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REPORT ON THE FREE MOVEMENT OF  
WORKERS IN EU-25

*Who's afraid of EU enlargement?*

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## ***Foreword***

One and a half year ago ECAS published the first report on the unsolved issues of enlargement of the Union to Central and Eastern European countries – the transitional measures applying to workers of the new Member States, non-application of the *Schengen-acquis* by the ten new Member States until the time they reach their so-called “Schengen maturity”, or the problem of the border region minorities.

The updated version of the report in September 2004 completed the chronicle of the “Unfinished Enlargement” with individual stories, personal experiences and with a listing of typical problems resulting from the fact that citizens’ right to move freely within the territory of the European Union was not correctly observed or suffered from major deficiencies.

Since 1<sup>st</sup> May 2004, both public and private institutions have been monitoring the economic and social impact of enlargement and the results of application of the transitional measures. So far only fragmented information has been made available by Eurostat or national statistical offices. However in the meantime, the European public requests information on the repercussions of enlargement on the economies of the host countries and also on the amount of migration that took place following accession.

Taking into account the need for a European view of post-enlargement labour flows, in July 2005 ECAS carried out research on the development of the labour market of each Member State during the past 12 months as regards employment of the accession countries’ nationals. National statistical offices, Ministries of Labour, consulates, academics and experts were consulted.

**The number of official sources consulted and the up-to-date nature of the data makes *this report the first one* to give an overall picture of migration of new Member State nationals, which took place after 1<sup>st</sup> May 2004.**

The presentation below is not a comparative study of data gathered, since e.g. the period they represent, the age, or the profession of the groups they stand for differs from one country to the other.

*The authors hereby would like to thank those who helped with the data collection and especially the officials of the Member States, for their cooperation and support.*

## ***Introduction***

*“Fears and scepticism in the West and hopefulness and optimism in the East.”*<sup>1</sup> This phrase sums up the feeling of both the EU15 and the EU10 countries prior to enlargement. New Member States (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Slovakia, Slovenia and Poland) celebrated the accession in an almost “New Year’s Eve atmosphere”<sup>2</sup>: at many border-crossings between the “East and the West”, people greeted the historical moment with the sound of car horns, toasts and the symbolic removal of border barriers. Heads of State, prime ministers and the Presidency of the European Union warmly welcomed this unprecedented opening of the Union to new Members, but at the same time the Accession Treaties were already signed and agreed to contain restriction on the free movement rights of the so called ‘A8’ nationals.<sup>3</sup>

The way leading the new Member States to the European Union was long and has witnessed a series of commitments and subsequent setbacks. Following the declaration of the European Council in Copenhagen (June 1993) that granted the possibility of applying for membership in the European Union to the former socialist countries of Central and Eastern Europe,<sup>4</sup> Hungary and Poland launched their applications for EU membership in 1994. In 1995 Bulgaria, Estonia, Latvia, Lithuania, Romania and Slovakia did the same; one year later the Czech Republic and Slovenia applied for membership as well.

Having twelve applicants by 1997, the European Union entered into negotiation with the six “most advanced” countries – the so called “Luxembourg group”<sup>5</sup> – following a customised agenda based on the “own merits” and the effective progress made by the country concerned. For the six others<sup>6</sup>, the negotiations were opened in December 1999 in Helsinki. Ten years after the first decision on enlargement of the Union took place, the European Council of Copenhagen in 2002 assessed that ten out of twelve candidates (with the exception of Bulgaria and Romania) were ready to join the EU by 2004.

The final commitment to enlarge the European Union by ten new members was taken in Athens on 16 April 2003, where the Accession Treaty was signed by the representatives of the 25 States.

Ten years of preparation on both sides: the acceding countries coped with the “Copenhagen criteria” (stable democracy, the respect of human rights and the rule of law; strong market economy and an aptitude to face the challenges of a competitive European internal market); while the European Union itself solved the institutional issues related to

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<sup>1</sup> *“East-West migration in the context of an Enlarging European Union: New opportunities and new challenges.”* Available at: [www.eumap.org](http://www.eumap.org)

<sup>2</sup> *“The Unfinished enlargement.”*p. 5. Available at: [www.ecas.org](http://www.ecas.org)

<sup>3</sup> This term is used to describe the workers of the new Member States (with the exception of Cyprus and Malta) to whom the Community principle of free movement of workers does not apply during the transitional period.

<sup>4</sup> Malta and Cyprus applied for the membership already in 1990.

<sup>5</sup> Estonia, Cyprus, Hungary, Poland, Slovenia, the Czech Republic

<sup>6</sup> The so called “Helsinki group”: Latvia, Lithuania, Malta, Slovakia, Bulgaria and Romania.

enlargement.<sup>7</sup> The financial aspects of enlargement had to be negotiated and re-negotiated.

While new Member State nationals were kept regularly updated about the results of the accession negotiations and the issue of joining the European Community was debated at large, the European public of the EU15 did not closely follow the long-lasting negotiation process and seemed to have woken up once the arrival of the “Eastern neighbours” became imminent.

*The fears and scepticism of the “unknown”* mean that enlargement – uniting now 450 million inhabitants is seen as a controversial issue and that the new Member States still have to combat the stereotypes, one of which is the flooding of the Western labour market with a cheap Eastern workforce.

The present study aims to demystify these worries by factual and statistical arguments.

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<sup>7</sup> See the provisions of the Nice Treaty of 2001.

## ***I. The transitional measures for the free movement of workers***

The notion of “transitional measure” covers the restrictions, which touch upon the free movement rights of the ‘A8’ workers. For them, these restrictions limit the possibility of making use of one of the basic principles of the Treaties, a cornerstone of the internal market, i.e. the right to take up employment and to answer to job-offers throughout the whole territory of the European Union.

Member States resorted to a variety of different restrictions ranging from limitations depending on sector or type of work, through quota arrangements, to work permits granted only when a national cannot be found to fill the vacancy. All these measures are also likely to apply on different timescales.

Part four of the Accession Treaty of April 2003 includes the “Temporary Provisions”, the first of which is the application of transitional measures. These are listed in Annexes V-XIV, each corresponding to a new Member State. No transitional measures are applied to Cyprus and Malta because of their small size and their relative economic strength. Cypriot and Maltese citizens are able to take up employment in the EU15 since the day of accession without any restrictions. In addition, Malta has been granted the right to impose safeguards if it witnesses a considerable influx of workers from other EU Member States to its labour market.

Transitional arrangements derogate from Articles 1 to 6 of Regulation (EEC) No 1612/68 on freedom of movement of workers within the Community and concern ‘A8’ workers who intend to sign an employment contract with an employer in the EU15, but not those new Member State nationals who are self-employed, students, pensioners, tourists, etc.

New Member State nationals, who *prior to enlargement* were already legally working in one of the EU15 countries and were admitted to the labour market of a given country for a period of 12 months or longer, continue to have access to the labour market of *that* Member State, but will not have automatic access to the labour markets of the other EU15 countries. The admission of an ‘A8’ worker to the labour market for a period of 12 months or more *after 1<sup>st</sup> May 2004* entails the same benefits. However, voluntary departure from the Member State concerned results in the loss of the right of access until the end of the transitional period.

The ‘A8’ worker who falls under the above-mentioned category is granted the right of family reunification, which means that his/her family members residing with him/her before accession will also have access to the labour market of the country concerned. However, if the family joins the worker after the date of accession, they will have access to the labour market only once they have been resident there for 18 months, or from the third year of accession – whichever date is earlier.

As regards the Community principles on the coordination of social security schemes, the exportation of pension rights and other benefits, such as the aggregation of social security

contributions or the principle of equal treatment – these are not linked to the transitional period and thus are fully applicable since 1<sup>st</sup> May 2004.

The core of the transitional measures consists of the maintenance of the national rules (or bilateral agreements) governing the granting of work permits. Once the national rules cease to apply (end of the transitional period), the Member State is not allowed to request a work permit as a condition of access to the labour market, but may continue to issue them for monitoring and statistical purposes!

The above rules governing the transitional period are annexed to the Accession Treaty and allow the fifteen Member States to individually decide upon the (non) application and the length of temporary restrictions, which are organised under the flexible form of “2+3+2” years scenario:

- 2004 – 2006 - During this period current Member States apply national measures or measures resulting from bilateral agreements, thus regulating access to their labour markets. According to Paragraph 12 of the Annexes, Member States may introduce under *national law* greater freedom of movement, (which may be equal to that guaranteed by the EC law provisions), but in any case national measures *may not be* more stringent than those that were in force on the day of signing of the Accession Treaty (Paragraph 14).
- 2006 – 2009 – Before the end of the first two year period (i.e. by 30 April 2006), the Commission will produce a report, on the basis of which the Council will review the functioning of the transitional provisions. Nevertheless, the result of this review will not be binding on Member States. Those who wish to continue applying national measures will still be allowed to do so after having notified the Commission (Paragraph 3). Only in the absence of such notification, EU provisions governing free movement of workers will apply automatically to that particular Member State. During this three year period any Member State applying national restrictions may also at any time willingly “switch” to full application of EU free movement provisions and should inform the Commission.
- 2009 – 2011 – As a general principle all national measures relating to labour market access should cease to apply by 2009. Nevertheless, a Member State is again given discretion to continue applying national measures (subject to the notification procedure as above) in case of serious disturbances of its labour market or a threat thereof. Moreover, during the whole seven year period Member States applying EU provisions on access to their labour market in full may resort to a *safeguard clause* included in Paragraph 7. This allows for partial or total suspension of application of the EU provisions referring to the free movement of workers, in case of disturbances to the labour market or threat thereof, even though the Commission’s permission will be required for this clause to be applied.

- From the year 2011 onwards no transitional measures referring to freedom of movement of persons may be imposed.

Currently four types of regimes are being applied by the EU15:<sup>8</sup>

- 1) A restrictive immigration regime (Belgium, Finland, Germany, Greece, France, Luxembourg, Spain) in which workers from the new Member States are treated in the same way as non-EEA citizens and are required to apply for a work permit, which is to be issued only in case that neither nationals nor other EU15 nationals can fill the position.
- 2) Restrictive immigration regime but with a quota for workers of the new Member States (Austria, Italy, the Netherlands, Portugal).
- 3) General access to the labour market, however only with limited welfare benefits. Unemployment might also constitute grounds for the withdrawal of the residence permit. (Ireland, the UK).
- 4) Community rules on the free movement of workers are fully applied (Sweden).

