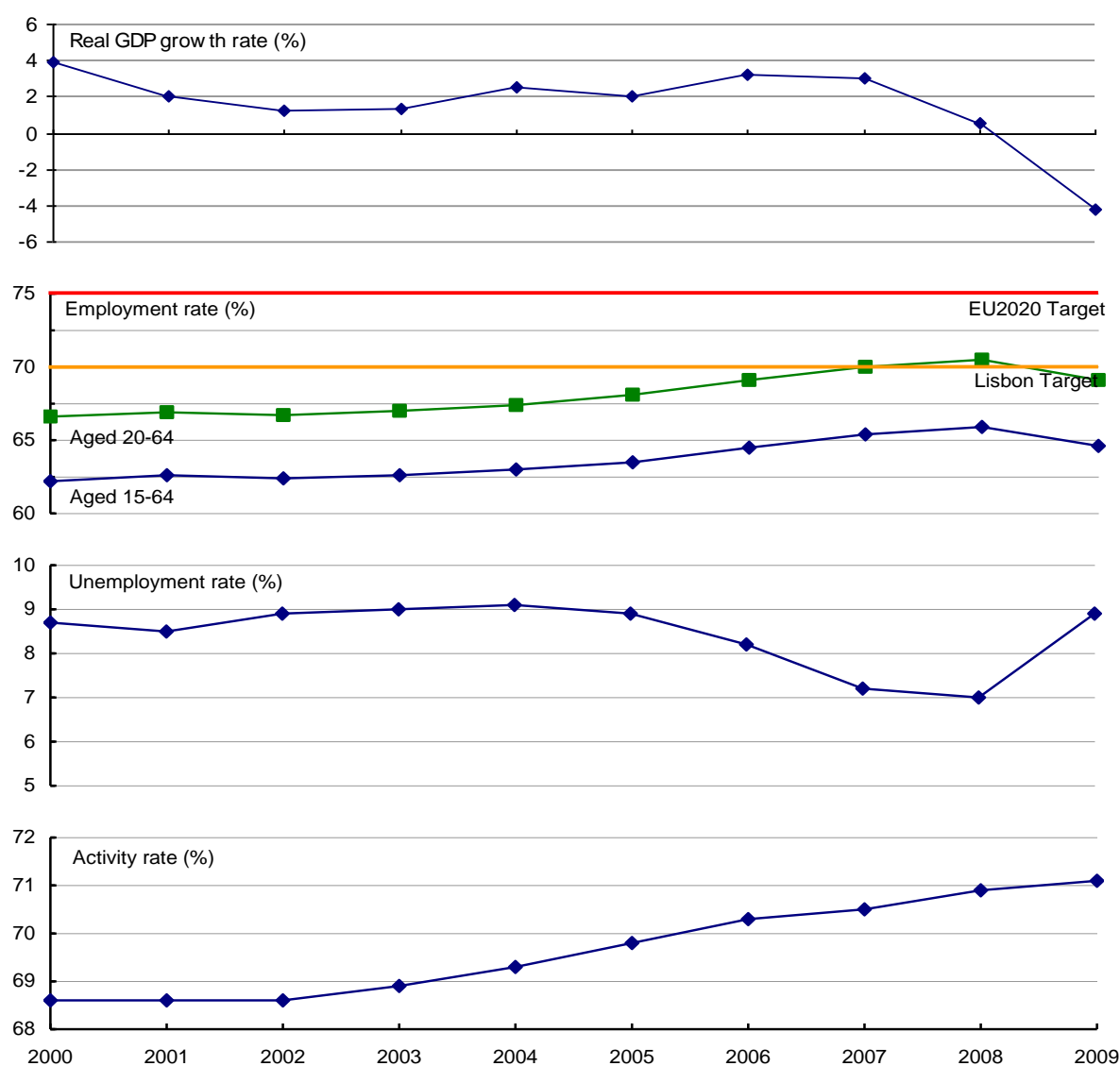


The labour market context for mobility

Europe's growth pinned back by recession

From the turn of the century until 2008, when the economic crisis hit, the European Union experienced a period of continuous economic growth that underpinned a steady increase in employment. Approaching 20 million jobs were created over this period and the additional capacity in the labour market resulted in a reduction of nearly 4 million in the number of people unemployed alongside an increase of not far from 16 million in the active population. At the same time, however, the population of the EU increased by over 22 million so that the increase of nearly 10% in the total number of people employed had a much less dramatic effect on the employment rate - i.e. the share of the working-age population (those aged 15-64) in employment (Figure 1).

Figure 1: Trends in output, employment, unemployment and activity, EU-27, 2000-2009



Source: Eurostat, Labour Force Survey and National accounts

Notes: The employment rate chart shows the trends for the whole of the working-age population (those aged 15-64) and the restricted group of those aged 20-64 in order to facilitate comparison with both the Lisbon target, which was for the 15-64 age-group and the new EU-2020 target, which is for the 20-64 age-group. The unemployment rate and activity rate charts both refer to 15-64 age-group.



From a level of 62.2% in 2000, the EU-27 employment rate rose progressively to exceed 65% for the first time in 2007. Although a positive development, it was nevertheless clear that the rate of change was not going to be enough to reach the target of 70% by 2010 that was laid down in the Lisbon Strategy of 2000⁶. Indeed, although the employment rate reached a peak of 65.9% in 2008, the onset of the recession in the latter part of the year saw the start of large-scale job losses that continued throughout 2009 such that the employment rate fell back below 65%.

Increasing the employment rate is fundamental to the new Europe 2020 strategy which focuses on smart, sustainable and inclusive growth. The target of having 75% of those aged 20-64 in employment by 2020 is therefore one of the five headline targets for the strategy⁷. Note that the new target of 75%, although it may appear more ambitious than the Lisbon target of 70%, is actually not substantially different because the latter includes the 15-19 age-group, many of whom will still be in full-time further education or training and therefore not in a position to work. Indeed, a gap of nearly 5% between the employment rates of the two age-groups is an established characteristic (Figure 1) with the latest figures (2009) showing an employment rate of 64.6% for those aged 15-64 and 69.1% for those aged 20-64. Moreover, the EU 2020 strategy also targets reducing school drop-outs and increasing the numbers of people benefitting from tertiary education so that restricting the employment rate target to those aged over 20 helps to reconcile the twin aims of boosting education and employment.

Although the numbers of people in employment grew each year from 2000 to 2008, the numbers who were unemployed remained stubbornly high, rising between 2001 and 2003 such that the unemployment rate peaked in 2004 at 9.1% before falling to reach a long-term low of 7% in 2008⁸. However, as the impact of the economic crisis kicked in, the rate climbed steeply to an average of 8.9% in 2009, and it has subsequently risen to 9.6% where it remains today⁹. Despite the recent deterioration of labour market prospects and increasing unemployment, it is nevertheless encouraging to note that the numbers of people participating in the labour market (either working or seeking to work) has continued to increase such that the activity rate reached a new high of 71.1% in 2009 (Figure 1).

In fact, to see the activity rate continue to rise during a recession is quite remarkable. In previous recessions, activity has fallen as people became discouraged from seeking work or were encouraged to retire. The reason for the change this time may, at least in part, be attributed to the fact that, in contrast with previous recessions, the use of voluntary or even compulsory early retirement schemes is no longer standard practice in the event of redundancies affecting older workers. Indeed, European policy now includes clear targets for increasing the employment rate of older workers so that early retirement schemes are wholly incompatible with current policy objectives. The trend for the activity rate to continue to rise during the latest recession was not universal but can be observed in 20 of the 27 EU Member States, the exceptions being Belgium, Ireland, Italy, Hungary, Portugal, Finland and Sweden.

⁶ Lisbon strategy: http://europa.eu/scadplus/glossary/employment_en.htm

⁷ Europe 2020 targets: http://ec.europa.eu/europe2020/targets/eu-targets/index_en.htm

⁸ These are annual figures. Eurostat's monthly, seasonally adjusted data show that the EU-27 unemployment rate reached a low of 6.7% in February and March 2008. See

http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/dataset?p_product_code=une_rt_m

⁹ Monthly data (see link in previous footnote) show that the EU-27 unemployment rate reached 9.6% in February 2010 and has stayed at that level through to September 2010, the latest month for which data are available.



All EU Member States except Poland experienced negative real GDP growth between years at some point during 2007 to 2009 (Table 1). However, not all labour markets were affected by the recession in the same way. The majority of Member States experienced an overall decline in their employment rates between 2007 and 2009 with the exceptions being Bulgaria, Germany, Luxembourg, Malta, Netherlands, Austria and Poland and, of these, it was only in Poland and Germany that employment rates actually increased (by 2.3 and 1.5 percentage points respectively). The countries worst affected were Estonia, Ireland, Spain and Latvia where employment rates fell by more than five percentage points. In most cases, the decline occurred between 2008 and 2009 and there were only six countries – Ireland, Spain, Cyprus, Lithuania, Luxembourg and Hungary – where there were the employment rate fell between 2007 and 2008.

Table 1: Change in employment rate (15-64) and real GDP growth relative to previous year, EU-27

	Percentage point change in the employment rate		Real GDP growth (%)			Percentage point change in the employment rate		Real GDP growth (%)	
	2008	2009	2008	2009		2008	2009	2008	2009
EU-27	0.5	-1.3	0.5	-4.2	LT	-0.6	-4.2	2.9	-14.7
BE	0.4	-0.8	1	-2.8	LU	-0.8	1.8	1.4	-3.7
BG	2.3	-1.4	6.2	-4.9	HU	-0.6	-1.3	0.8	-6.7
CZ	0.5	-1.2	2.5	-4.1	MT	0.7	-0.4	2.6	-2.1
DK	1.0	-2.4	-0.9	-4.7	NL	1.2	-0.2	1.9	-3.9
DE	1.3	0.2	1	-4.7	AT	0.7	-0.5	2.2	-3.9
EE	0.4	-6.3	-5.1	-13.9	PL	2.2	0.1	5.1	1.7
IE	-1.5	-5.8	-3.5	-7.6	PT	0.4	-1.9	0	-2.6
EL	0.5	-0.7	1.3	-2.3	RO	0.2	-0.4	7.3	-7.1
ES	-1.3	-4.5	0.9	-3.7	SI	0.8	-1.1	3.7	-8.1
FR	0.6	-0.7	0.2	-2.6	SK	1.6	-2.1	6.2	-4.7
IT	0.0	-1.2	-1.3	-5	FI	0.8	-2.4	0.9	-8
CY	-0.1	-1.0	3.6	-1.7	SE	0.1	-2.1	-0.4	-5.1
LV	0.3	-7.7	-4.2	-18	UK	0.0	-1.6	-0.1	-5

Source: Eurostat, Labour Force Survey and National accounts

Although the EU-wide picture shows that there is a long way to go to reach the employment rate target, it should be noted that some countries have already exceeded at least the original Lisbon target (70% for people aged 15-64). In 2008 two countries had an employment rate over 75% - Denmark (78.1%) and the Netherlands (77.2%) – and a further six had achieved rates in excess of 70% - Germany (70.7%), Cyprus (70.9%), Austria (72.1%), Finland (71.1%), Sweden (74.3%) and the United Kingdom (71.5%). Since then, employment rates have declined in all except Germany such that levels in Cyprus, Finland and the United Kingdom in 2009 were once again short of the 70% target.

The labour market situation of migrants relative to natives in the EU

Free movement of labour is one of the cornerstones of the European economic policy and a principle that many EU citizens have taken advantage of in order to improve their career prospects and living standards. Although there are differing views as to the impact that migrant workers have on the economies that they move to and leave, there seems little doubt that, managed correctly, a mobile labour force can help to counteract localised pockets of imbalance in labour supply and demand. Moreover, on an individual basis, the experience of spells working abroad can have a dramatic and positive impact on the career and long-term aspirations of mobile workers. But it is not always that way. Some



migrants move with great expectations only to discover that work is difficult to find or of lower quality than they had hoped, with consequential knock-on effects in terms of living standards and social integration as well as on future career progression and earning-power.

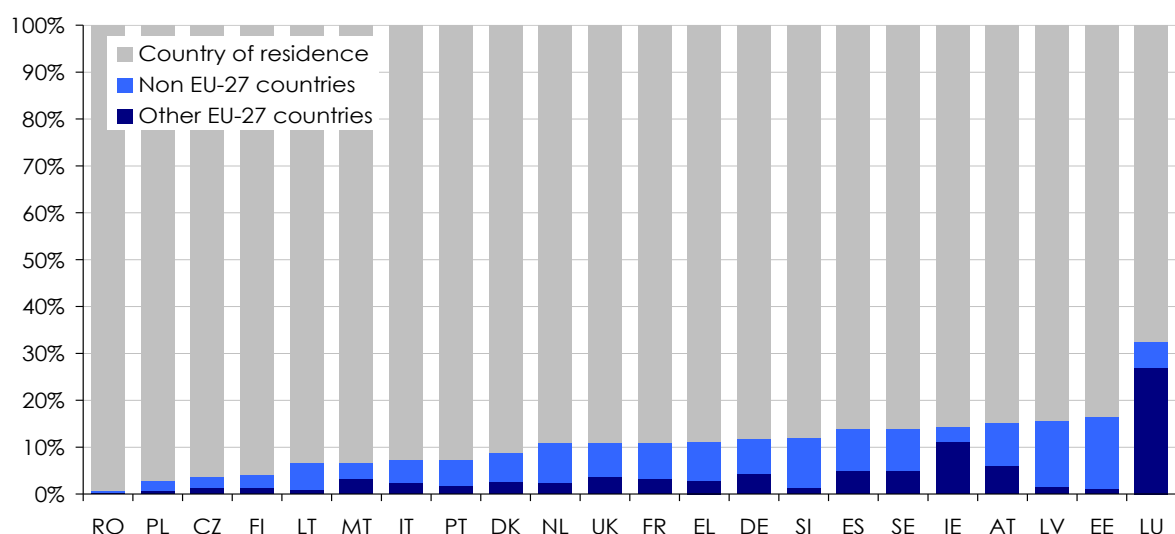
Facilitating the geographic mobility of labour to ensure that the supply of workers can better respond to variations in demand at local, regional and national level should contribute positively to the twin objectives of increasing the employment rate and raising productivity. However, if migrant workers find it difficult to integrate in their destination labour market, or in their home market on return, then the impact may not be so positive. In order to effectively promote and support labour migration it is necessary to know more about the characteristics and experiences of mobile workers. To this end, the report examines the distribution of migrant workers around Europe, their labour market situation relative to native workers and how they have been affected by the crisis.

Note that throughout the analysis, migrants are identified by their country of birth rather than by nationality since the latter are affected by differences between countries in the relative ease of obtaining citizenship. In most countries, the size of the migrant population defined by nationality is smaller than that defined by country of birth and there may be quite significant differences between the two, particularly in countries which have had relatively open access for people from former colonies (e.g. France).

Migrants in the EU – where are they?

Migrant workers are not evenly distributed around the European Union. For a mixture of both historical and current economic reasons, as well as geographic factors, some countries have much higher migrant populations than others (Figure 2). From the twenty two EU countries for which analysis is possible using Eurostat's International Migration and Asylum statistics for 2009¹⁰, the proportion of the population born outside the country of residence varies from less than 1% in Romania and less than 5% in Poland, the Czech Republic and Finland, to 15-16% in Austria, Latvia and Estonia, with Luxembourg a stand-out case with nearly 33% of the population born elsewhere.

Figure 2: Population by country of birth (%), 2009



Source: Eurostat, International Migration and Asylum statistics

Notes: Data exclude those for whom country of birth is not known. SK excluded because country of birth is reported as unknown for the majority of the population. No data for BE, BG, CY and HU.

¹⁰ Data are not available for Belgium, Bulgaria, Cyprus, or Hungary and are incomplete for Slovakia.



Three patterns are revealed by the data. Firstly, the EU-15 countries (at least those covered by the data) tend to have larger migrant populations than the EU-12 countries. Secondly, the EU-15 countries tend to have more significant numbers of migrants from other EU countries than the EU-12 countries. Finally, in all countries except Ireland and Luxembourg, migrants from outside the EU outnumber those from within.

The labour market experiences of migrants: basis for the analysis

Across the EU, or at least in the 22 countries covered by the 2009 migration statistics, just under 10% of the population was born outside the country in which they are currently living. This next section looks at how well migrants of working-age have integrated into the local labour markets by comparing their situation with that of natives, i.e. people who were born in the country in which they are living.

In trying to ascertain whether migrants face any particular difficulties compared to natives in accessing jobs outside their home country, the first instinct might well be to focus on unemployment rates among the two groups. However, measuring unemployment alone is generally not the best measure of exclusion from the labour market because the strict definitions exclude many people who would like to work if the opportunity arose but who are not counted as unemployed because they are not immediately available or not actively seeking work. This can particularly affect migrants who may face language and cultural barriers and are not familiar with the local labour market and the best ways to find suitable work and, as a result, may be more susceptible to being discouraged from actively seeking work. Although it does not affect the data used here, which are based on a survey, a lack of knowledge about entitlements and procedures, together with language barriers, mean that migrants tend to be under-represented amongst those formally registered as unemployed with public employment services.

So rather than considering only the unemployed, the analysis here focuses on all people who are out of work, both unemployed and inactive or, in other words, those who are not currently active in the labour market but who might be considered as the gross target population for activation policies. By comparing out-of-work rates for migrants and natives the analysis effectively measures the relative disadvantage of one or other group in terms of their integration into paid employment.

The analysis uses data from the EU Labour Force Survey (LFS), which is based on a sample of residents in each country. The samples are relatively small and based on national registers of households, which are not always particularly up-to-date and therefore tend to miss some recent migrants. As a result, LFS data are liable to underestimate the scale of migrant populations but are, nevertheless, considered to be representative of the people concerned in terms of key socio-demographic and labour market characteristics.

Out-of-work rates are measured for those aged 25 to 64, with the 18-24 age group being excluded because a significant proportion of these are likely to be still in full-time education and, therefore, not ready to start work. When migrant populations are small and then broken down by variables such as gender, age and labour market situation the numbers covered by the LFS sample can soon become too small to be reliable. This is the case for much of the data for EU-12 countries so that the analysis here is restricted to the EU-15 countries where the migrant populations are larger and data therefore more reliable. Unfortunately, the LFS data for Germany do not include a breakdown by country of birth so it cannot be included in the analysis.



The situation of migrants before the recession (2007)

There are two distinct groups of countries in which migrants do better or worse than natives

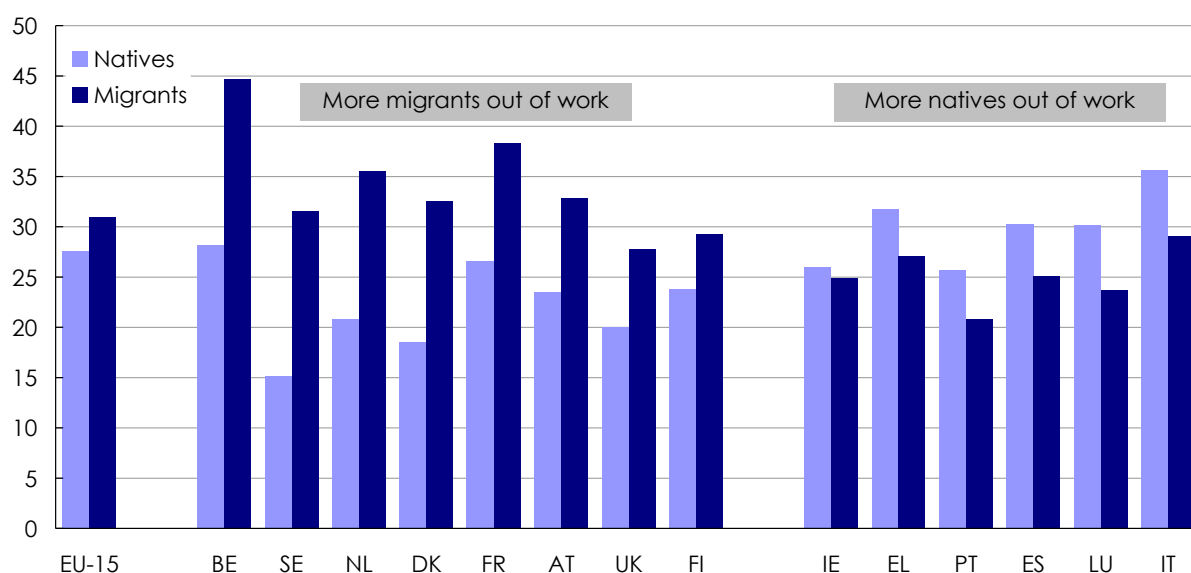
The recent economic crisis and subsequent recession have had dramatic effects on European labour markets with millions of people losing their jobs. To provide a basis for assessing whether there has been any differential impact on migrants and natives, this section examines the labour market situation of the two groups in 2007, before the crisis began.

In 2007, the out of work rate of migrants in the EU-15 countries (excluding Germany) was 30.9%, over three percentage points higher than that of natives (27.5%). However these figures hide the variation between the Member States (Figure 3). There are, in fact, two distinct groups of countries.

The first group includes eight Northern and Central European countries – Belgium, Denmark, France, the Netherlands, Austria, Finland, Sweden and the United Kingdom. In all of these countries, migrants appear to be disadvantaged on the labour market relative to their native counterparts in the sense that their out-of-work rates are higher. The out-of-work gap, or the difference between the out-of-work rates for migrants and natives, is significant in all cases, ranging from just over 5 percentage points (pp) in Finland to a little under 17 pp in Belgium.

The second group covers all four southern European Member States (Greece, Spain, Italy and Portugal) as well as two northern European Member States (Luxembourg and Ireland), which happen to be the only two countries in which migrants of EU origin outnumber those born outside the EU. In this group of countries migrants do better than natives with lower out-of-work rates in all cases. However, the out-of-work gaps are generally smaller, ranging from 1 pp in Ireland to between 6 and 7 pp in Luxembourg and Italy. These gaps favouring migrants are smaller than the gaps in all of the countries where natives are better off except Finland.

Figure 3: Out of work rates of natives and migrants (%), EU-15, 2007



Source: Eurostat, LFS

Notes: No data for DE, which is therefore missing from the EU-15 figure

Migrants from within the EU tend to be better integrated than non-EU migrants

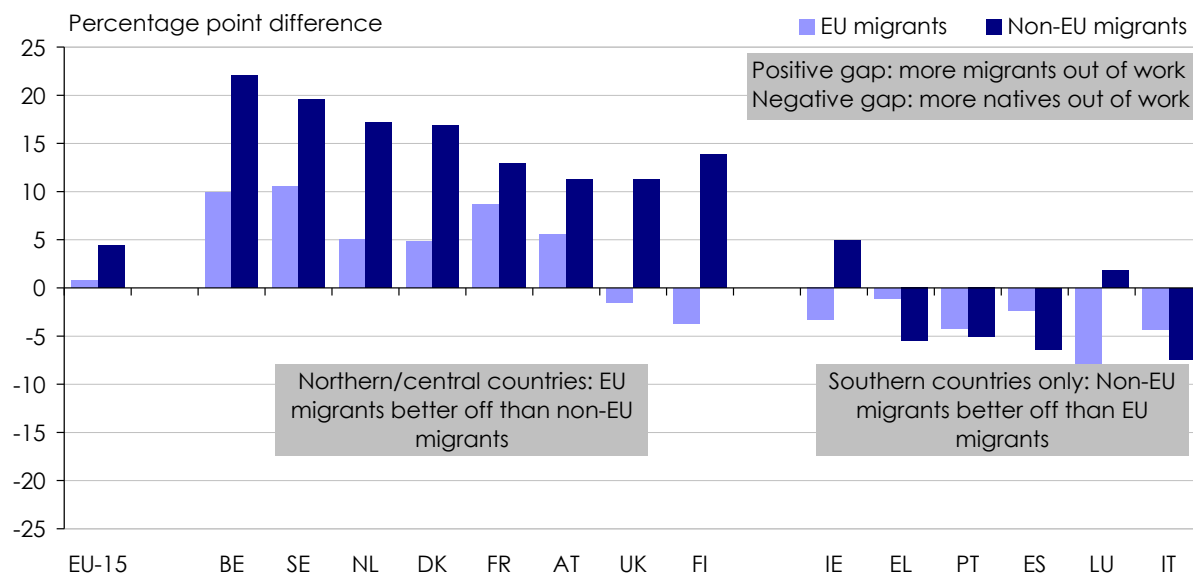
The labour market experience of migrants in the EU-15 countries prior to the recession varied considerably depending on whether they were born in another EU country or



outside the EU (Figure 4). Overall, migrants originating from outside the EU were characterized by an out-of-work rate that was over 4 percentage points higher than that of natives whilst gap for migrants born in other EU countries was less than 1 pp.

So the general picture is that intra-EU migrants are better integrated in the labour market than extra-EU migrants. However, again, the experience is not the same in all countries. In the group of countries where out-of-work rates are systematically higher for migrants than natives (the Northern and central Member States), in all cases the out-of-work gap is lower for EU migrants than for non-EU migrants, i.e. the EU migrants do better. The same is true for the two northern/central countries from the second group where migrants generally do better than natives – in Ireland and Luxembourg the out-of-work gaps for EU migrants are lower than those for non-EU migrants. In fact, in these two countries, more non-EU migrants are out of work than natives, which is more in line with the first group of countries. On the other hand, in Finland and the United Kingdom, the out-of-work gaps for EU-migrants are negative (meaning that fewer migrants are out of work than natives) which is a characteristic shared with the second group of countries (southern countries plus Ireland and Luxembourg). It is only in the four southern countries that non-EU migrants do better than EU-migrants.

Figure 4: Out of work rate gaps of migrants relative to natives by origin, EU-15, 2007



Source: Eurostat, Labour Force Survey

Notes: No data for DE, which is therefore missing from the EU-15 figure

Compared to their native counterparts, male migrants do better than female migrants

There are striking differences in the labour market experiences of male and female migrants in the EU-15 countries (2007 data). Looking at the out-of-work gaps by gender (i.e. out-of-work rates for migrants compared to those of natives) reveals that the gap for male migrants was negligible whilst for female migrants there was a positive gap of over 6 percentage points. So it appears that male migrants were generally integrated in the labour market to a similar extent to their native counterparts but amongst women, a much higher proportion of migrants was out of work than amongst natives (Figure 5).

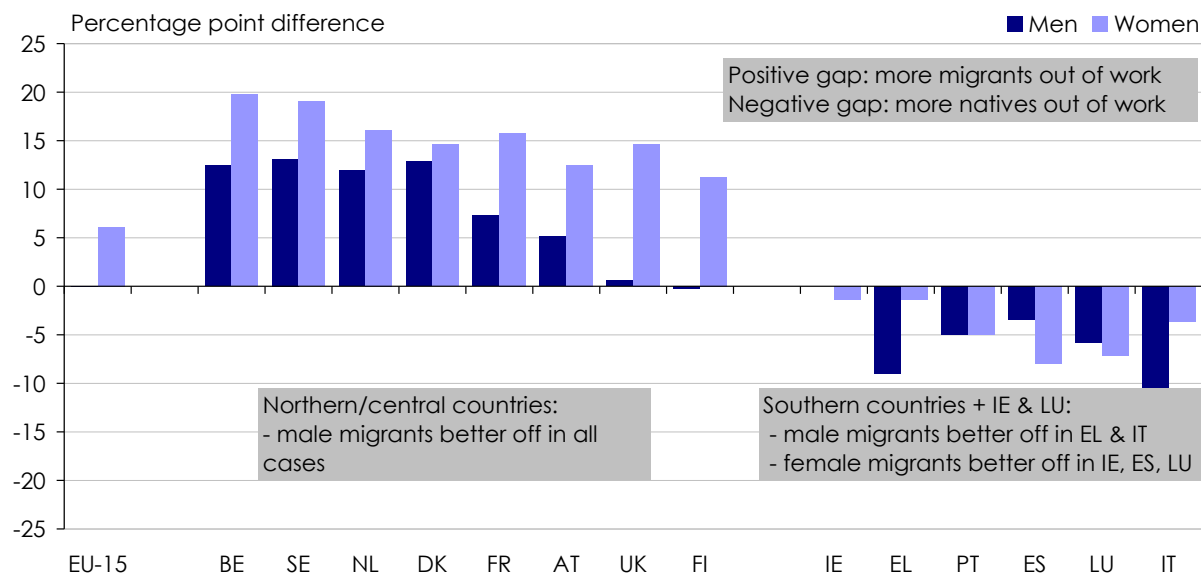
However, as with the overall figures, this picture is not common to all countries and the breakdown by gender only serves to emphasise the difference between the two groups of countries identified above. In the group of northern/central countries where migrants as a whole are always worse off than natives, the out-of-work gaps for women migrants are greater than those for men in all cases with the difference being quite dramatic in some cases. In France and Austria the out-of-work gap for women migrants is at least twice that



for men and in the United Kingdom and Finland the out-of-work gaps for men are negligible whilst those for women are between 10 and 15 percentage points.

In the second group of countries where migrants generally do better in the labour market than natives, male migrants were in a more favourable situation than female migrants in Greece and Italy, but in Ireland, Spain and Luxembourg the women migrants did better than the men.

Figure 5: Out of work rate gaps of migrants relative to natives by gender, EU-15, 2007



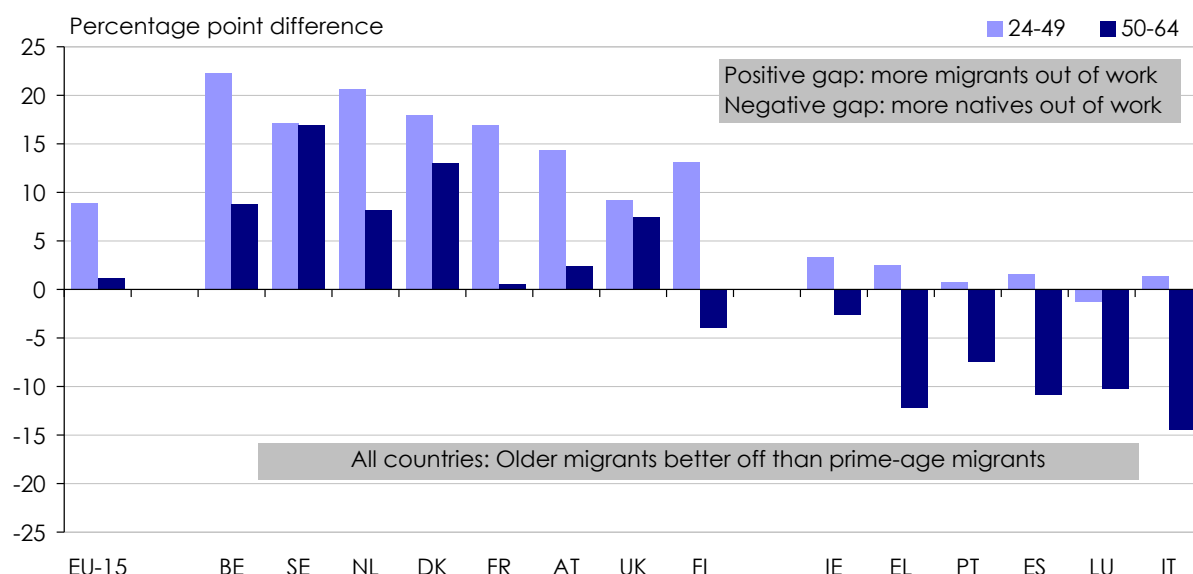
Source: Eurostat, Labour Force Survey

Notes: No data for DE, which is therefore missing from the EU-15 figure

Older migrants do better than those of prime-age

The labour market situation of migrants compared to natives also varies by age. Amongst the EU-15 countries (excluding Germany), just over 27% of migrants aged between 25 and 49 were out of work in 2007 compared to only 18% of natives so that the out-of-work gap was around 9 percentage points. However, as age increases the difference reduces. Around 43% of migrants aged 50-64 were out of work compared to 42% of natives, a gap of just 1 pp (Figure 6).

