



Intra-EU Migration and Social Protection – a Challenge for Labour Market Research

Martin Seeleib-Kaiser

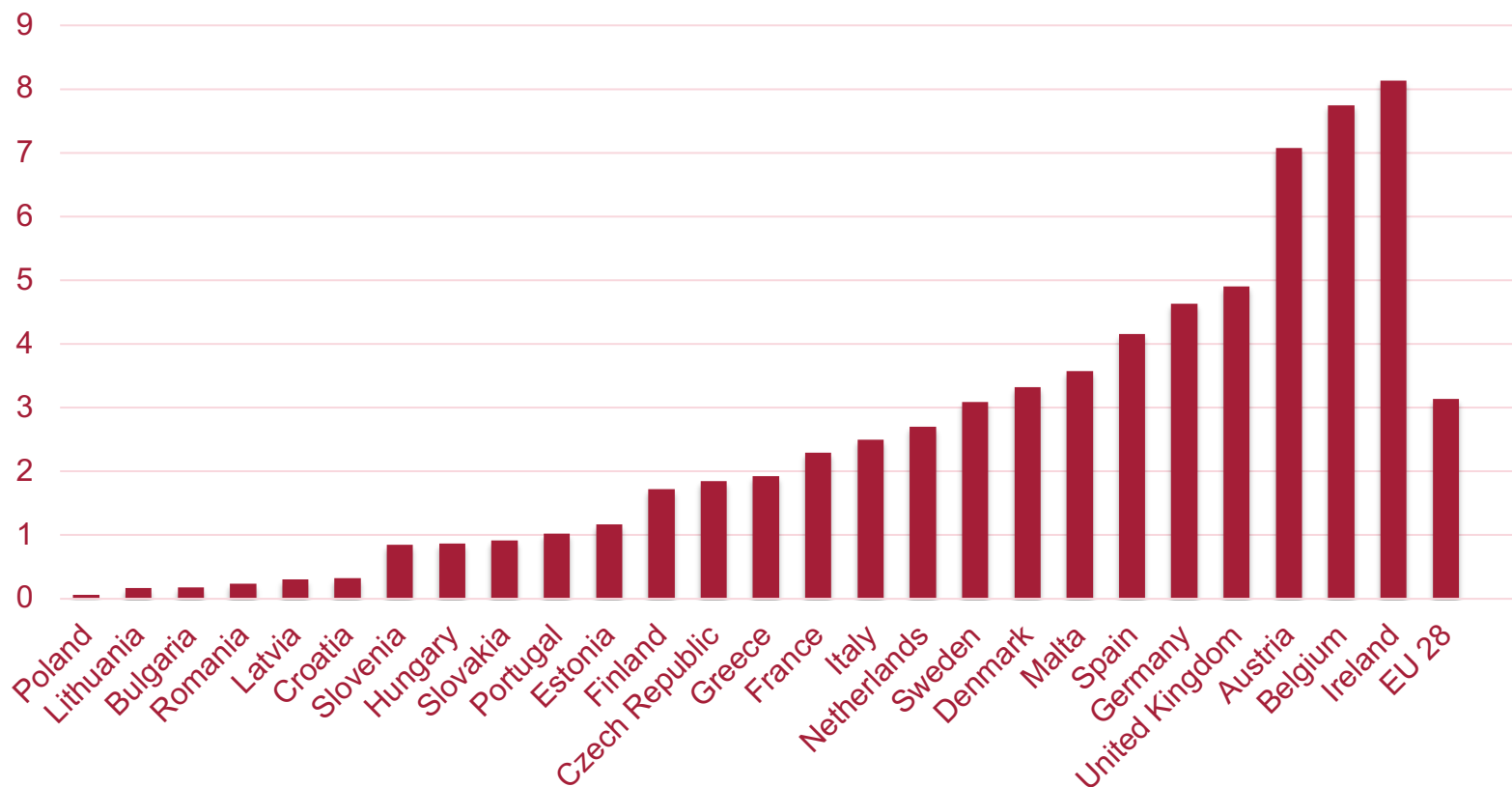


Freedom of Movement, European Citizenship and Social Rights

- Freedom of Movement (of workers) dates back to the Treaty of Rome (1957)
- Intra-EU mobility and migration relatively low until 1990
- Significant increase as a consequence of EU enlargement to CEE and the severe economic crisis in SE.
- Today more than 16 million citizens work and live in another Member State, compared to 8 million 10 years ago (EU COM 2017).