At present seven Member States of the EU15 (Belgium, Denmark, Finland, France, Italy, the Netherlands and Portugal) maintain their work permit system vis-à-vis the nationals of the 'A8' wishing to take up employment. The eligibility for welfare benefits is linked to tight conditions in all Member States except Sweden.

Additionally, Austria and Germany were given the possibility to impose further limitations on the provision of services for given countries and within given sectors. The reasons behind such decisions being that these countries were traditionally the main "receivers" of eastern migration flows with a share of 50% for Germany, and 15-20% for Austria. According to the provisions of the Accession Treaty, a company from a new Member State providing services in Austria or Germany might face restrictions in certain sectors in case serious disturbances on the labour market are experienced. This situation can only be envisaged during the period that both countries apply their national measures with reference to workers.

The service sectors, which might be covered by this derogation are listed in the Annexes to the Accession Treaty and read as follows:

- for Germany: construction including related branches; industrial cleaning; and activities of interior decorators;
- for Austria: horticulture; cutting, shaping and finishing of stone; manufacture of metal structures; construction including related branches; security activities;

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<sup>8</sup> Based on the study of T. Boeri – H. Brücker: *Migration, Co-ordination Failures and EU Enlargement*, p. 9, IZA DP No. 1600, May 2005

industrial cleaning; home nursing and social work activities without accommodation.

In return, 'A8' countries were given the possibility to make use of the "reciprocal measures" vis-à-vis those EU15, which restricted access to their labour markets to nationals of the country in question. Only Hungary and Poland had recourse to such measures. Labour flows between the accession countries themselves were not restricted either by quotas or by other limitations.

The overriding principle of Community preference applies to all 25 countries and it implies that migrant workers from third countries residing and working in one of the EU Member State shall *not* be treated more favourably than EU nationals.

*The above transitional measures undoubtedly reflect a certain "reticence" on the part of the EU15 and a high level of concern as regards the admission of new Member State nationals.*

What kind of considerations led 12 out of 15 "old" Member States to opt for restrictions lasting – in the worst case – for seven years? It was not because an immediate and dramatic increase in migration had been forecasted. Estimates showed the long-run migration potential of candidate countries to be roughly only 1% of the current working population. Moreover, given the obstacles there is often a gap between intentions to move to another country and actually doing so.

Essentially, the transitional arrangements were introduced to reassure the public opinion in the old Member States. At the time, it was expected that only about a half of the EU15 would actually resort to national measures. Meanwhile, 12 out of 15 did so, often at the last minute in the run up to 1 May 2004. The decisions about the application of restrictive national regimes were taken largely due to scaremongering about East European jobseekers and in the light of neighbouring countries resorting to national measures.

## ***II. Summarising the effects of transitional measures***

### **1. Migration flows from the 'A8' countries to the EU15**

#### ***1.1 Experiences of the markets with no restriction on access to the labour market***

##### **A The United Kingdom**

Since 1<sup>st</sup> May 2004, nationals of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia, Slovenia and Poland wishing to take up employment in the United Kingdom are required to register with the WRS (Worker Registration Scheme). This registration provides national authorities with reliable data on labour market trends and also on the main type of occupation workers took up in the UK.

From the WRS, the monitoring of applications for national insurance numbers and claims for benefits, the Home Office drew major conclusions on labour flows to the UK and provided key findings on the post-enlargement period, which were recently published in the Accession Monitoring Report.<sup>9</sup> These were as follows:

- the total number of 'A8' workers registered in the UK is 175000;
- a big majority of the applicants (82%) were aged 18-34;
- they were predominantly male (60%) ;
- only 5% of the registered workers had dependants in their charge;
- the above characteristics have remained roughly consistent during the period May 2004 – April 2005.

The number of registrations was the highest in London. Nevertheless, in total it represented only 1/5 of the applications. Outside London workers looked for employment mainly in Anglia and in South Central Regions.

The UK was the top destination for Poles, representing 56% (98 235) of the total 'A8' workforce followed by Lithuanians (26 145) with a share of 15%. Czechs and Slovaks made up for 7% of the 'A8' workforce each; the number of Hungarians, Estonians and Slovenians was marginal. September/October 2004 was a peak period for each nation, when the numbers reached the same level as that of the first three post-accession months combined.

'A8' migrant workers took up different kinds of jobs that vary from factory worker, packer, catering assistant to cleaner or farm worker.

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<sup>9</sup> Accession Monitoring Report May 2004 – March 2005, p. 1. Available at: [www.ind.homeoffice.gov.uk/ind/en/home/news/press\\_releases/accession\\_monitoring.html](http://www.ind.homeoffice.gov.uk/ind/en/home/news/press_releases/accession_monitoring.html)

The above data was disseminated by the Home Office. Nevertheless, many other official (and unofficial) sources made their evaluations public as well. For example, the German Economic Institute (DIW) reached a completely different conclusion and estimated only 50 000 new entries in Britain<sup>10</sup>. When comparing the figures: 175 000 on the one side and 50 000 on the other, the difference is striking, though the different methods of calculation might explain the inconsistency at least partly. The Home Office took into account the WRS, where each registration represents one job and not necessarily one applicant (thus the figures do not show how many times workers re-registered). Moreover, the report of the Home Office stated that more than 40% of the registered 'A8' migrants were present in the UK prior to accession. The other uncertainty of the estimations is the lack of data on the number of workers, who have already left the British labour market due to financial difficulties, health reasons, discontent or other.

Surprisingly, the British government, when estimating potential post-enlargement labour flows predicted only 5 000-13 000 new 'A8' arrivals which means at least a 5-10 times lower migration forecast.

Nonetheless, the relatively high number of migrants constitutes only 0.4% of the total working population. One also has to bear in mind that the British economy gained from the presence of the extra workforce on its labour market: a net gain of around 500 million pounds over 12 months, while only a tiny percentage of migrants sought social assistance.<sup>11</sup>

The UK has half a million job vacancies, and at the same time is dealing with worker shortages. Therefore, migrant workers took up "hard-to-fill" jobs. The International Property and Construction Organisation reports that Polish and Czech electricians, plasterers, bricklayers or carpenters made up for the lack of skilled local workers in Britain.<sup>12</sup>

Labour shortage occurs outside the construction or farming sector too. For example Britain lacks dentists and therefore recruits them from Central-Europe. In Warsaw, a training school has been set up to prepare Polish dentists to work in Britain.<sup>13</sup> Selected candidates attend a six-week course to learn about the British National Health Service and to perfect their technical and day-to-day English. Within the framework of this training program 120 dentists found employment in Britain last year. The recruitment is supposed to go on until 230 other posts are filled.

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<sup>10</sup> "More than 100,000 immigrants since EU enlargement: German institute" 01/06/2005. Available at: [www.eubusiness.com/Employment/050601161601.u5fy4t3l](http://www.eubusiness.com/Employment/050601161601.u5fy4t3l)

<sup>11</sup> "More than 175,000 East Europeans come to Britain following EU expansion" 26/05/2005. Available at: [www.eubusiness.com/East\\_Europe/050526130219.hbbt5ma2](http://www.eubusiness.com/East_Europe/050526130219.hbbt5ma2)

<sup>12</sup> "Poles and Czechs plug UK skills gap" 19/04/2005. Available at: [www.rics.org/Builtonvrontment/Buildingtrades/poles\\_and\\_czechs\\_plug\\_uk\\_skills\\_gap.html](http://www.rics.org/Builtonvrontment/Buildingtrades/poles_and_czechs_plug_uk_skills_gap.html)

<sup>13</sup> "Britain woos Poles to fill holes in dentistry" 03/06/2005. Available at: [www.eubusiness.com/UK/05064034548.vhjoms'A8'](http://www.eubusiness.com/UK/05064034548.vhjoms'A8)

Qualified workers are warmly welcomed in Britain, but their departure leads to worries in their home countries. Given the fact that a large number of migrants are young and highly qualified, the sending countries (such as Poland or Hungary) fear not simply a “brain drain”, but rather a “youth drain”. 3% to 5% of young new Member State nationals who completed a third-level education<sup>14</sup> tend to leave their home countries for better wage prospects. On the other hand, since the preference is for temporary migration, it is not really correct to talk of a “brain drain”.

## **B Ireland**

Similarly to Britain, access to the labour market for new Member State nationals was not restricted in Ireland either, though it was linked to a registration for residence permits. Residence permits, when issued first, are only valid for a limited period of time. Ireland maintained its right to have recourse to the safeguard clause in case its labour market suffers serious disruption.

So far, no such trend was observed and it seems that Ireland is a beneficiary of enlargement. The Irish economy performs exceptionally well, the growth in employment and in the labour force is ahead of the EU average: with 4.2% Ireland has one of the lowest rates of unemployment in the EU.<sup>15</sup>

The presence of the Central European workforce in Ireland is not a recent phenomenon. Irish employers and State agencies already started to actively recruit non-EEA nationals in 1999 for reasons of skills and labour shortages. In five years time (until 2004), the number of work permits issued rose from 6 250 to 47 551.<sup>16</sup> The influx of new workers was considered as the lifeblood of the Irish economy and was certainly needed to sustain the country’s economic growth.

Due to these factors favouring migration, ‘A8’ nationals and especially Polish and Lithuanian workers were already present in Ireland in large numbers prior to enlargement. The Irish Government released first figures on the post-enlargement migration trends in August 2004. By that time it already observed a ten fold increase in the number of residence permits issued to ‘A8’ nationals compared to the first quarter of the year.

The figures went on climbing. According to the Department of Family and Social Affairs, 85 000 social security numbers were allocated to migrants from the accession countries during the past 12 months<sup>17</sup>. Numbers were high for the UK as well, but since Ireland has

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<sup>14</sup> “Migration trends in an enlarged Europe.” EF/04/32/EN. European Foundation for the Improvement of Living and Working Conditions, 2004.