Again, there are clear differences between the two groups of countries identified earlier. In the northern and central group, the out-of-work gaps for prime-age migrants are above 10 percentage points in all cases except the United Kingdom, and the gap between migrants and natives is even over 20 pp in Belgium and the Netherlands. On the other hand, in the group of southern countries plus Ireland and Luxembourg, the out-of-work gaps for prime-age workers were consistently small (less than 4 pp in all cases). In all countries from both groups, the out-of-work gap for older workers was more favourable than that for prime-age workers. In the northern/central group the gaps for older migrants were still significant in most countries but lower than for those of prime-age. In the second group of countries the gaps for the older age-group were negative in all cases meaning that a smaller proportion of migrants of that age was out of work than natives.

**Figure 6: Out of work rate gaps of migrants relative to natives by age, EU-15, 2007**

Source: Eurostat, Labour Force Survey

Notes: No data for DE, which is therefore missing from the EU-15 figure

Low-educated migrants do better than those with higher levels of education

The level of education of migrant workers can also influence their chances of finding work after moving to another country. In general, irrespective of origin, levels of worklessness are higher amongst people with low levels of education. It is, therefore, perhaps contrary to expectation to find that the out-of-work gaps for migrant workers increase with level of education. Indeed, migrants in the EU-15 countries with low levels of education are actually better integrated in the labour markets of the countries in which they have chosen to live than natives with a similar level of education. By contrast, higher educated migrants are significantly worse off than their native counterparts.

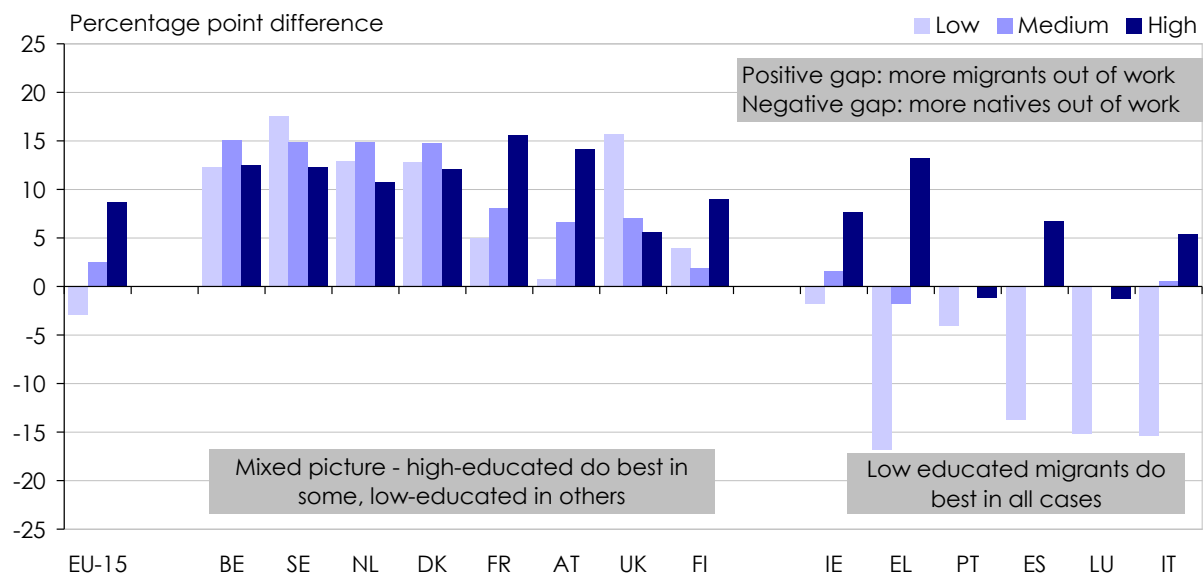
In 2007, 40% of migrants to EU-15 countries with low levels of education were out of work compared to 43% of natives (negative out-of-work gap of 3 pp). However the situation of migrants compared to natives declines progressively as their level of education increases. For those with medium levels of education, 25% of natives are out of work but nearer to 28% of migrants (positive 3 pp gap) whilst for those with the highest levels of education the out-of-work rates are less than 14% for natives but over 22% for migrants (positive 9 pp gap).

One explanation for the relatively favourable situation of low-educated migrants might be that, having made the effort to move from one country to another in order to find work, they tend to be more willing than natives to take up relatively poorly paid low-skilled jobs, such as agricultural labouring. However, even if this is true in some cases, it is certainly not universally true as migrants with low levels of education do not do better than natives in all countries. Low-educated migrants do particularly well in the group of southern countries plus Ireland and Luxembourg where there was a negative out-of-work gap for the low-educated group in all cases meaning that fewer migrants are out of work (as a proportion of all low-educated migrants) than natives. In Greece, Spain, Luxembourg and Italy the difference is quite significant with out-of-work rates for migrants being around 15 percentage points lower than those for natives (Figure 7). By contrast, out-of-work rates for low-educated migrants were higher than those of their native counterparts for all countries in the northern/central group. Moreover, in the northern group, low-educated migrants were not always the group that did best compared to natives – in both Sweden and the



UK it was the high-educated migrants that had out-of-work rates closest to those of natives.

Figure 7: Out-of-work rate gaps of migrants relative to natives by education level, EU-15, 2007



Source: Eurostat, Labour Force Survey

Notes: No data for DE, which is therefore missing from the EU-15 figure

Summary

The analysis above shows that in the EU-15 countries (excluding Germany) migrants (people born in country other than the one in which they are currently living) were more likely to be out of work in 2007 than natives (people born in the country in which they are currently living). The out-of-work gap measures the difference between the out-of-work rates for migrants and natives and therefore gives an indication of how well migrants are integrated in the labour market compared to natives. A positive gap indicates that more migrants are out of work than natives and vice versa for a negative gap. Overall, the out-of-work gap for migrants was just over 3 percentage points (positive and therefore in favour of natives) but the scale of the gap varies considerably for different groups within the migrant population and in some cases was negative (i.e. migrants are less likely to be out of work than natives). Across the EU-15 countries:

- EU migrants do better than non-EU migrants
- Male migrants do better than female migrants
- Older migrants (aged 50-64) do better than prime-age migrants (25-49)
- Low-educated migrants do better than those with high levels of education

However, these aggregate patterns are not common to all of the countries and two quite different groups of countries can be identified. In the first group of northern/central European countries, migrants are more likely to be out of work than natives but in the second group, which covers the southern European countries plus Ireland and Luxembourg, the reverse is true and migrants are better integrated into the labour market. There are further differences between the two groups of countries with respect to the situation of the various sub-groups of migrants (by origin, gender, age and level of education) and in some countries there are differences within the second group such that Ireland and Luxembourg are best considered separately from the southern countries. Table 2 shows a summary of the results.



Table 2: The labour market situation of migrants in the EU-15 countries

		EU-15 (excluding Germany)	Northern and central	Southern + Ireland & Luxembourg	
				Ireland + Luxembourg	Southern
			FI, SE, DK, UK, BE, NL, FR, AT	IE, LU	EL, ES, IT, PT
Origin of largest share of migrants		Non-EU*	Non-EU*	EU	Non-EU
Most likely to be out of work (highest out-of-work rate)		Migrants	Migrants	Natives	
Amongst all migrants, who does better compared to their native counterparts? (lowest out-of-work gap)	EU or non-EU migrants	EU	EU	EU	Non-EU
	Men or women migrants	Men	Men	Women	Mix
	Prime-age (25-49) or older (50-64) migrants	Older	Older	Older	
	High or low-educated migrants	Low-educated	Mix	Low-educated	

*No data for Belgium and the United Kingdom

The impact of the recession on the situation of migrants

The recent recession has had a dramatic impact on European labour markets with millions of people losing their jobs. In 2007, before the recession, migrants were already more likely to be out of work than people born in the country in which they are living. With the recession making it even harder to find work and stay in work, has the relative disadvantage of migrants been exacerbated or alleviated? Although it does not cover the whole of the recession period, the latest available data referring to 2009 allow the relative situation of migrants and natives in the two years to be compared to see if the recession has resulted in any changes. Note that the analysis compares the situation of current migrants in each year and does not take into account the impact of net inward or outward flows of migrants, which could also impact on the situation of those remaining.

In general, it appears that migrants have been harder hit by the recession than natives. Across the EU-15 the out-of-work gap between migrants and natives increased from 3.4 percentage points in 2007 to 5.8 percentage points in 2009 (Figure 8) but there were differences between countries:

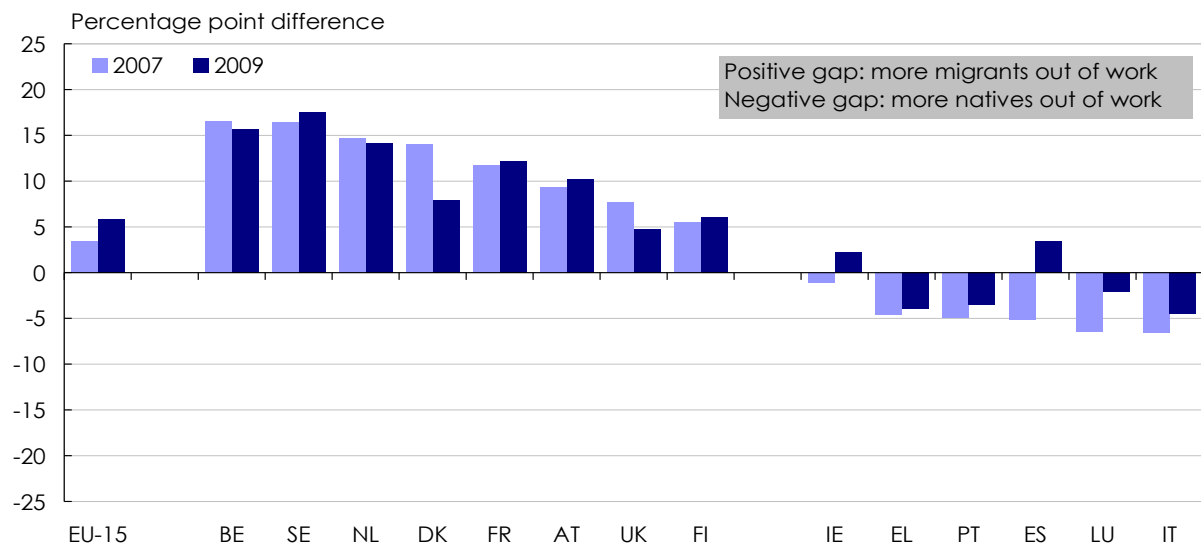
- In the northern/central group of countries, where in 2007 migrants were more likely to be out of work than natives, the out-of-work gap increased in half of the countries (France, Austria, Finland and Sweden) but decreased in the other half (Belgium, Denmark, the Netherlands and the United Kingdom). So in this group there is a mixed picture and the changes small (one percentage point or less) in all cases except Denmark and the UK where the gap nearly halved in both cases.
- In the southern group plus Ireland and Luxembourg, where migrants previously did better than natives, the out-of-work gap always changed in favour of natives. In most cases the gap became less negative so that the advantage experienced by migrants reduced. However, in Ireland and Spain – two countries that were particularly affected by rising unemployment – the out-of-work gap changed from being negative and in favour of migrants to being positive and in favour of natives.

Interestingly, even though the overall gap in favour of natives has increased and the relative situation of migrants has therefore declined, the absolute gap between migrants and natives has actually narrowed in more countries than it has widened:



- Gap widened
 - Gap in favour of natives increased: France, Austria, Finland Sweden
 - Direction of gap changed from being in favour of migrants to be in favour of natives and with a higher absolute value: Ireland
- Gap narrowed
 - Gap in favour of natives decreased: Belgium, Denmark, Netherlands, United Kingdom
 - Gap in favour of migrants decreased: Greece, Luxembourg, Italy, Portugal
 - Direction of gap changed from being in favour of migrants to be in favour of natives but with a lower absolute value: Spain

Figure 8: Out of work rate gaps of migrants relative to natives, EU-15, 2007 and 2009



Source: Eurostat, Labour Force Survey

Notes: No data for DE, which is therefore missing from the EU-15 figure

All groups of migrants seem to have been similarly affected

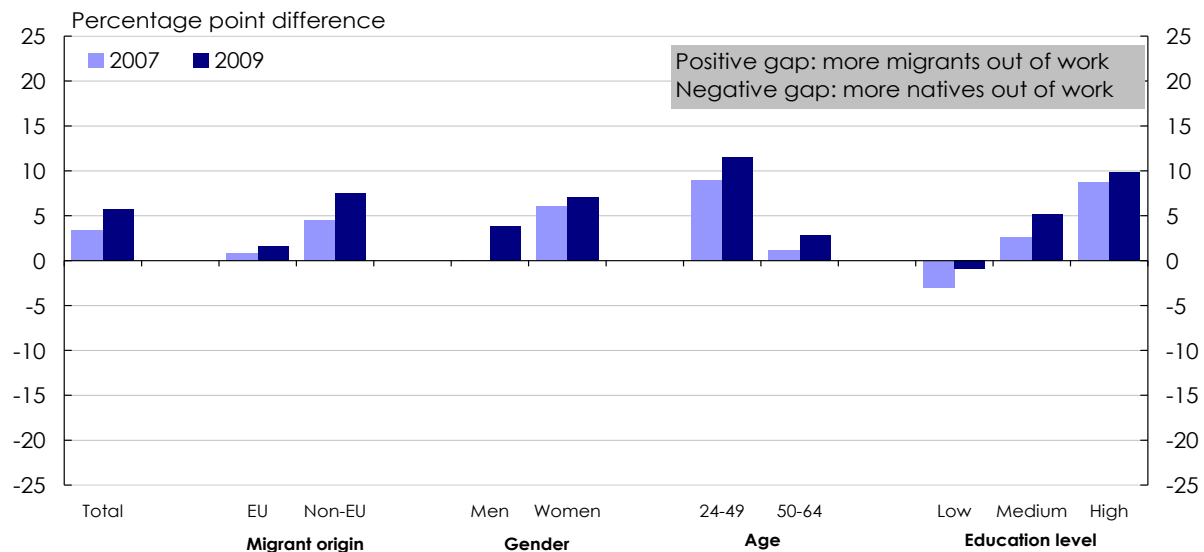
When considering the impact of the recession on migrants broken down by origin, gender, age or level of education the changes between 2007 and 2009 are not straightforward to interpret across countries because the changes are not consistent in terms of scale or direction. However, at EU level the changes are more or less consistent for all of the breakdowns discussed previously (Figure 9):

- Origin: the out-of-work gap has increased for both EU and non-EU migrants, though the gap for non-EU migrants has widened more meaning that they are increasingly more likely to be out of work compared to natives.
- Gender: again the gap has increased for both men and women but significantly more for men. Whereas before the crisis male migrants were no more likely to be out of work than natives, it appears that job-losses have affected male migrants more than their native counterparts and a the proportion of male migrants out of work is now significantly greater than that of male natives.
- Age: the out-of-work gaps for prime-age (25-49) and older (50-64) migrants have increased by fairly similar amounts so it remains the case that compared to their native counterparts the older migrants do considerably better than those of prime age.
- Level of education: the gap has increased for migrants of all educational levels. The gap for low-educated migrants, which was previously significantly in favour of



migrants, has narrowed considerably so that there is now little difference (less than 1 pp) in the out-of-work rates for low-educated natives and low-educated migrants.

Figure 9: Out-of-work gaps for different groups of migrants relative to natives, 2007 and 2009



Source: Eurostat, Labour Force Survey

Notes: No data for DE, which is therefore missing from the EU-15 figure

Conclusions

There are clear differences in the scale and composition of migrant populations in EU Member States. In most countries, migrants from outside the EU are in the majority but in Ireland and Luxembourg migrants from within the EU predominate.

Prior to the recession (2007) the EU-15 countries, excluding Germany, could be characterised in two groups: one covering northern and central countries where the out-of-work rate for migrants is greater than that of natives (positive out-of-work gap) and a second covering the southern countries plus Ireland and Luxembourg where there was a negative out-of-work gap meaning that natives were more likely than migrants to be out of work. Although there were some differences between the country groups, and to a lesser extent within groups, it was established that in general, when compared to their native counterparts in each case: EU migrants do better than non-EU migrants, male migrants do better than female migrants, older migrants do better than prime-age migrants and low-educated migrants do better than those with higher levels of education.

The recession (until 2009) has widened the gap between migrants and natives, at least at EU level. In most countries the gap has either increased in favour of natives or, where it was previously in favour of migrants, decreased. In fact in Ireland and Spain the negative impact on migrants has been such that the gap has changed direction and they could now be grouped with the northern/central countries where migrants are worse off than natives. There were also three cases where the gap in favour of natives narrowed somewhat (Netherlands, Belgium and Denmark) and combining these with reduced gaps in favour of migrants in the southern group mean that overall the absolute gap between migrants and natives narrowed. The problem is that the widening gap in favour of natives in most of the northern/central group means that the overall gap at EU level has increased. There is no evidence that the recession has affected one group of migrants more than others – the out-of-work gaps have moved in favour of natives for all breakdowns by origin, gender, age and level of education.



Labour market experiences: transitions, unemployment and job changes

Europe is confronted with long-term trends of globalisation, the greening of the economy, and technological change. Facing these challenges will involve managing rapidly changing and dynamic labour markets that are characterised by high rates of job destruction and job creation and, therefore, more frequent transitions between different jobs, occupations, sectors, and employment statuses. Transitions of any type entail risks of unemployment and loss of income so that promoting a flexible labour market where transitions are more frequent than before will inevitably mean more risks for those who are active in it. There is, therefore, a clear need to ensure adequate public support and income security for people making transitions in order to counteract those risks and facilitate positive transitions. This will demand a comprehensive and co-ordinated approach from actors across the board including employment services, training organisations, social services and benefit agencies. But the management of transitions is complex and not enough is known about real experiences: the types of transition that occur and why, the frequency of transitions, and the factors limiting or facilitating transitions.

This section of the report aims to kick-start the process of improving the available information about transitions of different types. The analysis looks first at the incidence and frequency of transitions between the main labour market statuses of employment, unemployment and inactivity. It then considers in more detail differences between countries in terms of the frequency and duration of unemployment spells. Finally, the analysis considers transitions within employment and some of the costs and benefits of changing jobs.

Basis for the analysis

An important factor that limits the information currently available about transitions within the labour market is the lack of suitable data. It is possible to track what happens to individuals by linking administrative registers (e.g. by linking registers of social contributions and taxes to the unemployment register) but in many countries this is still not possible either technically or due to data protection issues. The main source of comparable data on the labour market situation in Europe is the EU Labour force survey (LFS). However, the LFS was not originally designed as a panel survey and although most countries now have a rotation scheme in place that allows a subset of the full sample to be tracked between surveys the resulting longitudinal data are not made publicly available. Therefore, the LFS data that are available for analysis at the present time cover only the current situation of respondents and, for a more limited range of variables, their situation in the previous year, which misses what happened in between these two instantaneous observations and over a longer time period.

On the other hand, the EU Survey on Income and Living Conditions (EU-SILC) was designed from the outset as panel survey with the capacity to provide longitudinal data. A quarter of the sample is changed each year, which means that for around 25% of the total sample size there is longitudinal data covering a 4-year period. Moreover, the EU-SILC questionnaire includes a question about the situation of respondents in each of the 12 months preceding the date of interview so that it is possible to construct a continuous 48-month picture of people's experiences in the labour market, which can be used to analyse transitions from one status to another.

Although the sample size for the EU-SILC in each country is set to ensure that the results are meaningful and reliable, the fact that the 4 year longitudinal series covers only around a quarter of the full sample means that the number of observations can become small and



unreliable (and therefore not publishable). This applies particularly when data are broken down to look at subsets of the population and therefore restricts the analysis that can be undertaken. For example, data tend to become unreliable when considering a narrowly defined age group, which means that although it would be very interesting to do so, it is not practical to focus on transitions for young people leaving education and going into work.

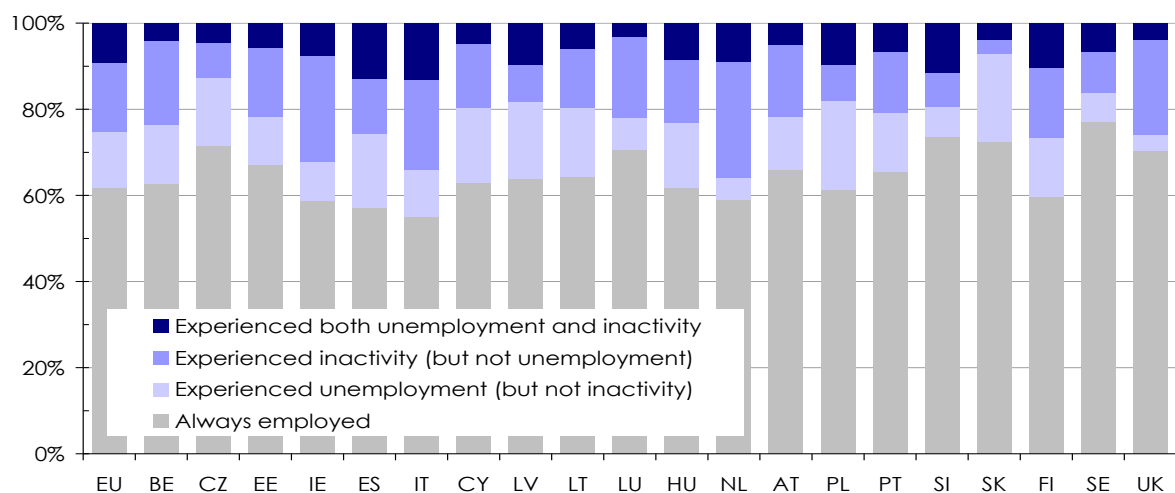
The experiences of young people entering the labour market for the first time and those leaving it at the end of their working career are very different from those of people in the middle of their working life. The analysis here is therefore focused on all those aged between 25 and 54 at the beginning of the 4-year period, or more precisely at the end of 2004. This reduces the coverage of both young people leaving the education system to go into work and older people moving into retirement. Data are available for 20 Member States but are either unreliable (sample size too small) or not available for Bulgaria, Denmark, Germany, Greece, France, Malta and Romania.

Transitions between employment, unemployment and inactivity

The first part of the analysis focuses on the frequency and incidence of transitions of men and women between the main three labour market statuses of employment, unemployment and inactivity. The data used for this analysis cover all people who were active – in other words employed or unemployed (which requires people to be available for and actively seeking work) at some point during the four year period of observation. It therefore excludes people who were inactive throughout the period.

On average 62% of people aged 20-54 in the EU who were active at some point between 2004 and 2007 were employed throughout the period and made no transition to any other status. However, this proportion varies between Member States from 77% in Sweden down to 55% in Italy (Figure 10). The remaining 38% experienced at least one spell of unemployment, inactivity or both during the same period. As only a very small number of these people were unemployed throughout the period (approximately 1%) this implies that nearly two out of every five people who were active over the period experienced at least one change of status and potentially needed support with the transition. This represents a significant share of the active population and given that it reflects the situation in a period of employment growth, it would be reasonable to expect that the figure would be higher now as a result of the recession, widespread job losses and consequent unemployment.

Figure 10: Labour market experiences of people aged 25-54 who were active between 2004 & 2007



Source: Eurostat, EU-SILC

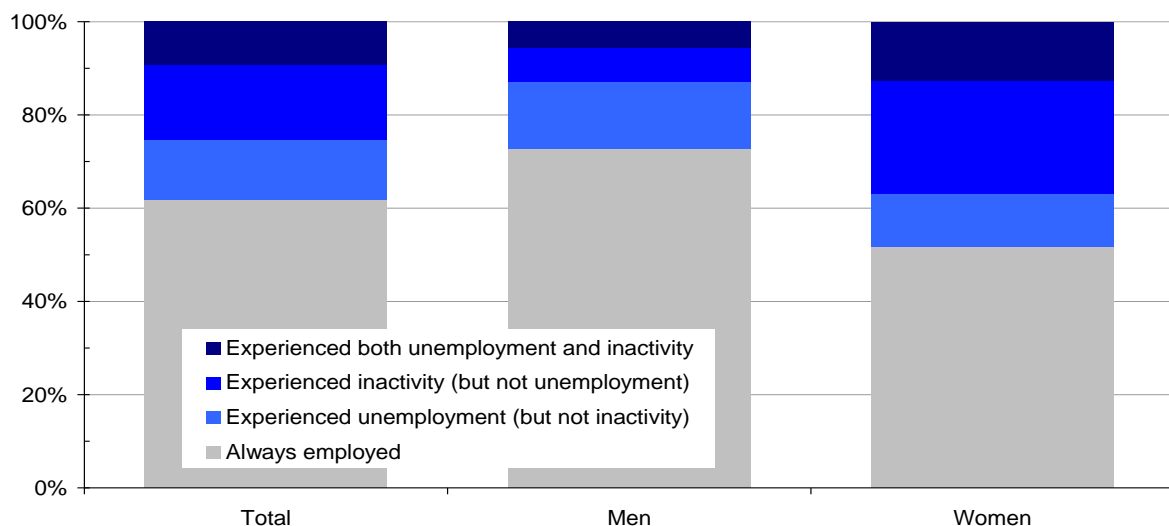
Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figure covers only the countries for which there are data.



The 38% who were not employed throughout the period 2004-2007 is made up of 16% who experienced one or more spells of inactivity but were never unemployed, 13% who were unemployed at some point but never inactive and 9% who experienced spells of both unemployment and inactivity. So a quarter of all people (25%) who were active at some point over the period experienced at least one spell of inactivity and slightly less (22%) had at least one spell of unemployment. This pattern of spells of unemployment exceeding spells of inactivity is apparent in around two thirds of the twenty countries covered.

Given the age-group covered, it would not be unreasonable to assume that the frequency of inactive spells is linked to breaks from work for family reasons and that there might be an important gender bias in the results. The data confirm this. Firstly, the proportion of men who were employed throughout the period was 73% compared to 52% of women (Figure 11). In other words, nearly half of women had at least one spell of either inactivity or unemployment compared to just over a quarter of men.

Figure 11: Labour market experiences of men and women aged 25-54 who were active between 2004 and 2007



Source: Eurostat, EU-SILC

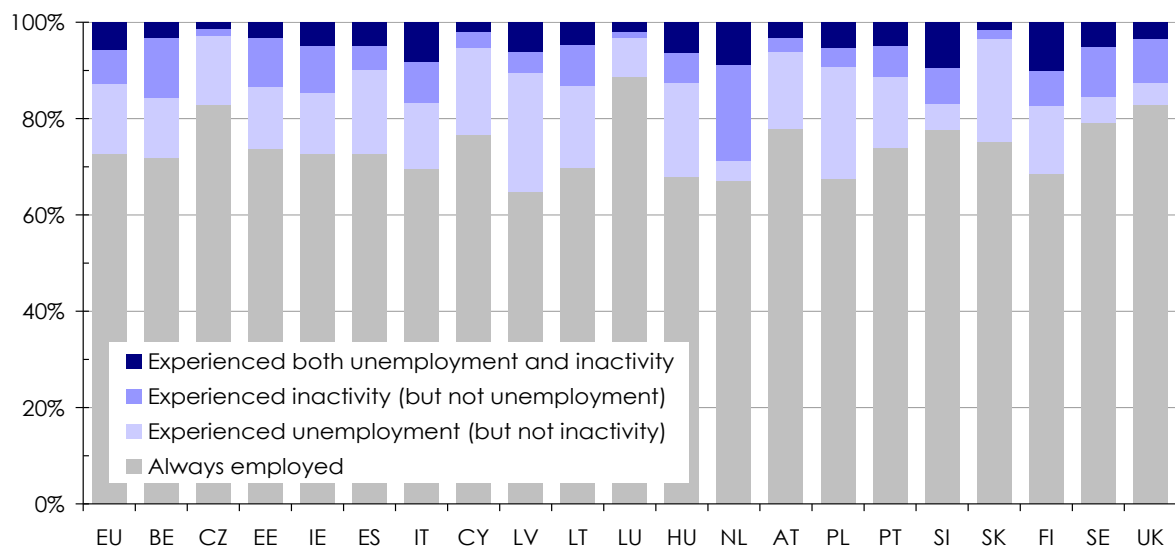
Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data.

The tendency for more men than women to be continuously employed is repeated in all countries but the scale of the difference varies from 30 percentage points or more in Spain and Luxembourg to under 5 pp in Sweden and Latvia (Figure 12 and Figure 13). The difference is over 25pp in all of the southern countries for which data are available (Spain, Italy and Cyprus) as well as in Ireland, all of these being countries where family responsibilities still tend to be primarily undertaken by women. On the other hand, it is not surprising to see little difference between the sexes in Sweden because of the strong history of policies to promote gender equality and, in particular (when considering breaks from work for family reasons), a parental leave system that offers a generous allowance to be shared between the parents, part of which is allocated specifically to each parent and is not transferable¹¹.

¹¹ A total allowance of 480 days is available. Of this, 120 days are specifically allocated (60 days each) and are not transferable. The remainder can be taken by either parent. Estimates in 2008 indicate that around 20% of leave is taken by the father but given the number of days available this can still mean a significant break from work if taken in one go. See <http://www.sweden.se/eng/Home/Society/Equality/Facts/Gender-equality-in-Sweden/>



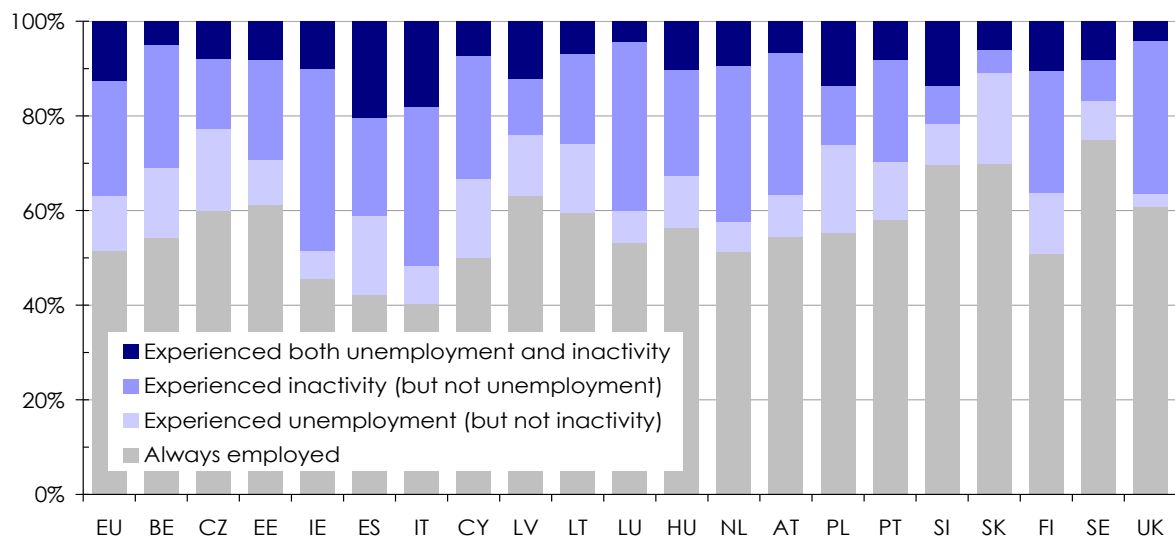
Figure 12: Labour market experiences of men aged 25-54 who were active between 2004 and 2007



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data.