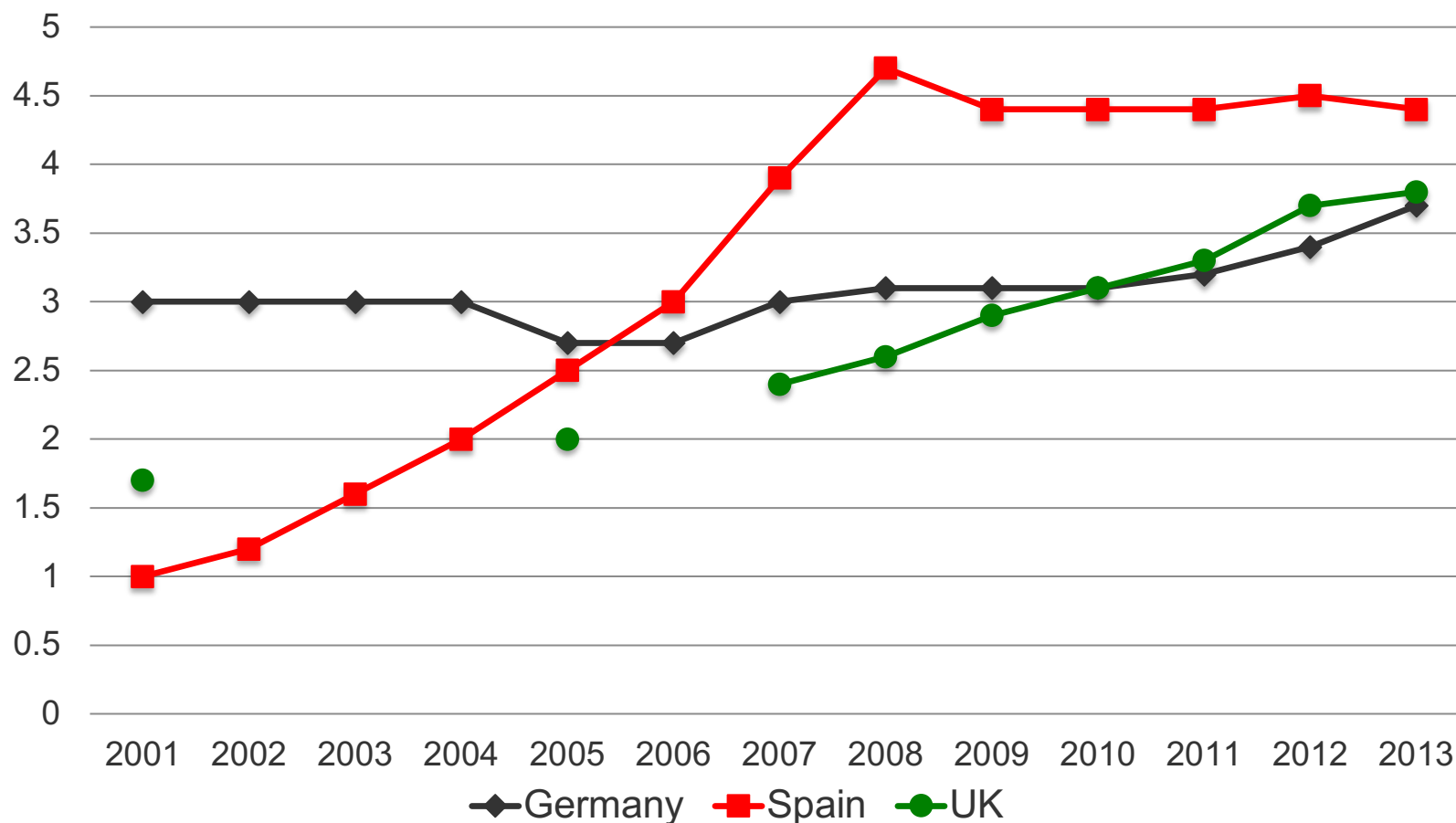
EU Migrant Citizens in Percent of Total Resident Population, 2016



Source: Eurostat [migr_pop1ctz]