<sup>15</sup> “Micheál Martin, Minister for Enterprise and Trade & Employment welcomes latest employment figures” Available at: [www.unison.ie](http://www.unison.ie)

<sup>16</sup> “Migrant workers in Ireland” – figures from: [www.entemp.ie](http://www.entemp.ie) available at: [www.unison.ie](http://www.unison.ie)

<sup>17</sup> “85,000 EU migrants move to Ireland, says figs” 15/05/2005. Available at: [www.breakingnews.ie/2005/05/15/story202569.html](http://www.breakingnews.ie/2005/05/15/story202569.html). At the same time, the Department of Enterprise, Trade and Employment reports 70 957 workers for the period of May 2004 – July 2005 (36 856 Polish, 13

only 4 million inhabitants, this figure equals to six times more per head of the population than that in Britain! 85 000 registered workers make Ireland – in proportion – the top destination of Central European migrants.

The pro rata per nationality is the following: 40 000 Polish, 18 000 Lithuanians, 9 000 Latvians. Migrant workers mostly found employment in the construction sector, but we obviously find examples of nurses and doctors going west as well.

In response to the growing presence of migrants, the Bank of Ireland has recently announced its plan to offer services and to provide key literature in Polish language, since previous market studies pointed out that the language barrier created an important difficulty for foreign customers when they wanted to access bank services.<sup>18</sup>

### C Sweden

Applying no transitional measures, opting for no safeguard clause and granting equal access to its welfare system for nationals of the new Member States, Sweden is the only country amongst the EU15 to have given full meaning to free movement within the enlarged Union. Since the beginning of the accession negotiations, Sweden supported the mobility of workers, even though the government proposed to issue residence and work permits only to those ‘A8’ nationals who would have proved that their job met requirements e.g. of wage agreements. Furthermore, these initial proposals would have excluded the migrant workers from access to several welfare benefits – but the debate was closed by the Parliament, which overruled them.<sup>19</sup>

In order to calculate the number of migrant workers who have entered the country after May 2004, we can make an evaluation only on the basis of the residence permits issued. The report of the Swedish Migration Board shows a 70% increase in the number of applications for residence permits from the EEA area, which in real terms stands only for 21 800 applications made. This increase almost entirely corresponds to the number of new Member State nationals residing in Sweden. The number of work permits issued by Sweden fell by 13 600. This results from the fact that new Member State nationals are no longer required to hold a work permit in order to take up employment in Sweden.

With a share of nearly 60%, Polish nationals were the most numerous ‘A8’ citizens in Sweden, followed by Lithuanians (1076) and Estonians.<sup>20</sup> Generally speaking, enlargement was not seen by the Swedish as an issue – according to a Eurobarometer survey, only 7% of the population considers immigration worrying, and 25% thinks the

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804 Lithuanians, 6906 Latvians, 5965 Slovaks, 3439 Czechs, 2066 Hungarians, 1712 Estonians, 64 Slovenians, 121 Maltese and 25 Cypriots).

<sup>18</sup> “Bank of Ireland announces service for migrant workers” 04/07/2005. Available at: [www.finfacts.com/irelandbusinessnews/publish/article\\_10002475.shtml](http://www.finfacts.com/irelandbusinessnews/publish/article_10002475.shtml)

<sup>19</sup> T. Boeri – H. Brücker: *Migration, Co-ordination Failures and EU Enlargement*, p. 7 – see *supra*

<sup>20</sup> *Migrationsverket, The Swedish Migration Board: 2004 – and the way forward*. Available at: [http://www.migrationsverket.se/infomaterial/om\\_verket/ek\\_redovisningar/ar2004\\_sammandrag\\_en.pdf](http://www.migrationsverket.se/infomaterial/om_verket/ek_redovisningar/ar2004_sammandrag_en.pdf)

economic situation is the major concern.<sup>21</sup> Migrants did not prove to be benefit tourists neither. Last year, the Swedish social security system allocated only 18 000 euros as social assistance to ‘A8’ nationals.<sup>22</sup>

## *1.2. Member States applying transitional measures*

### **A The experience of the Nordic countries**

For reasons of relative geographic proximity, linguistic and historical ties, migration to the Nordic region shows different characteristics.

By April 2005, the Danish Immigrant Service received 5 167 applications for work and residence permit from citizens of the enlarged Union; 3 250 applications were successfully processed. The majority of work permits have been granted to Polish nationals (809), Lithuanians (685) and Latvians (191).<sup>23</sup> Permits were issued mainly to workers in agriculture, gardening and in public and personal services.

The incidence of Central European migration to the Finnish labour market was relatively low as well. Statistics Finland reported the presence of 13 978 Estonian nationals on the Finnish territory standing for 8% of the overall migrant population and constituting only the second largest group of foreign workers, the first being the Russian community.<sup>24</sup>

Though the free movement of services proved to be a more debated issue in Finland and Finnish trade unions were more worried about the situation of posted workers in the construction sector than elsewhere.<sup>25</sup>

Restrictions on access to the labour market for nationals of the new Member States have little justification given the small number of ‘A8’ workers present in Finland and Denmark.

### **B Austria and Germany**

Being one of the first supporters of the idea of transitional measures, Germany and Austria would have preferred a common approach by the EU15 towards the accession

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<sup>21</sup> Eurobarometer 61 – spring 2004. Public opinion in the EU15. Available at:

[http://europa.eu.int/comm/public\\_opinion/archives/eb/eb61/eb61\\_first\\_res\\_en.pdf](http://europa.eu.int/comm/public_opinion/archives/eb/eb61/eb61_first_res_en.pdf)

<sup>22</sup> “Uniós hecckampány: fantommá váltak a kelet-európai hordák” 28/04/2005. Available at:

<http://www.mfor.hu/cikkek/cikk.php?article=19183>

<sup>23</sup> “The expected invasion of cheap labour from the new Eastern EU countries did not take place”

13/05/2005. Available at: <http://www.eiro.eurofound.eu.int/about/2005/05/inbrief/dk0505101n.html>

<sup>24</sup> Source: Statistics Finland, Demographic statistics. 20/04/2005. Available at:

[http://www.stat.fi/ajk/tiedotteet/uutiset\\_en.html](http://www.stat.fi/ajk/tiedotteet/uutiset_en.html)

<sup>25</sup> “Finish labour unions warn of cheap labor from new EU states” 06/04/2004. Available at:

[www.eubusiness.com/Living\\_in\\_EU/040406123923.j90adzie](http://www.eubusiness.com/Living_in_EU/040406123923.j90adzie)

countries. Their long-term forecasts (until 2030) predicted that around 4 million workers would move from Central Europe to Germany (50%) and Austria (15-20%).<sup>26</sup>

Such estimations played a vital role for these countries, since beforehand they already received two-thirds of the 'A8' migrants. In order to avoid an increase on an even larger scale, Austria and Germany opted for severe restrictions (planned to be kept in place until the end of the 7 year period) and quotas were established for certain specific sectors.

Since the fall of the Berlin Wall in 1989, on average only about 8% of the total number of foreigners living in Austria was from the 'A8' countries. 16% of those have since left Austria.

Currently labour migration from the new Member States is directly influenced by the quota system and thus, there is no significant "short-term pressure"<sup>27</sup> on the labour market. Austrian researchers also pointed out that in the long-run, the country will reap major benefits from enlargement: additional economic growth is estimated to reach 0.5% per year and a net increase of 20 000 is expected in the number of jobs.<sup>28</sup> Border-regions will be particularly affected by growing trade and greater labour and capital mobility.

Austria's neighbouring regions (Länder: Vienna, Burgenland, Lower Austria) traditionally have important cross-border labour migration from the accession countries: Slovakia (Trnava, Bratislava), Hungary (Győr–Moson–Sopron, Vas, Zala) and the Czech Republic (South Bohemia, South Moravia, Northern Moravia). The total population of these border-areas is 7.5 million, with 40% being in Austria.<sup>29</sup>

Nonetheless a poll run in the areas listed above showed that only 12% of Slovaks and Hungarians consider taking up employment in Austria, while Czechs are even more reluctant to migrate (5% of the respondents). Less than a quarter of those willing to work in Austria would definitely move there – 10% of them being currently unemployed.<sup>30</sup>

The number of Hungarians working in Burgenland and in Vienna rose only by 1.09% after enlargement (being 13 488 in April 2004 and 14 753 in May 2005). The presence of Slovak and Czech nationals increased by 1.11% (from 12 520 in April 2004 to 13 996 in May 2005), their number is almost equal to that of Polish workers.<sup>31</sup> Migrants found employment in three main fields: hospitality services and catering; company-related services; the construction sector.

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<sup>26</sup> *"Quel marché du travail après l'élargissement? – Les éléments d'appréciation"* see *supra*

<sup>27</sup> M. Jandl – M. Hoffmann: *"Expected short-term effects of the EU-Enlargement on migration – the case of Austria"* in: Der Donauraum, Issue July 2004.

<sup>28</sup> *"Austria – emerging a winner from the opening of the East and the EU enlargement."* Available at: [www.bmwa.gv.at](http://www.bmwa.gv.at)

<sup>29</sup> *"Potential for labour migration in border regions examined"* 05/07/2005. Available at: <http://www.eurofound.eu.int/2005/07/inbrief/at0507201n.html>

<sup>30</sup> *ibidem*

<sup>31</sup> *"Erbringung von Unternehmensbezogenen Dienstleistungen."* We are grateful for the contribution of Statistik Austria.

Similar geographic factors explain the presence of cross-border workers in Germany as well: for Polish migrants the proximity of Berlin, for Czechs the traditional labour flows between the two countries. In 1991, soon after the fall of the Berlin Wall, the German government introduced a “seasonal workers scheme” for three sectors: agriculture, forestry and hospitality. Seasonal employment is regulated by bilateral agreements between the authorities of the countries concerned. Such agreements have been concluded with Poland, Hungary, Slovakia and the Czech Republic. The employment under the seasonal workers scheme is limited to three months, during which new Member State nationals do not need a residence permit. However, they must register their residence if the duration of their stay exceeds one month. Experience of the last decade showed that Central European workers – mainly Polish nationals – filled more than 90% of the seasonal posts.