Figure 13: Labour market experiences of women aged 25-54 who were active between 2004 and 2007



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data.

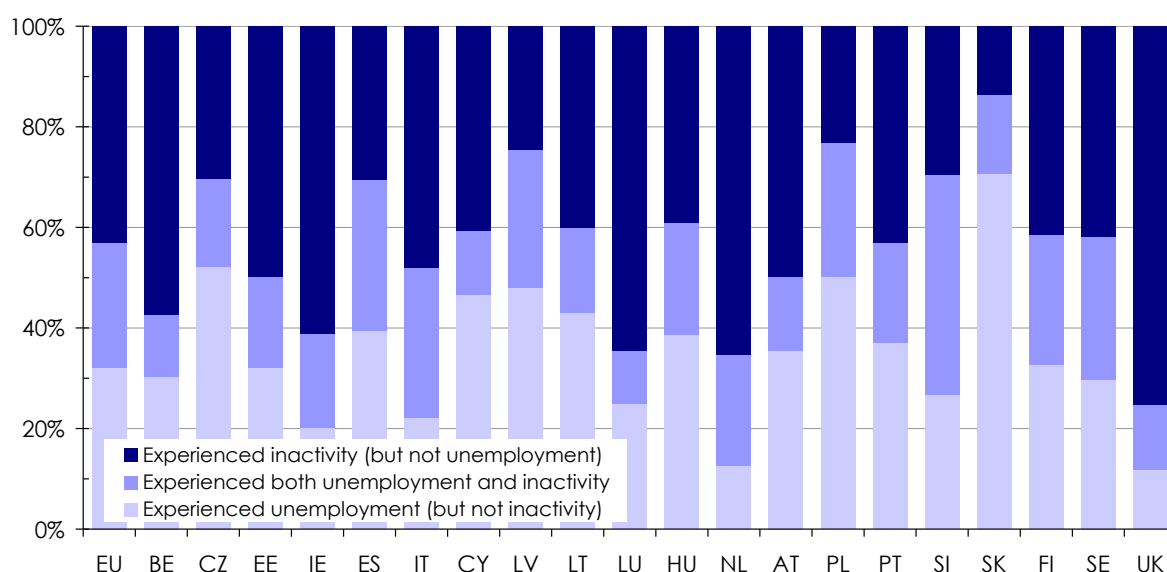
Amongst those not employed throughout the period, the importance of periods of inactivity for women is quite striking. The proportion of women that experienced at least one spell of inactivity (with or without a spell of unemployment) was around 35% compared to only 15% or so of men (Figure 11). Of course, not all spells of inactivity are linked to family responsibilities – people also take breaks from work to retrain (positive for future employment prospects) or because they are ill (unavoidable) or because they are perhaps discouraged from actively seeking work because they feel the chances of finding a job are too small (in need of encouragement and support). However, there is an important message here. Employment services (both public and private) tend to deal primarily with people who are unemployed and actively seeking work yet it is clear from the above analysis that many people, particularly women, have breaks from work in which they are not unemployed but inactive. It would be a major improvement in the functioning of the labour market if spells of unemployment could be avoided for people who have been inactive but want to return to the labour market. That means providing



support and job-search assistance for people who are not yet unemployed – proactively offering guidance and assistance in order to smooth the transition from inactivity to work and avoid the demeaning experience of unemployment. This depends, in the first place, on making contact with these people rather than waiting for them to come for help, by which time they have most likely joined the ranks of the unemployed. The mechanisms for doing so will depend on the institutional set-up in each country but more co-ordination between employment services and benefit agencies would seem a logical first step.

The importance of offering support to inactive people can be demonstrated further by considering the experiences of all those who have had at least one spell out of work in the four year period (i.e. excluding those who were employed throughout). Across all countries for which data are available, 68% of people who were out of work at some point were inactive at least once, which is more than were unemployed at least once (57%). The proportion of people inactive at least once ranges from 87-88% in United Kingdom and the Netherlands down to 48-50% in the Czech Republic and Poland and an exceptional 29% in Slovakia, where 70% were only ever unemployed. Indeed the proportion of those who were out of work for a while but never unemployed (i.e. they were only ever inactive or employed during the 4-year period) was as high as 43% across the EU. This means that at least four out of every ten people who had a break from work were never considered as unemployed and, therefore, may not have had immediate access to services to help them back into work. The proportion of people who had one or more breaks from work in which they were inactive but non in which they were unemployed ranges from 75% in the United Kingdom down to 14% in Slovakia (Figure 14).

Figure 14: Experience of people aged 25-54 who were active between 2004 and 2007 and experienced at least one spell out of work



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data.

In summary, the analysis of people's labour market experiences over the period 2003-2007 reveals three key points. The first is that even during a period of strong employment growth, when it ought to be relatively easy to move from job to job, only six out of ten people were continuously in work meaning that the other four experienced at least one transition from one labour market status to another. The second is that there is a significant difference between the sexes with men much more likely to stay in work than women. This is perhaps not surprising given that women tend to take breaks for maternity and post-natal childcare and the data indeed confirm that spells of inactivity are far more prevalent among women than among men. The final point is to demonstrate the



importance of spells of inactivity. Nearly 70% of those who had one or more breaks from work were inactive at some point compared to less than 60% who were unemployed at least once. Indeed, as many as 43% of those that were not continuously employed were only ever inactive and never unemployed. This emphasises the need to ensure that employment services do not focus just on the unemployed but also offer guidance and support for inactive people.

Unemployment experiences

The incidence, frequency and duration of unemployment spells are all of key interest to policy makers as both habitual unemployment and long spells unemployment are both detrimental to the long-term career prospects of individuals and costly for the state. There are two main sources of information:

- National unemployment registers track individuals through time and can be used to measure both the frequency and duration of unemployment spells. However, they are not particularly useful for international comparisons. This is because, firstly, the regulations that govern who is considered as registered unemployed vary between countries. For example, people with small part-time jobs but seeking to work more are counted in some countries but not others. And, secondly, because the coverage is incomplete. Since registration is effectively voluntary – people are only obliged to register if they want to get access to benefits or take advantage of particular services – the data are missing many people who are unemployed but do not register because there is no incentive or obligation to do so (e.g. people who know that they will not be eligible for unemployment benefits).
- The EU Labour Force Survey (LFS) has information about the duration of unemployment and is widely used for this purpose. However, the data only refer to the current unemployment spell and it is difficult to look at the frequency of short-term unemployment so that, for example, multiple short spells of unemployment within a year are not taken into account, only the last one.

The longitudinal data of the EU-SILC (as described earlier) offer an interesting alternative. From the 48 monthly observations of labour market status it is possible to monitor both the duration and frequency of unemployment spells using data that are considered to be reliable and comparable between countries. The only real drawback is that the data are not as up-to-date as the LFS and that there can be issues with sample size (and therefore reliability) when trying to break down data into small population groups.

In this section, analysis is based on men and women aged 25-54 who were active (employed or unemployed) at the beginning of the 2004 to 2007 period and their unemployment experiences during that time.

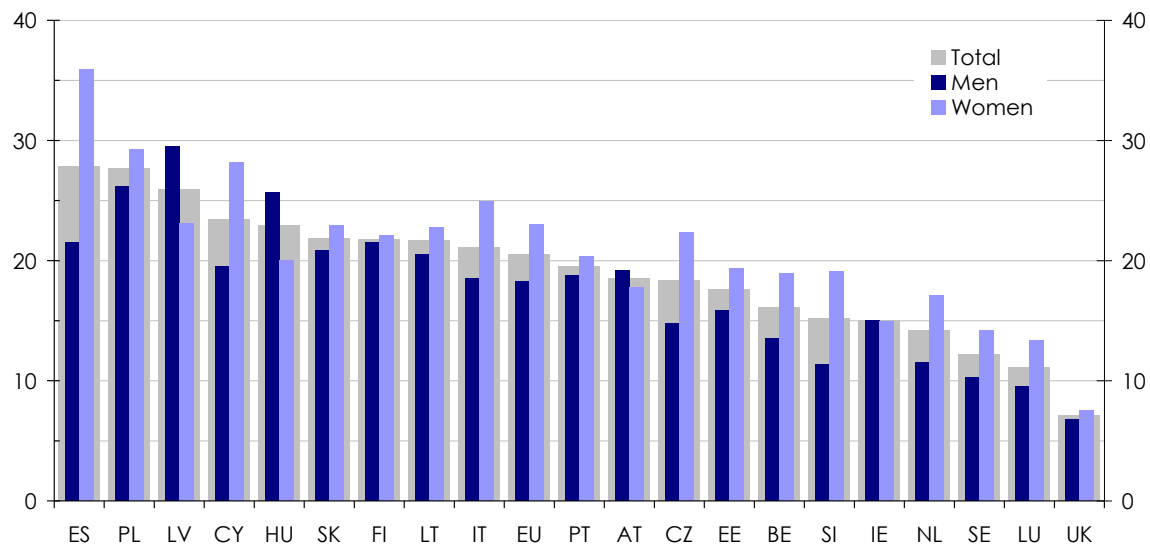
The incidence of unemployment

Across the EU between 2004 and 2007, just over 20% of people who were active at the start of the period experienced at least one spell of unemployment during the next 48 months (Figure 15). Or, put another way, it means that anyone in work had roughly a one in five chance of becoming unemployed within the next four years. However, there is considerable variation between countries with the proportion experiencing at least one spell of unemployment ranging from 7% in the United Kingdom and 11.1% in Luxembourg to 28% in both Spain and Poland.



Again, there is a clear difference between the sexes with women more likely to experience unemployment than men (23% compared to 18%)¹². The difference is apparent in most countries with the exceptions being Latvia, Hungary, and Austria where more men were unemployed. In Ireland, Finland and the UK there was no significant difference between the sexes (less than 1 percentage point). The gender inequality is most apparent in Spain where 36% of active women experienced a spell of unemployment compared to 22% of men.

Figure 15: Incidence of unemployment within a four year period amongst men and women aged 25-54 who were active in 2004 (%)



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data.

The frequency of unemployment spells

Unemployment is an inherent risk for anyone that is active in the labour market. But whilst a short, isolated spell of unemployment is not necessarily a major setback to long-term career prospects, frequent or prolonged spells can severely impact on labour market attachment. Across the twenty countries covered, people who were unemployed at some point during 2004-2007 experienced an average of 2.5 separate spells of unemployment (Figure 16). The figures range from 1.7 spells in Belgium to 3.7 spells in Sweden.

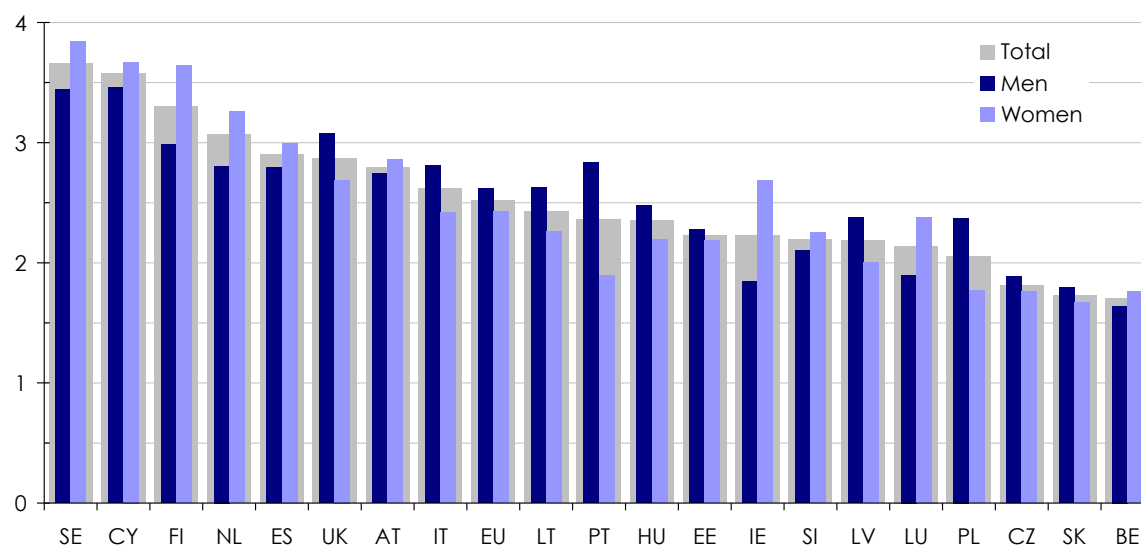
The fact that the average number of spells is more than one immediately suggests that people who become unemployed are likely to experience multiple spells. Of all the people that were active at the start of the period, around 20% (1 in 5) experienced unemployment at some point within the next 4 years. Of those, almost two thirds (65%) experienced more than one spell of unemployment during the period. In other words, for a significant number of people, unemployment is a habit.

Although the analysis above shows that women are more likely to become unemployed, there is little difference between the sexes in terms of the frequency of unemployment spells for those that do become unemployed (0.2 spells). However, there is some evidence of a gender divide in some countries: women have fewer spells than men in Portugal (difference of 0.9 spells) and Poland (0.6) but more in Ireland (0.8) and Finland (0.7).

¹² Note that these figures are consistent with those shown earlier when considering transitions from one status to another. However, the actual values are slightly different because the earlier data covered all people who were active at some point during the period whilst this analysis covers only those active at the start of the period. In Figure 11, the proportion of people experiencing at least one spell of unemployment was 22% overall, 20% for men and 24% for women



Figure 16: Average number of unemployment spells for people aged 25-54 between 2004 and 2007



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data.

Duration of unemployment spells

Clearly, the longer an unemployment spell, the greater the risk of detachment from the labour market. However, measuring the duration of unemployment spells over just a four year period is not straightforward because of spells that are incomplete (i.e. started before the observation period or were still ongoing at the end of the period). The restricted time-frame also means that for a person that has at least one long spell of unemployment the chances of taking into account a second complete long spell within the period are limited. Therefore, rather than assess the average duration of all spells, the analysis here looks at the average length of the longest spell experienced by each individual over the period, this being the spell that puts them most at risk of becoming detached from the market.

The average duration of long unemployment spells across the EU is almost 15 months, or a year and a quarter. However, this figure varies between countries with long spells of only 7 or 8 months in Cyprus, the United Kingdom and Sweden but 18 to 19 months in Poland and the Czech Republic and almost two years in Belgium (Figure 17). In general there is not much difference between the sexes but there are isolated exceptions, such as Ireland where average duration of long spells is 15 months for men but only 6 for women.

The duration and frequency of unemployment spells are inevitably linked to some extent. Not surprisingly, countries where spells are longer also tend to be those where spells are less frequent and vice versa (Figure 18).

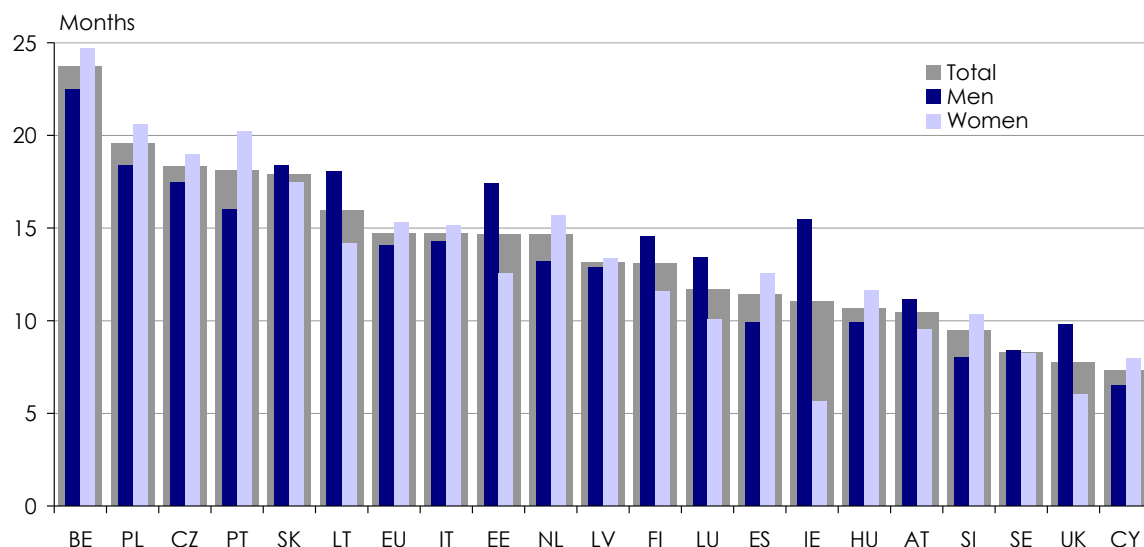
Summary

The analysis of unemployment experiences across twenty European Member States reveals a number of key points. Around one in five people who were active at the start of the four year period from 2004 to 2007 experienced at least one spell of unemployment. Women are slightly more likely than men to become unemployed but in most countries there is little difference between the sexes in terms of the frequency and duration of unemployment spells. Unemployment tends to become a habit. Of the 20% of people that become unemployed, nearly two-thirds experience multiple spells of unemployment within a four year period (average of 2.5 spells). The longest period for which people are likely to



be unemployed is around 15 months but this varies between countries and can be as long as two years.

Figure 17: Average duration of the longest unemployment spell for women and men aged 25-54 between 2004 and 2007



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data.

Figure 18: Average number of unemployment spells and the average duration the longest unemployment spell for women and men aged 25-54 over the period 2004-2007



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data.

Job to job mobility – the benefits (or otherwise) of changing employer

Future European labour markets are expected to be characterised by an increased frequency of transitions not only between different labour market statuses but also between jobs. One of the objectives for policy makers will be how to promote positive transitions, i.e. transitions that improve people's situation and/or prospects on the labour market. Generally that means improving services to support people during transitions and ensuring lifelong access to appropriate training and retraining opportunities. The focus for such policies tends to be on people who are currently out of work but the concept of positive transitions also applies to people moving from job to job. Whether job changes are



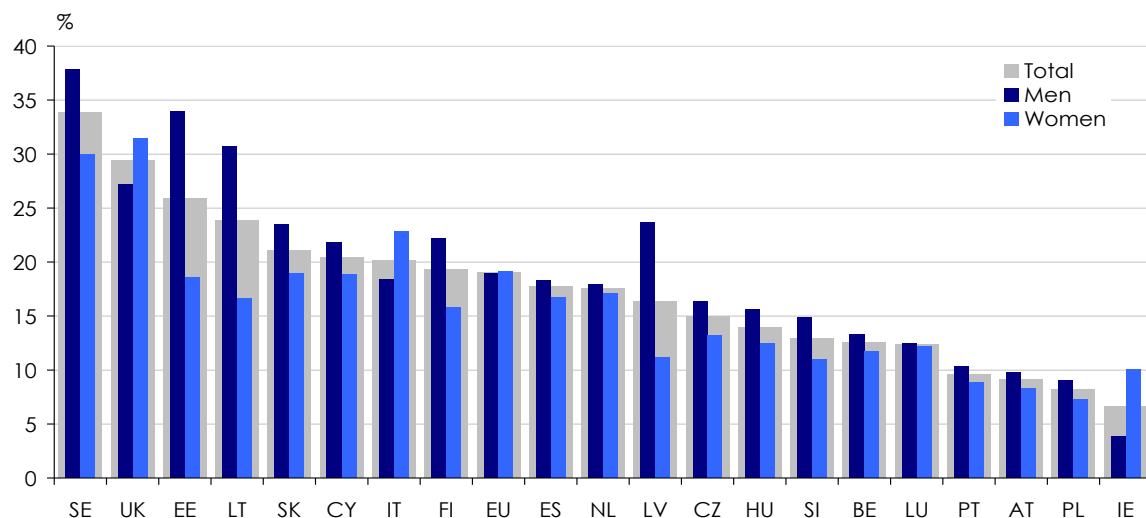
positive depends to some extent on whether they are voluntary or involuntary, with the latter more likely to have a negative impact on job quality or income or future prospects. But voluntary job changes are also risky because either the position or the employee does not live up to expectations, which can then force another more involuntary change.

As with transitions between different statuses, there are relatively data available about the incidence and outcomes of job changes. This section of the report aims to investigate how many people actually change jobs, the impact of doing so in terms of career progression and income, and whether it is better to change employer or aim to progress with the current employer. The analysis is based on data from the EU-SILC, which includes a question that asks whether people have changed their job in the last year. Although it may not always be the case, the EU-SILC guidelines mean that this change of job can be interpreted to mean a change of employer¹³. Job changes with the same employer cannot be distinguished in this way but can be presumed from other variables, for example when people change occupation between years without (according to the EU-SILC data) having changed job.

The incidence of job changes (with a different employer)

Data for 2005-2008 for twenty EU Member States reveal that just fewer than one in five employees aged 25-54 (at the start of the period) changed employer during the four years of observations (Figure 19). Incidences of employees changing employer were highest in Sweden (34%) and the United Kingdom (29%) and lowest in Ireland (7%) and Poland (8%), though it should be noted that for both the United Kingdom and Poland the data cover only three years not four so that these figures are likely to be understated. In general, there is little difference between the sexes though in all three of the Baltic states (Estonia, Latvia and Lithuania) there was a difference of between 13 and 15 percentage points with men most likely to change jobs in all cases.

Figure 19: Proportion of employees aged 25-54 changing employer at some point over 2005-2008



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data. UK data cover only 2005-2007; PL data cover only 2006-2008.

¹³ The EU-SILC user guide notes that "For employees, a change of job means a change of employer, not moving from one set of duties to another with the same employer. Nevertheless, a change of contract with the same employer is considered as a change of job." Therefore data on job changers relate primarily to people who have changed employer but may also include some people who have changed job, and have a new contract of employment, with the same employer. The importance of the latter is not known but assumed to be small. It is also possible that there are differences between countries in the interpretation of these guidelines.



Changing employer increases the chances of career progression but also brings more risk

Many of the employees that changed employer will have made positive transitions to better jobs. However, this is by no means always the case. Many may have been forced to change employer as a result their previous position being at risk or their contract having been terminated and in this case there is sometimes little option but to take a backwards step in order to keep working. Moreover, there are others who choose to downgrade their level of responsibility either to free up time for other activities (e.g. family or education) or as part of a progression towards retirement. So where does the balance lie? Is changing employer generally a positive career step or not?

The EU-SILC questionnaire records occupations using the ISCO-88 classification¹⁴. This is a hierarchical system that allows for a very detailed breakdown of occupations but at the top (1-digit) level it is organised into just 9 major groups of occupations, plus the armed forces (Table 3). Although it is a somewhat crude assessment, a change in the occupational code can be interpreted to reflect a change in the level of job held. For example, changing down from ISCO-88=3 (Technicians and associate professionals) to ISCO-88=2 (Professionals) implies a promotion whilst the reverse would suggest a lower level job than before. There is by no means a natural progression upwards throughout the range from 9 to 1 and changes from some groups to others are quite unlikely. Moreover, monitoring the change of 1-digit groups shows only significant career changes and misses altogether progressions within an occupational level. Nevertheless, bearing these points in mind, the data represent a unique opportunity to compare the career progression of people who change employers with those that do not.

Table 3: ISCO-88 major occupational groups

ISCO-88 1-digit code	Occupational group
1	Legislators, senior officials and managers
2	Professionals
3	Technicians and associate professionals
4	Clerks
5	Service workers and shop and market sales workers
6	Skilled agricultural and fishery workers
7	Craft and related trades workers
8	Plant and machine operators and assemblers
9	Elementary occupations
0	Armed forces

Analysis reveals that, across the EU (19 countries), the vast majority of employees who stayed with the same employer were at the same occupational level after four years (88%), 7% progressed to a higher level and 5% moved down (Figure 21). However, there was much more movement amongst those who changed employer – 64% remained at the same occupational level whilst 21% advanced and 15% moved down at least one level (Figure 20). This pattern of increased movement in both directions was reflected in almost all countries, though there were a couple of cases where the difference was small (<2 percentage points difference for upwards movers in Finland and Austria and for downwards movers in the UK).

The results imply that changing employer significantly increases the chances of career progression but equally increases the risk of being in a worse situation. Across the EU, the chances of moving up or down a level after changing employer are both three times those when staying with the same employer. In the case of changes down the occupational scale, it has to be remembered that some people will have taken a deliberate decision to ease back on their work commitments but there is no reason to

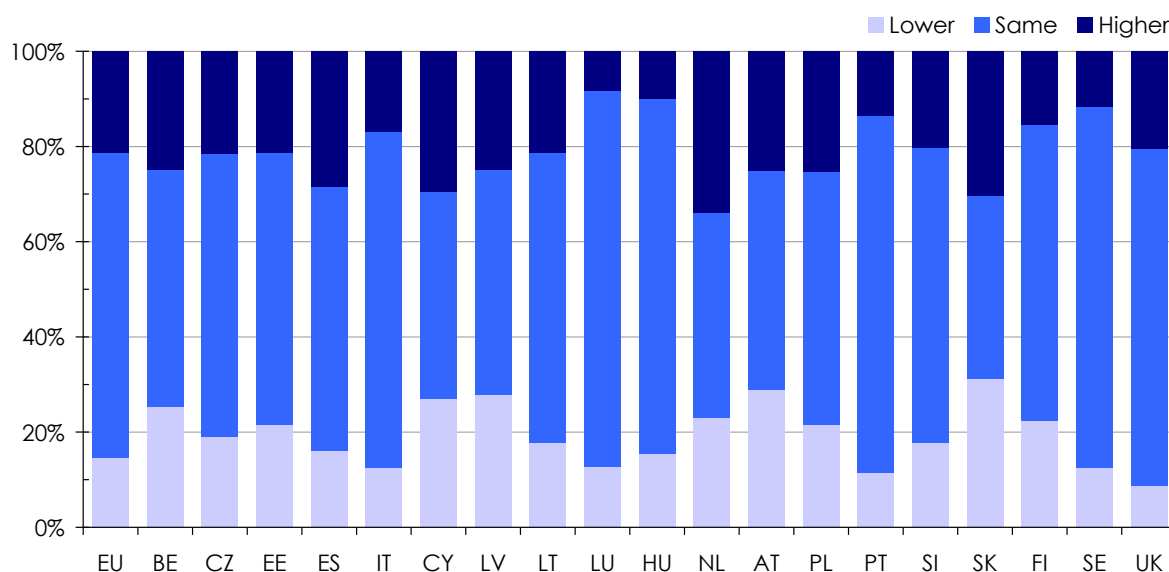
¹⁴ For details see <http://www.ilo.org/public/english/bureau/stat/isco/isco88/index.htm>



assume that people are more likely to change employer in order to do so. Therefore, the higher incidence of downward moves amongst job changers is likely to reflect negative outcomes from involuntary transitions.

Despite the increased risk of a negative outcome, the overall figures do show that changing employer is more likely to result in an increase in occupational level than a decline but the extent of this difference varies between countries and in some cases the reverse is true. For example, in the United Kingdom, the chance of a positive outcome (21%) was more than double that of a negative outcome (9%) whilst in Finland there was a greater risk of a downwards movement (22%) than an upwards one (15%).

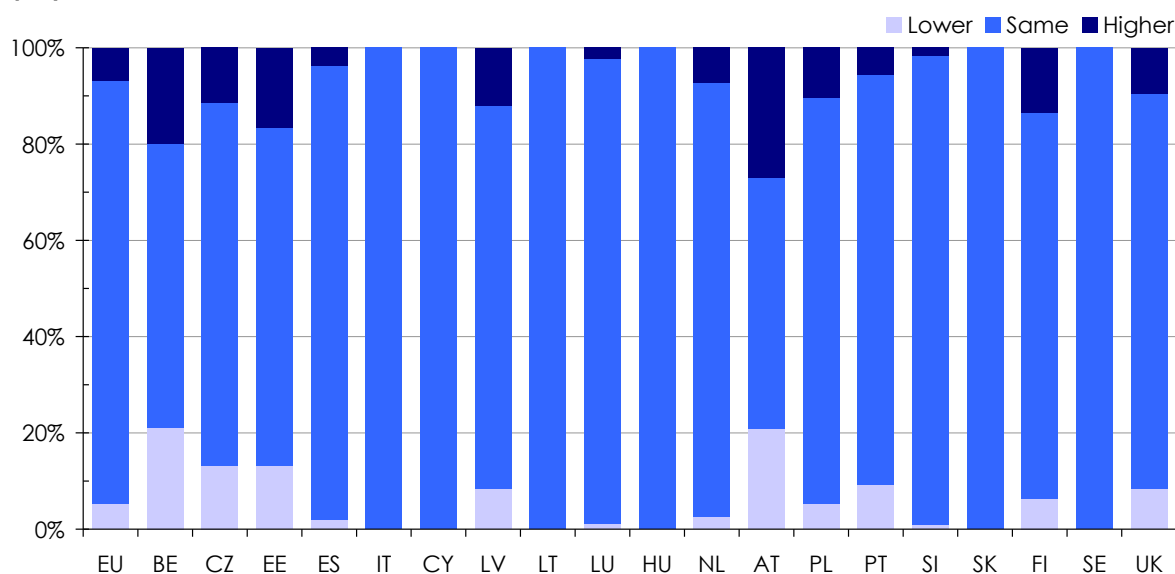
Figure 20: Changes in the occupational level of employees aged 25-54 who changed employer, 2005-2008



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. IE data not reliable. EU figures cover only the countries for which there are data. Figures for AT and PT may have a margin of error due to small sample size. UK data cover only 2005-2007; PL data cover only 2006-2008.

Figure 21: Changes in the occupational level of employees aged 25-54 who did not change employer, 2005-2008



Source: Eurostat, EU-SILC

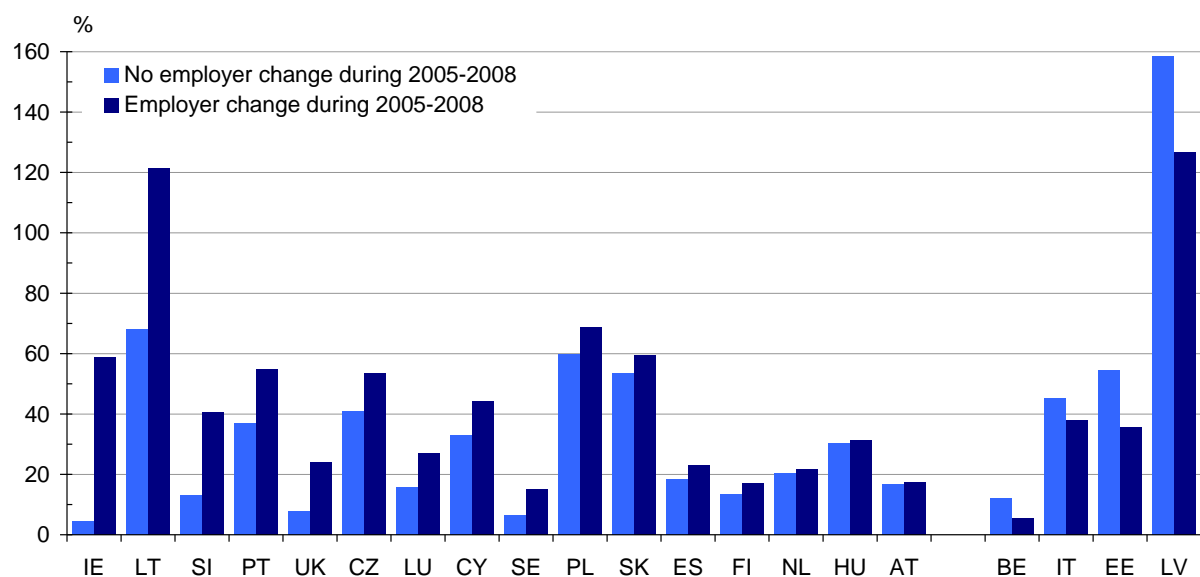
Notes: No data for BG, DK, DE, EL, FR, MT and RO. IE data not reliable. EU figures cover only the countries for which there are data. Figures for AT and PT may have a margin of error due to small sample size. UK data cover only 2005-2007; PL data cover only 2006-2008.