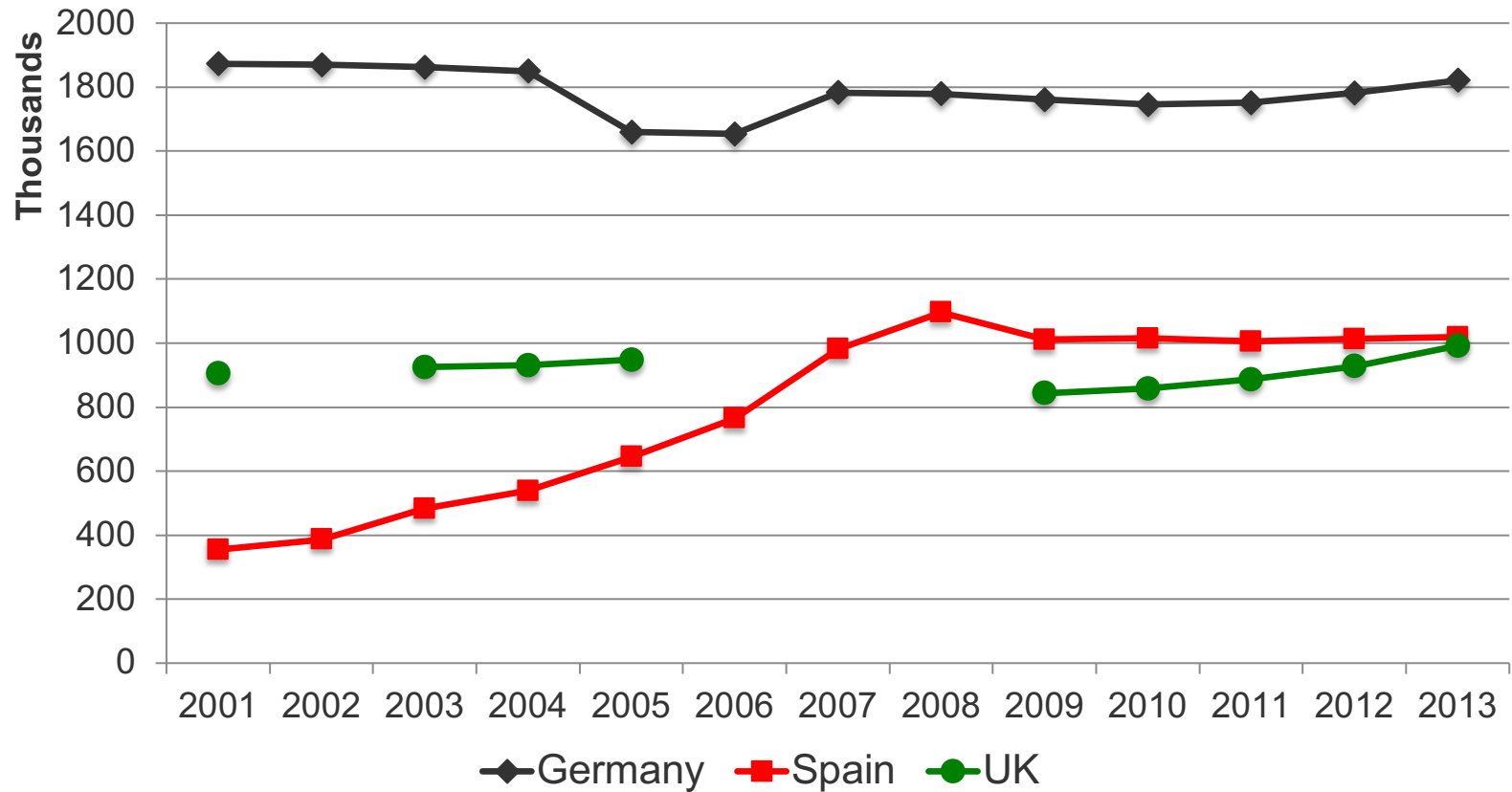


Percent of EU Migrant Citizens as a Share of Total Population (2001-2013) in Selected Countries