High immigration flows are explained by high unemployment rates, lower GDP per capita and socio-political factors. The recently decreasing rate of German economic growth did not discourage foreigners from migration, since stereotypes and subjective factors still play an important role in the assessment of the host country’s labour potential.<sup>32</sup>

For two-thirds of Germans, unemployment is the major problem, even if the employment rate has started to rise, and the projections of the government indicate that by the end of the year, unemployment will be down by 200 000 compared with the end of last year.<sup>33</sup> In relation to enlargement, Germans fear immigration and off shoring,<sup>34</sup> so the imposition of additional restrictions in the services sector is not really surprising. During the first half of 2004, 216 575 Polish, 6 834 Czechs, 2 216 Hungarians and 1 472 Slovak seasonal workers were present on the German labour market, whereas the number of contracted workers from the same countries amounted to 19 631 (Poland), 712 (Czech Republic), 5 266 (Hungary) and 1 222 (Slovakia).<sup>35</sup>

In the same period, these figures stand for a total of 455 765 ‘A8’ workers in Germany, equivalent to only 6.4% of the overall foreign workforce. Following accession, migration showed a decreasing trend and reached its lowest level since 1991.<sup>36</sup>

New Member State nationals who intend to take up employment in Germany are required to have a work permit during the transitional period as a prerequisite for the issuing of their residence permit. Providers of services in the restricted areas (see *supra*) are only admitted, if the Federal Agency for Labour has granted permission in the framework of a

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<sup>32</sup> “East-West migration in the context of an Enlarging European Union: New opportunities and new challenges.” See *supra*.

<sup>33</sup> Five million reasons for labor market reforms. 02/03/2005. Available at: [www.bundesregierung.de/en/News-by-subject/Labour\\_Economy-and-Welfare-St-10987.783331/artikel/Five-million-reasons-for-labor.html](http://www.bundesregierung.de/en/News-by-subject/Labour_Economy-and-Welfare-St-10987.783331/artikel/Five-million-reasons-for-labor.html)

<sup>34</sup> Eurobarometer 62 – Public opinion in the European Union. May 2005. Available at: [http://europa.eu.int/comm/public\\_opinion/archives/eb/eb62/eb\\_62\\_en.pdf](http://europa.eu.int/comm/public_opinion/archives/eb/eb62/eb_62_en.pdf)

<sup>35</sup> [www.bamf.de/templates/statistik](http://www.bamf.de/templates/statistik)

<sup>36</sup> EFMS Migration Report, January 2005. found no: [www.uni-bamberg.de/](http://www.uni-bamberg.de/)

special procedure. Following such decisions, the immigration authorities have to grant a residence permit.

According to the Committee of Experts for Immigration and Integration, since 1997 there is a slightly increasing flow of migration to Germany from Central and Eastern Europe. Nevertheless, between 1997 – 2002 nationals of the EU25 (as it is today) accounted for 14% of all new arrivals to Germany and for 19% of all departures. In 2002, Polish nationals were the largest group of immigrants, primarily due to their high number as seasonal workers as discussed above.

Due to linguistic, geographic and historical reasons both Austria and Germany are the main immigrant-receiving countries. Since the fall of the Berlin Wall, people living in the border regions enjoyed a greater mobility, although the work-permit system was already applicable. Enlargement did not result in a major change.

Although in mid-August, Austria announced its intention to continue applying the transitional measures for an additional period of two years, on 27<sup>th</sup> August the proposal of a bilateral agreement with Slovenia was made public. This suggests lifting the restrictions on the free movement of workers vis-à-vis Slovene nationals.<sup>37</sup> Such bilateral agreements could introduce a more flexible and more favourable system and could facilitate the integration of workers from the new Member States.

The German position on the application of transitional measures should also be examined. Studies could take into account the overall contribution of foreign workers to the GDP, the social security and the tax systems. A coherent approach to migration which encourages foreign workers to enter legally the German market and a flexible system corresponding to sector-specific or regional needs could be more favourable to Germany than national restrictions.

### **C France and the BENELUX**

France and the Netherlands are two examples, but certainly not the only countries of the EU15 which started the debate over enlargement once it has already happened and not at the time, when it was agreed in 1993. In both countries dissatisfaction with the poorly performing economy was linked to the question of European integration and with the repercussions of enlargement on their labour market.

An already fuelled debate on immigration was linked in France with the vote on the Constitution: the French “NO” campaign described the European Constitutional Treaty as the “Trojan Horse” of globalisation and liberal capitalism.<sup>38</sup> Attempts to point out the

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<sup>37</sup> “*Bécs megkönnyíténé szlovén állampolgárok munkavállalását Ausztriában.*” MTI (Hungarian News Agency Corp.) 27/08/05.

<sup>38</sup> “*Oui – un bonus pour l’Economie.*” 24/032005, Libération, Paris.

marginal nature of post-enlargement labour flows,<sup>39</sup> or the fact that France did not become the primary destination of migrants (partly due to linguistic barriers e.g. only 3% of Poles speak French<sup>40</sup>) remained futile while the counter-argument of the “Polish plumber” convinced the public.

The notion of the “Polish plumber” was used to depict the competitive and cheap eastern workforce, the presence of which would result in massive unemployment of French service providers, because labour costs only 3.47 euros in the ‘A8’ countries, compared to the average of 22.19 euros in the EU15.<sup>41</sup>

2.5 million French remain unemployed, while 250 000 jobs remain vacant in France and job-offers continue to increase.<sup>42</sup> One should bear in mind that economic and demographic forecasts indicate a need for increased foreign labour over the next 15 years for France.<sup>43</sup>

During the period 1<sup>st</sup> May 2004 – 31<sup>st</sup> March 2005 the number of Polish nationals who were granted a temporary work permit in France was 737, while the number of permanent work permits issued amounted to 875.<sup>44</sup>

The Netherlands – besides maintaining the previous work permit system – imposed a quota of 22 000 for migrant workers and foresaw the introduction of tighter measures in case this maximum is exceeded. The government set up a seasonal work project in 2002 to answer the specific needs, which arose in the agriculture and horticulture sectors. The program aims to solve the problem of staff supply and to combat illegal work. Seasonal work permits are issued with a validity of two months or 24 weeks.

The data available for the year 2004 shows that the number of work permits issued to new Member State nationals has doubled (from 12 540 to 24 728) after enlargement. 16 538 seasonal work permits were granted to ‘A8’ nationals in the horticulture and 3 000 in the food processing sector. Polish workers made up 82% (20 439) of migrants from the new Member States; while Czechs, Slovaks and Hungarians represented 6%, 5% and 4% of the ‘A8’ workforce, respectively.<sup>45</sup>

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<sup>39</sup> From May 2004 to December 2004, 9494 work permits were issued to new Member State nationals representing an increase of 13% compared to pre-enlargement figures. *Evaluatie werknemersverkeer MOE-landen* - Ministerie van Sociale Zaken en Werkgelegenheid, Netherlands.

<sup>40</sup> 21% of the Polish people speak English and 16% German.

<sup>41</sup> “Nagy-Britanniának szüksége van a külső munkaerőre.” Available at: [www.hhrf.org/rmsz/04maj/04052711.HTM](http://www.hhrf.org/rmsz/04maj/04052711.HTM)

<sup>42</sup> An increase of +6.6% during the second quarter of 2005. ANPE – 13/07/2005

<sup>43</sup> An increase is expected from 50 000 to 250 000 immigrants per year. Cyrill Kretzsmar: France. In: “Immigration as a labour market strategy. European and North American perspectives.” June 2005, Migration Policy Group.

<sup>44</sup> We are grateful for the contribution of the Embassy of Poland in France.

<sup>45</sup> *Evaluatie werknemersverkeer MOE-landen* - Ministerie van Sociale Zaken en Werkgelegenheid, Netherlands.

Since jobs taken up by new Member State migrant workers were within the “hard-to-fill” category, their presence did not have a noticeable or disturbing impact on the Dutch labour market. However, the Dutch government has recently launched a project to subsidise the hiring of Dutch workers instead of the migrants (e.g. Polish). The policy to be implemented by Dutch employers is to give priority to the Dutch, who for the one or two years could not find employment. Furthermore, additional 6 euros are given to the employer for each hour a Dutch person works. Ultimately, even if migrant workers are more eager to take up certain jobs than their Dutch counterparts, hiring the latter will turn out to be a little cheaper than employing for example Polish nationals.<sup>46</sup>

Recently Polish companies requested an investigation from the Commission because Dutch authorities restricted the posting of workers in connection with the provision of services. Since Dutch rules foresee Community businesses to obtain work permits for staff from certain new Member States before they can be temporarily posted to the Netherlands to perform services, the Commission considers that this requirement constitutes a violation of the rules of the Treaty regarding the freedom to provide services.<sup>47</sup>

As regards Belgium, the research did not provide ECAS with data covering the whole territory of the country. The composition of the Belgian population is very complex and only general statistics were available.

The data for the Walloon region and Brussels-capital shows that accession resulted only in a slight increase in the number of registered ‘A8’ workers. After 1<sup>st</sup> May 2004, 622 new Member State nationals took up employment in Belgium; out of those 455<sup>48</sup> worked in Brussels-capital. This may be compared with the total number of 426 Central and Eastern Europeans working in Belgium in the pre-enlargement period. The number of work permits granted to ‘A8’ nationals in the Walloon region in the past 14 month was only 208.<sup>49</sup>

Due to its small population (450 000), Luxemburg is even more concerned about the extent of migration. Nevertheless, despite the large numbers of cross-border workers (around 110 00) and foreign workers permanently residing in Luxemburg, no figures indicate labour migration from the new Member States.

ECAS regrets, that statistics available for France, Belgium and Luxemburg were not up-to-date and did not provide systematic information on the composition of the national labour markets. This information gap should be filled in with coming into force of the Regulation on Community Statistics on Migration and International Protection,<sup>50</sup> which

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<sup>46</sup> “Barriers still exist in larger EU.” Available at: [news.bbc.co.uk/1/hi/busyness/4497309.stm](http://news.bbc.co.uk/1/hi/busyness/4497309.stm)

<sup>47</sup> “Dutch discriminate new Europe.” 28/07/2005. Available at: [www.eubusiness.com/Employment/temps.2005-07-28/view](http://www.eubusiness.com/Employment/temps.2005-07-28/view)

<sup>48</sup> Period of 01/05/2004 – 22/08/2005: Estonia: 8, Hungary: 62, Latvia: 8, Lithuania: 9, Czech Republic: 38, Poland: 270, Slovakia: 50, Slovenia: 10. We are grateful for the contribution of the “Office des Etrangers”.