Changing employer also helps to boost income

The EU-SILC also includes information on income from employment so that it is possible to assess the change in income over a four year period for employees who changed employer and those who did not. Data for twenty EU countries show that in most cases the median gross monthly earnings of employees who changed employer increased by more than those who stayed with the same employer (Figure 22). However, there are a number of countries where the difference is relatively small and four countries where people loyal to the same employer did better than the job changers: Belgium, Estonia, Italy and Latvia. In Ireland and Lithuania the difference between job changers and non-changers is dramatic. In the case of Ireland the earlier data (Figure 19) indicated that very few people changed employers (7%) and it is possible that this reflects a particular interpretation of the question. Overall, these data are less conclusive than those on occupational level in terms of showing any real benefit from changing employer.

Figure 22: Change in median gross monthly earnings of employees aged 25-54, 2005-2008



Source: Eurostat, EU-SILC

Notes: No data for BG, DK, DE, EL, FR, MT and RO. EU figures cover only the countries for which there are data. UK data cover only 2005-2007; PL data cover only 2006-2008.

Summary

In summary, the analysis of the job changes in twenty EU Member States between period 2005 and 2008 reveals a number of interesting points. Over the four year period, almost one in five employees changed employer at least once with little difference between men and women. Changing employer increases by about three times the chances of career progression (measured as a change in occupational level) compared to those that stay with the same employer. However, it equally increases the risks of backward career steps, though the level of risk is lower than the chance of potential gain. It is likely that the incidence of negative transitions is related to involuntary job changes. Finally, data on changes in earnings over the period show that changing employer is more beneficial than staying with the same employer in the majority of countries but the differences are not great in several of these so that the outcome is not conclusively positive.



Section II: Return and circular migration

Since the EU accessions of 2004 and 2007 there has been an unprecedented movement of workers from these countries to those of the EU-15 but some are now returning home. This new phase of return/circular migration is thought to be gaining pace as a result of the recession. In some countries, returning migrants are finding it difficult to find work once back home and are thus swelling the ranks of the unemployed and constitute a new type of client for the employment services. Data on the extent of return and circular migration are rather limited but this section of the report uses data from the EU Labour Force Survey together with some country case studies in order to gain some valuable insights as to what is happening.



Return and circular migration

The transition of the Central and Eastern European countries from centrally-planned to market economies from around 1990 on, and the change from restrictive communist political regimes to more open democratic ones which provided the basis for this, was accompanied by significant outflows of migrant workers to Western Europe. These were accelerated by the accession of the countries concerned to the European Union, in mid-2004 for 8 of the countries (together with Cyprus and Malta) and at the beginning of 2007 for Bulgaria and Romania. The main motivation of the migrants is clear – to increase their incomes and improve the standard of living of themselves and their families in the context of wide differences in these between their home countries and those in the EU-15.

There were, however, not only 'pull' factors at work attracting people to move to more prosperous countries to take up employment but equally importantly 'push' factors in the form of job shortages and rising unemployment at home, especially in the years immediately after the transition began. Studies of migrants and potential migrants have demonstrated the importance of the latter and the significance of so-called 'transaction' costs, which are often forgotten when assessing the factors underlying migration flows. It is important to keep in mind, therefore, that migration does not only involve potential benefits to the people moving but also entails costs in the form of severing direct contact with families, friends and social networks and the support they provide as well as the financial costs of the move itself (the cost of travel and accommodation). The benefits of the move need to more than outweigh these costs in order for it to be worthwhile.

Their choice of the countries to move to in the EU-15 was influenced by a mix of factors: the availability of jobs they could take up, the regulations in force restricting their ability to work and how rigorously they were applied and, not least importantly, the support available to them to find a job and in their everyday lives. The latter consists not only of employment and social services but also of communities of their fellow countrymen who had migrated earlier, in some cases (such as the Polish communities in the UK), several decades earlier. The fact that after the 2004 enlargement of the EU only a few EU-15 countries States opened their labour markets to migrant workers from the new Member States – in particular, Ireland, Sweden and the UK – meant that movements into these countries tended to be larger than to those which imposed restrictions for a temporary period.

For most of the people who migrated, the move was not intended to be permanent but only for a few years while they accumulated savings and gained experience before returning home to take up a job or set up a business there. Many of them left their families behind, in some cases couples leaving their children to be looked after by grandparents. Survey evidence suggests, however, that initial intentions sometimes change once the people concerned start living in the country and experience a higher standard of living. Nevertheless, many people have returned home and the numbers seem to have risen, whether they were intending to or not, since the onset of the economic recession in 2008.

There is no question, therefore, that job losses in the EU15 countries, which the limited amount of evidence available suggests have affected migrants more than other workers, partly because of the sectors in which the losses were mainly concentrated – the construction industry in particular – have encouraged migrants from Central and Eastern Europe to return home. Whether this will be a temporary move or a permanent one remains to be seen, though much will depend, on the one hand, on the extent of recovery in the EU15 and, on the other, whether or not the Central and Eastern European countries succeed not only in achieving sustained economic growth but in turning the growth into jobs, which has happened only to a limited extent in the past.



In practice, it is likely that some will remain at home and others will return. Indeed, though there is a lack of systematic evidence on this, there is enough to indicate that circular migration is of some significance, with people moving back and forwards between Central and Eastern Europe and the EU15. This is potentially of mutual benefit to all concerned. The people moving can invariably earn significantly more by working in a more developed country, so being able both to accumulate income and send some home to their families in the form of remittances, while at the same time they can gain expertise and experience by using perhaps more up-to-date equipment or the latest techniques in the jobs that they do.

The host country also stands to gain, as does the employer taking on the migrant workers concerned, since the latter can help to reduce skill shortages, particularly in the context of a slowly growing and ageing work force. Indeed, there is no evidence that either the UK or Ireland were adversely affected by the influx of migrants from Central and Eastern Europe that occurred before and after EU enlargement in 2004. On the contrary, both seem to have gained from the expansion of the labour supply resulting from the inflow of migrants, which relieved pressure in the labour market and alleviated bottlenecks which might have slowed down growth.

Equally, the home country of the migrants stands to gain as well, not only directly from the remittances they send back – which benefit the families that receive them in the first instance and the rest of the economy as the families spend them – but also from the skills and know-how they bring back with them when they return. This gain is likely to be all the more important, the more round-trips the circular migration involves, insofar as there is more opportunity for the migrants concerned to pass on the knowledge that they have acquired. Whereas, therefore, outward migration can adversely affect the countries from which it occurs, to the extent that those involved are the younger, more highly educated members of the work force, making the economies in question less attractive places in which to invest, as well as perhaps giving rise directly to skill shortages in particular activities, circular migration does not necessarily entail such effects. Though the countries might lose the skills of the people leaving in the short-term, in the longer-term, they can gain from these skills being enhanced and extended when the migrants return.

At the same time, much circular migration in practice takes the form of low-skilled manual workers moving to another country for seasonal work, especially in agriculture or tourism, where the skills acquired are not so relevant. In this case, however, there is still a mutual gain to the countries involved insofar as the migrant workers do jobs which those living in the country are reluctant to do – skill shortages, it is important to recognise, do not only apply to higher level skills – and their earnings represent much needed income for the home country.

The mutual benefits from circular migration apply just as much to the flows of migrants between the EU and countries outside, in, for example, North Africa or other parts of Europe, though the focus here is on movements between the countries which entered the Union in 2004 and 2007 and the EU15, not least because of the other issues raised by the phenomenon in addition to the transfer of skills.

Outline of analysis and data sources

The aim of the analysis is to attempt to document the mutual gains from return or circular migration, to examine the relative importance, the countries affected, the characteristics of those involved and how it has been affected by the recent economic recession in the EU.

The concern is, first, to give an indication of the scale of the migration flows from Central and Eastern Europe to the EU15 over the period before and after EU enlargement up to



the onset of the economic recession in 2008, distinguishing between flows from the countries which entered the Union in 2004 and those from Bulgaria and Romania which entered in 2007. Secondly, it is to examine the characteristics of the people involved, in terms of their education levels and the extent to which they added to the skills available on the labour market in the host country. Thirdly, it is to consider developments in 2009 when the recession took hold in the EU15, and the extent to which it was accompanied by a return of migrants to their home countries and how far they had a job when they returned.

To undertake these tasks is not easy. Although there is piecemeal information around, there is a lack of sound and comprehensive data on the issues indicated above. This lack reflects in large measure – though not entirely – the increasing freedom of people to live and work where they wish to in the 27 countries which make up the European Union. The absence of border controls means that the traditional way of collecting statistics on international migration, i.e. through administrative records of the people entering and leaving countries, is no longer adequate or even possible. Since it is important to know both the scale of these movements and the characteristics of the people involved, it means that alternative ways of compiling data need to be established. At present, this has not really been done. While there are surveys which, *inter alia*, collect relevant information, these are invariably too small in terms of the sample of the population covered to include a sufficient number of migrants living in the country concerned to be able to provide a detailed picture of their characteristics. The difficulty is particularly acute in relation to return and circular migrants who are smaller in number than total migrants and are difficult to distinguish.

The European Labour Force Survey (LFS), however, gives a valuable insight into the issues which are of central concern here, even though it is not an ideal source of data, since it is based on a relatively small sample of households and an even smaller sample of migrants. Moreover, because of the way the sample covered is selected (primarily by using registers of households, which are inevitably dated, and without migrant status being part of the sampling frame), migrants, especially the most recent ones, are almost certainly under-represented. The LFS, therefore, tends to understate the relative number of migrants. Nevertheless, it is the only reasonably up-to-date source of information which covers all, or at least most, of the EU countries and, while it might under-estimate the absolute numbers involved, it is likely to give a reasonable indication of the way that migration flows have changed over time and of both the employment and education characteristics of the people involved.

The data used from the LFS relate to country of birth rather than to nationality or citizenship, which up to now has been the main indicator employed for distinguishing migrants. The difficulty of using nationality, however, is that Member States vary significantly in terms of the ease or difficulty that migrants have in acquiring nationality of the country to which they have moved. In some, nationality can be granted only a few years after arrival, in others, it takes considerably longer. It, accordingly, means that a varying proportion of migrants are not distinguished as such, which is liable to distort comparisons between countries as well as raising doubts about the representativeness of those being analysed. While distinguishing migrants by their country of birth is also problematic, insofar as not everyone born outside the country in which they live is a migrant, it is much less so – the relative number of national born abroad in most cases is very small – and seems the most satisfactory way of identifying migrants.

It should be emphasised that since the data used relate to people born in Central and Eastern Europe living in EU15 countries, it is not possible to indicate the gross scale of movements backwards and forwards from the LFS data over the years but only the net flows – i.e. the people moving into a country less the people moving out. Nevertheless,



there are data for migration flows for some countries for one year, 2008, which Eurostat (the EU Statistical Office) has compiled, as well as national sources of data, which give an indication of the numbers moving in the two directions. These are examined below after considering trends in net migration flows over the period.

The second main part of the analysis examines the movement of workers between Central and Europe in more detail, focusing on the experience as regards particular countries, specifically Poland, Romania, Hungary and Slovakia, especially the first two, which are the subject of case studies set out in the Annex to this analysis. The concern is with the situation of the migrants themselves in both the EU15 country they moved to and in their home country when they return.

Age and country of birth of migrants from Central and Eastern Europe

The great majority of migrants from Central and Eastern European countries going to EU15 move to take up employment and most are relatively young. In 2008, according to migration data compiled by Eurostat¹⁵, around a quarter of all those moving from the former to the latter were aged 15-24 and some 55% or so were aged 25-49. Around 80%, therefore, were in the 15-49 age group and only 20% were either children under 15 or older people of 50 and over.

There is a sharp dichotomy in the direction of migration between Bulgaria and Romania, on the one hand, and the other countries in Central and Eastern Europe which entered the EU in 2004, on the other, which makes it important to distinguish migration flows from the former and the latter. Most of the migrants from the countries joining the EU in 2004, which together are referred to here as the EU10 – though, in practice, two of the countries, Cyprus and Malta, are different in kind from the other 8, since they were never subject to a communist regime and are countries of net inward rather than net outward migration – went to Western and Northern EU Member States. By contrast, the great majority from Bulgaria and Romania, who entered the EU at the beginning of 2007 (the EU2), went to Southern EU15 countries, most especially Spain and Italy.

In 2008, therefore, almost 90% of migrants from the EU12 (the EU10 plus the EU2) to the EU15 Southern Member States (specifically Spain, Italy and Cyprus, there being no detailed data on gross flows available for Greece and Portugal¹⁶) were from Bulgaria and Romania. These two countries, however, accounted for only around a quarter of migration flows into other parts of the EU15¹⁷.

Migration trends, 2000-2008

Since, as indicated above, migrant workers tend predominantly to be under 50, the focus here is on the two age groups 15-24 and 25-49. The former captures those who move from Central and Eastern Europe to the EU15 either to complete their education or training or to take up a job, often for a relatively short period of time and often not the kind of job they were doing at home or had been trained for. Because of the relatively small sample size of the LFS, the EU10 countries are treated together as an aggregate as are Bulgaria and Romania (the EU2). For the latter two countries, however, migrants from Romania tend to dominate those from Bulgaria, being in most cases at least 4-5 times as large, reflecting

¹⁵ Data enabling the country of birth, age and sex of migrants moving within the European Union to be distinguished are available only for 2008 and then only for a subset of countries, excluding Germany, France and the UK among others. Data relate only to migrants intending to remain in the country to which they have moved for at least a year.

¹⁶ The European LFS data used below to examine changes over time suggest that this figure is also broadly representative of these two countries.

¹⁷ The LFS data also suggest that this proportion is similar for the countries for which migration data are not available.



not only the much large population size of the former but also the greater tendency for Romanians to move to other countries. In Spain, therefore, Romanians made up almost 85% of migrants from the two countries together resident in the country, while in Italy, they made up over 95%. On the other hand, in Cyprus, they accounted for only around 60% (as indicated above, there is not data for Greece, though it is likely that, given the border between the two countries, Bulgarians account for a much larger share of migrants from the two countries than in the case of Spain).

It should be reiterated, as emphasised above, that for both sets of countries, the LFS figures are likely to understate the absolute number of migrants, perhaps significantly so, but should give an indication of the changes which occurred over time as well as the main destination countries involved. It should also be recalled that it is only possible to identify net movements between the Central and Eastern European countries and the EU15 as indicated by changes in the number of people born in the former resident in the latter.

The countries in the EU15 which were the most popular destinations for migrant workers from the Central and Eastern European countries, especially from the EU10, in the 1990s, following the change in regime, were Germany and Austria. In the following decade and, in particular, after EU enlargement in 2004, these were joined by Ireland, the UK and Sweden – the three countries not to impose temporary restrictions on migrants from the new Member States working there – which there were also significant flows into Luxembourg, at least in terms of their scale relative to the resident population. There was equally relatively large migration flows to Italy, Spain, Cyprus and, to a lesser extent, Greece (again relative to the resident population), predominantly from Bulgaria and Romania, as noted above.

Unfortunately, there are no LFS data by country of birth for Germany, but for Austria, where the experience has been similar, the data show that in 2000, before EU enlargement, those born in the EU12 countries made up just under 2% (1.8%) of the total aged 25-49 living in the country. By 2001, this figure had increased to above 2% (2.3%), most of them (around 70% or so) coming from the EU10. This figure remained much the same until 2004-2005, when the EU10 countries entered the Union, when it increased, reaching 3% of the age group by 2008, around a third of them from Bulgaria and Romania.

In the case of those aged 15-24, migrants from the EU12 countries made up just over 2% of the total population in this age group in 2005, around a third more than in 2003, with people from Bulgaria and Romania accounting for around 40% of the total. The proportion from the EU10 had declined slightly by 2008, while the number from Bulgaria and Romania remained much the same.

In the UK, migrant workers from the EU12 countries made up only a very small proportion of the 25-49 age group before their accession to the Union. After enlargement, however, in 2005, the figure was double that in 2003 and by 2008, it had increased by another three times to represent over 2 % of the age group. By far the largest proportion of these came from Poland (around two-thirds), with significant numbers also from the Baltic States and Slovakia (11-12% in each case), the number from Bulgaria and Romania being relatively small but growing. The number of those aged 15-24 from the EU12 countries living in the UK increased by even more and by 2008 also made up over 2% of the population in this age group in the country.

In Ireland, there are no LFS data for those born in the EU12 countries before 2005, but the numbers concerned are likely to have been small. In 2005, they made up just under 3% of the total aged 25-49, almost all of them from the EU10 countries. By 2008, the overall figure had risen to over 8% of the age group in the country, a rise of over 3 times in three years,



many of them coming from Poland and the three Baltic States (see below)¹⁸. As in the UK, migrants from the EU12 aged 15-24 increased in number at much the same rate as those aged 25-49 after the 2004 enlargement. In 2008, they accounted for over 7% of the age group in Ireland.

In Sweden, migrants from the EU12 made up 1% of the total aged 25-49 in 2000, around 80% of them from EU10 countries. This figure remained much the same up until 2005, when it increased by around 20% or so as a result of the entry of EU10 countries into the Union and by 2008, it had risen by another 20%. In this case, migrants from the EU12 aged 15-24 made up a much smaller proportion of the age group (only around 0.5% in 2008) with little tendency to increase.

In Luxembourg, migrants from the EU12 countries aged 25-49 living in the country increased by over three times between 2005 and 2008, rising to just over 2% of the age group in the country, migrants from Bulgaria and Romania accounting for around 25-30% of the EU12 total. As in Sweden, migrants from the EU12 aged 15-24 made up a much smaller proportion of the age group (0.5%) and showed no signs of increasing in number.

For Italy, as for Ireland, there are no LFS data on country of birth available before 2005, when those from Romania and Bulgaria made up just under 1% of the total population aged 25-49, with those from the other EU12 countries being much smaller in number. By 2008, Romanian and Bulgarians – mostly the former – living in Italy had almost doubled in number, while those aged 15-24 increased at an even faster rate.

In Spain in 2000, there were very few Romanians and Bulgarians aged 25-49 in the country and even fewer people from EU10 countries. By 2003, however, those from the former two countries accounted for almost 1% of the age group and by 2005, after accession, the figure had doubled, rising to account for almost 3% of those aged 25-49 by 2007, a threefold rise in just 4 years. The rise came to an end in 2008, perhaps reflecting the earlier onset of recession in Spain than in most other countries because of the construction sector being hit by the financial crisis. Migrants from Bulgaria and Romania aged 15-24 also made up almost 3% of the population of this age living in the country in 2008.

In Cyprus, residents born in Bulgaria and Romania made up just over 1% of the population aged 25-49 in 2000, with those from the EU10 countries accounting for a negligible proportion. By 2003, before enlargement, the former figure had increased by around 50%. It then doubled to well over 3% of the age group by 2008. Migrants aged 15-24 from Bulgaria and Romania also increased markedly in number after enlargement, accounting for a similar proportion of the age group in the country.

In Greece, those born in the EU12 made up around 1% of the population aged 25-49 in 2003, most of them from Bulgaria and Romania. In 2005, this figure had risen by around 30% and by 2008, by another 10% or so. The relative number of migrants aged 15-24 from these two countries was much smaller and increased relatively little over the period.

In the other EU15 countries, except of course for Germany, where there is a lack of data, migrants from the EU12 made up a much smaller proportion of the potential work force.

The education composition of migrants

On average, in terms of education attainment levels, a smaller proportion of migrants from the EU10 countries, have only basic schooling (i.e. no qualifications beyond compulsory education or ISCED 2 level) than those born in the EU15 countries, though a smaller

¹⁸ Unfortunately, there are no LFS data for the years in between 2005 and 2008 to see the year-to-year changes over the period, though the migration data examined below suggest that the increase was concentrated in the two-years 2005-2007.



proportion also have tertiary education – i.e. a university degree or equivalent. A much larger number of migrants from these countries, therefore, have upper secondary level education as compared with those born in the EU15 country to which they have moved. In other words, more of them have successfully completed at least three years of education or training after finishing compulsory schooling, in most cases acquiring the skills and competences required to undertake a particular vocation, or at least the first stages of what is required.

In general, more women than men from the EU10 countries have tertiary level education, while the reverse is the case as regards upper secondary education. These differences, however, largely reflect the difference in education levels between the EU10 and the EU15, though it is, nevertheless, the case that the average education level of migrants tends to be higher than those who do not migrate. This is especially so for those who move for a year or more, whereas migrants who move for shorter periods, often doing seasonal work, tend to have relatively low levels of education.

In the case of migration from Bulgaria and Romania, the LFS figures suggest that it is the lower educated who have been more involved in moving to the EU15 than the higher educated, especially among men. This reflects to a large extent the relatively large numbers who migrate for relatively short periods to undertake seasonal work. At the same time, the evidence also suggests that there are significant differences in this regard between countries of destination and that, while fewer migrants may have tertiary level qualifications, it is still the case that more of them tended to have upper secondary education – i.e. that they have completed training to undertake a particular vocation – than those born in the country to which they moved. To this extent, therefore, they added to the availability of skilled or semi-skilled labour with vocational qualifications.

The extent to which migrants from Central and Eastern Europe boost the number of people with higher education levels as opposed to those with lower levels varies between countries according to the prevailing educational composition of working-age population as well as the purpose of the move – whether to take up seasonal work or a longer-term job.

In Austria, where a relatively small proportion of the population have completed tertiary level education (i.e. has a university degree or the equivalent), a slightly larger share of migrants from EU10 countries aged 25-49 had tertiary level qualifications in 2008 than those born in Austria (22% as against 19%) and also a marginally larger share had upper secondary level education (70% as against 69% – Table 4). Accordingly, a smaller share had only basic schooling (8% as against 11%). This difference was largely due to the relatively high level of education among women migrants. By contrast, a smaller proportion of those in this age group from Bulgaria and Romania had tertiary education (only 11%) than those born in Austria but a much larger proportion (77%) had only basic schooling. The effect in Austria of migration from the EU12 was, therefore, to add to the availability of skilled workers.

In the UK, where a relatively large number of people have university degrees, a much smaller proportion of migrants from the EU10 countries in the 25-49 age group had tertiary level qualifications in 2008 than those born in the UK (19% as opposed to 33%). This was especially so for men (12% as against 32%). At the same time, many more men from these countries had upper secondary education (70% as compared with 41%) and fewer had no qualifications beyond basic schooling (18% as opposed to 27%). This was also the case for women, many more of them having upper secondary education (59% as against 38%) and many fewer having only basic schooling (15% as against 28%). In contrast to the situation in Austria, more migrants from Bulgaria and Romania had tertiary level education (28%) than those from the EU10 and fewer had only basic schooling (12%).



The effect in the UK of the significant migration from the EU12 was, therefore, as in Austria, to add to the supply of skilled workers, though in this case more in terms of those with vocational qualifications than with university degrees.

Table 4: Education attainment levels by country of birth, selected EU15 Member States, 2008 and 2009

% of those aged 25-49

		Country of birth	2008			2009		
			Highest education level			Highest education level		
			Basic	Upper secondary	Tertiary	Basic	Upper secondary	Tertiary
IE	Men	EU10	14.8	57.8	27.4	14.8	55.1	30.1
		EU2	24.0	55.2	20.8	27.5	47.7	24.8
		Same	29.6	38.1	32.3	26.1	39.1	34.8
	Women	EU10	9.9	45.9	44.2	12.7	40.5	46.8
		EU2	17.4	29.7	52.9	33.5	31.5	35.0
		Same	20.2	38.6	41.1	18.0	38.8	43.2
	Total	EU10	12.8	52.8	34.5	13.8	48.4	37.8
		EU2	20.9	43.3	35.8	30.3	40.1	29.6
		Same	24.9	38.4	36.7	22.0	39.0	39.0
AT	Men	EU10	6.5	77.2	16.3	8.7	66.7	24.6
		EU2	12.1	75.0	12.9	14.6	74.2	11.2
		Same	7.9	70.9	21.2	7.5	70.7	21.8
	Women	EU10	9.6	65.6	24.8	9.8	63.7	26.6
		EU2	12.9	78.0	9.1	20.7	63.0	16.3
		Same	15.2	67.4	17.5	14.5	66.8	18.7
	Total	EU10	8.4	70.0	21.6	9.4	64.7	25.9
		EU2	12.6	76.8	10.6	18.3	67.4	14.3
		Same	11.4	69.2	19.4	10.9	68.8	20.3
SE	Men	EU10	20.1	48.5	31.4	24.2	41.0	34.8
		EU2	27.2	35.8	37.0	22.3	43.5	34.2
		Same	12.2	58.9	28.9	11.4	58.6	30.0
	Women	EU10	17.9	45.2	36.9	15.4	42.0	42.7
		EU2	16.3	36.0	47.8	16.8	34.5	48.6
		Same	10.1	48.7	41.2	9.4	47.4	43.2
	Total	EU10	18.8	46.6	34.7	19.1	41.6	39.4
		EU2	19.8	35.9	44.3	18.8	37.8	43.3
		Same	11.2	54.0	34.8	10.4	53.2	36.4
UK	Men	EU10	17.6	70.1	12.3	18.7	67.8	13.6
		EU2	14.8	63.7	21.5	17.1	60.8	22.1
		Same	27.0	41.0	32.0	24.9	40.4	34.8
	Women	EU10	15.1	59.8	25.1	21.6	51.3	27.1
		EU2	9.1	56.3	34.6	19.1	65.1	15.9
		Same	27.5	38.2	34.3	25.5	37.0	37.5
	Total	EU10	16.3	64.9	18.8	20.1	59.7	20.2
		EU2	12.1	60.2	27.8	17.8	62.4	19.7
		Same	27.2	39.6	33.2	25.2	38.6	36.1

Source: Eurostat, Labour Force Survey

In Ireland, as in the UK, a smaller proportion of migrants from the EU10 Member States aged 25-49 had tertiary level qualifications than those born in the country, though in this case the difference was very small (35% as against 37%) and a much smaller proportion had only basic schooling (13% as against 25%). Accordingly, a significantly larger proportion of migrants from these countries had upper secondary education than those



born in Ireland. A similar proportion of migrants from Bulgaria and Romania had tertiary education but again more had upper secondary education.

As compared with the UK, therefore, a much larger share of migrants from the EU12 countries had tertiary education. This was particularly the case among women (44% of those from the EU10 having university degrees or the equivalent), while for men, the big difference was in terms of upper secondary education, the proportion of those from the EU10 having this level of qualification being some 50% larger than for those born in Ireland.

This difference may to some extent reflect the nature of the jobs which migrants took up, in the UK, a relatively large number of those from Poland working in agriculture, in Ireland, many of those from the Baltic States working in construction.

In Sweden, much the same proportion of migrants from the EU10 countries in the 25-49 age group had tertiary level qualifications as those born in the country (around 35%), though a slightly smaller proportion had upper secondary education ((47% as compared with 54%). In this case, much the same proportion of both men and women had tertiary level qualifications as their counterparts born in Sweden.

In Italy, despite the relative number of those aged 25-49 with tertiary education being well below the EU average (17%), the proportion of migrants from Bulgaria and Romania with this level of education was even smaller (11%) (Table 5). At the same time, the proportion of the latter with upper secondary education was much larger than for those born in the country (63% as against 44%).

It is also the case, however, that the education level of Bulgarians and Romanians in this age group in Italy is lower than that of Bulgarian and Romanians living in their home countries, the proportion of the latter with both upper secondary and tertiary education being larger in Romania, from which the great majority of migrants from these countries come (67% and 15%, respectively).

In Spain, the proportion of migrants aged 25-49 from Bulgaria and Romania with tertiary level education (15%) was similar to that in Italy, though significantly more men than in Italy had this level of qualification (14%). This, however, was less than half the proportion with tertiary education among those born in Spain (38%). On the other hand, the proportion of Bulgarians and Romanians with upper secondary education (57%) was slightly smaller than that in Italy, but very much larger (over 2.5 times larger) than in the case of those born in Spain. Again, however, it was smaller than for those remaining at home.

In Greece, the proportion of migrants from Bulgaria and Romania aged 25-49 with tertiary education was less than for those in Italy (only 10%) and very much smaller than for those born in Greece (27%). The proportion of Bulgarians and Romanians with upper second education, on the other hand, was larger than in the case of those born in Greece (50% as against 44%), but very much smaller than for the people from the two countries remaining at home (57% in Bulgaria, 67% in Romania).

In Cyprus, the education attainment level of migrants from Bulgaria and Romania in this age group was much higher than in Italy or Greece, 20% having tertiary education. This reflects the much larger number of Bulgarians relative to Romanians living in the country as compared with the situation in Spain or Italy, but the proportion with tertiary qualifications was still only around half the proportion for those born in Cyprus. At the same time, almost two-thirds of the migrants from the two countries had upper secondary qualifications, over 50% larger than for those born on the island.

The general picture, therefore, is of migrants from Bulgaria and Romania moving into Southern EU Member States having, on average, lower levels of education than those remaining at home, partly reflecting the large numbers working in seasonal jobs, especially



in Italy, while the opposite seems to be the case for migrants from EU10 countries moving into Northern EU15 countries, especially into Ireland and Sweden.