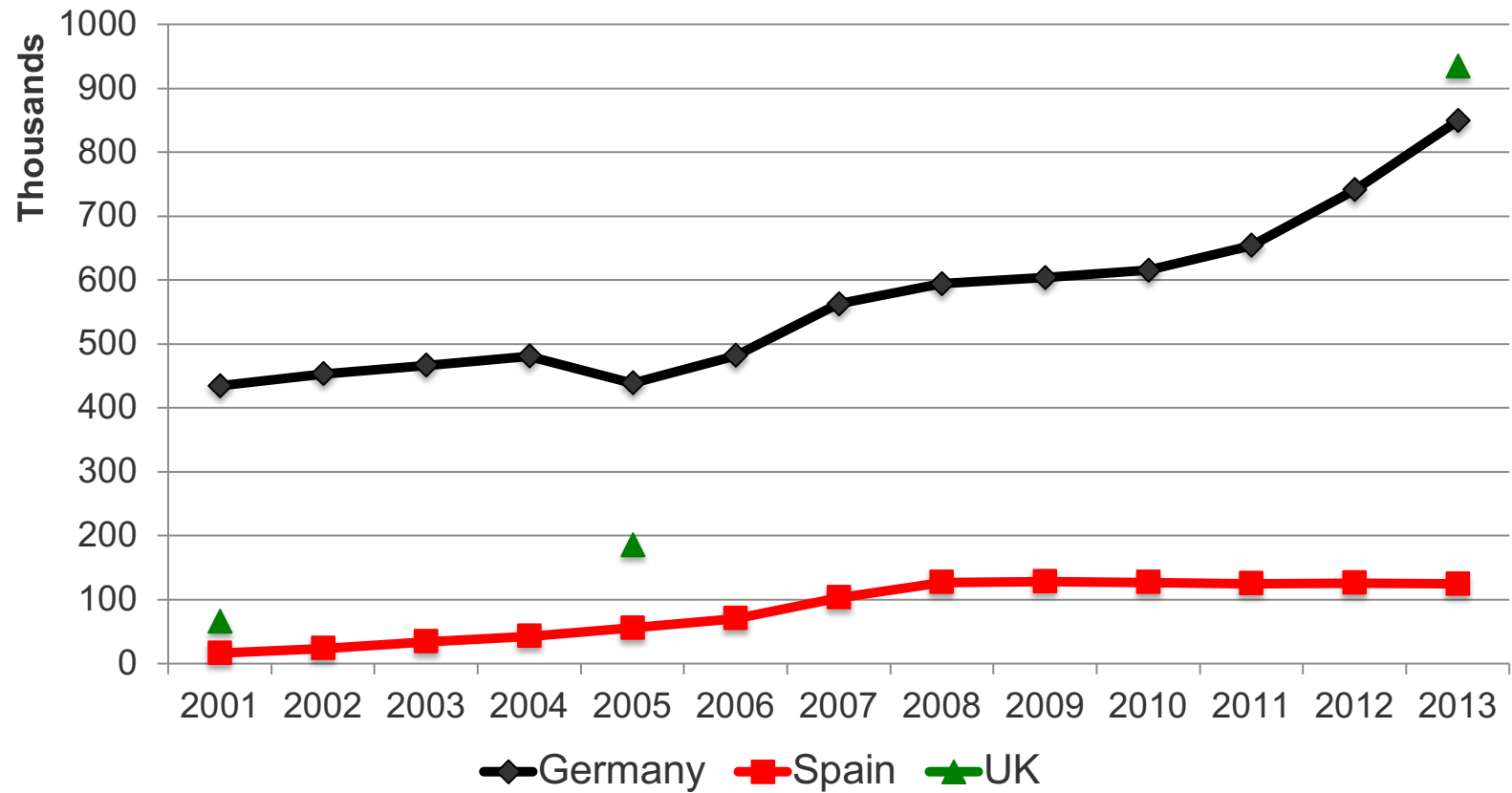
EU Migrant Citizens from EU15



Source: Eurostat [migr_pop1ctz]