<sup>49</sup> Estonia: 1, Hungary: 16, Latvia: 7, Lithuania: 8, Poland: 128, Czech Republic: 24, Slovakia: 18, Slovenia: 6. We are grateful for the contribution of the “Office des Etrangers”.

<sup>50</sup> COM (2005) 375 (26/08/2005)

sets clear rules on the method of data collection and allows the collection of comparable and comprehensive figures across the EU.

The figures which are however presented in this report do not justify the application of transitional measures by France and the Benelux countries.

## **D Greece**

During the transitional period obtaining a work permit is a prerequisite for the residence authorisation. The work permit is issued for a period of up to one year and after two years of continuous employment it may be issued for a two-year period. However, it is the Greek (future) employer who introduces the application for a work permit. He should also guarantee the coverage of the cost of accommodation and living expenses for three months. The amount must be deposited at the competent Greek Civil Service Department.<sup>51</sup>

From May 2004 to February 2005, 6 711 work permits were issued in Greece to EU nationals, of which only 580 were granted to 'A8' nationals.<sup>52</sup> As described above, the current work authorization procedure requires a Greek employer to guarantee a certain sum of subsistence for the employed in case he/she is from a new Member State. This is certainly an element which reduces the number of potential 'A8' workers in Greece, nevertheless migrant workers from the new Member States stand for only 11,57% of the EU25 workforce in the country – whereas one must take into account the fact, that immigration in Greece concerns predominantly third country nationals: Albanians, Bulgarians, Romanians and Ukrainians.<sup>53</sup>

Greece has its own experience of enlargement restrictions, given the fact that in 1981 similar rules were imposed on Greeks wishing to work in another Member State of the European Community. Once the measures were lifted Greek emigration to other Member States remained stable.

This example from the past, alongside the figures indicating only a moderate migration from the new Member States since May 2004, combined with relatively less developed economy and significant language barriers would suggest, that the Greek labour market will not be endangered if open access is granted to 'A8' workers.

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<sup>51</sup> Available at :

<http://europa.eu.int/eures/main.jsp?acro=free&lang=en&countryId=GR&accessing=0&content=1&restrictions=1&step=1>

<sup>52</sup> We are grateful for the contribution of the Ministry of Public Order and Ministry of Internal Affairs

<sup>53</sup> "Statistical data on immigrants in Greece." Migration Policy Group, Final report (November 2004).

Available at: [http://www.imepo.gr/documents/IMEPO\\_Final\\_Report\\_15Nov2004minus\\_typos\\_001.pdf](http://www.imepo.gr/documents/IMEPO_Final_Report_15Nov2004minus_typos_001.pdf)

## **E Italy, Spain and Portugal**

Based on the annual labour requirements, Italy applies a quota system for new Member State nationals wishing to take up employment. For 2004, this has been set at 20 000 workers. Despite this limit, no statistics were made public on whether the quota has been met or not.

Although no national data was available, a case of the Italian border region of Friuli Venezia Giulia can be analyzed as a representative example of how enlargement influenced border regions in Italy in particular but also across the EU.

On the frontier between Italy and Slovenia, trade unionists from both sides demand that restrictions on the freedom of movement should be lifted. The reason put forward by the Italians is that, as access for Slovenes to the Italian labour market is very restricted, many of them are working without proper contracts, which have led to lowering of wages, unacceptable working conditions and social dumping. Unions' stress that implementing full access to employment will help to regularize the position of many of the undeclared workers. Furthermore, as the cross-border workers are mainly elderly care workers, agricultural labourers and lorry drivers, they help to fill the posts that remain vacant as Italians are no longer prepared to take up employment in those areas. It is also reported that there has been no large influx of Slovene firms and self-employed workers in Italy, who under current rules are free to engage in economic activities in Italy. (*Italian unions have no fear of Slovene workers* – Swissinfo.org , Aug 25, 2005)

### **Case-Box 1: Italy for lifting of national restrictions.**

During the transitional period, the current scheme regulating access of non – EU workers to the Portuguese labour market will also apply to new Member State nationals. Every two years, the Portuguese government sets a quota for the latter.

Unfortunately, there are no statistics available on the number of foreign *workers* in Portugal. The data available refers only to the number of foreign *residents*. The rise in the number of 'A8' *residents* from 664 in 2003 to 741 in 2004 is minor when compared with the total number of other EU- and third country nationals present in Portugal (EU nationals: 2003 - 69 939; 2004 - 73 789; third country nationals: 2003 - 179 617 , 2004 - 190 819).<sup>54</sup>

In Spain, similarly to Portugal, the same rules restricting access to employment apply to third country nationals and nationals of the 'A8'. A work permit may be obtained only after a job offer has been made by the Spanish employer, who then needs to apply to the authorities on the behalf of the future employee. Having the highest unemployment rate in the EU15, (9.4%, July 2005, Eurostat) and being the most important receiving country<sup>55</sup> for immigrants to the EU, the Spanish government is expected to take additional measures (e.g. job creation) in order to integrate workers from the new Member States and to avoid the saturation of the Spanish labour market. There has been a

<sup>54</sup> [http://www.sef.pt/estatisticas/por\\_distritos\\_04\\_new.pdf](http://www.sef.pt/estatisticas/por_distritos_04_new.pdf) and [http://www.sef.pt/estatisticas/por\\_distritos\\_03\\_new.pdf](http://www.sef.pt/estatisticas/por_distritos_03_new.pdf)

<sup>55</sup> According to the UN Migration report the net migration in Spain in 2004 was 594 000.

constant increase in the number of workers from the accession countries registered in Spain (882 in 2001, 1 907 in December 2003), as well as for the number of contracts reported for these workers (25 520 in December 2003).<sup>56</sup> However, the period this data stands for makes it rather difficult to estimate immigration flows and labour market needs following the accession.<sup>57</sup>

Again for Italy, Portugal and Spain, relevant and up-to-date data was not available despite the fact that these countries have recently launched regularisation programmes, which helped a large number of immigrants (mainly third country nationals) to legalize their situation. National authorities should now be aware of the composition of the foreign population and the number of migrants working on their territory.

Apart from the need for recent figures, it is equally important, that Member States grant public access to the latest analyses of their labour markets and migration flows as soon as possible. In the light of the above mentioned Regulation (cfr. Point C above) it would also be preferable that Italian, Portuguese and Spanish labour market statistics include figures not only on the age group and sex of the workers, but also on their citizenship and their occupation.

Better data coverage would allow Italy and Portugal to reconsider their quota system, since the numbers were set according to estimations and not labour market needs.

Figures were not available on whether the quota was met in these two countries or not, therefore the lack of convincing evidence weakens any arguments in favour of the application of transitional measures. Spain has even recently announced its intention to do away with transitional measures.

## **2. Enlargement – as seen by the new Member States**

Let us turn our attention to the new Member States, because the stereotypes of “East-West migration” or “cheap labour vs. better living conditions” need to be put in perspective.

Since May 2004, the economic performance of the new Member States has significantly changed: accession has boosted trade between the EU15 and the ‘A8’. Western companies invested a total of 14 billion euros in the accession countries, of which 7 billion euros were after enlargement. GDP of the ‘A8’ countries rose by 5% in 2004 and a further increase of more than 4% is predicted for 2005. This rate is twice as high as in the EU15.<sup>58</sup>

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<sup>56</sup> Ministerio de Trabajo y Asuntos Sociales: *Memorandum on the Spanish position regarding the application of freedom of movement to workers from eight of the ten acceding States.*

<sup>57</sup> Alex Balch: Spain. In: *“Immigration as a labour market strategy. European and North American perspectives.”* June 2005, Migration Policy Group.

<sup>58</sup> *“Enlargement – one year on”* 01/05/2005. Available at: [www.tutor2u.net](http://www.tutor2u.net)

Among the eight accession countries, in 2004 Latvia's economic growth was the highest (also in comparison to the EU15) 8.5%. It is followed by Lithuania (6.7%), Estonia (6.2%), Slovakia (5.5%) and Poland (5.3%).

The "income gap" – which allegedly should have resulted in a massive transfer of residence of the new Member State jobseekers to Western countries – might well lose its credibility as accession countries will achieve a level of income convergence within the EU economy.

### *2.1. Migration flows intra 'A8' countries*

The systematic inquiry about the mobility of workers of the 'A8' countries provided ECAS with figures not only on "East-West" labour flows, but also on "internal" migration between the new Member States, highlighting certain regional tendencies. These are described below.

#### **A The Baltic countries**

Previous paragraphs pointed out the positive economic trends in the accession countries and especially the leading performance of the three Baltic countries (Latvia, Lithuania, Estonia). These changes lead to a relatively low mobility from these countries, although Lithuanians seemed to be more willing to migrate, than Estonians and Latvians.

The Market and Opinion Research Centre of Lithuania carried out a survey on the migration potential of the country and concluded that only 1.3% of the population considered permanent emigration possible.<sup>59</sup> 73% of the respondents had no intention to migrate, while 13% said that even in case of leaving the country for working purposes, it would only be for a short period. In this last group of respondents, people with a lower income were preponderant.

48% of Lithuanians who left their country for better job prospects abroad came to the UK (26 145), 33% to Ireland (18 000), whereas only 6% (1 076) chose Sweden as the main destination.<sup>60</sup>

In Estonia, approximately 3% of the population would go to work abroad and two-thirds of them would certainly look for temporary employment only. Even if the main purpose of leaving is to get better pay, workers are often willing to accept a job, which requires less qualification and offers a lower salary than local workers get for the same work.