Table 5: Education attainment levels by country of birth, Southern EU15 Member States, 2008 and 2009

% of those aged 25-49

		Country of birth	2008			2009		
			Highest education level			Highest education level		
			Basic	Upper secondary	Tertiary	Basic	Upper secondary	Tertiary
GR	Men	EU10	41.5	49.9	8.7	31.5	50.3	18.2
		EU2	52.2	46.0	1.8	45.0	48.8	6.2
		Same	31.1	43.0	25.9	29.9	43.6	26.5
	Women	EU10	26.3	58.8	14.9	19.2	64.0	16.8
		EU2	31.3	53.4	15.3	32.1	55.6	12.3
		Same	25.6	46.1	28.3	24.6	45.6	29.8
	Total	EU10	33.5	54.6	12.0	23.7	59.0	17.3
		EU2	39.5	50.5	10.0	37.1	53.0	9.9
		Same	28.4	44.5	27.1	27.3	44.6	28.1
ES	Men	EU10	13.6	27.9	58.5	5.5	44.1	50.4
		EU2	27.7	58.7	13.7	27.6	52.8	19.6
		Same	43.1	21.9	35.1	43.3	21.1	35.6
	Women	EU10	14.5	47.2	38.3	13.7	30.3	56.0
		EU2	28.0	55.5	16.5	28.8	51.3	19.9
		Same	37.5	21.6	41.0	37.1	21.6	41.2
	Total	EU10	14.0	36.1	49.9	9.6	37.2	53.2
		EU2	27.8	57.1	15.1	28.2	52.0	19.8
		Same	40.3	21.7	37.9	40.4	21.4	38.3
IT	Men	EU10	32.4	59.8	7.8	26.6	69.3	4.1
		EU2	27.8	67.0	5.2	30.4	64.0	5.6
		Same	42.0	43.5	14.4	41.0	44.5	14.6
	Women	EU10	20.3	63.1	16.6	20.6	66.5	12.9
		EU2	24.9	60.0	15.1	28.3	61.1	10.6
		Same	36.2	44.9	18.9	35.5	45.0	19.5
	Total	EU10	23.0	62.3	14.6	22.1	67.2	10.7
		EU2	26.2	63.2	10.6	29.2	62.4	8.4
		Same	39.1	44.2	16.6	38.3	44.7	17.0
CY	Men	EU10	12.7	65.6	21.7	8.3	46.3	45.4
		EU2	14.5	74.5	10.9	16.0	71.9	12.1
		Same	18.1	43.8	38.1	19.8	43.4	36.8
	Women	EU10	3.1	47.5	49.4	5.1	32.8	62.1
		EU2	13.9	59.7	26.4	15.3	60.2	24.4
		Same	16.1	40.2	43.7	15.2	41.4	43.4
	Total	EU10	7.8	56.3	35.9	6.6	39.3	54.1
		EU2	14.2	65.8	20.0	15.6	65.4	18.9
		Same	17.2	42.1	40.7	17.7	42.4	39.9

Source: Eurostat, Labour Force Survey

The effect of migration on employment in destination countries

The question, which has been much debated, arises over the extent to which migration from Central and Eastern Europe benefited the countries to which inflows occurred and how far, on the contrary, it represented a cheap source of labour, under-cutting domestic workers and driving them out of jobs. Some insight into this issue can be gained by



examining what happened to employment over the period when migration flows were largest, i.e. between 2003 and 2008.

First, to put the figures cited above, which in most cases seems relatively small, into perspective, it is interesting to look at the contribution of net inward migration to the growth of working-age population in the EU15 countries over the period. This is especially relevant in the light of the growing concern in these countries about the prospects for a decline in future years in population of working age and the effect that this is likely to have on both the size of the labour force and economic growth.

In 8 of the 14 EU15 countries for which data on country of birth are available – the exception is Germany – the number of people of working age (taken here as 15-64) born in the country declined over the 5 years 2003-2008 (Table 6 – figures for Cyprus, a country of large-scale net inward migration are also included).

Table 6: Contribution of those born in different countries to growth of working-age population in the EU15, 2003-2008

Change 2003-2008 as % of total population 15-64 in 2008

	Country of birth					Total
	Same	EU15	EU10	EU2	Non EU27	
BE	2.5	0.4	0.3	0.2	0.8	4.2
DK	-0.9	0.1	0.1	0.1	1.9	1.2
IE	-1.9	2.0	4.4	0.4	2.2	7.3
EL	-0.9	0.1	0.0	0.3	1.8	1.4
ES	-0.5	0.8	0.1	1.6	7.5	9.4
FR	2.3	0.1	0.0	0.1	1.3	3.8
IT	-0.7	0.0	0.1	0.8	1.3	1.5
CY	4.8	2.1	0.5	1.8	5.0	14.2
LU	1.0	3.1	0.8	0.4	0.9	6.2
NL	0.7	0.0	0.1	0.1	0.1	1.1
AT	-1.5	0.5	0.5	0.2	2.6	2.2
PT	-0.8	0.2	0.0	0.0	2.3	1.7
FI	0.6	0.3	-0.1	0.0	0.7	1.5
SE	1.9	0.0	0.3	0.0	2.0	4.1
UK	-0.1	0.1	1.3	0.2	2.6	4.1

Note: Changes for Ireland and Italy are for period 2005-2008

Source: Eurostat, Labour Force Survey

The decline was particularly large in Ireland and Austria. In all of these countries, population of working age increased because of a growth in the number of people born outside the country as a result of net inward migration over the period. In Ireland, migrants from the EU10 countries added over 4% to working-age population over the period 2005-2008, making the largest contribution to the overall increase. In the UK, migrants from these countries contributed much less to population, but still added over 1% between 2003 and 2008. In Spain, migrants from Bulgaria and Romania added more than this, as they did in Cyprus, but their contribution to population growth was much smaller than migrants from outside the EU. This was also the case in Italy (where the data as in Ireland cover a shorter period), where migrants from Bulgaria and Romania added just under 1% to working-age population in the three years 2005-2008.

Employment increased in all EU15 countries over the period 2003-2008, both in overall terms and relative to working-age population – i.e. relative to the potential labour force. The increase, moreover, occurred both among those born in the country and among migrants from outside, especially those from EU10 and EU2 countries (i.e. Bulgaria and Romania). The only country where there was no growth in the employment rate of the



domestic population was the UK, where the relative high rate remained much the same over the period (Table 7).

Table 7: Employment rates by country of birth in selected EU15 countries, 2003-2008

% of population aged 15-64

		2003	2004	2005	2006	2007	2008
IE	Same	65.3	65.7	66.9	67.6	68.1	67.3
	EU10			84.8	86.9	86.6	82.4
	Non EU27	57.4	57.0	61.0	61.3	64.7	65.7
EL	Same	58.4	59.3	59.6	60.5	60.9	61.3
	EU2	72.8	77.4	78.4	77.6	73.9	71.5
	Non EU27	66.5	65.3	66.8	67.9	67.5	68.8
ES	Same	59.2	60.2	62.5	63.9	64.4	63.8
	EU2	76.1	75.9	75.3	76.5	75.0	66.9
	Non EU27	64.7	66.4	69.4	69.2	70.4	65.9
IT	Same			57.2	57.9	58.0	58.1
	EU2			72.1	70.7	72.8	70.3
	Non EU27			63.2	65.8	66.2	65.4
CY	Same	68.9	68.9	68.1	69.3	70.8	70.4
	EU2	72.1	72.3	80.4	76.5	76.3	81.5
	Non EU27	73.6	74.7	75.3	75.1	75.2	73.4
AT	Same	68.3	67.4	69.9	71.6	72.7	73.6
	EU10	65.1	59.1	61.5	61.5	66.9	64.6
	Non EU27	68.7	62.6	60.6	61.8	63.0	63.1
SE	Same	75.5	74.3	74.4	75.1	76.2	76.3
	EU10	66.9	69.5	64.8	65.2	69.6	73.8
	Non EU27	55.8	53.9	55.4	56.6	58.9	60.4
UK	Same	72.4	72.5	72.5	72.1	71.9	72.0
	EU10	57.2	74.6	80.5	81.8	81.4	82.4
	Non EU27	60.5	61.8	61.3	63.0	62.7	64.6

Source: Eurostat, Labour Force Survey

In both Ireland and Spain, however, employment declined in 2008 as the economic recession began, though in both countries, this seems to have affected migrants more than those born in the country.

There is little sign from the experience over this period of inward migration making it difficult for the domestic population to find employment.

Migration flows in 2008

The Eurostat data referred to above contains statistics on outward migration flows by country of birth as well as on inward migration. Although the data relate only to a single year, 2008, and cover only a limited number of countries, they give an indication of the relative importance of return – or circular – movements. They also indicate the gender division of migration flows. In addition, the data show the first signs of the effect of economic recession in some countries, especially in Ireland.

In Ireland, therefore, the data confirm the relatively large scale of inward movement of from the EU10 countries in 2008, which added significantly to the resident population, especially in the 15-24 age group. They also indicate, however, an even large outflow of people from the EU10 in this age group in the same year (Table 8).

Accordingly, there was a net reduction of young people born in the countries concerned living in Ireland. There was also a significant outward migration of those aged 25-49 born in these countries, though in this case it was slightly smaller than the inward movement. Given the substantial net increase in the population in these age groups living in Ireland over the period from 2005, the implication is that the migration movements in 2008



reflected the effect of the onset of economic recession, encouraging people to leave and discouraging them from entering.

Table 8: Inward and outward migration for selected countries by country of birth, 2008

% of age group in the country

Country of birth		Immigrants			Emigrants		
		15-24	25-49	15-49	15-24	25-49	15-49
Ireland	Poland	1.14	0.66	0.79	1.19	0.47	0.67
	Baltic States	0.68	0.26	0.37	0.85	0.28	0.43
	EU10	2.09	1.08	1.36	2.35	0.88	1.28
	EU2	0.09	0.05	0.06	0.16	0.08	0.10
	Outside EU27	0.93	0.60	0.69	0.74	0.41	0.50
Spain	Bulgaria	0.05	0.05	0.05	0.01	0.02	0.02
	Romania	0.40	0.24	0.28	0.10	0.10	0.10
	EU10	0.07	0.06	0.06	0.02	0.03	0.03
	EU2	0.46	0.29	0.33	0.12	0.11	0.11
	Outside EU27	2.54	2.37	2.41	0.98	1.47	1.34
Italy	Bulgaria	0.01	0.02	0.02	0.00	0.00	0.00
	Romania	0.59	0.49	0.52	0.04	0.05	0.04
	EU10	0.04	0.05	0.05	0.01	0.02	0.01
	EU2	0.61	0.51	0.54	0.04	0.05	0.05
	Outside EU27	0.95	0.80	0.84	0.08	0.13	0.11
Luxembourg	EU10	0.21	0.61	0.50	0.08	0.32	0.25
	EU2	0.12	0.22	0.20	0.05	0.08	0.07
	Outside EU27	1.31	1.94	1.77	0.76	1.12	1.02
Austria	Hungary	0.15	0.18	0.17	0.10	0.14	0.13
	Poland	0.15	0.16	0.16	0.10	0.15	0.13
	Slovakia	0.11	0.16	0.15	0.08	0.12	0.11
	EU10	0.51	0.58	0.56	0.36	0.48	0.44
	EU2	0.44	0.34	0.36	0.27	0.24	0.25
	Outside EU27	1.74	1.13	1.30	1.13	0.98	1.02
Sweden	Poland	0.13	0.15	0.15	0.03	0.04	0.04
	EU10	0.20	0.23	0.22	0.05	0.08	0.07
	EU2	0.07	0.08	0.08	0.01	0.02	0.02
	Outside EU27	1.27	1.22	1.23	0.31	0.58	0.50

Source: Eurostat, International Migration Flows

The data also indicate the predominance of Poles and people from the Baltic States among those migrating to Ireland from the EU10, between them accounting for 85% of the total from these countries.

In Spain, there was relatively little inward migration from Bulgaria and Romania in 2008, which might also reflect the onset of the recession, though in this case outward migration was also small. Both were dwarfed by the significant inflow – and outflow – of people from outside the EU.

In Italy, outward migration of Bulgarians and Romanians was also small in the 15-49 age group, though in this case, inward migration was larger, equivalent to 0.5% of those of this age living in the country (equivalent to around 145 thousand people), though this was still less than the inflow from outside the EU.

In Austria, outflows of those from the EU10, and to a lesser extent from Bulgaria and Romania, were only slightly smaller than inflows, emphasising the relatively short-term stays of the people concerned and the importance of circular migration, though this was also the case as regards migrants from outside the EU. By contrast, in both Luxembourg and



Sweden, outflows were much smaller in relation to inflows, partly reflecting the longer-term stays of migrants in these countries.

The relative numbers of men and women

Women typically make up around half of those migrating, but there are differences according to the countries involved. In Ireland, slightly more men than women from the EU10 in the 15-49 age group moved into the country in 2008, but at the same time, many more men than women returned to their home country, implying an increase in the relative number of women remaining in the country and suggesting perhaps that men were more affected by the economic downturn (Table 9).

In Spain, the reverse was the case. More women from Bulgaria and Romania came into the country but even more left. In Italy, women made up the majority of those from these two countries moving in, but fewer women moved out, especially Romanians.

In Luxembourg, there were also more women than men among those from the EU10, and even more from the EU2, moving into the country and similarly more moving out.

In Austria, however, the number of men and women among migrants from the EU10 was more balanced, except in the case of those from Slovakia, where women were in the large majority. On the other hand, fewer women than men moved out, again perhaps implying that women tended to stay in the country for longer periods.

In Sweden, men were in a significantly majority of those aged 15-49 coming into the country from the EU12 and also of those moving back again.

Table 9: The relative number of women among migrants by country of birth, 2008

% total

	Country of birth	Immigrants			Emigrants		
		15-24	25-49	15-49	15-24	25-49	15-49
Ireland	Poland	53.5	46.0	48.9	41.4	27.3	34.2
	Baltic States	50.1	43.4	46.8	41.1	37.1	39.2
	EU10	52.3	45.2	48.2	41.3	30.6	35.9
	EU2	45.4	40.1	42.3	43.3	38.5	40.5
Spain	Bulgaria	50.0	56.0	54.3	54.5	64.8	62.6
	Romania	48.5	56.8	53.6	55.0	64.1	61.5
	EU10	43.8	56.7	52.7	52.6	68.0	64.5
	EU2	48.7	56.6	53.7	55.0	64.2	61.7
Italy	Bulgaria	53.8	66.3	64.0	38.3	56.6	53.5
	Romania	50.4	54.6	53.3	41.9	46.6	45.4
	EU10	64.2	66.7	66.2	49.3	51.7	51.3
	EU2	50.5	55.1	53.7	41.8	47.2	45.9
Luxembourg	EU10	65.2	61.2	61.7	66.7	58.2	59.0
	EU2	68.7	67.2	67.4	58.8	67.1	65.5
Austria	Hungary	69.5	45.2	50.9	74.9	44.3	50.8
	Slovakia	63.3	61.7	62.1	59.6	52.2	53.6
	EU10	61.0	47.2	50.6	60.8	41.4	45.5
	EU2	53.4	42.6	46.1	52.1	38.4	42.3
Sweden	EU10	53.5	41.4	44.7	54.0	39.2	42.2
	EU2	42.1	40.0	40.6	32.5	40.7	39.1

Source: Eurostat, International Migration Flows

Developments in 2009

There are signs of a decline in the number of migrants from EU10 countries living in EU15 countries in 2009. This indicates a return home in net terms, though because there are no



reliable data on flows to and from the countries concerned, it is not possible to say from EU-level data how many of those from the Central and Eastern Europe resident in EU15 Member States returned to their home countries to be replaced by other migrants or how many potential migrants decided not to move because of the recession in the EU15. Nevertheless, there is evidence from national data that in a number of countries, return migration increased markedly during the recession coupled with a significant reduction in people moving into EU15 countries.

The evidence suggests that return migration was disproportionately among young people aged 15-24, who perhaps are less likely to have families and to have settled into local communities. There is less evidence, however, of migrants from Bulgaria and Romania returning home. Indeed, the evidence suggests that the number of migrants from these two countries to the EU15 continued to increase with little sign of a slowdown.

In Austria, therefore, the number of migrants aged 25-49 from the EU10 resident in the country declined by almost 20%, while the number from Bulgaria and Romania continued to increase by a similar proportion. The number of 15-24 year-olds from the EU10 fell by slightly more (by around 25%), while in this case, there was also a fall, though by only around half as much) in the number of Bulgarians and Romanians.

In the UK, the LFS data suggest that there was a slowdown in the growth of net inward migration of those aged 25-49 from the EU10, but not a fall. The number of 15-24 year-olds from the EU10 resident in the country, however, declined by around 30%, while those from Bulgaria and Romania continued to increase.

National data, however, throw more light on developments, indicating that in the year to September 2009, there was for the first time a net emigration of people from the EU10 countries of 18,000 as compared with a peak rate of net immigration of 80,000 in 2007. The fall, however, was largely a result of declining immigration (down 55%) rather than increased emigration, in contrast to the fall in net inward migration in 2008, which was largely due to more people returning home. The implication, therefore, is that there was an exodus of people from EU10 countries living in the UK as the recession began followed by fewer people moving to the UK as the economic situation worsened and job vacancies became scarcer.

In Ireland, the number of migrants aged 25-49 from the EU10 living in the country fell by around 10% in 2009, though in this case the number from Bulgarians and Romanians also declined at much the same rate. The main reduction, however, was in those aged 15-24 from the EU10, the number of whom resident in the country fell by around 25%, only slightly less than in the UK, though as in the UK, there is no sign of a reduction in those from Bulgaria and Romania.

In Luxembourg too, the number of those aged 25-49 from the EU10 living in the country fell by around 10% with no fall in the number of Bulgarians and Romanians. In Sweden, on the other hand, the number of migrants from both the EU10 and Bulgaria and Romania continued to increase.

In the Southern EU15 countries, where migrants from Romania and Bulgaria are much more numerous than from the EU10 countries, there is less sign of people returning home after the economic recession hit, especially among those aged 25-49 – or, more precisely, to the extent that a number of those from the EU12 countries resident in the EU15 countries concerned returned home, this was offset by a similar or even larger movement in the opposite direction.

In 2009, despite the economic recession, the number of Romanians and Bulgarians aged 25-49 living in Italy increased by around 30%, implying a threefold rise over the 4 years from 2005. The number of people from the EU10, on the other hand, remained much the same.



The number of those aged 15-24 from the former two countries, moreover, increased at a similar rate.

In Spain, there was also a net increase over the recession in those aged 25-49 from Bulgaria and Romania living in the country, though very much smaller than in Italy, the number concerned being only around 5% higher in 2009 than in 2007. Moreover, there was a fall in the number of young people aged 15-24 from the two countries of some 20% in 2009.

In Greece, on the other hand, there was a further significant rise in 2009 in the number of Bulgarians and Romanians both aged 25-49 and aged 15-24 living in the country (of around 25%), though the number from the EU10 remained much the same.

In Cyprus, the number of migrants from Bulgaria and Romania aged 25-49 was twice as large in 2009 as in 2007 and the number of those aged 15-24 over twice as large, with no sign in either case of any reduction in the rate of increase over the period.

The overall picture, therefore, is of a net return of migrants from the EU10 living in the EU15 to their home countries during the period of economic recession, especially of young people under 25, but, in general, a continuing net flow of migrants from Romania and Bulgaria to the southern EU15 countries.

Men and women migrants during the recession

The evidence from the LFS suggests that the number of men and women from the EU12 countries living in the EU15 changed to a similar extent over the recession. The main exceptions are Ireland and Luxembourg, where the decline in the number of men was much greater than among women. In Ireland, therefore, the number of men from the EU10 aged 25-49 living in Ireland declined by around 15%, in 2009 while the number of women fell only marginally. Among those aged 15-24, however, the reduction was much more among women (the number of whom fell by around 25%) than men (among whom the fall was closer to 10%).

The fall in the number of 15-24 year-olds from Bulgaria and Romania living in Spain in 2009 was also concentrated among women (the number of whom fell by much the same as in Ireland). On the other hand, the increase in the number of those aged 25-49 from these two countries over the recession was predominantly accounted for by women.

Changes in the educational composition of migrants during the recession

The evidence from the LFS suggests that the return migration which occurred in 2009 was disproportionately among those with upper secondary level qualifications rather than among those with tertiary education or with only basic schooling. This is consistent with the recession hitting those with vocational qualifications working in manufacturing and construction in particular.

In Austria, the share of migrants from the EU10 aged 25-49 with upper secondary education living in the country declined from 70% in 2008 to 65% in 2009, while for men it fell from 77% to 67%. Similarly in the UK, the proportion of migrants from the EU10 with this level of education fell from 65% to 60% between the two years, while in Ireland, it declined from 53% to 48% and in Sweden, from 47% to 42%. In both Ireland and Sweden, though less so in the UK, the proportion with tertiary education increased at the same time.

In Spain, moreover, though there was a small net increase in migrants from Bulgaria and Romania aged 25-49 living in the country over the recession, the proportion with upper secondary qualifications declined from 57% to 52% between 2008 and 2009 matched by an increase in those with tertiary education from 15% to 20%. This suggests that there was



return migration among skilled manual workers offset by more of those moving into Spain from these two countries having tertiary education than those already living in the country.

In Italy, Greece and Cyprus, there was little change in the relative numbers from Bulgaria and Romania with different levels of education.

In terms of those returning to their home countries, therefore, a relatively large number of those moving back to EU10 countries were men aged 25-49 with upper secondary levels of education – i.e. with vocational qualifications. At the same time, the implication of the LFS data is that there was also a relatively large reduction in the number of young people under 25 from these countries resident in the EU15, which suggests either that many returned home and/or that many of those who would have moved to the EU15 in previous years remained at home. Whatever the underlying gross migration flows, therefore, there is likely to have been an increase in the number of young people looking for employment in the EU10 countries since the onset of the economic recession.

Employment rates by country of birth during the recession

In most EU15 countries, the recession hit the employment of migrants more than those born in the country. This is particularly the case in Ireland and Spain, where the employment rate of those from the EU10, in the former, and the EU2 in the latter declined by around three times as much as the rate for the domestic population in the two years 2007-2009 (Table 10). It is not the case, however, in Cyprus, Sweden and the UK, where the employment rate of those born in the EU2 in the first and the EU10 in the second two increased over this period whereas the rate for those born in the same country fell.

Table 10: Employment rates by country of birth during the recession in selected EU15 countries

		% of population, 15-64		Change	
		2007	2008	2009	2007-2009
IE	Same	68.1	67.3	61.8	-6.3
	EU10	86.6	82.4	68.5	-18.1
	Non EU27	64.7	65.7	57.0	-7.7
EL	Same	60.9	61.3	60.7	-0.2
	EU2	73.9	71.5	71.9	-2.0
	Non EU27	67.5	68.8	66.7	-0.8
ES	Same	64.4	63.8	60.0	-4.4
	EU2	75.0	66.9	60.9	-14.2
	Non EU27	70.4	65.9	56.2	-14.2
IT	Same	58.0	58.1	56.9	-1.1
	EU2	72.8	70.3	69.7	-3.1
	Non EU27	66.2	65.4	62.1	-4.1
CY	Same	70.8	70.4	69.7	-1.0
	EU2	76.3	81.5	80.5	4.2
	Non EU27	75.2	73.4	70.7	-4.4
AT	Same	72.7	73.6	73.1	0.3
	EU10	66.9	64.6	63.5	-3.3
	Non EU27	63.0	63.1	62.7	-0.4
SE	Same	76.2	76.3	74.2	-2.0
	EU10	69.6	73.8	71.4	1.9
	Non EU27	58.9	60.4	57.4	-1.4
UK	Same	71.9	72.0	70.3	-1.6
	EU10	81.4	82.4	82.2	0.8
	Non EU27	62.7	64.6	62.6	-0.1

Source: Eurostat, Labour Force Survey

Migration from Romania and Bulgaria

As indicated above, there little sign of Romanians and Bulgarians returning to their home countries in significant numbers during the recession or, more precisely, of the net outward



migration which has occurred on a significant scale being brought to an end by the economic downturn in the EU15. The LFS data enable an estimate to be made of the scale of this net outward migration from Romania and Bulgaria of men and women in the 15-49 age group.

These data indicate that over 300,000 Romanians and Bulgarians aged 15-24 were, in aggregate, living in EU15 countries taken together in 2009. This represents almost 8% of people of this age living in the two countries in the same year and, since there were more women than men among migrants, almost 9% of women (Table 11).

Table 11: Men and women born in Romania and Bulgaria living in the EU15 in 2009

	Age	Resident in EU15 (000)	Population in RO and BG (000)	Resident in EU15 as a % RO+BG population
Men	15-24	136.2	2,063.3	6.6
	25-49	631.7	5,402.5	11.7
	Total	767.9	7,465.7	10.3
Women	15-24	172.6	1,973.1	8.7
	25-49	737.4	5,256.8	14.0
	Total	910.1	7,230.0	12.6
Total	15-24	308.8	4,036.4	7.7
	25-49	1,369.2	10,659.3	12.8
	Total	1,678.0	14,695.7	11.4

Source: Eurostat, Labour Force Survey

The relative number of those aged 25-49 living abroad was even larger. In 2009, almost 1.4 million people aged 25-49 born in the two countries were living in the EU15, or over 11% of those of this age living in Romania and Bulgaria, and almost 13% of women.

By no means all of those concerned, it should be emphasised, are likely to be permanent residents in the EU15 Member States in which they live. Indeed, a significant number are likely to stay only for a comparatively brief period of time before they return home. Many of these, in turn, could well be 'circular' migrants, moving backwards and forwards, which seems to be particularly the case in countries where they are involved in seasonal work typically of a manual kind. The data on the educational qualifications of the people concerned suggests that this is likely to apply to many of them.

As indicated below, a disproportionate number of migrants from Romania and Bulgaria living in the EU15 have only basic schooling, the number of those aged 25-49 with this level of education representing over 15% of those in this age group with this level of education remaining in the two countries and 16% in the case of women (Table 12).

By contrast, those with tertiary level education living in the EU15 represent only around 10% of those with the same level living in Romania and Bulgaria. A relatively large number of people from these two countries working in the EU15, therefore, have no educational qualifications beyond basic schooling, which suggests that the kind of job they do would typically be low skilled, which much seasonal work tends to be.

**Table 12: Education levels of Romanians and Bulgarians aged 25-49 living in the EU15 relative to those remaining at home, 2009**

	Education level	Number in EU15 as % of number in RO and BG
Men	Basic	14.7
	Upper secondary	9.3
	Tertiary	9.8
	Total	10.5
Women	Basic	16.0
	Upper secondary	11.5
	Tertiary	10.7
	Total	12.3
Total	Basic	15.4
	Upper secondary	10.3
	Tertiary	10.3
	Total	11.4

Source: Eurostat, Labour Force Survey

Employment status of returnees

An indication can also be obtained from the LFS of the employment status of those returning to EU12 countries after living in the EU15, in terms of the extent to which they found employment as opposed to being unemployed or inactive. Their status can be compared with that of those who remained in the country concerned to see how far they were in a different – and possibly worse – position than these. Note that since the degree of detail which it is possible to examine is limited by the small number of observations in many cases; the figures presented here relate to cases where the number surveyed is large enough at least to be indicative of the situation (though there is inevitably a relatively large margin of error surrounding the figures quoted).

It should be emphasised that a need for caution when interpreting the figures. As the Polish case study makes clear, not all of those returning from a spell working abroad are necessarily actively seeking employment. Some of them may want to take a break before working again and may have accumulated enough income from working abroad to be able to do so. Others may be reluctant to take up jobs with relatively low pay while waiting to return abroad, though may attempt to obtain unemployment benefits in the interim by claiming to be looking for work. A number might be more selective about the jobs they take than non-migrants, having experienced jobs abroad and again might be able to wait because of the income they earned abroad.

In Poland, only 53% of men aged 25-49 who were resident in an EU15 country in the previous year were in employment in 2009, while 36% were unemployed and another 8% were recorded as being inactive but reported that they would like to work if a job were available (Table 13). This compares with a figure of 86% for non-migrants in employment and one of only 6% for those who were unemployed, while only 3% were recorded as inactive but would like to work.

The situation of men returning from the EU15 was markedly worse in 2009 than a year earlier, with the proportion in employment falling by 11-12 percentage points between the two years, whereas for non-migrants – i.e. those living in Poland in the previous year – the situation was only marginally worse (the proportion in employment falling by less than 1 percentage point).

For women, the situation was similar to that of men. In 2009, only 47% of those had returned from the EU15 were in employment as compared with 74% of those who had remained in Poland and 24% were unemployed as against 6% of those who had remained. In addition, 14% of returnees were recorded as inactive but wanted to work as compared with 8% of non-migrants.



As in the case of men, the situation of women returnees in 2009 was much worse than in 2008, with employment rates down by around 10 percentage points, while the situation was much the same as the year before for non-migrants.

In Lithuania, the situation was similar to that in Poland, insofar as only around 39% of men aged 25-49 who had been in the EU15 the previous year were employed in 2009, as compared with 76% of non-migrants, and 32% were unemployed as against 14% of non-migrants, while most of the rest were inactive but would like to have worked.

Table 13: The employment status of returning migrants and non-migrants aged 25-49 in selected EU12 countries, 2008 and 2009

% of each group

	2008				2009			
	Employed	Unempl- oyed	Inactive - wants to work	Inactive does not want to work	Employed	Unempl- oyed	Inactive - wants to work	Inactive does not want to work
Poland: Men								
Resident in country	86.7	4.9	3.0	5.3	86.2	5.8	2.9	5.0
Resident in EU15	65.5	22.2	9.9	2.4	53.1	35.9	8.3	2.7
Women								
Resident in country	73.9	5.5	8.2	12.4	73.9	6.1	8.2	11.7
Resident in EU15	56.6	18.5	13.5	11.3	47.1	23.9	14.0	15.0
Lithuania: Men								
Resident in country	83.9	4.7	2.9	8.4	76.0	13.9	2.9	7.3
Resident in EU15	63.8	14.5	15.2	6.5	39.3	31.9	7.3	21.5
Women								
Resident in country	82.2	3.8	3.5	10.5	79.3	8.2	3.0	9.5
Resident in EU15	45.5	18.2	11.5	24.8	49.1	9.9	16.3	24.7
Latvia: Men								
Resident in country	85.9	6.7	3.7	3.7	75.7	16.2	4.6	3.5
Resident in EU15	54.8	16.9	21.3	7.0	58.8	18.3	22.9	:
Women								
Resident in country	81.3	5.7	6.6	6.4	76.7	10.6	6.9	5.9
Resident in EU15	59.6	26.8	3.4	10.2	21.8	:	11.6	66.6
Hungary: Men								
Resident in country	83.1	6.3	3.9	6.6	80.6	8.5	4.2	6.7
Resident in EU15	:	:	:	:	73.3	26.7	:	:
Women								
Resident in country	68.0	5.6	5.8	20.5	66.8	6.8	6.1	20.3
Resident in EU15	:	:	:	79.2	59.7	35.5	4.8	:
Romania: Men								
Resident in country	89.4	5.5	0.9	4.2	87.6	6.4	1.8	4.2
Resident in EU15	:	:	:	:	70.5	29.5	:	:
Women								
Resident in country	72.8	3.2	5.7	18.4	71.3	3.9	6.5	18.2
Resident in EU15	:	:	:	:	47.5	13.2	:	39.3

Source: Eurostat, Labour Force Survey

Again as in Poland, the employment rate of returnees was considerably smaller in 2009 than in a year earlier. Although in this case, the employment rate among non-migrants was also smaller, the difference (around 10 percentage points) was much less than for returnees (around 25 percentage points).

More women returnees aged 25-49 than men were employed in 2009 (around 49%), though this was still much less than in the case of women who remained in Lithuania (79%) and many more were either unemployed or inactive but wanting to work (26% as against 11%). Relative to 2008, there was a slight improvement, with the employment rate rising a little from 47% to 49%.



In Latvia, the employment rate among men returnees from the EU15 aged 25-49 was higher than in Lithuania (59%) but still much less than for non-migrants (76%), and while unemployment was only slightly higher than for non-migrants (18% as against 16%), the proportion of men who were classed as inactive but nevertheless wanted to work was much higher (23% as against only 5%). Unlike in Lithuania, however, the situation among men returnees was much the same in 2009 as in 2008.

Among women returnees aged 25-49, the employment rate was only around 22%, under a third of the rate for non-migrants, and much less than in 2008 (60%).

In the Czech Republic, around 67% of men aged 25-49 who had been living in one of the EU15 countries the year before were employed and 29% were unemployed as against 91% and 4% respectively among those who had remained in the Czech Republic. The situation was considerable worse in 2009 than a year earlier.