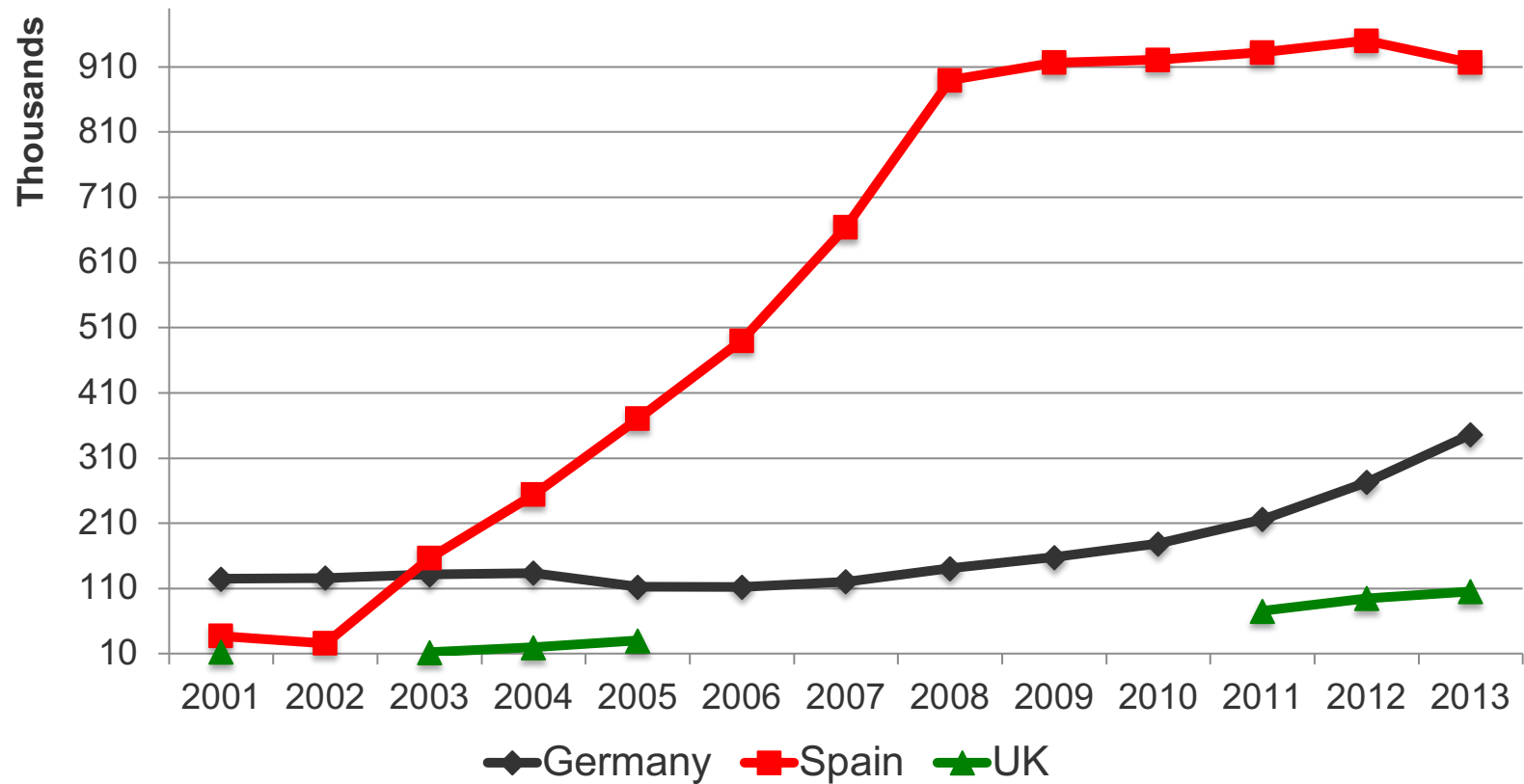
EU Migrant Citizens from A8



Source: Eurostat [migr_pop1ctz]



EU Migrant Citizens from A2



Source: Eurostat [migr_pop1ctz]



EU Jobseekers and the Risk of Exploitation

- According to estimates by the EU Commission/Eurostat **1.1 million people of working age moved from one Member State to another** in 2012.
- Although the majority of EU migrant citizens either have a job offer or find a job quickly when moving to another country in the EU, a minority of EU jobseekers has difficulties finding a job. It is very likely that these jobseekers suffer **exploitation** by rogue employers or have to **live in abject poverty**, due to Social Security Coordination not being fit for purpose.



Legal Social Rights

- **Workers** have the **same social rights** as nationals
- **Economically inactive EU citizens** -- jobseekers, students, retired persons, and accompanying family members -- must have **comprehensive sickness insurance and sufficient resources** for themselves and their family members in order **not to become** an '**unreasonable burden**' for the social assistance system of the Member State (Art 7, 1: 2004/38/EC); after five years same rights.
- Importance of **social security coordination**





Social Rights of EU Migrant Citizens



	3 month or less	3 - 6 months	1 - 5 years	+ 5 years
Worker	full access	full access	full access	full access
Jobseeker (without work history in country of destination)	export/import of unemployment benefits family benefits	family benefits	family benefits	full access, <i>if</i> legal resident for a minimum of five years
Student	export/import of sickness insurance family benefits	export/import of sickness insurance family benefits	export/import of sickness insurance family benefits	full access, <i>if</i> legal resident for a minimum of five years
Pensioner	export/import of pension export/import of sickness insurance	export/import of pension export/import of sickness insurance	export/import of pension export/import of sickness insurance	export/import of pension export/import of sickness insurance

Source: Bruzelius, Reinprecht and Seeleib-Kaiser 2017

Absolute net difference of weekly unemployment benefits between country of origin and country of destination, 2014

			COUNTRY OF ORIGIN																									
			Soc-Dem		Conservative					Liberal		Mediterranean					A8								A2			
			DK	SE	NL	BE	FI	FR	DE	AT	IE	UK	IT	ES	PT	MT	EL	SI	CZ	LV	EE	SK	HU	PL	LT	BG	RO	