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<sup>59</sup> "Increasingly fewer persons consider a longer term residence or employment abroad, shows the survey results" 09/05/2005. Available at: Ministry of Labour of Lithuania, [www.socmin.li/index.php?522398147](http://www.socmin.li/index.php?522398147)

<sup>60</sup> We are grateful for the contribution of the Embassy of Sweden, Vilnius

Half of the Estonians who think of going abroad assume that they will probably not find employment or are unable to assess their opportunities.<sup>61</sup> If they decide to leave the country, their most preferred destination is Finland. In general, Estonians are really satisfied with their country's EU membership and 70% of them are in support.<sup>62</sup>

Regarding intra 'A8' migration, the Ministry of Interior of Estonia confirmed that between May 2004 – June 2005, 224 residence permits for work purposes were issued to new Member State nationals.<sup>63</sup>

Latvia, with its highly performing economy attracted both EU15 and 'A8' nationals, although the numbers indicate very little mobility. Mainly Estonians, Lithuanians, Finnish, Danish and Swedish nationals came to work in Latvia.<sup>64</sup>

## **B Central Europe**

In the Central European region Slovak workers seem to have woken up first to the call of enlargement: two-thirds of the migrants headed to the Czech Republic and one-third to Hungary (here primarily those who belong to the Hungarian minority and live in the border region). According to the statistics, as of May 2005, 61 000 Slovaks worked in the Czech Republic and around 20 000 in Hungary. Around 150 000 Slovaks currently work in the enlarged Europe, of which 18 000 found employment in the UK, 6 500 in Italy and 5 500 in Ireland.<sup>65</sup> Their occupation varies from tourist services, agriculture and construction to health service and the hospitality sector.

The situation of the Czech Republic seems to be stable; the employment rate is growing, unemployment dropped by 3.3% in the first quarter of the year and the nominal wages increased (8.9% in the non-business, and 4.9% in the business sector). Although the Czech Republic has a history of emigration to the West (Germany, Austria), after May 2005, the country itself became a destination for immigrants. (see Slovakia - supra)

As regards Hungary, Slovak nationals represented the highest proportion of migrant workers. Hungarian official sources<sup>66</sup> know about 10 000 registered Slovak workers (from May 2004 to June 2005). Nevertheless, they presume that the number might be even higher given the fact that migrant workers have to register before taking up employment in Hungary, but the non-compliance with the rules does not have any

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<sup>61</sup> "Migration of healthcare workers from Estonia – the potential extent of migration, its influence on the needs of healthcare workers and political choices" Praxis Center for Policy Studies, Tallin 2004

<sup>62</sup> "Enlargement – the view from Estonia" 11/05/2005. Available at: [www.baltictimes.com/art.php?art\\_id=12681](http://www.baltictimes.com/art.php?art_id=12681)

<sup>63</sup> We are grateful for the contribution of the Ministry of Interior, Estonia

<sup>64</sup> As of April 2005: 38 Estonians, 90 Lithuanians, 33 Danish (number decreased!), 50 Finnish and 30 Swedish – We are grateful for the contribution of the Office of the Citizenship and Migration Affairs, Latvia

<sup>65</sup> Central Office of Labour, Social Affairs and Family - We are grateful for the contribution of the Central Office of Labour, Social Affairs, and Family, Slovakia

<sup>66</sup> "Nem jött be az EU parák nagy része" 03/05/2005. Available at: [index.hu/gazdasag/magyar/eu050502/](http://index.hu/gazdasag/magyar/eu050502/)

consequences. This presumption is confirmed by Slovak authorities, who reported 20 000 Slovaks working in Hungary.

Apart from the overwhelming number of Slovak migrant workers in Hungary, only 582 'A8' nationals registered in Hungary,<sup>67</sup> 77% of whom were Polish (449 persons). The willingness of Hungarians to leave the country for better work prospects abroad was also relatively low; the two main destinations were Austria (especially in Western Hungary) and the United Kingdom. While the first attracts mainly low- or unskilled workers, the second receives highly qualified migrants.

Since Austria restricted access of Hungarian workers to the construction sector and because competent authorities retain a margin of appreciation whether an Austrian could better fill the given job or not, not many Hungarians entered the labour market after May 2004. Those who currently work there are mainly those who found employment before enlargement.

Western Hungary is also affected by the desertion of highly qualified doctors, since anaesthetists are in demand abroad especially in the UK, Austria and Germany. During the past 12 months already 430 – mostly young – doctors left the country for better paid posts in the EU15.<sup>68</sup>

Although Hungarians were expected to be quite mobile after enlargement, these expectations were not really met due to the fact that family ties are traditionally important for Hungarians and the socio-cultural elements, or the insufficient knowledge of foreign languages also influence their choice.

### **C The 'antipodes': Poland and Slovenia**

Poland and Slovenia are certainly at the antipodes of the estimations for both the number of their population (38.2 million for Poland and 2 million for Slovenia) and the willingness of their nationals to migrate.

If seasonal workers are included in the calculation, 450 000 Polish nationals worked in other EU Member States during the first year after enlargement. According to the Polish Ministry of Foreign Affairs, most of their nationals went to work in Germany (21%), Great Britain (21%), Italy (11%), the Netherlands (7%) and Ireland (7%).<sup>69</sup> Meanwhile, the first year of European membership was very positively received by Poles living in the country. The percentage of farmers in support of the enlargement rose from 20% to 70%

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<sup>67</sup> We are grateful for the contribution of the National Labour Office, Hungary

<sup>68</sup> "Tempted by higher salaries, Hungarian doctors go west" 19/02/2005. Available at: [www.eubusiness.com/Hungary/050220054654.g0v6qdfm](http://www.eubusiness.com/Hungary/050220054654.g0v6qdfm)

<sup>69</sup> "One year after joining the EU, 65,000 Polish workers have taken jobs there" 25/04/2005. Available at: [www.eubusiness.com/East\\_Europe/050425110541.59dk5ucn](http://www.eubusiness.com/East_Europe/050425110541.59dk5ucn)

by May 2005. Polish trade balance was positive for the first time since 1989 with an export rate of 33%.<sup>70</sup>

As regards post-enlargement flows *to* Poland, figures show a relatively stronger presence of EU15 than of 'A8' nationals. From 1 May 2004 to 31 December 2004, 5 362 EU15 nationals applied for a residence permit in Poland. Meanwhile, only 685 EU10 nationals did the same. The number of work permits issued during the second half of 2004 to EU15 nationals was 1 134.<sup>71</sup> The discrepancy between the number of those who arrived and those who took up an employment is explained by the fact, that EU15 nationals usually pursue their own economic activity in Poland and are in most of the cases managers in foreign or joint-venture companies. The location of foreign companies in Poland explains also the total number of 35 000 foreigners living in Poland of which Germans make up the biggest group (about 20 000), followed by the French (about 10 000).<sup>72</sup>

By contrast to the Polish migration flows, Slovenia shows a very low outflow of workers.<sup>73</sup> At the same time, the number of new Member State nationals taking up employment in Slovenia has doubled. 2 280 EU nationals found Slovenia's good social environment and economic stability attractive: the number of Slovak workers (1 047) has tripled after enlargement, while the number of Czech and Polish nationals (100 and 123 respectively) employed in Slovenia has doubled, though on a smaller scale.<sup>74</sup> New Member State nationals work mainly in the construction sector and in the metal industry.

### **3. The practical aspects of the free movement**

Leaving one's country for another requires courage and determination. Leaving one's family and the well-known environment for hopes and expectations is not easy at all. It is even less so, if the person does not know what kind of experience he/she will come to face, or how easy his/her integration with the host society will be; if the person does not have an exact knowledge on how to comply with administrative formalities, or how to make yourself understood.

The host country will not necessarily ease one's worries. Local authorities might require documents the person has not brought along; the procedure might take too long and in the meantime one has to find a place to sleep and something to eat etc. Very often the money brought along will run out far too quickly...

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<sup>70</sup> "One year after the EU-enlargement: Visions and realities for Polish economy and working life". Andrzej Jaroszyński Polish Ambassador in Oslo. 26/05/2005, FAFO Østforum

<sup>71</sup> We are grateful for the contribution of the Ministry of Economy and Labour of Poland.

<sup>72</sup> We are grateful for the contribution of the Office for Repatriations and Aliens

<sup>73</sup> EURES reported 322 employment – "Labour Inflow from New Member States to Slovenia Doubles after EU Enlargement." 09/04/2005. Available at: [www.uvi.si/eng/slovenia/publications/slovenia-news/1905/0913/](http://www.uvi.si/eng/slovenia/publications/slovenia-news/1905/0913/)

<sup>74</sup> This data covers the period until December 2004. *Ibidem*

“Hard working immigrants are welcome. Benefit tourists are not.”<sup>75</sup>

Scaremongering about the number of Central and Eastern Europeans flooding the western European markets may easily be countered by reliable statistics and analyses (as this report has attempted to do). Meanwhile, tangible problems which raise the questions as to the true status of new Member State nationals as European citizens continue.

### ***3. 1. Persisting obstacles to overcome: free movement of workers***

The practical issues of residing and working abroad are underestimated. The continued application of the pre-accession work permit systems for new Member State nationals by certain EU15 countries leads to confusion. Nationals of the ‘A8’ are still encountering barriers when trying to reside in some of the EU15 countries while looking for work there (as the process of applying for a work permit must be commenced from their country of employment or a residence permit linked to a work permit is required from them straight on arrival). It is also not that unusual that the requirement to obtain a work permit is sometimes confused with the necessity to possess an entry visa which does not apply to any EU citizens – be they EU10 or EU15 nationals.

While the requirement to obtain a short-term residence permit in France by nationals of the EU Member States has been abolished as from 1.1. 2004, the information website of the French administration (<http://vosdroits.service-public.fr/particuliers>) informs nationals of the ‘A8’ that they are subject to rules applicable to non-EU citizens. No account is taken of the fact that ‘A8’ nationals who are not workers, but self-employed, students, pensioners or economically non-active persons should have a full right to enjoy their free movement rights and be treated (in all respects) in the same way as nationals of the EU15.

#### **Case-Box 2: Residence permits for nationals of the ‘A8’ in France**

The examples of different treatment of nationals of the EU15 and EU10 are not infrequent and have a negative impact on the enjoyment of most basic rights of European citizens.

A citizen of a new Member State is currently completing a doctorate outside the EU. Together with his wife, who is a third country national, they intend to go back to Europe. They intend to settle down in France, where the citizen was offered a postdoctoral position at a research institute. When enquiring about whether his wife will be allowed to work in France, he has learnt that because of his residence status in France (researcher – scholar) his wife will not have the right to work there. Meanwhile, under current legislation applying to foreign scientists in France, the researchers' spouses are permitted to work if the duration of their stay is longer than one year. This rule applies to citizens of all countries except the 10 new EU countries.