Among women returnees aged 25-49, the employment rate was slightly higher than among non-migrants, though down from its level in 2008, but the proportion unemployed was markedly higher (15% as against 6%).

In Hungary, some 63% of returnees aged 25-49 were employed in 2009 and 33% were unemployed, with most of the remainder recorded as being inactive but reporting that they would like to work. This compares with 74% of those that had remained in Hungary who were employed and only 8% who were unemployed, with most of the inactive not wanting to work. (The number of observations for returnees is too small to divide between men and women or to compare with 2008, except to say that the numbers involved were larger in 2009 than the year before.)

In Romania, around 65% of those aged 25-49 who had been living in the EU15 in 2008 and were living in Romania in 2009 were employed in the latter year and 25% were unemployed as compared with 79% and 5%, respectively, of those who had remained in Romania. (As in Hungary, the relatively small number of observations makes it difficult to distinguish men and women or compare with earlier years.)

Country case studies

Case studies of four countries give a more detailed insight into the features of migration between the EU12 countries and EU15 Member States and the characteristics of the people involved, as well as of the policies implemented in the different countries in response to return migration.

Poland

The nature of migration from Poland changed after accession to the EU in 2004. Not only did the scale of outflows increase, but those moving tended to stay abroad for longer periods. Whereas previously stays of a few months were the most common as people moved abroad primarily to take up seasonal work, after accession, most migrants remained abroad for at least a year and often much longer.

The evidence also indicates that there were changes in the characteristics of those migrating from Poland after accession, with more migrants coming from cities rather than rural areas as had been the case before. This tendency has increased over time, perhaps because those from rural areas were more reluctant to move as the recession took hold in EU15 countries and finding a job became more difficult, though it could also be that those wanting to migrate abroad from rural areas had already done so.

An additional tendency has been for the average age of migrants to decline, with more than half now being aged 20-29. However, the average age of migrants differs between



the countries to which they are moving, being higher in traditional migration countries such as Germany or Italy, where migration still tends to be seasonal, and lower in new destinations, such as the UK or Ireland, to which migration is longer-term though a significant part still involves return or circular migration even if over a number of years.

The evidence from the Polish LFS indicates a marked reduction in outflows after the economic recession began, so confirming the evidence from the UK, referred to above. It also indicates that those returning were predominantly those with vocational education most vulnerable to downturns in the EU15 economies, those with higher education levels being more able to find alternative employment if they lose their job. In addition, it shows that migrants mostly return to the places from which they left, to a large extent to rural areas and small towns rather than big cities. This partly reflects the greater chance they have in such areas of maintaining themselves and their families in subsistence farming, whereas those from large cities have little to fall back on if they cannot find work when they return.

The evidence from the national survey confirms that from the European LFS outlined above, in the sense that only around half of those who return to Poland take up employment, which is as much the case of those with higher education as for those with lower levels.

While it is increasingly the case that those returning tend to claim unemployment benefits from the countries in which they worked, the numbers doubling between 2008 and 2009, they still represent a very small proportion of the unemployed, though in a local area, they can still give rise to significant administrative problems. These arise because of the help that claimants in many cases need to obtain benefits because they do not know how to go about this or do not have the right documentation to be able to do so.

Although return – and even more circular – migration is, in theory, intended to open up opportunities for those concerned to advance their careers, the evidence from Poland suggests that very few of those that migrated and returned progressed to a higher level occupation. Those that did tended to be among the higher educated, which may not be too surprising given the limited scope for those with lower levels of educational attainment to advance to a higher level occupation without obtaining higher qualifications. Migration in itself, therefore, does not necessarily compensate for not having such qualifications.

Migration, however, is by no means unimportant. The evidence from surveys suggests that migration helped people to obtain valuable experience, know-how, self-confidence, appreciation of their own formal qualifications and how to make the most of them. Migration, therefore, appears to have created a space for people to reflect on what they wanted to do and to have encouraged them to plan their future careers, as well as to make them more independent (especially women). Even though it might not have led to them obtaining a higher level occupation, a period abroad seems, nevertheless, to have helped them be more successful in the jobs that they do.

Policy for returning migrants

There has been a return migration policy in Poland for a number of years, the aim being to attract migrants to come back to the country and to encourage them to do so by providing support. Until comparatively recently, however, policy took the form more of rhetoric than of concrete action. This changed with the Working Group on Return Migration set up in 2008 on the realisation that returns were inevitable given the scale and pace of the outward migration which had occurred over the previous few years and especially after entry to the EU. A major aspect was an understanding that policy in this respect needed to be implemented not only at the central level but most importantly at



regional and local level, as migrants tended to return to the places from which they had left. Accordingly, the need was to help them to re-integrate into the local labour market.

Measures were developed aimed at specific target groups, such as doctors, scientists and young people studying abroad. These included the provision of advice, counselling and training of returning migrants as well as help in setting up their own businesses. The measures were integrated into existing programmes of the local PES, while other programmes were initiated specially designed for returnees. In particular, a *Voluntary return programme for nationals* was launched in November 2008 by the Polish Government. This was an information campaign targeted at Polish migrants interested in returning to Poland in anticipation of increased return migration because of the potential impact on them of the economic crisis in Western Europe. The programme was designed to provide easy access to practical information on tax issues, resettlement, labour market difficulties and so on, as well as help in reintegrating children into the Polish school system. Initially the programme was to expire at the end of 2009 but has been extended until 2013.

The programme was accompanied by the removal of institutional barriers to return migration, such as the abolition of double taxation and the recognition of foreign diplomas and certificates, as well as the provision of training to officials, including in the PES, coordination with NGOs and support for local authorities.

Local PES have helped returning migrants to claim unemployment benefits from the countries they were working in and to overcome the administrative complications involved. A number of them have also begun to develop new programmes specifically to help returnees in particular vocations, such as a programme in Lublin for nurses returning from working abroad. Such support, it is reported, tends to be more effective when targeted at small groups of people.

Romania

The migration of Romanians to other parts of the EU intensified after the relaxation of restrictions post the enlargements of 2004 and 2007, leading to major growth on migration flows to first Spain and then Italy.

The onset of the crisis raised concern about the possibility of large-scale return migration as a result of migrants being the first to be affected by rising unemployment, deteriorating working conditions and loss of earnings because of the sectors in which they work being particularly hard hit, manufacturing and construction especially but also hotels and restaurants. This is combined with a lack of family support and of access to social welfare. At the same time, decisions of migrants of whether to return home are influenced by the economic conditions there, the fact that the country they left has also been hit by recession with the same problem of finding work as in the host country. GDP in Romania actually fell by even more in 2009 (by 7%) than in either Spain or Italy, causing unemployment to double between 2008 and 2010, while the prospects for recovery in 2011 were even more unfavourable. A survey conducted in Romania in 2009, therefore, found that the great majority of people expected things to get worse over the next few years.

At the same time, only a small and declining proportion of people surveyed were considering emigrating, largely because of the economic situation in Spain and other EU15 countries.

Nevertheless, as indicated above, there has been only limited return migration of Romanians from Spain. A survey carried out of Romanians in Spain in 2007 found that 78% were intending to remain permanently and only 8% expressed an intention to return to Romania. As also indicated above, most of the migrants are young, 56% of them being



aged 15-29 and only 8% aged 45-59. The survey also found that half the migrants had moved to Spain either to find a better job or for a better quality of life, while 16% left Romania because of lack of employment. Indeed, 18% of them had been unemployed before moving.

The case study confirms that, in the case of Romanians moving to Italy, most of those migrating were women. It also indicates that their position in the local labour market was precarious, most of them having no permanent contract of employment. The great majority of them were employed in domestic service, tourism, traditional manufacturing industries and construction.

A survey conducted by the World Bank of 1,200 Romanians returning home after migrating abroad found that two-thirds were men, half of them had been abroad for at least a year and a third had been unemployed before they had migrated. Although most of them were married (72%), the great majority (86%) had migrated without their families. Half of them intended to return home permanently, implying that half either were planning to migrate again (i.e. were involved in circular migration) or were unsure of their future plans. Almost three-quarters of them (73%) had obtained additional qualifications or competences while abroad, including by acquiring new skills on the job and learning the language. In addition, most of them gained in terms of earnings and/or a better job, though at the same time their social and family relationships had been adversely affected. Almost two-thirds experienced an improvement in their economic situation and only 6% a deterioration.

Studies carried out in Italy show that, in contrast to Spain, a large part of migration from Romania was return or circular, partly because of the relative proximity of the country and partly because of the relatively large amount of seasonal work. The studies also show that long-term stays in Italy are made difficult by the problem of obtaining a permanent contract of employment in a labour market where informal arrangements predominate, especially in the sectors in which migrants tend to work – construction for men and domestic service for women. At the same time, access to social welfare is extremely limited or non-existent.

A survey conducted in 2008 indicated that virtually all Romanians (93%) with a high level of education were over qualified for the job that they did and for 70% of them, this was a permanent rather than temporary state of affairs. Most of them (82 %), however, intended to return home within a comparatively short period of time.

Circular migration is growing in importance, partly because of the unfavourable situation in Romania confronted by those returning, who then migrate again, often to the same place from which they had returned. A reaction to the economic recession in Italy and job loss has been to set up in business as self-employed, the number of new firms owned by Romanians increasing from 28,000 to 48,000 between 2009 and 2010.

Remittances are a particularly important source of income in Romania, not only for the families of migrants but also for the economy more generally. Income from remittances is larger in Romania than in any other country in the EU. The effect of the recession on the earnings of migrants in Spain and Italy can be seen in the reduction in remittances from Romanians working in the two countries. Remittances from Romanians in Italy, therefore, declined by around 3% in 2008 but from those in Spain by 16%, reflecting the earlier onset of recession in the latter. In 2009, remittances from Italy fell by over 7% and from Spain by 9%, implying an overall decline in Spain later of around a quarter and in Italy of around 10%. These figures highlight, first, the extent to which the downturn in economic activity hit migrants in particular and, secondly, the much smaller effect in Italy than in Spain, reflecting the continuing high rate of migration into the country, which is partly due to the seasonal nature of much of the work.



The government response to the recession in Spain and Italy in respect of migration has differed. Whereas in Italy quotas on migrant workers were imposed in sensitive sectors, manufacturing in particular, but not domestic service or the healthcare sector, in Spain, financial incentives were introduced to induce migrants to return home, though this was confined to those from outside the EU and did not apply to Romanians. A number of initiatives, however, have been taken at local level in Italy with the same objective. For example, in Lombardy, pilot projects (set up by an NGO – “Open”) have been launched to provide training for migrants to help them return home.

In Spain, migrants losing their jobs were entitled in many cases to unemployment benefits and access to free healthcare, the former being more than the minimum wage in Romania. In addition, the Spanish Government organised access to a database with information on vacancies in Romania to let migrants know the possibilities open to them should they decide to return home, though this was not accompanied by any financial inducement. The only assisted-return programme in place was the one introduced in 2003 under the auspices of the International Organisation for Migration (IOM), which, however, was limited in scale, assisting around 500 migrants a year to return to Romania, though in 2009, the number tripled to 1,500. Instead of increased support to migrants, measures were introduced in 2009 as a response to the recession to restrict the ability of migrants to bring members of their family into Spain, parents in particular.

Hungary

Migration from Hungary has been very limited as compared with that from other EU12 countries. It increased in 2007 and 2008, however, as economic conditions worsened in Hungary and unemployment rose. Austria is by far the main destination country, accounting for around a third of the total outflow, most of those moving coming from border areas and, accordingly, travelling relatively short distances, with Germany in second place, accounting for around a quarter of the total, with most coming from other parts of the country outside the border areas, and the UK, for some 15%, though this figure is tending to rise.

The great majority of migrants are men, almost all of them going abroad for a limited period of time, while a significant proportion, in contrast to the norm of migrants elsewhere, are 45 or over, especially those moving to Austria or Germany. Most of those migrating further afield to the UK, however, are relatively young, around 60% being under 30. While most of those migrating to Austria and Germany have relatively low levels of education – only basic schooling – a large proportion (over 75%) of those going to the UK have at least upper secondary level education. The jobs that migrants take up reflect their educational qualifications, most of them in Germany and Austria working in skilled or semi-skilled jobs in manufacturing and construction and a larger proportion working in the service sector in the UK, though many in jobs that they are over-qualified for.

The number of migrants returning to Hungary has risen during the recession, many of them being unable to find a job when they got back, especially those without educational qualifications beyond basic schooling. Those who worked in manual jobs abroad, in particular, were most likely to have difficulty finding employment on their return, while on the contrary, only a small proportion of those who worked in non-manual jobs were unable to find a job.

Slovakia

Outward migration from Slovakia to the rest of the EU increased markedly after the country's entry into the Union, rising to 177 thousand in 2007 from 69 thousand in 2003, a rise of 2.5 times in just 4 years, the number representing a significant proportion of active



population in the country (almost 7%). By the beginning of 2010, the number of migrants leaving the country had fallen to 122 thousand, just under 5% of active population. These figures, however, tend to under-estimate the true numbers involved, perhaps by as much as 25%, since a significant number of people work abroad illegally, some of them drawing unemployment benefits in Slovakia.

A large part of migration is to the Czech Republic (just over 40% in the first quarter of 2010), though after accession an increasing proportion went to the UK (8% in 2010) and Ireland, though the number has tended to decline since the onset of the recession, with more going to Austria (19% in 2010).

An increasing number of Slovaks have returned home since the recession began. In 2008, around 10,000 returned, most of them (79%) having upper secondary education, the majority coming back from the Czech Republic, the UK and Hungary, with those from the UK having the highest education levels. In 2009, the number increased to an estimated 20,000-30,000, most of them being able to find jobs, especially those with tertiary education. Most of the returnees came from the economically less developed Eastern part of the country and the South-Eastern areas bordering Hungary, where cross border commuting is traditional and where a substantial number of workers in electronics and automotive industries in Hungary were laid off.

Slovakia has not escaped the economic recession, unemployment rising to 14.5% by mid-2010, with the Eastern parts and South-Eastern areas bordering Hungary being the worst affected. Migrants returning are entitled to claim unemployment benefits at the rate applying in the country they have returned from. This depends, however, on an agreement being in place between Slovakia and the country in question and on the returnees having certificates of employment and social contribution payments from the country concerned. Otherwise, they receive unemployment benefits at the national rate.

Despite GDP growth resuming, the number of Slovaks migrating has begun to rise again, though more to the Nordic countries, where wages are relatively high and access to social services is easier, than to the UK or Ireland

Conclusions

Although it is difficult to identify the extent of return and circular migration between the EU12 countries in Central and Eastern Europe which entered the Union in 2004 and 2007 and the EU15 countries, the Labour Force Survey provides some valuable insights. Together with the data available from Eurostat on migration flows in 2008, it reveals that:

- Migrants from the EU12 have tended to be disproportionately young people, especially since their accession to the EU;
- there is sharp distinction between the migration flows from Bulgaria and Romania and those from the rest of the EU12 countries, the former being predominantly to Spain, Italy and other southern countries and the latter to other EU15 Member States;
- circular migration of seasonal workers is relatively common, especially of Bulgarians and Romanians to Italy and those from other EU12 countries to Germany and Austria; this typically involved relatively low skilled manual workers;
- a disproportionate number of Romanians migrating to Italy are women, who account for around half of migrants elsewhere;
- accession of the EU12 countries to the EU has been followed by substantially increased migration flows to the UK and Ireland in particular, which tend to be of



the more highly educated for longer durations but a significant proportion still involve return or circular migration;

- such migration has tended to be of mutual benefit to the countries concerned, the migrants helping to relieve skill shortages, particularly of skilled workers with vocational qualifications, in EU15 countries, and at the same time representing an important source of income for EU12 countries, as well as a source of know-how when the people concerned return home;
- there is little sign that the countries which gave largely unrestricted access to their labour markets at the time of enlargement (the UK, Ireland and Sweden) have suffered as a result; although the inflow of migrants was much larger than anticipated, it did not lead to any fall in the employment rates of British, Irish or Swedish workers, which either increased or remained high; moreover, many migrants, true to their initial intentions have since returned home;
- the recession has both increased the number of migrants who have returned home and reduced the number moving to EU15 countries; in 2009, there was a net reduction of people from the EU12 countries living in both Ireland and the UK; continued uncertainty over economic prospects seems to be deterring people from moving back to Ireland and the UK, while migration to the Nordic countries seems to be increasing;
- there has been less return migration, however, of Romanians from Spain, partly because of the onset of deep recession in Romania, which contrasts with the situation in Poland, where the economy has continued to grow in 2009, partly because of their access to unemployment benefits and health care; this contrasts with the situation in Italy, where most migrants have little job security and limited or no access to social welfare;
- in general, migrants returning home to EU12 countries tend to have higher rates of unemployment or inactivity than non-migrants, though the figures could be misleading because of returnees not necessarily actively looking for work and having the income earned abroad to support them until a job that suits them comes along;
- Poland has had a policy of encouraging return migration for a few years, especially of those with skills which are in short supply in the country, such as doctors or researchers; measures have also been implemented in some local areas to help returning migrants to re-integrate.



Section III: Youth mobility

The recession has made life harder for young people. Those in work were often the first to lose their jobs, particularly those on temporary contracts which are so prevalent amongst young workers, and in times of low demand employers tend to prefer to take on people with experience. The increased level of unemployment amongst young people has hit the headlines and become a political priority and yet it is not a new problem. Unemployment amongst young people has been persistently high for many years. This section reviews the situation of youth unemployment, who is affected, the impact of the recession, their experiences in making the transition from education or training to work and the role of temporary contracts as a pathway to regular employment.



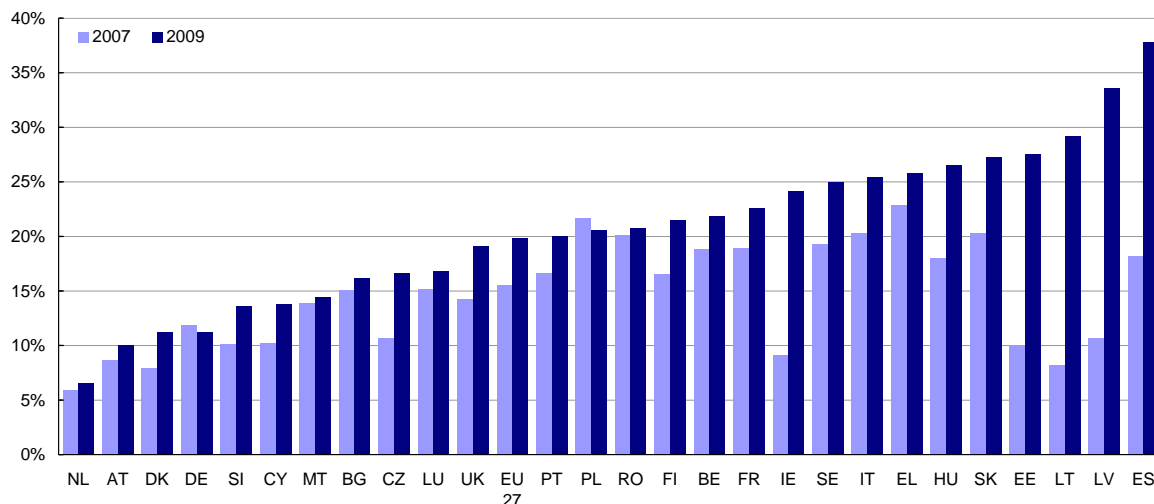
Youth mobility

The labour market context for youth mobility

One of the key issues confronting young people today is restricted access to the labour market. Though youth unemployment has increased since the onset of the recession in many EU countries, the problem is not new. The period of economic growth in the European Union between 2000 and 2008 saw close to 20 million net additional jobs created but these did not go to young people - employment among those aged 15-24 actually declined very slightly over the period. At the same time, the activity rate of young people – the relative number of them in the labour market - fell by nearly one percentage point over the same period (from 45.3% to 44.5%), as a result of more of them staying longer in education or training. Accordingly, although the numbers in work hardly changed, the reduced level of participation in the labour market resulted in the unemployment rate declining by nearly 3 percentage points though still remaining high (15.5%). Overall, therefore, the unemployment rate of young people averaged 17.5% over the period 2000-2008 as compared with 7.5% for those aged 25 and over.

Youth unemployment rose during the crisis in almost all of the EU Member States, though to varying degrees, with increases being particularly marked in Ireland, Spain and the Baltic States, where rates more than doubled. The youth unemployment rate exceeded 20% in 15 Member States in 2009, ten more than in 2007 (Figure 23). The number of young people unemployed in the EU amounted to 5.1 million in 2009 – one million more than in 2007, and only two countries saw a decline in their youth unemployment rates over these two years (Germany and Poland).

Figure 23: Unemployment rate of population aged 15-24, 2007 and 2009



Source: Eurostat, Labour Force Survey

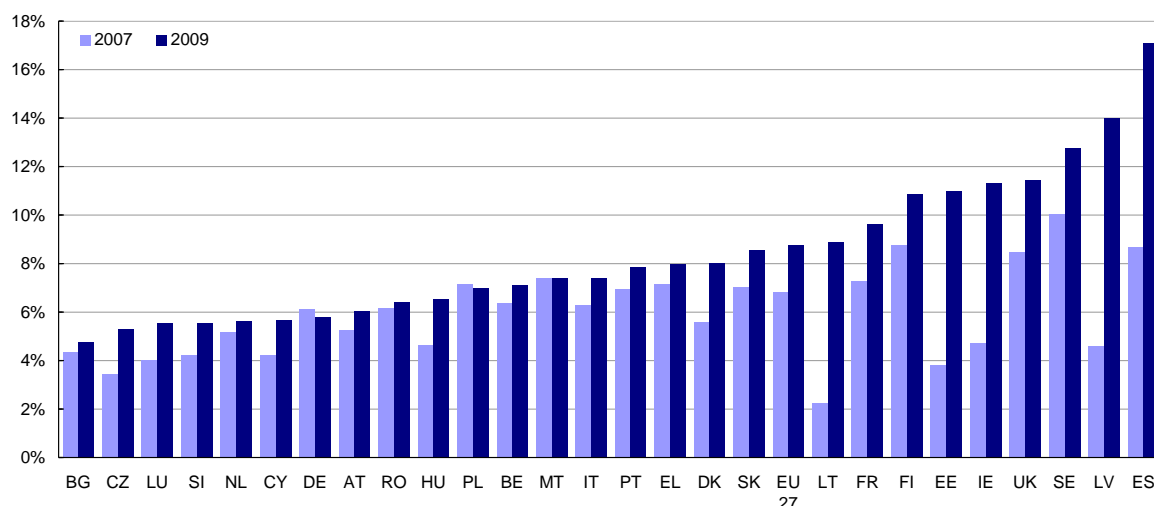
The unemployment rate, or the proportion of the work force which is unemployed, is commonly used as an indicator of labour market trends. However, in the case of the young it can be misleading, since many young people do not participate in the labour market because they are engaged in full-time education so the numbers who do can be relatively small in some countries. A more meaningful comparison across countries can be made on the basis of the proportion of the 15-24 age group that is unemployed, here termed the unemployment ratio (Figure 24).

The unemployment ratio for the EU-27 reached 8.8% in 2009, almost 2 percentage points higher than in 2007. Again the rates in Ireland, Spain, and the Baltic States increased most



significantly. The unemployment ratio gives a slightly different ranking of countries than the unemployment rate, especially for Denmark, Hungary and the UK. For the last, the unemployment rate was below the EU average in 2009 but the unemployment ratio was the fourth highest in the EU, reflecting the larger number of young people than in most other countries in the labour market.

Figure 24: Unemployment ratio of population aged 15-24, 2007 and 2009



Source: Eurostat, Labour Force Survey

Characteristics of youth unemployment

Youth unemployment varies considerably both by gender and education level (Table 14).

The unemployment rate of young men rose faster than that of young women between 2007 and 2009, with the result that the gap between the two was reversed. In 2009, therefore, the rate for young men averaged 20.8% across the EU as compared with 18.4% for young women and, in most Member States (18 of the 27), the rate for men was higher than for women, in contrast to the situation in 2007.

The crisis affected unemployment rates of young people irrespective of their level of education, but those the lowest levels were hit the most (between 2007 and 2009 their unemployment rate rose from 20% to 26%). Furthermore, by 2009 more than one young low-educated person out of three was unemployed in ten Member States. Those with a tertiary level of education did not escape the adverse effects of recession either, but their unemployment rate was lower (though rising from 11.3% to 15.4% over the same period). Indeed, in three countries - Italy, Cyprus, and Romania - young people with tertiary qualifications were more affected than others, their unemployment rate increasing ahead of those with lower levels of education.

At present there is concern that youth unemployment is having a significant negative effect on the future career prospects of those affected, though in general it is long-term unemployment which is considered to present the most significant risk of "scarring effects"¹⁹.

The proportion of the unemployed aged 15-24 out of work for a year or more steadily declined across the EU between 2005 and 2008 but then rose between 2008 and 2009. While the proportion in 2009 was still slightly lower than in 2007 (Figure 25), the fear is that it will continue to increase unless jobs for young people expand.

¹⁹ See "Rising youth unemployment during the crisis: how to prevent negative long-term consequences on a generation" Scarpetta S., Sonnet A., Manfredi T. OECD (2010)



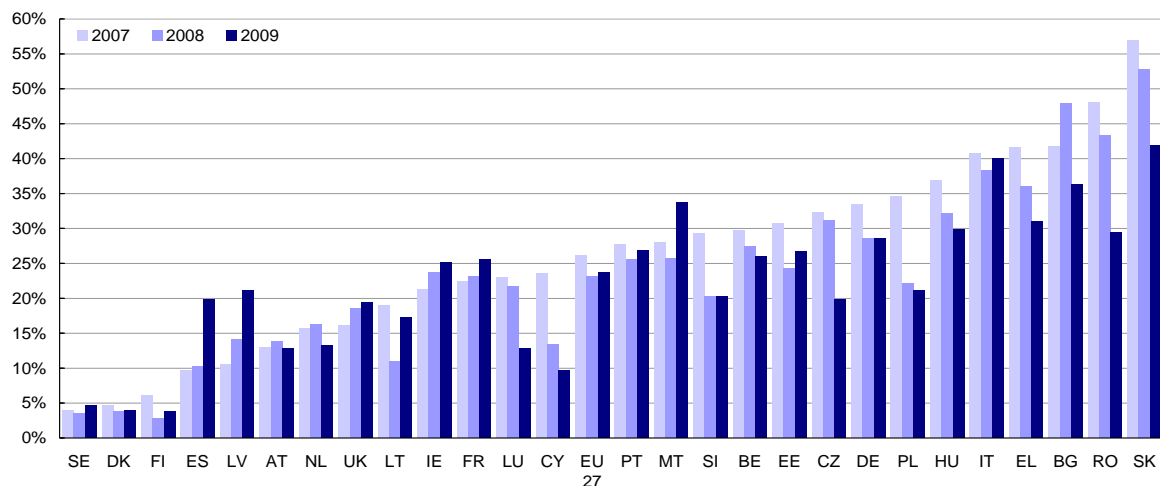
Table 14: Unemployment rate by level of education and sex, 2007 and 2009

	Level of education						Sex			
	Low		Medium		High		Men		Women	
	2007	2009	2007	2009	2007	2009	2007	2009	2007	2009
EU 27	20.0	25.9	13.3	16.9	11.3	15.4	15.1	20.8	15.8	18.4
BE	29.1	30.2	17.5	20.5	11.5	16.7	17.1	21.5	20.9	22.5
BG	29.5	31.9	12.3	14.1	:	:	14.5	17.8	15.9	13.8
CZ	31.2	41.1	8.6	13.7	8.8	13.6	10.6	16.6	11.0	16.7
DK	8.8	12.0	5.8	10.3	:	:	8.2	12.4	7.5	9.9
DE	15.5	13.9	8.6	9.0	:	:	12.4	12.3	10.9	9.6
EE	:	44.1	:	24.8	:	:	:	31.7	:	22.0
IE	17.4	39.6	7.3	23	5.5	16.7	9.9	31.1	8.0	17.1
GR	17.8	22.3	23.7	26.5	32	30.9	15.7	19.4	32.1	33.9
ES	20.4	44.7	16.6	31.1	13.6	26.0	15.2	39.1	21.9	36.4
FR	30.2	36.3	15.8	20.4	12.2	12.2	18.2	23.4	19.7	21.7
IT	22.5	27.3	19	24.1	19.3	29.6	18.2	23.3	23.3	28.7
CY	12.3	9.6	9.0	13.5	10.7	16.7	11.0	13.6	9.4	13.9
LV	16.8	49.9	9.4	29.0	:	21.8	11.2	37.5	10.0	28.4
LT	:	46.6	8.1	29.0	:	:	7.0	35.1	10.0	21.6
LU	21.4	24.9	:	12.9	:	:	13.5	16.7	17.5	17.8
HU	30.5	45.9	15.6	22.5	12.3	18.4	17.6	28.2	18.6	24.2
MT	17.7	18.6	:	:	:	:	15.8	15.9	11.6	12.4
NL	8.4	8.8	3.9	4.6	:	4.5	5.6	7.1	6.2	6.1
AT	12.4	14.3	6.2	7.5	:	:	8.3	10.5	9.1	9.4
PL	22.8	24.5	21.7	20.2	20.0	19.6	20.0	20.2	23.8	21.2
PT	16.2	20.3	14.8	18.1	25.9	24.5	13.5	18.7	20.3	21.6
RO	18.6	19.4	21.0	20.9	21.1	24.9	21.1	21.2	18.7	20.1
SI	13.2	18.9	9.4	12.3	:	:	9.4	13.8	11.2	13.4
SK	66.2	64.6	15.3	24.3	19.0	22.4	20.4	27.8	20.2	26.5
FI	25.8	31.8	11.8	16.8	:	:	16.4	24.1	16.6	19.0
SE	29.5	38.0	12.1	18.4	12.3	12.7	18.8	26.3	19.8	23.7
UK	26.4	32.6	11.2	15.7	7.5	13.2	15.8	21.8	12.6	16.1

Source: Eurostat, Labour Force Survey

Note: ":" data not available

Figure 25: Long-term unemployment among those aged 15 to 24 (% of unemployed), 2007 and 2009

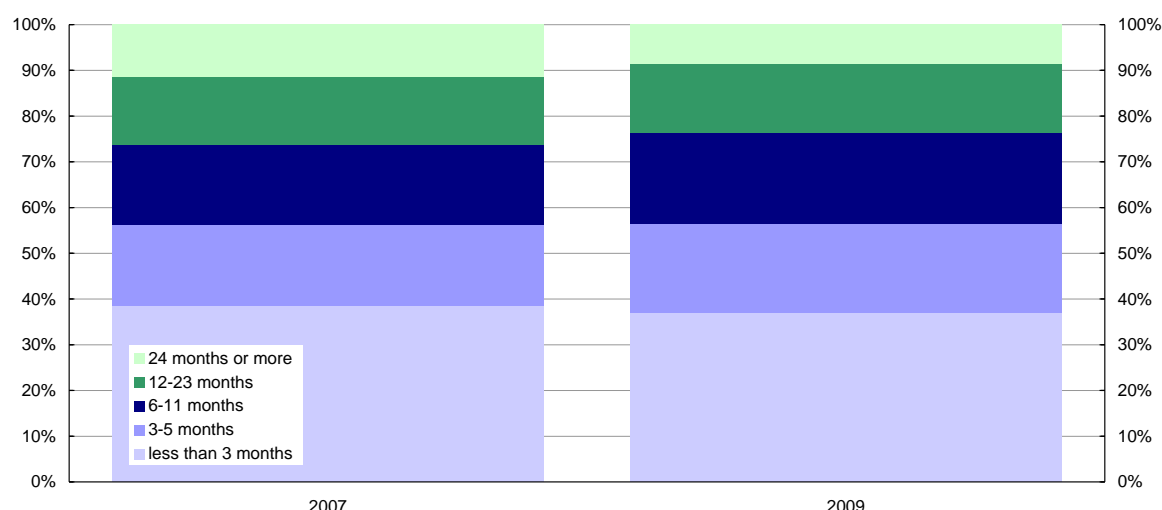


Source: Eurostat, Labour Force Survey

Indeed, there was a gradual increase in the duration of the unemployment of young people between 2007 and 2009 (Figure 26). The relative number unemployed for 3-5 months, 6-11 months and 12-23 months increased over this period. This suggests that the young had more difficulty obtaining jobs as the recession hit, while at the same time more of them became unemployed.