COUNTRY OF DESTINATION	SD	DK		-93	-20	-26	-70	-123	-140	-153	-182	-277	-149	-155	-232	-274	-286	-227	-291	-292	-296	-301	-312	-323	-324	-328	-340	
		SE	93		73	67	23	-30	-47	-60	-89	-184	-56	-62	-139	-181	-193	-135	-198	-199	-203	-208	-220	-230	-232	-236	-248	
	Conservative	NL	20	-73		-6	-50	-103	-120	-133	-162	-257	-129	-135	-212	-254	-266	-208	-271	-272	-276	-281	-293	-303	-305	-309	-321	
		BE	26	-67	6		-44	-97	-114	-126	-156	-251	-123	-128	-206	-248	-260	-201	-265	-266	-270	-275	-286	-297	-298	-302	-314	
		FI	70	-23	50	44		-53	-70	-83	-112	-207	-79	-85	-162	-204	-216	-157	-221	-222	-226	-231	-242	-253	-254	-258	-270	
		FR	123	30	103	97	53		-17	-29	-59	-154	-26	-31	-109	-151	-163	-104	-168	-169	-173	-178	-189	-200	-201	-205	-217	
		DE	140	47	120	114	70	17		-13	-42	-137	-9	-15	-92	-134	-146	-87	-151	-152	-156	-161	-173	-183	-184	-189	-201	
		AT	153	60	133	126	83	29	13		-29	-124	4	-2	-79	-122	-133	-75	-138	-139	-143	-148	-160	-171	-172	-176	-188	
	Lib	IE	182	89	162	156	112	59	42	29		-95	33	27	-50	-92	-104	-46	-109	-110	-114	-119	-131	-141	-143	-147	-159	
		UK	277	184	257	251	207	154	137	124	95		128	122	45	3	-9	50	-14	-15	-19	-24	-35	-46	-47	-52	-64	
	Mediterr.	IT	149	56	129	123	79	26	9	-4	-33	-128		-6	-83	-125	-137	-78	-142	-143	-147	-152	-164	-174	-175	-180	-192	
		ES	155	62	135	128	85	31	15	2	-27	-122	6		-77	-120	-131	-73	-136	-137	-141	-146	-158	-169	-170	-174	-186	
		PT	232	139	212	206	162	109	92	79	50	-45	83	77		-42	-54	5	-59	-60	-64	-69	-80	-91	-92	-96	-108	
		MT	274	181	254	248	204	151	134	122	92	-3	125	120	42		-12	47	-17	-18	-22	-27	-38	-49	-50	-54	-66	
		EL	286	193	266	260	216	163	146	133	104	9	137	131	54	12		59	-5	-6	-10	-15	-26	-37	-38	-42	-55	
	A8	SI	227	135	208	201	157	104	87	75	46	-50	78	73	-5	-47	-59		-64	-64	-69	-74	-85	-96	-97	-101	-113	
		CZ	291	198	271	265	221	168	151	138	109	14	142	136	59	17	5	64		-1	-5	-10	-21	-32	-33	-37	-49	
		LV	292	199	272	266	222	169	152	139	110	15	143	137	60	18	6	64	1		-4	-9	-21	-31	-33	-37	-49	
		EE	296	203	276	270	226	173	156	143	114	19	147	141	64	22	10	69	5	4		-5	-16	-27	-28	-32	-44	
		SK	301	208	281	275	231	178	161	148	119	24	152	146	69	27	15	74	10	9	5		-11	-22	-23	-27	-39	
		HU	312	220	293	286	242	189	173	160	131	35	164	158	80	38	26	85	21	21	16	11		-11	-12	-16	-28	
		PL	323	230	303	297	253	200	183	171	141	46	174	169	91	49	37	96	32	31	27	22	11		-1	-5	-17	
		LT	324	232	305	298	254	201	184	172	143	47	175	170	92	50	38	97	33	33	28	23	12	1		-4	-16	
	A2	BG	328	236	309	302	258	205	189	176	147	52	180	174	96	54	42	101	37	37	32	27	16	5	4		-12	
		RO	340	248	321	314	270	217	201	188	159	64	192	186	108	66	55	113	49	49	44	39	28	17	16	12		