The Kastler foundation, which assist foreign researchers with organisation of their stay in France has filed a petition to the French Ministry of Interior asking to grant the spouses of scientists from the 10 new countries the right to work. While the petition process may take a few months, the situation continues to be a serious impediment to rights and career opportunities of family members of EU scientists.

#### **Case-Box 3: Family members of ‘A8’ researchers in France**

<sup>75</sup> David Blunkett, British Home Secretary. “*Worker Registration Scheme and Work Permit figures published.*” 22/02/2005. Available at: [www.ind.homeoffice.gov.uk/ind/en/home/news/press\\_release/worker\\_registration.html](http://www.ind.homeoffice.gov.uk/ind/en/home/news/press_release/worker_registration.html)

## **A Deficiencies of the work permit systems**

The transitional measures operating over the flexible 2+3+2 period, where 15 European countries apply 15 different systems of granting access to their labour market are complex. As ECAS report on the “Unfinished enlargement” stressed, gaining information about the systems applied by at least some of the EU15 shortly after the date of enlargement was extremely difficult and in cases not possible at all. One year on, citizens seem to be much more aware of the fact that some kind of restrictions may apply and the pre-departure information or procedural requirements connected with obtaining a work permit is easily accessible through all European and many national employment agencies. Nevertheless, even in cases, where information on sophisticated national measures is made available, it is not always easily understandable. The problem may be illustrated by the French work permit system, which while not being the only one blamed for its high level of complexity, constitutes an exceptional example of the persistence of bureaucratic obstacles to free movement of workers. The system described below seems to be a factor deterring migration.

### **Step 1:**

New Member State national wishing to take up employment in France, should first find an employer willing to engage him/her, or prepared to declare that he will do so in the future.

### **Step 2:**

The future employer is required to submit a request to the National Agency for Labour (ANPE – Agence National pour l'Emploi). ANPE transmits the query to the competent Labour Division (DDTEFP – Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle) according to the future place of work.

### **Step 3 :**

The competent local Labour Division makes the assessment of the professional experience and the educational background of the applicant, and evaluates the questionnaire the applicant must fill in concerning the prospective accommodation in France.

### **Step 4:**

If the request for employment is accepted by the DDTEFP, they notify the future employer, the French Foreigners' Office (Service des Etrangers de la Préfecture) and the Home Office (Office de Migrations Internationales).

### **Step 5:**

It is at this stage only that the prospective employee should apply for a right to remain. The application should be made from the applicant's **home country**.

### **Step 6:**

Upon arrival in France the future employee must undergo a medical check. After that, with all the documents he/she has obtained during the procedure, the person is supposed to go to the local Foreigners' Office which finally delivers the “temporary residence permit for an employee” (titre de séjour temporaire pour salarié).

### **Case-Box 4: Procedure of obtaining work permit in France.**<sup>76</sup>

Excessive delays in the granting of work permits occur throughout the EU15 and often have negative consequences on the personal situation of the individual concerned, especially when he or she should promptly answer to a job offer which was directly addressed to him/her. Moreover, in countries, where a quota on the number of new

<sup>76</sup> Source: [www.anpe.fr](http://www.anpe.fr) ; <http://travail.gouv.fr/ministre/ddtefp.html>

Member State nationals employed in certain sectors has been set, the authorities are often forced to refuse the requests on formal grounds. This obviously leads citizens to think that they are subject to discrimination on grounds of nationality.

### **B Under-information**

Citizens sometimes find themselves in difficulties, not only because the administration is misinterpreting their rights and entitlements, but also due to insufficiency of financial means, problems resulting from the deterioration of their living conditions, their willingness to take up badly paid jobs and/or seek alternative employment and income in the black market. There is one fundamental reason which encapsulates the emergence of any of many problems – **under-information**.

A Polish citizen contacted ECAS asking for advice as to what he can do in a difficult situation. He received an offer of employment in Spain. On his arrival he was advised to report his presence to the Police station (which he did) and obtain a social security number (a requirement with which he also complied). He gave all his personal data, which the employer claimed were needed to obtain a work permit. He was presented with a document which he signed believing it to be a contract of employment and started work at a building site.

He never received any payment for his work and little amounts which he was told he was earning were allegedly covering the tax and social security contributions. After some time with no tangible income the citizen decided to go back to his home country.

He later received information from Spain that the documents he signed were actually meaning the citizen started an activity as a self-employed person. He was further informed that his tax and social security liabilities in Spain are still growing.

#### **Case-Box 5: Tricked into business activity.**

The different treatment of nationals of the EU10 and EU15, allowed by the Accession Treaty, does not remain without impact on the principle of equal treatment, which fully applies both to EU10 and EU15 nationals. In practice, this is not always the case and recently publicised series of cases showing grave inequalities call for much stricter control of working conditions of temporary workers engaged by employment agencies, and show how important it is to inform nationals of the new Member States about their newly acquired rights as citizens of the EU.

The dispute between TESCO Ireland and Polish workers began early in August, when two Polish employees of the TESCO distributing centre in Tallaght were dismissed. The two men, who were employed by a recruitment agency, claimed to have been 'sacked' after complaining about working conditions at the warehouse and pointing out that they earned less than the TESCO staff. (*Polish workers' protest against Tesco Ireland spreads east.* – August 21, 2005 Times Online by Richard Fletcher; *Pikiety przed polskimi sklepami Tesco* – Gazeta Wyborcza 12-08-2005)

Their main grievance was that they were being continuously asked to meet higher productivity levels. "*Usually we pick up 750 (boxes), but after three months of the normal rate our manager wants more, more, more ... it's not possible to be picking up 900 boxes a day. [...] If you pick up 1000 you'll break your back; you cannot work like that*" – said one of the protesting workers. It is reported that the levels demanded by management might pose threat to the health of workers. (*Polish wildcat strike in Dublin: workers refuse to break their backs for their Tesco bosses* – Fri, Jul 29 2005 by indymedia.ie)

In an act of solidarity, some other worker walked out of the TESCO distribution centre and some pickets across the UK and Poland had been organised, demanding the reinstating of the workers, reduction in norms, and permanent contracts for agencies' workers after they have worked 3 months for TESCO.

TESCO insisted that the dispute was an isolated incident: "We thrive on TESCO being an attractive place to work. Feedback from the Polish workers in our UK business is very positive."

#### **Case-Box 6: Employment rights infringed**

Lack of a minimum level of efforts to inform and support incoming migrants both on the part of sending and receiving countries coupled with strict measures designed to control immigration do not stop migrants from coming but instead may push many illegal immigrants to the fringes of society where they cannot fully contribute to the economy and are open to abuse. The effect that continuing of such a situation may have on dividing European population into first and second class citizens ("us" and "them") seems imminent.

Polish migrants tempted by advertisements in some of the Polish newspapers promising them a decent wage for harvesting tomatoes in Italy, decided to leave Poland for the southern Italian region of Puglia and take up seasonal employment on the Italian fields.

After contacting Polish middle-man and paying 200 euros upfront, Poles were shipped to the Puglia region and moved to different 'accommodation centres'.

*"The middle-man promised us bungalows and hot water. She said that we would be working very hard and that we should not expect any luxuries. If it had been like that, I wouldn't have said anything and kept working there"* says one of the employed Poles. (*Zmuszeni do pracy we Wloszech – GW 23-08-2005*)

The reality was however completely different. Workers were accommodated in a camp surrounded by a barbed-wire fence and guarded by armed supervisors. There were neither the promised bungalows nor hot water but old pigpens with no doors or windows or electricity. People were forced to sleep on damp mattresses and had to pay for everything including gas, electricity and hot water, even though these were not available. (*Obozy pracy dla Polakow we Wloszech – GW 21-08-2005*)

*"We had to get up at 4 in the morning. Some people were getting up even earlier as they wanted to eat something before spending the whole day on their knees. Then we worked without a break till 9 pm. The guards would close the camp at 9 pm and nobody could leave afterwards [...] We didn't dare to say anything as our supervisors, who openly admitted to being convicted criminals, threatened us with violence"*

On Friday the 26<sup>th</sup> August, the Italian Carabinieri raided one of the camps near the town of Orta Nova and freed 105 workers including 90 Poles.

The investigation has been moved to the Italian fiscal police – Guardia di Finanza, as it is suspected that some of the Carabinieri officers might have cooperated with the mafia that was in control of most of the camps. Polish General Consulate reported that it had asked Carabinieri for intervention as early as June, however no action was taken then.

It is expected that the investigation will be extremely difficult as many Poles, due to their illegal status in Italy and alleged involvement of the mafia and some Carabinieri officers in the case, refused to give testimony. (*Ruszylo sledztwo w sprawie obozow pracy dla Polakow we Wloszech – GW 29-08-2005*)

#### **Case-Box 7: Labour camps in Italy.**

### 3.2 Impact of transitional measures on the free provision of services

Even though free provision of services is generally not covered by transitional measures (with the only exception of Germany and Austria) the case quoted below perfectly illustrates the often debated issue of the entering of the “cheap Eastern workforce” on the Western labour market. The case concerns Sweden, the only Member State of the EU15 which granted equal access for new Member State nationals to its labour market and to its welfare system. Even though no major change to the labour flows has been observed, the welcome of ‘A8’ workers and companies was not always positive.

A Latvian construction company (L&P Baltic, the daughter company of Laval and Partneri Ltd, Latvia) undertook the building of a school in Sweden not far from Stockholm. L&P Baltic worked with its own contracted Latvian workers whose wages were considerably lower than what was permitted under the Swedish rules.

The Swedish Building Workers’ Union (SBWU) soon opposed to such a practice and claimed that the Latvian company should comply with the Swedish collective agreement. L&P Baltic did not see a breach of law in its actions, since it respected the collective agreement in Latvia, where the central office of the firm was located.

The dispute went on and as a last resort, on 2 November 2004, the SBWU started boycotting L&P Baltic’s activities in Sweden. The blockade lasted for 101 days and was stopped only when the Latvian company left the site and returned home. L&P Baltic brought an action against the SBWU for restricting the competition, but by that time the company had already gone bankrupt.