Figure 26: Distribution of youth unemployed by duration, EU-27, 2007 and 2009



Source: Eurostat, Labour Force Survey

Young people in education and training and in the labour market

To give a full picture of youth unemployment it is important to take account of their participation in education as well as in the labour market.

The EU Labour Force Survey gives an indication of those aged 15-24 in education or training as well as those in employment or unemployed. This is based on self-reporting, which in this context is perhaps more meaningful than the data based on ILO definitions, which stipulate that anyone working 1 hour a week is employed and that to be classified as unemployed requires a demonstrable search for a job. (There are, however, no self-reported data for Germany and the UK, so ILO data are used for these two countries, which means that they are not fully comparable with those for other countries.)

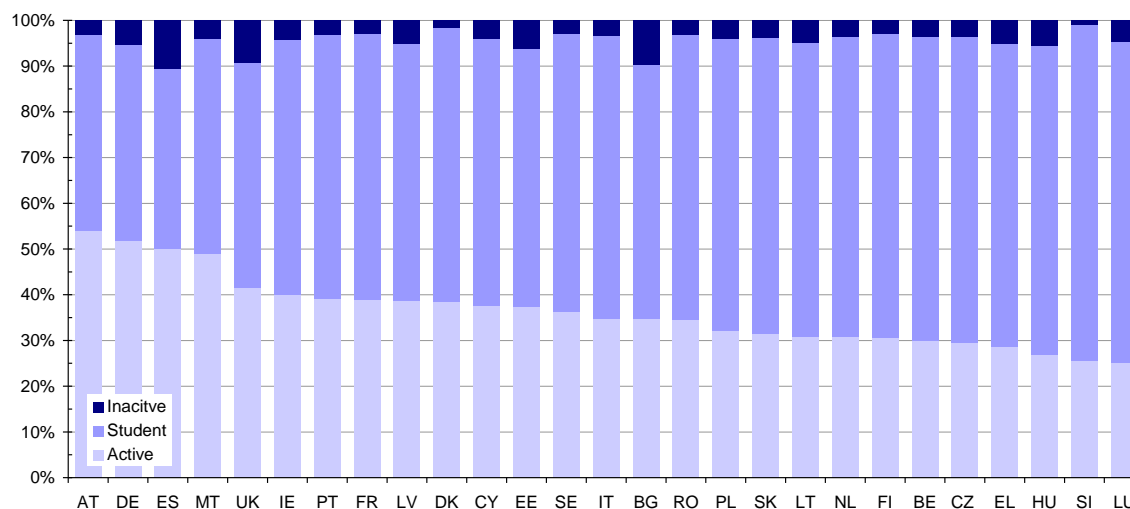
Trade-off between education and participation in the labour market

There is considerable variation in the distribution of young people between participation in education or training and participation in the labour market across the EU (Figure 27). The proportion who are in the labour market ranges from 54% in Austria to 25% in Luxembourg, while the proportion in education or training varies to a large extent inversely to this (i.e. very few young people are neither economically active nor in education). The implication is that in countries such as Austria, Germany, Spain, Malta and the UK, people tend to enter the labour market at an earlier age than elsewhere, while in the Czech Republic, Greece, Hungary, Slovenia and Luxembourg, in particular, they tend to remain in full-time education or training longer. This difference between countries reflects the different education systems in place.

The proportion of the youth population who are inactive and do not participate in education and training is below 10% in all but one country (Spain), and below 5% in all but 9 countries.



Figure 27: Labour market participation and full-time participation in education or training as a % of 15-24 year-olds, 2009



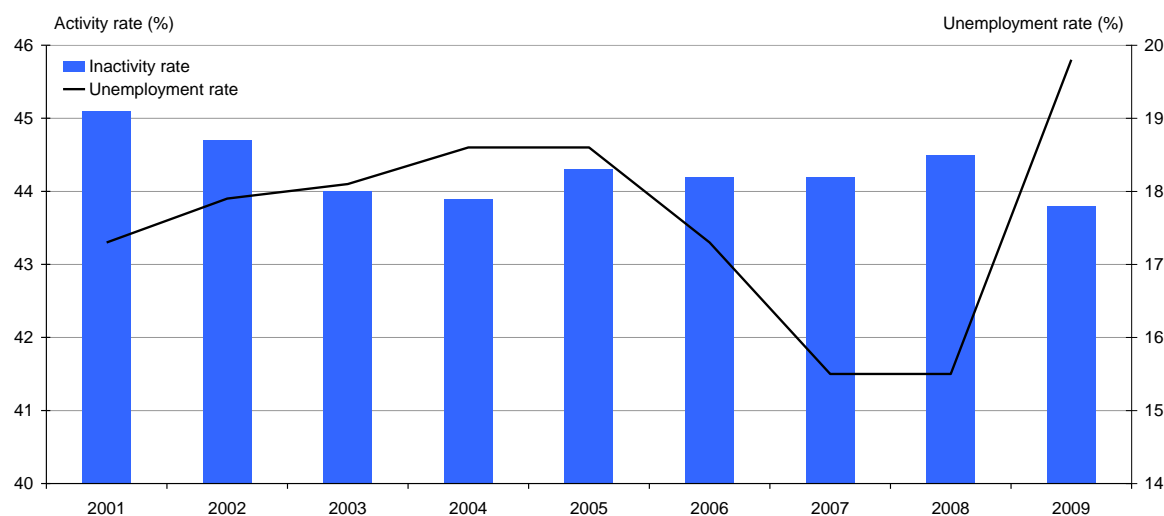
Source: own elaboration of Eurostat Labour Force Survey data

Note: Data are based on self-defined status except in the case of the UK and Germany, where they are based on ILO definitions.

From 2001 to 2004, the unemployment rate of those aged 15 to 24 rose as economic growth moderated in many EU countries and was accompanied by a fall in labour market participation rates (Figure 28). From 2004 to the onset of the recession in 2008, the unemployment rate fell, while the participation rate rose slightly (from 43.9% to 44.5%). As the recession hit however, the unemployment rate shot up by more than 4 percentage points in 2009 and the participation rate fell.

This implies that the number of young people who enter the labour market is sensitive to the economic cycle – as jobs become scarcer, more young people tend to remain in education or training rather than joining the ranks of the unemployed, especially since in many countries, they are not entitled to unemployment benefit. Accordingly, the unemployment rate tends to understate the real scale of the problem.

Figure 28: Participation and unemployment rates of those aged 15-24 in the EU, 2001-2009



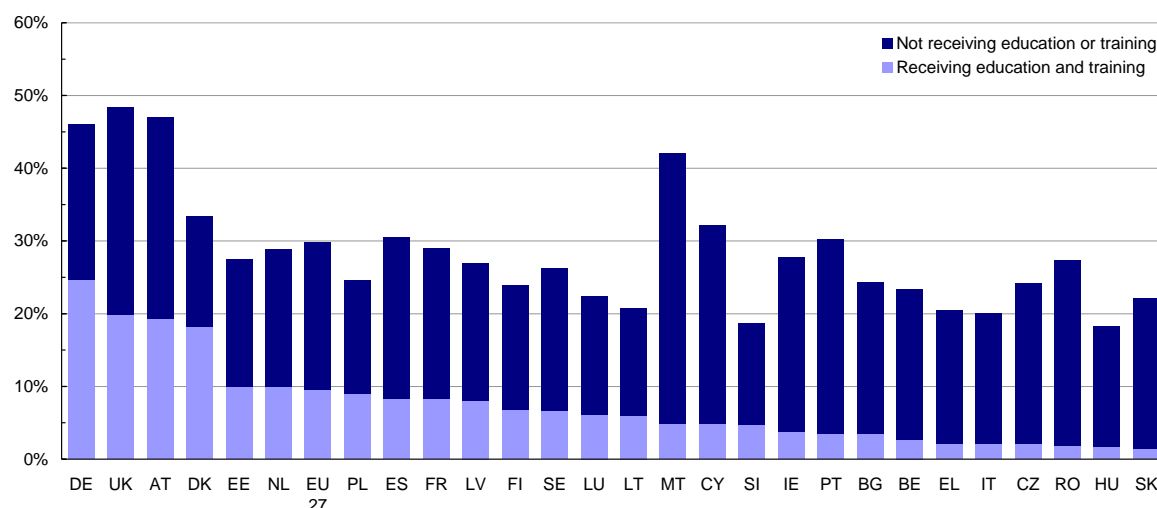
Source: Eurostat, Labour Force Survey



Combining employment with participation in education and training

A significant number of those aged 15-24 combine employment with participation in education and training (Figure 29). This means the distinction between economic activity and inactivity is not clear-cut but rather there are varying combinations of the two. Combining employment and education can ease the transition from education into work and help people prepare for their working career – as in the case of apprenticeships or the dual system in Germany, Austria and Denmark.

Figure 29: Employment rate of 15-24 aged population and proportion receiving education or training, 2009



Source: Eurostat, Labour Force Survey

In 2009, 30% of those aged 15-24 in the EU reported employment as their main status and around one in three of these received education or training in the four weeks prior to the survey. However, these figures hide major differences between countries. In 24 Member States, the proportion of the young people participating in both employment and education and training ranged from just over 1% (in Slovakia) to 10% (in Estonia). In the other 4 countries - Germany, the UK, Austria, and Denmark – the proportion ranged from 18% to 25% and over 40% of those in employment combined this with participation in education and training (see the text boxes below for details of the dual system in Austria and Germany).

The youth employment rate in the three of these four countries (the exception is Denmark, where large numbers are in tertiary education) is much higher than elsewhere in the EU (though it is also relatively high in Malta where the proportion in education or training is relatively small). It should also be noted that the proportion of the employed in education or training in Poland is not far behind that in the UK or Austria (37%), reflecting the recent reforms in the system which boosted vocational education and training in alternate systems and imposed an obligation for in-service training for all workers below 18.



Box 1: The Austrian apprenticeship system

Austria has lower youth unemployment rates than most other EU countries. One of the main reasons is the effectiveness of the apprenticeship system in securing smooth transitions from school to work. The “dual system” of vocational training provides training on the job in a company combined with attendance of a part-time vocational school. Depending on the occupation chosen among 250 different legally recognized apprenticeship trades, training lasts for two to four years. About 40% of all young people in Austria enter apprenticeships upon completion of compulsory education. This share has been stable for decades. However, since the early 1990s companies have become less interested in offering apprenticeships. So, Austrian governments have implemented a wide range of measures to promote apprenticeship and reduce the financial burden on companies.

Back in 1998 the Austrian government adopted the Youth Training Consolidation Act (JASG), which provided for access to apprenticeship places in supra-company institutions for those young people who could not find an apprenticeship in a regular company. In 2003, an amendment to the Vocational Training Act (BAG) provided the legal basis for integrative vocational training for disadvantaged groups. It offers extended (apprenticeship) training periods or the acquisition of partial skills which enable participants to enter the labour market even though they are unable to complete a formal apprenticeship. From 2002 a training bonus of € 1000 per year was granted to the training company for every apprenticeship; at the same time companies were exempted from health and safety insurance contributions for apprentices. The special programme ‘Jobs for you(th)’, launched in 2004, targeted (non-apprenticeship-seeking) unemployed youth aged 19 to 24 and included the provision of qualifications for the “employee”, and employability subsidies for the “employer”. Further subsidies for employers willing to take on additional apprentices were introduced in September 2005.

In June 2008 the Federal Government adopted a comprehensive employment “package” for young people, which was based on a proposal from the social partners. One of the key elements of this package is a training guarantee valid for people up to the age of 18, financed by the Austrian employment service (AMS). The 2008 programme extended the provision of assistance and training places run by supra-company providers to all compulsory school graduates who cannot find a suitable apprenticeship in a company. A special programme called ‘Future for Youth’, introduced in 2009, envisages the extension of the job and training guarantee programme to young people aged 19 to 24. There will be individualised training support for hard-to-place young people (for a period of six months upon their registration with the public employment service) and special employment subsidies helping them to re-enter the labour market.

The dual system of vocational training has a long tradition in Austria and is thought to be an important contribution to the prevention of youth unemployment. In the face of businesses’ growing reluctance to offer apprenticeship positions, the system has received massive public support in recent years. In spite of continuous amendments, however, the system still suffers from significant structural problems, such as the concentration on particular job profiles, and the high numbers of unfilled apprenticeship positions for particular trades accompanied by an oversupply of open apprenticeship positions in sectors like tourism.



Box 2: Modern Services for the Job Integration of Young People under the Age of 25 in Germany

The unemployed under the age of 25 in Germany are entitled to special treatment by the PES. They guarantee each young unemployed a specific service to get him/her into work. Specialised staff are made available for clients under the age of 25 so as to establish a much more intense relationship between clients and officers. A strong conditionality is attached to the provision of these services by PES: rejecting a job offer or not taking advantage of services provided by the job centre leads to the loss of transfer payments except contributions for rent, heating and social security insurance (basic contributions); even basic contributions can be cut if clients repeatedly deny services. Youth are treated comparatively harshly in this respect: the unemployed aged 25 and above can have their transfers cut in similar circumstances, but only by 30%.

In 2009, PES provided 6.6 million services to unemployed under the age of 25. A 10% share of clients in this age group is sanctioned. In the age group between 25 and 45 years of age this figure is much lower (4%), while it is only 1% for 50 to 64 year olds. The reason for the high incidence of sanctioning of the young unemployed is twofold. On the one hand, the amount of services provided to this age group is higher and the number of clients per placement officer is much lower than for other age groups, which explains why the rejection rate of services for this particular group is higher. Furthermore, the officers' knowledge of specific cases is better. This is known to lead to a more extensive use of disciplinary measures.

Most young people get sanctioned for missing appointments with their responsible officer (on average 59 % of the total in 2007/2009). Sanctions in these cases are moderate: transfers - except rent, heating and social security contributions - are cut by 10%. However, 14% of young unemployed get sanctioned for more serious offences. They fail to meet conditions set by their placement officer and agreed with them in a contract. An additional 22% rejects job offers or a vocational training opportunity. These are applied a sanction equal to a 100% cut of transfer except basic contributions (which can be also cut if offences are repeated regularly).

Today, youth unemployment in Germany is low due to the "dual" system of vocational education, which includes on-the-job training. However, the number of services provided to the young unemployed is way above the average of all other age groups. Nonetheless, there is a public debate about the fairness of the sanctions imposed on the young-unemployed. If transfers are cut, young people could be forced to earn their living on the black market, develop criminal behaviour or get into a lot of debt. In some cases, clients could no longer be reached by PES and even become homeless. Meanwhile, research on the effects of recent German labour market reforms on youth unemployment is scarce. One study²⁰ is based on interviews to sanctioned young-unemployed, while Götz et al (2010) interview job-centre officers. However, a cost-benefit analysis of the recent job market reform for the young-unemployed in Germany is still missing.

Youth mobility – transitions from one year to the next

This section provides an overview of youth mobility, focusing on the movement between four distinct states – education or training (Student), inactivity, unemployment and employment – over a 12 month period, and on how the propensity to make different transitions has changed as a result of the economic downturn. The movements concerned, which are based on the EU-LFS, relate to changes between points in time one year apart and do not show what happened in the meantime – though it can be assumed in the large majority of cases that there were no intermediate movements (such as from education to employment and back again). (Such intermediate movements are examined later on the basis of longitudinal data.)

The transition rates, or the proportion of those aged 15-24 who change status between one year and the next are shown in Table 15 and Table 16 (these tables show be read horizontally – e.g. Table 15 shows that 89.4% of those employed in 2006 remain employed in 2007, while 5.1% became unemployed, 4.2% went into full-time education).

²⁰ "Young People on Institutional Gateways, Nuremberg", Zahradnik, Franz (2010)



A comparison of transition rates in 2009 with those in 2007 shows that the proportion of young people who remained employed fell as a result of the recession (from 89.4% to 84.2%). This was accompanied by a reduction in the proportion of the unemployed finding jobs (from 38.3% to 30.5%) and a larger proportion either remaining in education or going back into it.

Table 15: Transitions of those aged 15-24, EU-27, 2006-2007 (% of age group in 2006)

Status in 2006	Status in 2007			
	Employed	Unemployed	Student	Inactive
Employed	89.4	5.1	4.2	1.3
Unemployed	38.3	50.7	6.1	4.9
Student	14.2	4.6	79.9	1.3
Inactive	27.5	15.2	5.9	51.4

Source: Eurostat, Labour Force Survey

Note: Ireland and Bulgaria are not included.

Table 16: Transitions of those aged 15-24, EU-27, 2008-2009 (% of age group in 2008)

Status in 2008	Status in 2009			
	Employed	Unemployed	Student	Inactive
Employed	84.2	8.1	6.5	1.2
Unemployed	30.8	59.5	6.4	3.3
Student	12.7	5.4	80.7	1.2
Inactive	24.6	16.9	5.0	53.5

Source: Eurostat, Labour Force Survey

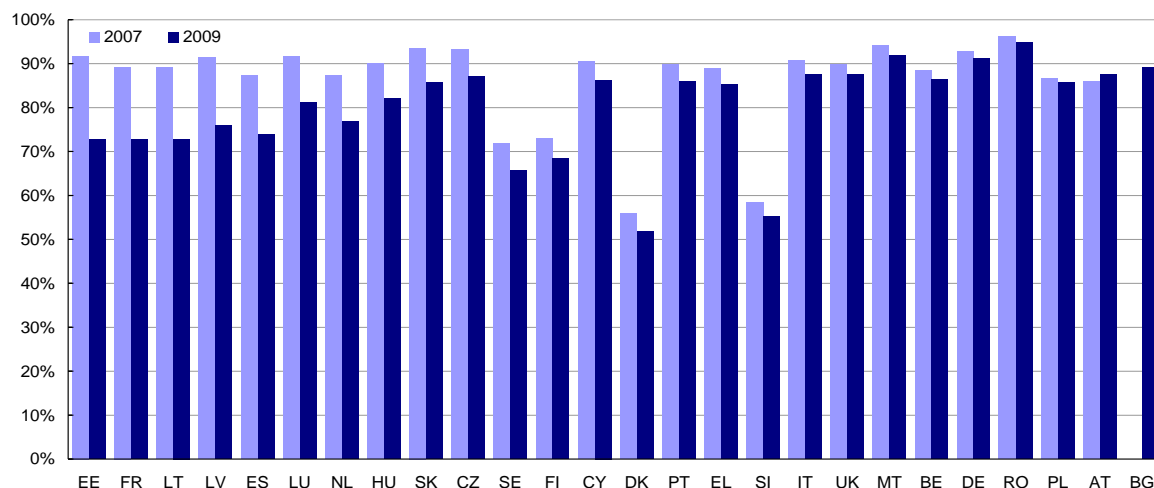
Note: Ireland is not included.

Transitions between employment, education and unemployment by country

These changes in movements between employment states conceal marked differences between countries.

In all countries where data are available²¹, apart from Austria, the propensity for young people to remain in employment declined between 2007 and 2009 (Figure 30). This fall was most marked in Estonia, Lithuania, Latvia, France, Spain, and Luxembourg, while in the UK, Malta, Belgium, Germany, Romania, and Poland, there was only a slight reduction.

Figure 30: Proportion of those aged 15-24 employed in the current and previous year, 2007 and 2009



Source: Eurostat, Labour Force Survey

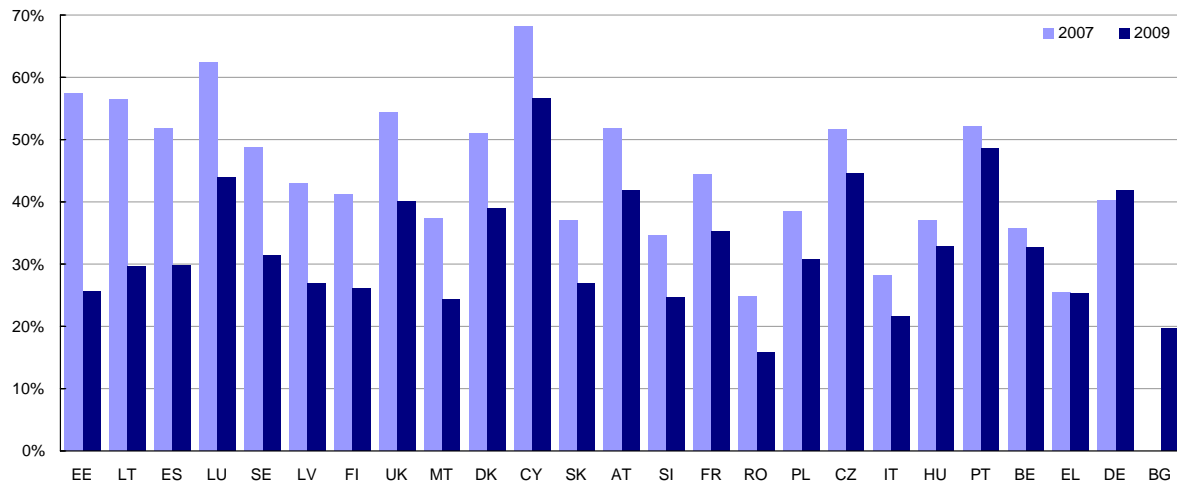
Notes: No data for IE for 2007 and 2009 and for BG in 2007. Data for DE and UK are based on ILO definitions rather than self-defined. Countries ranked by size of change between the two years

²¹ All EU-27 Member states excluding Ireland and Bulgaria.



In addition, in all countries where data are available²², apart from Germany, the proportion of the unemployed who succeeded in finding a job within a year was lower in 2009 than in 2007, in many cases significantly so (Figure 31). This was particularly the case for the Baltic States, Spain and Luxembourg.

Figure 31: Proportion of those aged 15-24 employed in the current year and unemployed in the previous year, 2007 and 2009

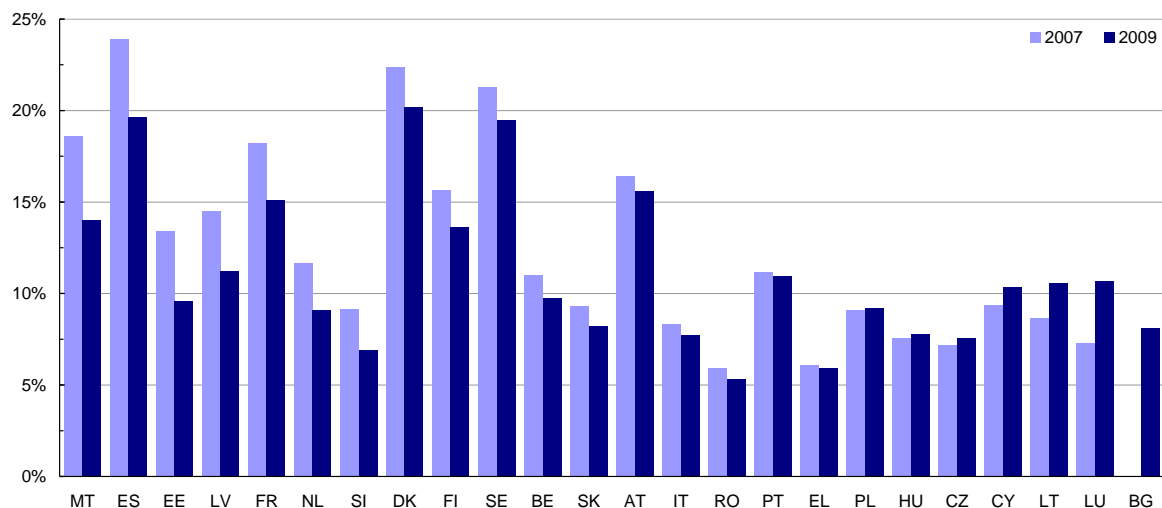


Source: Eurostat, Labour Force Survey

Notes: No data IE and NL for 2007 and 2009 and for BG in 2007. Data for DE and UK are based on ILO definitions rather than self-defined. Countries ranked by size of change between the two years

There was also a widespread tendency for the proportion in education or training entering the labour market to decline between 2007 and 2009 (Figure 32). This was the case in 17 of the 23 Member States for which there are data²³. Moreover, the relative number of these who succeeded in finding a job fell in all countries, markedly so in Latvia, Lithuania, Spain, Estonia, Hungary, Sweden, Italy, Romania and Slovakia.

Figure 32: Proportion of those aged 15-24 in education and training in the previous year who were economically active in 2007 and 2009



Source: Eurostat, Labour Force Survey

Notes: No data for IE, DE, UK and NL for 2007 and 2009 and for BG in 2007. Countries ranked by size of change between the two years

²² All EU-27 Member states excluding Ireland, the Netherlands and Bulgaria.

²³ All EU-27 Member states excluding the United Kingdom, Germany, Ireland, the Netherlands, and Bulgaria.

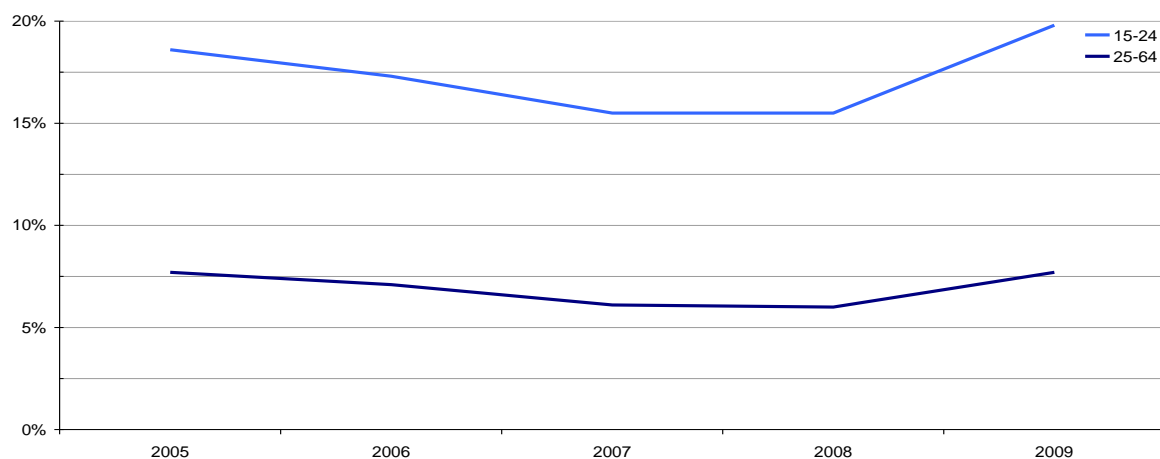


Were the young hit harder by the crisis than adults?

Typically, young people are more susceptible to unemployment once they join the labour market than older age groups.

Certainly, the gap between the unemployment rates of young people and those of 25 and over widened during the recession (Figure 33). In 2005, the youth unemployment rate in the EU was 11 percentage points higher than that of those of 25 and over. By 2007, it had fallen to just over 9 percentage points higher as employment increased, though remained at a relatively high rate. In 2009, however, the gap widened to just over 12 percentage points, reflecting the sharp slowdown in new job creation as well as job losses (see below).

Figure 33: Unemployment rate by age group, EU 27, 2005-2009



Source: Eurostat, Labour Force Survey

This is reflected in the change in the transition rates (as defined earlier) between unemployment and employment of those aged 15-24 relative to those aged 25-64 (Table 17).

Whereas the proportion of those aged 25-64 moving from unemployment into employment 28% in 2008 to 25% in 2009, the proportion of young people making the same move declined from almost 37% to 31%. Similarly, an increase in the proportion of the older age group moving from employment into unemployment between 2008 and 2009 from 2% to 3% can be compared with an increase for young people from just over 5% to 8%. Accordingly, young people were hit disproportionately by both job losses and a reduced rate of new job creation.

Table 17: Transition rates by age, EU-27, 2006-2009

A. Unemployment-to-employment transition rates					B. Employment-to-unemployment transition rates				
	2006	2007	2008	2009		2006	2007	2008	2009
15-24	35.6	38.3	36.5	30.8	15-24	5.9	5.1	5.4	8.1
25-64	26.8	29.3	28.2	25.1	25-64	2.4	2.2	2.1	3.4

Source: own elaboration of Eurostat, Labour Force Survey data

Note: Data for 2006 do not include Bulgaria, Luxembourg, Malta and the Netherlands. Data for Germany and the United Kingdom are based on ILO defined statuses rather than self defined.

Transitions from education or training into work

Previous research suggests that young people are more likely to move in and out of the labour market than older people and that only a relatively small proportion of them experience a direct move into permanent open-ended employment upon entering the



labour market for the first time.²⁴ This section examines these findings on the basis of a new set of longitudinal data for most EU countries which became available only in 2010. It focuses on the pathways taken by young people making the transition from education into work and the extent to which they experience spells of unemployment as well as changes in jobs.

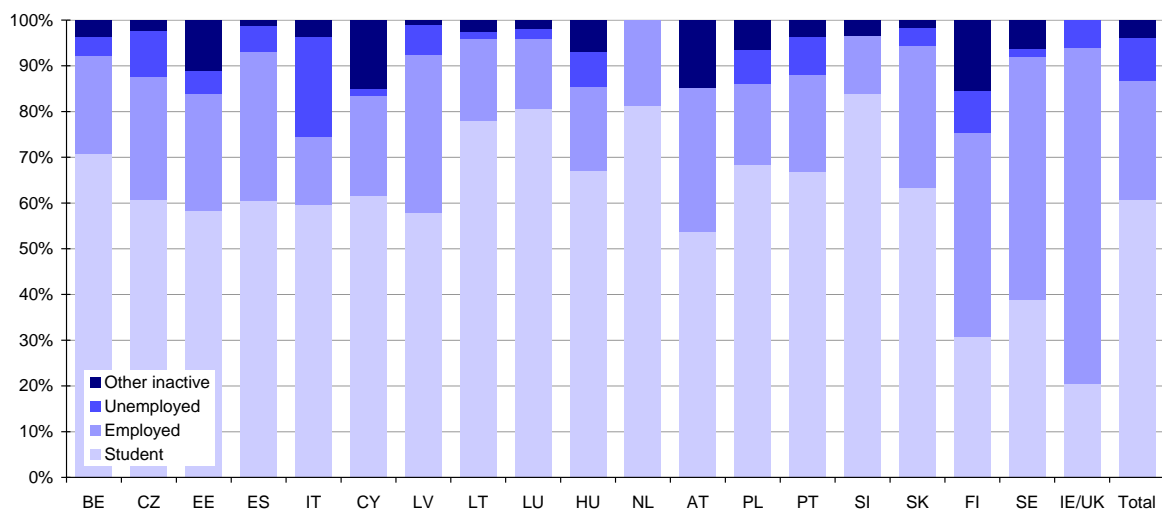
Longitudinal data from EU-SILC cover a 48-month period from 2004 to 2007, which is long enough to give an insight into the nature of the transition from education into work for young people. From the data, a panel of those who were aged 16 to 22 at the end of 2004 and who were students at the time has been selected. This panel is divided into three groups – those aged 16-17 in 2004 (who, accordingly, had just completed compulsory education and, in most cases, were in upper secondary education), those aged 18-19 (who were mostly in an advanced stage of upper secondary education or just beginning tertiary education) and those aged 20-22 (who were mostly in tertiary education). These three groups can then be further divided according to the situation of the people concerned at the end of the four-year period to distinguish between those still in education, those in employment and those unemployed. The situations in each case relate to the main activity of the person concerned in any given month, with employment taking precedence over education or training, so that students who have part-time jobs work are counted as employed so long as they work a minimal amount of time.