 higher in origin than in destination country
 up to 25% lower than in the destination country

 25-50% lower than in the destination country
 more than 50% lower than in destination country

Notes: Weekly exportable unemployment benefit calculated for mobile unemployed single EU citizens without children with 67% of AW for the initial period of unemployment; Cyprus excluded as data on net annual earnings is unavailable; Luxembourg excluded as outlier with disproportionately large proportion of EU migrant citizens

Source: Eurostat (<http://ec.europa.eu/eurostat/web/labour-market/earnings/database>), OECD (<http://www.oecd.org/els/benefits-and-wages-statistics.htm>)

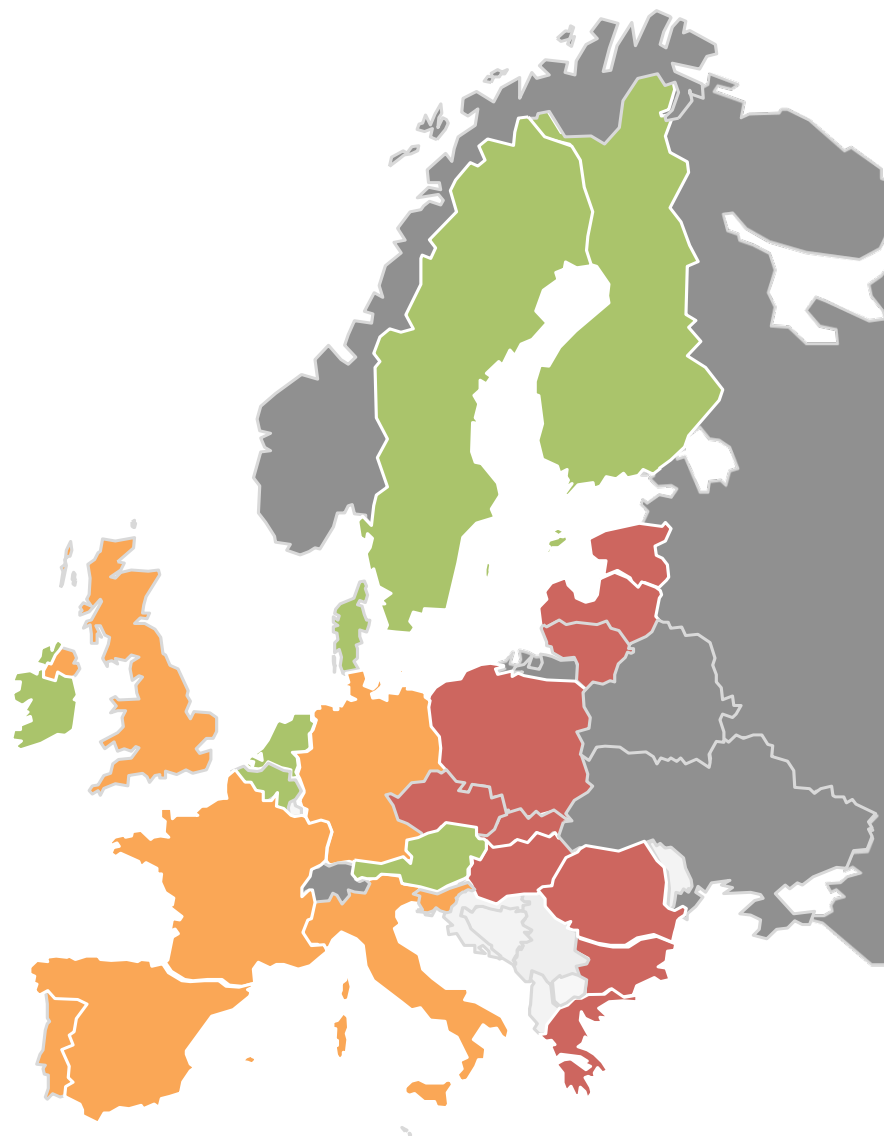


Freedom of Movement Index for EU Migrant Citizens

- For each country and entry category, jobseeker, pensioner and child, we calculate the effective freedom of movement, i.e. the number of countries the respective EU citizen can relocate to without being significantly worse off ($<75\%$) than their counterparts in the country of destination.
 - Average of effective freedom of movement across entry categories for each country.
 - Third, we divide the data into three parts.
 - **(full) freedom of movement**, nationals can relocate to more than 90% (22 states) of the 24 destination Member States in our sample;
 - **limited freedom of movement**; nationals can relocate to a minimum of 50% (12 states) and a maximum of 90% (22 states);
 - **restricted freedom of movement**, nationals can relocate to less than 50% (12 states) of EU destination Member States.
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Freedom of movement index for EU migrant citizens
Single Jobseekers, Pensioners, Children



- Full freedom of movement (> 90% of destination countries)
- Limited freedom of movement (50-90% of destination countries)
- Restricted freedom of movement (< 50% of destination countries)

Note: Freedom of movement index based upon freedom of movement of single jobseekers, pensioners and children