The analysis covers 20 of the EU Member States (reliable data are not available for France, Bulgaria, Germany, Denmark, Malta, Romania and Greece). For a number of countries, however, the number of observations is relatively small, which means that the findings for these are relatively uncertain. For this reason, data for Ireland and the UK, where education and labour market systems are relatively similar, are aggregated to increase the sample size.

Timing of transitions into the labour market

The data confirm that young people tend to enter the labour market earlier in some countries than others, the proportion of those aged 16-17 year who were still in education at the end of the four year period averaging 60% for all countries taken together but less than 40% in Finland, Sweden and the UK and over 80% in Slovenia, the Netherlands, Luxembourg, and Lithuania (Figure 34).

Figure 34: Activity status at the end of 2007 of those who were students aged 16-17 at the end of 2004



Source: EU-SILC

²⁴See the analysis by Quntini and Manfredi (2009) based on panel data, for a three-year period for a selection of European countries and the US,

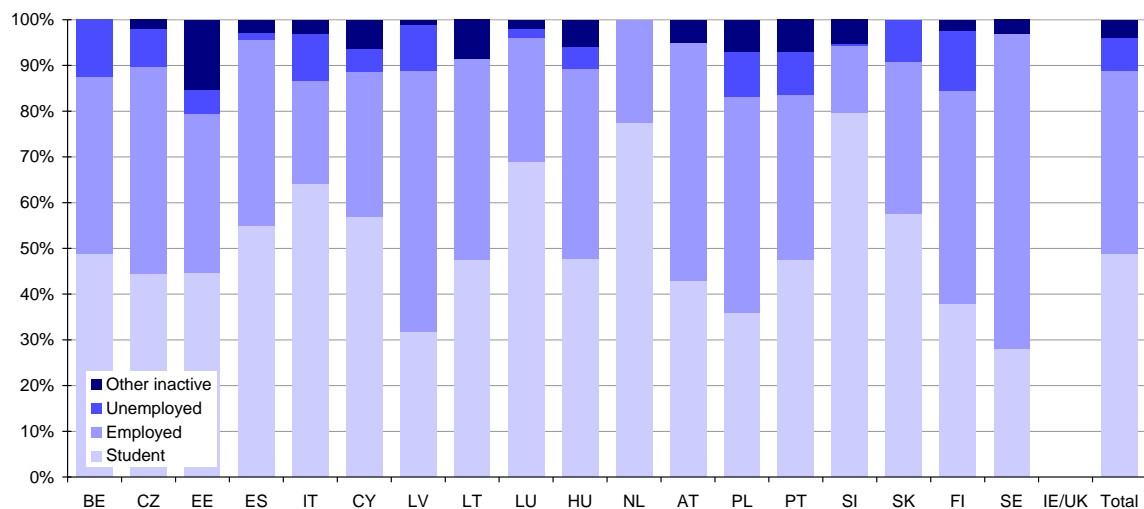


Of the 40% of the cohort who were not students at the end of 2007, most (29%) were employed but a significant proportion (9%) was unemployed, though the proportion was much less in the UK and Ireland, Lithuania and Luxembourg. In Italy, however, many more were unemployed than employed (22% as against 15%).

As would be expected, fewer (only 49% overall) of those who were students aged 18-19 in 2004 were in education in 2007 (Figure 35). However, there were some countries, where the proportion was much higher, most especially in Slovenia and the Netherlands (around 80%).

The proportion of the 18-19 age group in employment at the end of 2007 was higher than for the 16-17 year old cohort (39% on average) while the proportion unemployed was smaller (7.4%). This suggests that those leaving education at an older age and more highly educated tend to have more success in finding jobs. This is notably the case in Italy, though those entering the labour market were still much more likely to be unemployed than in other countries (over a third of those who were economically active at the end of the period).

Figure 35: Activity status at the end of 2007 of those who were students aged 18-19 at the end of 2004



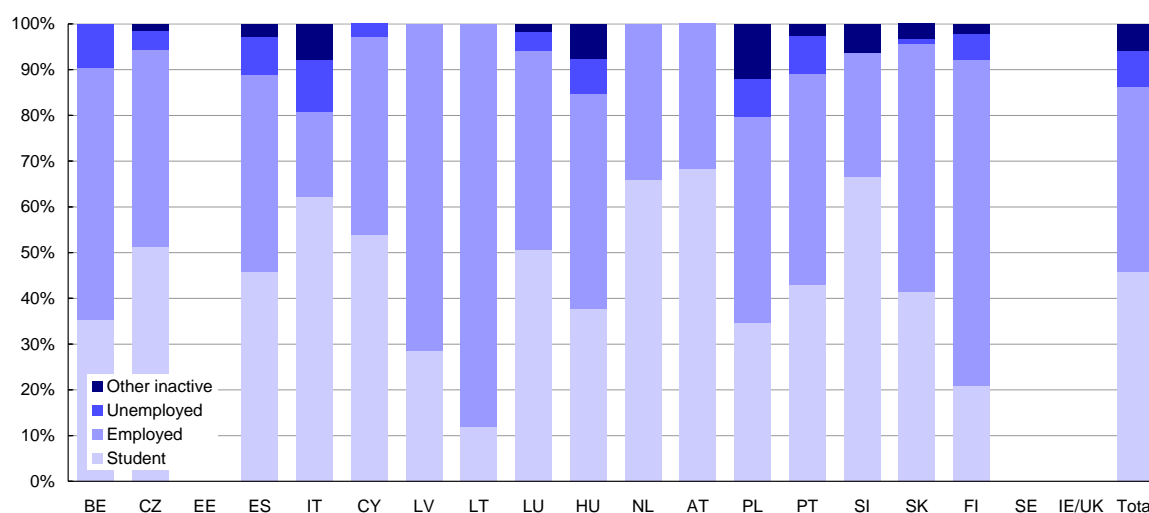
Source: EU-SILC

Note: Data for IE/UK not reliable

The proportion of those aged 20-22 in 2004 who were still in education in 2007 was generally, as again would be expected, smaller than for those aged 18-19, except in Austria and the Czech Republic (Figure 36). The proportions in employment (40.5%) and unemployment (8%) are not much different to those for the 18-19 age group, which suggests that there is not much gain in terms of success in finding a job from remaining longer in education beyond the age of 20. However, this is not the case in Latvia, Portugal, Slovakia, and Finland, where the rate of employment relative to unemployment among those who were economically active in 2007 was much higher for those aged 20-22 than for those aged 18-19 (though the number of observations is relatively small in some cases).



Figure 36: Activity status at the end of 2007 for those who were 20-22 year old at the end of 2004



Source: EU-SILC

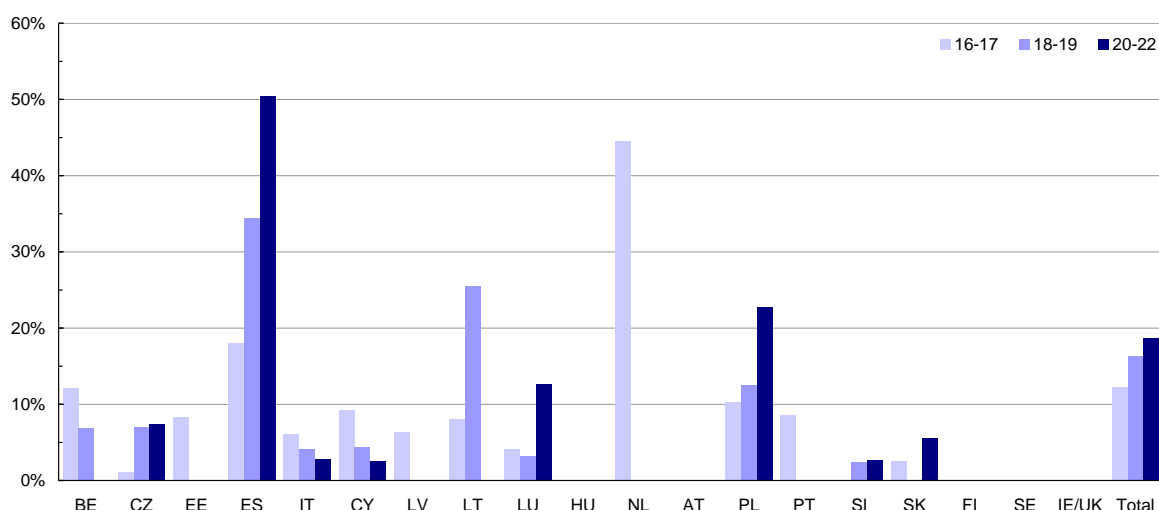
Note: Data for EE, SE, IE/UK not reliable

Student work experience

Work experience helps in the search for employment. For those who are about to make the transition from education into employment it is undoubtedly better to have some experience than none at all.

However, the panel data indicate that among those who were students at both the beginning of the period in 2004 and 4 years later at the end in 2007, only a small proportion had been involved in some form of employment in the intervening months (Figure 37). On average, only 12% of students aged 16-17 had a spell of employment between 2004 and 2007. For those aged 18-19, the proportion was slightly larger (16%) and for those aged 20-22, larger still (19%).

Figure 37: Proportion of those who were students at the beginning of 2004 and end of 2007 that have work experience by age group



Source: EU-SILC

Notes: Those with work experience are those who have had at least one spell in employment. Data for some countries are excluded for certain age groups because the sample size is too small to be reliable. All countries are included in the EU total.



There are some notable exceptions to the low level of work experience. In particular, in the Nordic countries (Finland and Sweden) and the Netherlands, the proportion with work experience ranges from 44% to 79% for those aged 16-17 and remains high for the 18-19 and 20-22 age groups. The proportion is smaller but still significant in Austria and Spain (over 40%) among those aged 18-19 and 20-22.

Experience of unemployment

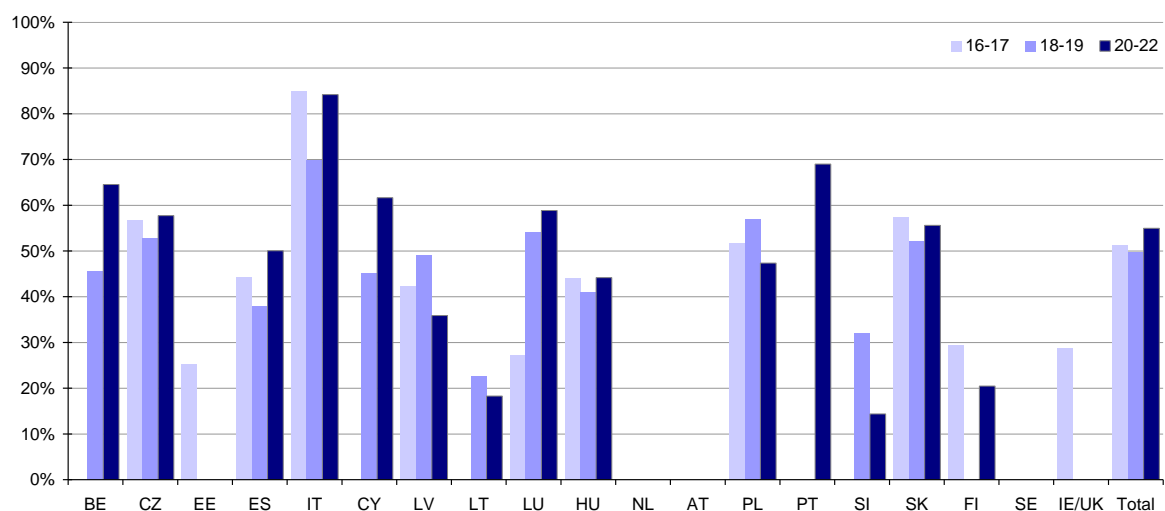
The panel data enable those who experienced spells of unemployment in their transition from education into work to be identified.

On average, just over half of those aged 16-17, who were students in 2004 and economically active in 2007 experienced at least one spell of unemployment (51%) along the way (Figure 38). However, in the UK and Ireland, the figure was only 28%, while in Slovakia and the Czech Republic, it was 57% and in Italy, as much as 84% (55% of those experiencing unemployment having at least two spells).

A slightly smaller proportion of those aged 18-19 experienced unemployment (only one percentage point smaller on average than the 16-17 age group). In Cyprus, Luxembourg, Estonia, Slovenia and Finland, the proportion was higher than for the younger age group and higher still (around 55%) for the 20-22 age group. In Belgium, Spain, Luxembourg and Cyprus, the relative number experiencing at least one spell of unemployment was also highest for the 20-22 age group. Remaining in education longer, therefore, does not reduce the chances of being unemployed when entering the labour market – quite the reverse, it would seem.

The data also indicate that the more highly-educated group who leave education to enter the labour market at an older age, tended to experience more spells of unemployment than younger age groups (Figure 39). The average number of spells rises from 0.67 for those aged 16-17 to 0.72 for those aged 18-19 and 0.83 for those aged 20-22. This suggests that those who stay in education longer and are more highly educated experience more frequent transitions into unemployment compared to those who leave education earlier – though this tendency is not evident for all the countries examined.

Figure 38: Proportion of those who were students at the beginning of 2004 and active at the end of 2007 who experienced unemployment by age group, 2004 to 2007

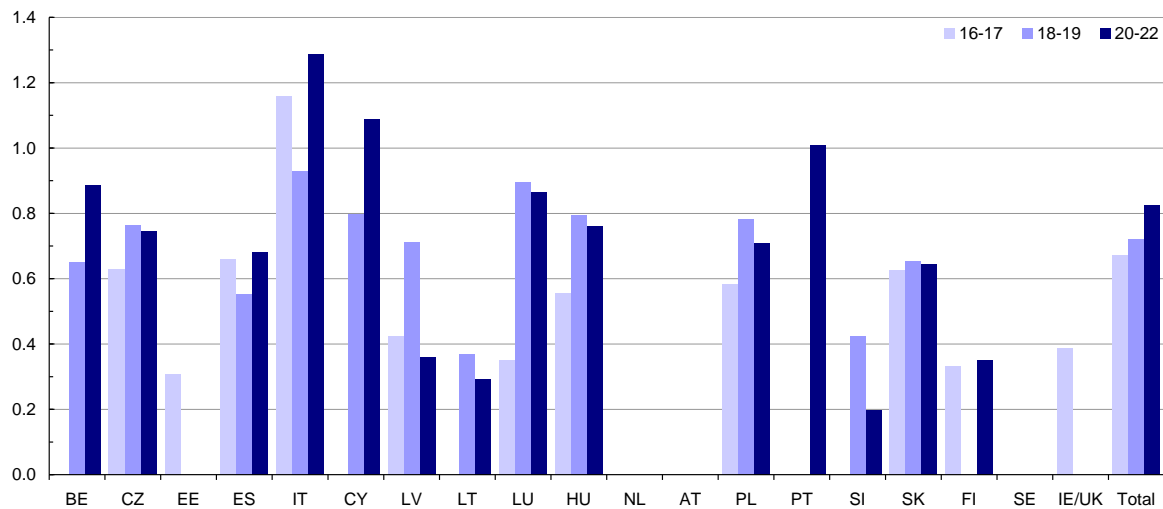


Source: EU-SILC

Notes: Data are not reliable for BE, CY, NL, AT, PT, SI and SE for the 16-17 age group, for EE, NL, AT, PT, FI, SE and IE/UK for the 18-19 age group and for EE, NL, AT, SE and IE/UK for the 20-22 age group. These are excluded from the figure.



Figure 39: Average number of unemployment spells of those who were students at the beginning of 2004 and active at the end of 2007 by age group, 2004 to 2007



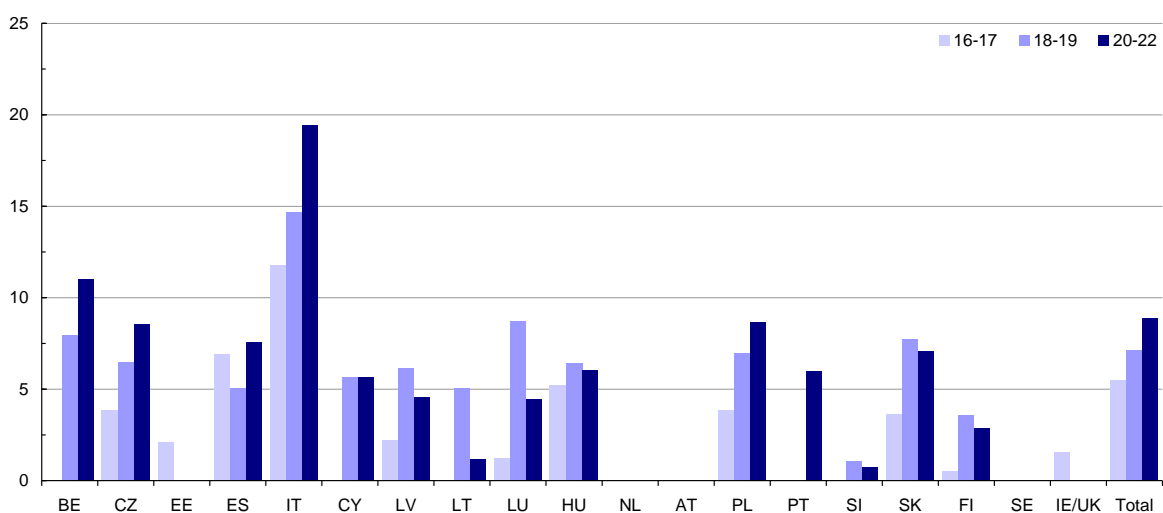
Source: EU-SILC

Notes: Data are not reliable for BE, CY, NL, AT, PT, SI and SE for the 16-17 age group, for EE, NL, AT, PT, FI, SE and IE/UK for the 18-19 age group and for EE, NL, AT, SE and IE/UK for the 20-22 age group. These are excluded from the figure.

Furthermore, the older the age group, the longer the average time spent in unemployment (Figure 40). For those aged 16-17 who experience unemployment, the average time spent unemployed was 5.5 months, for those aged 18-19 it was 7.1 months, and for those aged 20-22 it was 8.9 months. This meant that those who enter the labour market at an older age and tend to be more highly-educated are more likely to experience unemployment and for a longer period.

Italy stands out from the other countries. Those in the 16-17 age groups who experienced unemployment were unemployed for an average of 11.8 months, those aged 18-19, for an average of 14.7 months, and those aged 20-22, 19.4 months.

Figure 40: Average time spent unemployed (in months) by those who were students at the beginning of 2004 and active at the end of 2007, by age group, 2004 to 2007



Source: EU-SILC

Notes: Data are not reliable for BE, CY, NL, AT, PT, SI and SE for the 16-17 age group, for EE, NL, AT, PT, FI, SE and IE/UK for the 18-19 age group and for EE, NL, AT, SE and IE/UK for the 20-22 age group. These are excluded from the figure.



Temporary contracts – a stepping stone to more secure employment?

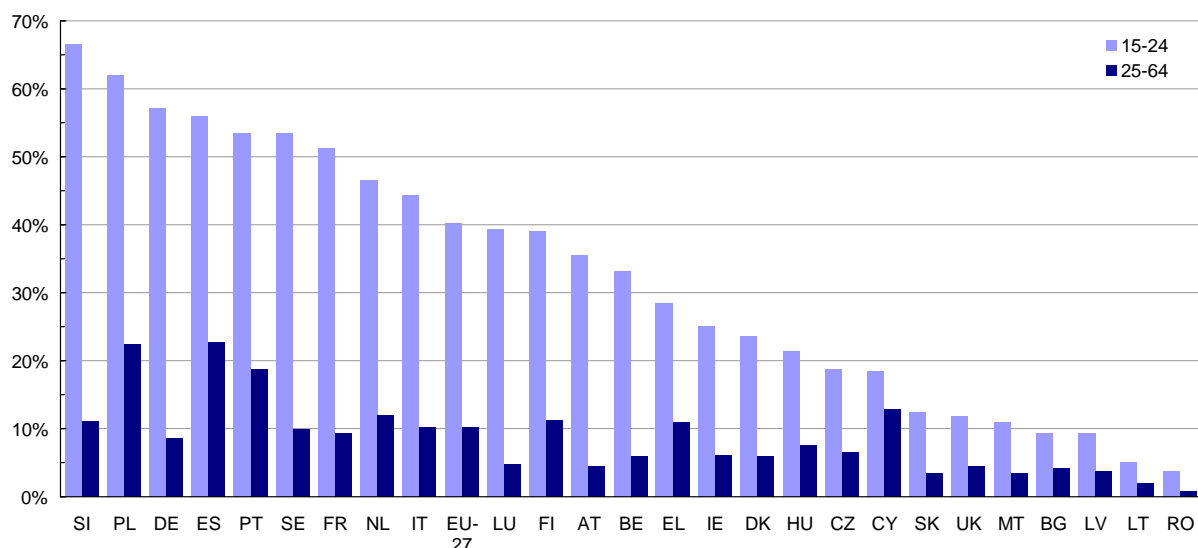
Non-standard contracts can be an important means of helping young people into employment. This is especially the case for low-skilled young workers and for those without work experience²⁵. Two main issues are examined here - the incidence of temporary contracts among young people in employment and the transition from temporary to permanent jobs.

Young people are much more likely than other age-groups to be employed on a temporary contract. In 2009, 40% of employees aged 15-24 were engaged on a temporary contract compared to just 10% of those aged 26-64, though these proportions vary considerably between countries. In seven Member States, over half of young employees are in temporary jobs whilst in another four countries, the figure is less than 10% (Figure 41). However, it is universally true that temporary work is more prevalent amongst younger workers than older ones.

In some countries, many of those concerned are also enrolled in education or training but this is not in itself a determinant of the level of temporary contracts. The combination of temporary employment and education and training is most common in the Netherlands, Germany, Sweden and France and least common in Portugal, Italy, and Spain but all of these countries have a higher than average share of young people in temporary contracts (Figure 41).

In general it can be said that the incidence of temporary contracts is inversely related to the strength of Employment Protection Legislation (EPL) – in other words, the more difficult it is for employers to hire and fire people, the more likely it is that they will prefer to use temporary contracts. An index of EPL produced by the OECD²⁶ has values that range from zero (least restrictions) to six (most restrictions). Values of the index are under one (i.e. indicating few restrictions) in all countries where the share of people in temporary contracts is below 10% (Denmark, the Czech Republic, Ireland, and the UK).

Figure 41: Proportion of employees aged 15-24 on temporary contracts, 2007 and 2009



Source: Eurostat, Labour Force Survey

Note: Data not available for Estonia. Data for Lithuania and Malta are unreliable.

Workers on temporary contracts tend to be the first to be dismissed by employers during recession. At the same time, during periods of uncertainty, employers are more likely to

²⁵ "Rising youth unemployment during the crisis: how to prevent negative long-term consequences on a generation?", Scarpetta S., Sonnet A., Manfredi T. OECD (2010)

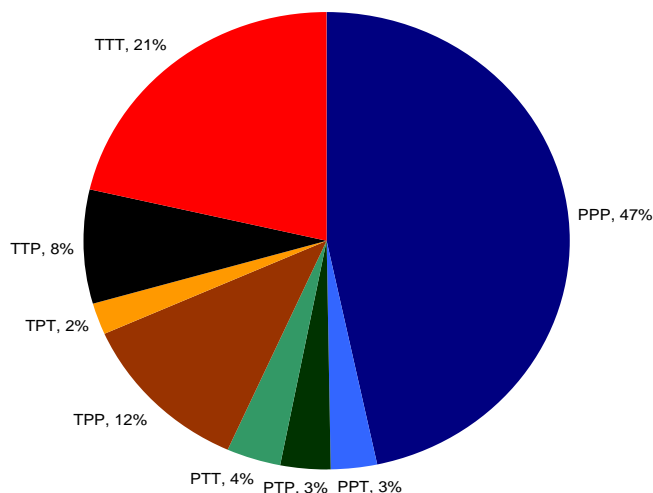


create temporary jobs than permanent ones. The former tendency serves to reduce the share of people in employment on fixed-term contracts, the latter to increase it. Over the recession period, when employment declined generally, the proportion of employees aged 15-24 who were engaged on a temporary contract fell slightly from 41% in 2007 to 40% in 2009 indicating a general tendency for more temporary than permanent jobs to be destroyed. The change was particularly noticeable in Spain where the share of young people working on temporary contracts fell from 63% to 56%. However, this pattern was not consistent across Member States and in nearly half of countries the share of young employees on temporary contracts actually increased.

Panel data from the EU-SILC provides an insight into the career pathways of young people aged 16-24 over the years 2005-2007. These data cover 19 Member States²⁷ and relate to people who were employees throughout the three years. Seven different pathways can be distinguished, as indicated in Figure 42 (where temporary contacts are denoted by "T" and permanent contracts by "P" – if, for example, someone is employed on a temporary contract for two years, then on a permanent contact in the third year, the pathway is denoted as TTP).

The majority of young people (47%) covered by the data had a permanent contract in all three years. The role of non-standard contracts as stepping stones in a career pathway is indicated by the incidence of workers who receive a permanent contract of employment after having a temporary contract in either the year before (12%) or in the two years before (8%). However, the data also show that a significant proportion of young people remained in precarious jobs. One in five young workers were on temporary contracts in all three years and almost one in ten were in fixed-term contracts at the end of 2007, despite having a permanent contract in at least one of the two previous years. Extended and recurring temporary employment can potentially have long-lasting damaging consequences on a person's future career.

Figure 42: Distribution of career pathways of young employees during 2005-2007 (16-22 year olds in 2005)



Source: EU-SILC

Notes: T – Temporary contract, P – Permanent contract

The effect of temporary contracts is more evident in some countries than others. Figure 43 shows the probability of a young temporary worker being in permanent work after one year and after two years for 8 Member States. Two main points emerge. In some Member States, temporary contracts provide stepping stones into a career: over 70% of temporary

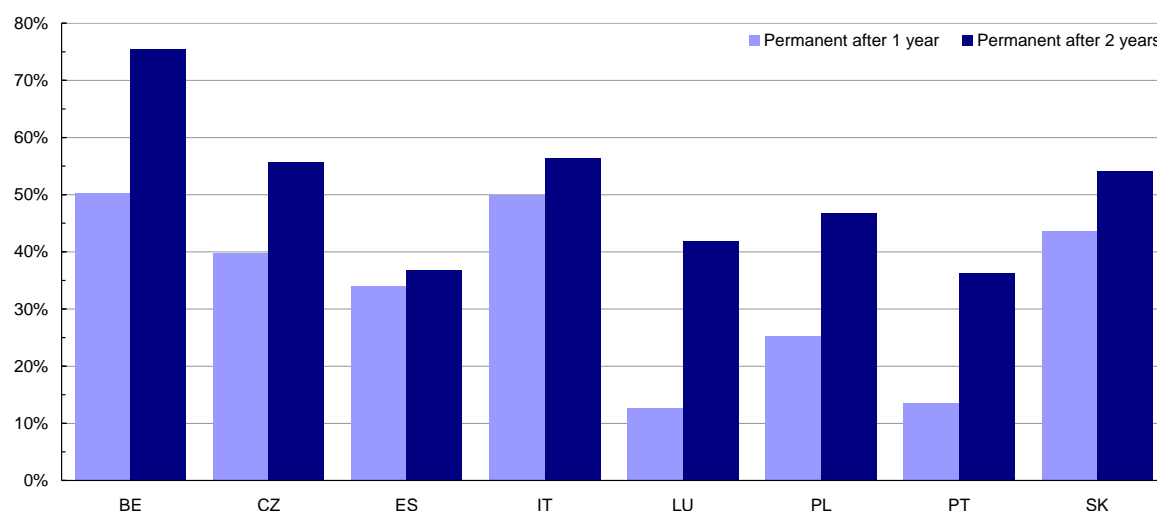
²⁶ Source of the EPL index: www.oecd.org/employment/protection.

²⁷ No adequate data (either partially incomplete or not available) for Denmark, France, Germany, Greece, Malta, Romania, the United Kingdom, and Slovenia.



contracts became open-ended after two years, as in Belgium, for example. Conversely, in many countries, many young people remain in temporary contracts, as in Spain, Portugal, Luxembourg, and Poland, where under 50% of young workers in temporary jobs were on a permanent contract after two years.

Figure 43: Probability of a person on a temporary contract obtaining a permanent contract after 1 or 2 years, 2005-2007



Source: EU-SILC

Notes: Data for other countries is either not reliable or not available

Conclusion

The level of youth unemployment following the recession has become a serious concern. Across the EU, the unemployment rate amongst those aged 15-24 rose from 15.5% in 2007 to 19.8% in 2009. The increase in youth unemployment as a result of the recession hit across the board but particularly affected young men and those with low levels of education. The proportion of unemployed youth in long term unemployment was slightly lower in 2009 than in 2007 but it has started to increase and whilst demand in the labour market remains low the fear is that it will continue to increase.

Unemployment rates alone do not paint a full picture of the situation for young people. Many young people are engaged in full-time education and the part that is actually active in the labour market varies considerably between countries. Moreover, the situation is not static over time as the number of young people who enter the labour market is sensitive to the economic cycle.

The rates at which young people move from year to year between different labour market situations (employment, unemployment, student and other inactive) have changed since the onset of the recession. The proportion of young people who remained employed from one year to the next has fallen, as has the share that moved into jobs from unemployment. On the other hand, a larger proportion either remained in education or returned to it. Furthermore, when this situation is compared with those over the age of 25, there is evidence that young people were hit disproportionately by both job losses and a reduced rate of new job creation.

Analysis of the experiences of young people moving into the labour market from education over a four year period shows that those leaving education at an earlier age (16-17) tend to have less success in finding jobs than those who leave at an older age (18 or over). However, the data also suggest that there is not much gain (in terms of the chances of finding a job of any type) from remaining in education beyond the age of 20.



Further, a later exit from education into the labour market does not noticeably reduce the chances of experiencing unemployment during the transition period. In fact, those who moved into the labour market at an older age tended to experience more spells of unemployment and more time in unemployment than younger age groups despite being more successful in the long run. However, this pattern is not evident for all countries.

Young people are much more likely than other age-groups to be employed on a temporary contract. In 2009, 40% of employees aged 15-24 were on a temporary contract compared to just 10% of those aged 25-64. Although inherently less stable forms of employment, for young people temporary contracts can be valuable stepping stones towards more secure long-term employment. Analysis of how the employment situation of young people on temporary contracts changes over one or two years suggests that this is the case in some countries but not in others.