Source: own calculations

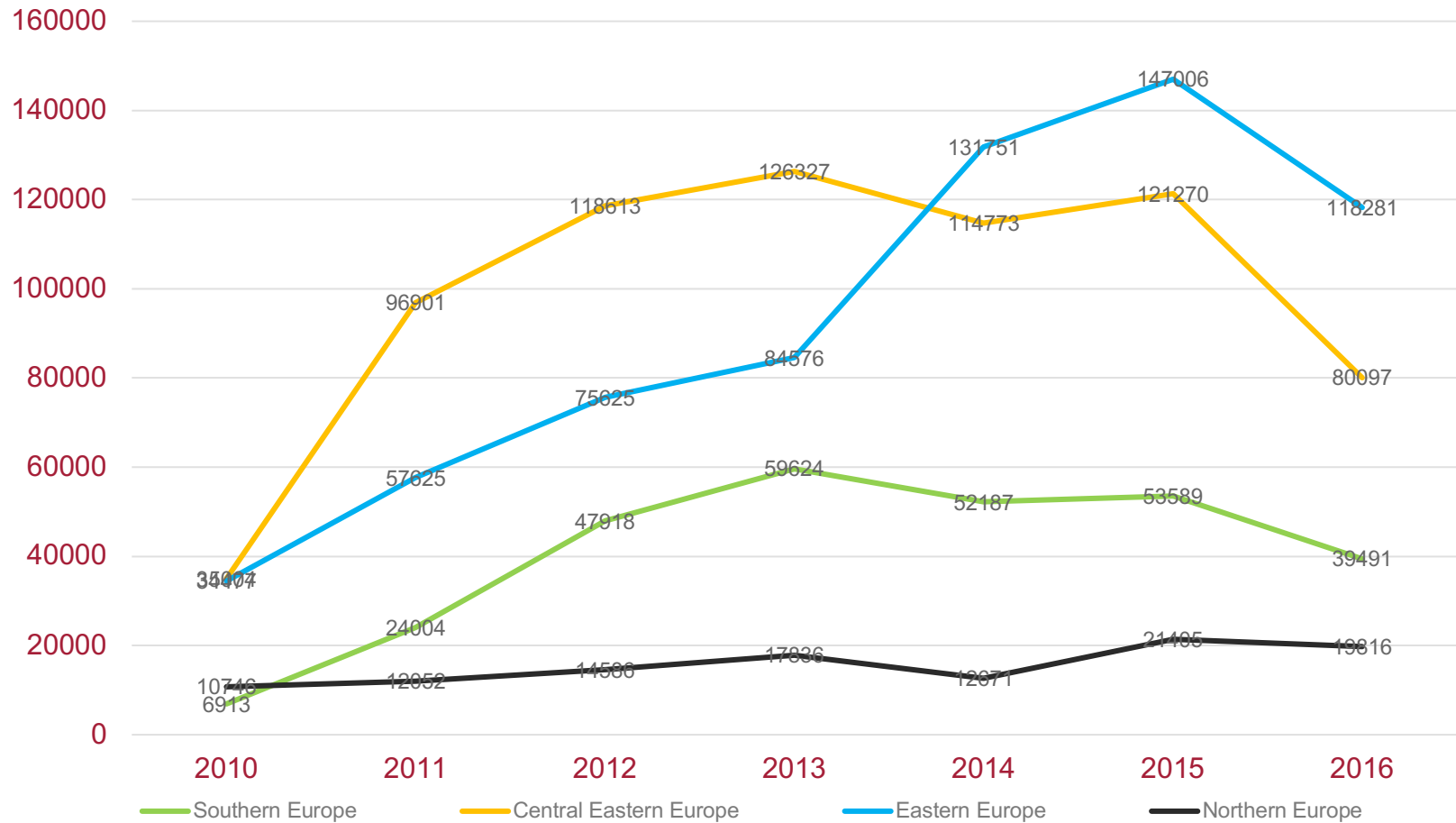


Freedom of Movement, European Citizenship and Social Rights

- Are all EU citizens *full* members of the “EU community”?
- OR is the fundamental freedom to free movement and the fundamental status of EU citizenship limited to citizens of Member States in the North of Europe?
- The system of social security coordination designed to support EU migrant workers is no longer fit for purpose, as it provides no *substantive* rights for EU citizens from the majority of CEE and SE countries.



Regional Net Migration by EU Migrant Citizens to Germany (2010-2016)





Freedom of Movement, European Citizenship and Social Rights

- Extending the time period for **exporting unemployment benefits from a minimum of three to six months** does not solve the problem.
 - **EU COM Press Release:** part of the Commission's efforts to facilitate labour mobility, ensure fairness for those who move and for taxpayers. The proposal modernises the current rules to ensure that they are fair, clear and easier to enforce.
 - Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne **Thyssen**, said: *"Free movement is a fundamental right of our Union cherished by its citizens. It brings benefits to workers, employers and the economy at large, helping tackling labour shortages and skills gaps. We need labour mobility to help restore economic growth and competitiveness. But mobility needs to be based on clear, fair and enforceable rules. This is what our proposal to update the EU rules on social security is about: it safeguards free movement and protects citizens' rights, while strengthening the tools to address possible abuse"*. EU COM Press Release, 13 December 2016



Freedom of Movement, European Citizenship and Social Rights

- Need for detailed analysis of social protection among EU migrant workers/citizens – discrimination by state authorities; difficulties in accessing social rights in destination countries, such as Britain *and* Germany.
- Violation of EU rights?!
- Despite this discriminatory situation for EU migrant citizens from CEE and SE countries, the German government -- under the leadership of the Social Democrats -- further restricted access to ALGII benefits for mobile jobseekers in 2016.



The Case for a European Minimum Income Scheme from a Labor Market Perspective

- European Minimum Income Scheme (EMIS) available to all mobile jobseekers would have the potential to increase labor market mobility within the EU and thereby minimize labor market imbalances.
 - An EMIS will increase the reservation wage for low-wage EU migrant workers and minimize exploitation.
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The Case for a European Minimum Income Scheme

- An EMI for jobseekers should **initially** be paid at **25 percent of the equivalized net median income in the *country of destination*** for a maximum duration of **three/six months (within a 24 months period)**.
 - These **benefits should be administered by the local employment offices** in a similar way as unemployment benefits within the realm of social security coordination.
 - E.g. for Germany the monthly EMI benefit for an unemployed mobile jobseeker would have been € 379 in 2014, only slightly lower than the €391 ALG II [HartzIV] benefit paid to the long-term unemployed, but significantly higher than the monthly average exportable benefit of €112 of a young Romanian jobseeker.
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The Case for a European Minimum Income Scheme

- Providing an EMIS for mobile jobseekers would significantly increase the decommodification potential or the reservation wage and significantly **reduce the risk of exploitation** and as such enhance EU citizenship.
 - Furthermore, an EMIS would provide an EU policy instrument to effectively **minimise any real or alleged undercutting of working conditions** in the country of destination.
 - The EU would seem to have the **legal competence** to enact such a scheme based on Article 153 TFEU.
 - **Modest costs:** € 1.1 billion per annum (based on 1.1 million mobile workers)
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Conclusion

- If social rights are “the final stone in the arch which holds up the roof of citizenship” (Dahrendorf 1985) and citizenship is about membership in a community, then EU citizenship would seem to be a hollow concept.
- Just as the welfare state was crucial for nation building in the 19th and 20th Centuries, a **European Minimum Income Scheme** (EMIS), providing *substantive* social rights for all EU citizens, could be a crucial step towards a substantive EU citizenship in a United States of Europe.