In March 2005, the Swedish Building Workers’ Union started boycotting another Latvian construction company (R. O. K.) and announced the blockade of a third Latvian enterprise. In all three cases, the reasons for applying drastic restrictive measures were the excessively low wages and the unwillingness of the Latvian companies to conclude a collective agreement with the SWBU. (“*Latvian builders’ misfortunes in Sweden continue*” 07/06/2005. Available at: <http://www.eurofound.eu.int/print/2005/06/inbrief/lv0506101n.html>)

The Swedish Labour Court which dealt with the plea of L&P Baltic decided to ask for a preliminary ruling from the European Court of Justice in order to clarify whether the actions taken by the SBWU were in line with Community rules on the free movement of services (art. 49 TEC), the prohibition of discrimination on grounds of nationality (art. 12 TEC) and the posting of workers (Directive 96/71/EG). (*Swedish Labour Court asks for a preliminary ruling from the ECJ regarding dispute of pay for Latvian workers.* Available at: <http://www.eurofound.eu.int/print/2005/05/inbrief/se0505104n.html>)

Proceedings before the Swedish Labour Court will be pending until the ECJ gives its ruling on the issue and in the meantime each party will uphold its rights and protect its position on the market.

#### Case-Box 8: CEE workers posted to Sweden

## *Conclusions*

*“The thinking that we need long transition periods 14 years after the fall of the Berlin Wall shows a lack of solidarity.”<sup>77</sup>*

These words of Jan Figel, Slovakian Commissioner, describe accurately the paradox of the recent enlargement. Due to restrictions on the free access to employment for nationals of the new Member States, the founding idea of the European Communities i.e. to unite people and not only economies seems to be only half-achieved.

Therefore, a question should be asked – what lead the majority of the old Member States to impose restrictions on the free movement of workers?

Migration is not only influenced by the imposition or the non-imposition of transitional measures. According to analysts, employment restrictions have little impact on actual migration from the new Member States. It seems that the restrictions imposed answer domestic political concerns raised in the context of slowing economies, high unemployment and anti-immigration sentiments.<sup>78</sup> The intention to migrate or willingness to rather “stay at home” is greatly influenced by several factors such as: language; cultural barriers; personal concerns about changing the country, leaving behind family and friends; ties of property; or the so-called administrative “red tape”.<sup>79</sup>

As this report suggests, one can find at least three reasons for lifting the restrictions currently applied.

1. **It will encourage a sense of European citizenship.** The ECJ has stressed that: "Union citizenship is destined to be the fundamental status of nationals of the Member States"<sup>80</sup> and European citizens should benefit from the same rights and duties. Freedom of movement forms the most important part of those rights. The imposed restrictions on freedom of employment bring into question the coherence of European citizenship and threaten to create a division between “first” and “second” class EU citizens. They also have a broader political impact. Countries of Central and Eastern Europe for more than 15 years have been adjusting their economies and legal systems to the requirements of EU membership. By imposing restrictions on the freedom of movement, the old Member States risk creating further divisions within the EU, and provide a new ground for the already rising Eurosceptic feelings in both old and new Member States. Instead of fostering European integration and strengthening European identity by enabling people to travel and work freely within the EU, new barriers have been put up, which diminish chances of creating a united Europe. Getting rid of those barriers

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<sup>77</sup> “EU countries fear mass migration from the East.” 05/02/2004. Available at: <http://www.dw-world.de/dw/article/0,1564,1105912,00.html>

<sup>78</sup> “EU enlargement and the limits of freedom.” 01/05/2004. Available at: [www.migrationinformation.org/Feature/display.cfm?id=224](http://www.migrationinformation.org/Feature/display.cfm?id=224)

<sup>79</sup> “The Unfinished enlargement.” p. 7 – see *supra*

<sup>80</sup> Grzelczyk, C- 184/99, 20 September 20011

will restore something of that climate of hope not fear, which characterized the celebrations on 1 May 2004.

- 2. Free movement of workers is good for economy.** As shown in this and previous reports<sup>81</sup>, there are hardly any economic arguments that would justify transitional periods in access to employment for the ‘A8’ countries. Quite the contrary, countries that decided to open their borders after May 2004 benefited from immigration. Most of the workers from the ‘A8’ countries took up employment in “hard-to-fill” jobs and helped to provide essential services in *inter alia* health care, agriculture and tourism. The Swedish, British and Irish economies benefited from migration of workers. Meanwhile, countries that introduced restrictions for the free movement of people are not able to take full advantage of immigration. It is true that the situation in many national labour markets in Europe remains difficult (e.g.: France, Germany), however, while some workers cannot find jobs, there are still vacancies in essential public services that cannot be filled (aprox: 250 000 jobs in France alone) Here, the possibility of employing skilled workers from the new Member States seems invaluable for both the economy and society. In the light of this, it seems essential that regions and especially border regions are given greater independence in deciding whether to lift or maintain the restrictions, as they are in the best position to determine what is best for their inhabitants and economies. Demographic changes (for example the fall of the fertility rate below the level needed to replace the population) or the ageing of the workforce also support the idea of opening the western labour market to Central- and Eastern European workers, when the old Member States are obviously workforce-demanding, and the closest supply is just “out there”. (The workforce of the ten new Member States equals to one-third of the active population of the western countries.<sup>82</sup>)
- 3. The impact of lifting restrictions will be low.** The labour market forecasts which relied on model-based studies (like the previous enlargement experience with the Southern countries), or on very-long-term forecasts of economic developments of the current Member States and of the candidate countries did not suggest an immediate and dramatic increase in migration. Estimates put the long-run migration potential of candidate countries at roughly 1% of the current working population (220 000).<sup>83</sup> The data analysed in this report confirm that even Member States that fully (i.e.: Sweden) or partially (i.e.: the UK and Ireland) lifted barriers for workers from the new Member States did not suffer from a massive influx of immigrants from Central and Eastern Europe. In reality, the total migration from the new Member States to EU15 is well below the estimated 1% of working population of the ‘A8’ countries. The experience of the Southern enlargement, which shows the closest analogy with that of the Central-European

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<sup>81</sup> “The Unfinished Enlargement” – see *supra*

<sup>82</sup> “Quel marché du travail après l’élargissement? – Les éléments d’appréciation” available at: [www.senat.fr/rap/r00-291/r00-2913.html](http://www.senat.fr/rap/r00-291/r00-2913.html)

<sup>83</sup> “Potential size of migration from the candidate countries to current EU Member States after enlargement.” Available at: [www.weltpolitik.net/Regionen/Europa/Polen/Analysen/](http://www.weltpolitik.net/Regionen/Europa/Polen/Analysen/)

countries proved that the transitional periods could be reduced (in the case of Spain and Portugal from seven to six years). Once the restrictive measures were lifted, migration remained stable for Spain, or only slightly increased for Portugal. It is also a myth that free movement of workers is entirely free. The safeguard clause included in the Accession Treaty, the EU legal requirements on the recognition of qualifications and the requirement of “sufficient financial resources” offer sufficient protection.

## *Recommendations*

Transitional arrangements should be phased out as soon as possible. There has been no influx to justify them and the proliferation unexpected at the time of the Accession Treaty of complex national quotas and qualitative restrictions undermines the Lisbon strategy for flexible markets and a skilled, mobile labour force. They make a mockery of the internal market. In order to achieve this aim, the following recommendations should be taken into account.

1. A public hearing should be organized by the European Parliament in order to examine whether the restrictions on free movement of people in the enlarged Union are justified. In its previous reports, ECAS already called for public debates and public hearings on the issue of enlargement, which unfortunately have not taken place yet. A public hearing would allow MEPs to interrogate representatives of the national governments, social partners, NGOs and experts, and propose to the European Institutions a plan on how to complete enlargement. Such a hearing would be of particular importance in the light of the report examining the impact of enlargement and migration flows which is currently being prepared by the European Commission
2. The UK Presidency should take the lead in pushing forward the idea of lifting restrictions imposed on the freedom of movement of the 'A8' citizens. Having already opened its market, the UK has valuable experience in dealing with immigration from the new Member States, as do Ireland and Sweden. The decision to apply strict national measures with reference to the nationals of the new Member States last year seems to have been taken in a "snowball-like-manner" where their implementation by one Member State led the neighbouring countries to do the same. The UK Presidency can put forward strong socio-economic arguments based on its own experience, which would support opening of the EU 15 borders for the new EU citizens. It puts the Presidency in a good position to recommend other Member States' withdrawal from the restrictions.
3. An information and communication campaign should be launched by the Commission and national governments of both the new and old Member States. There is a need for objective information. As the referendum campaigns in France and the Netherlands showed there is a great deal of misinformation and misconception about enlargement (of which people felt clearly they had not been sufficiently informed). The campaigns should aim to counter the scare-mongering and myths about migration among citizens of the EU15, as depicted by the "Polish plumber". "Top-down" campaigns are no solution to combat the lack of information since they do not leave room to creative discussion and exchange of views. At the same time, governments of the new Member States should put more emphasis on informing their nationals about the rights they possess as EU citizens, and improve information on the conditions of employment in the EU 15. ECAS welcomes the launch by the Commission of 2006 as the year of free movement of

workers. This will provide a good opportunity for more intensive discussions of the issue.

4. Commercial employment agencies should be controlled. As discovered by ECAS and exemplified by cases featured in this report, many cases of abuse could have been prevented if national authorities increased control over individual and organized employment agencies. The issue of illegal working practices and abuse of workers rights should be addressed by both the social partners. This should diminish possibilities for the abuse of workers' rights and reduce illegal working practices.

## ***Information sources***

1. To obtain more information about free movement rights within the enlarged EU please consult Your Europe website ([www.europa.eu.int/youreurope](http://www.europa.eu.int/youreurope)). It contains useful fact sheets with information about European and national legislation as well as contact points.
2. Questions may also be referred to Europe Direct by an e-mail or free phone number. Please visit the website (<http://europa.eu.int/europedirect/>) or telephone 0800 67 89 10 11.
3. You can also refer your questions concerning the scope or “meaning” of EU legislation and their influence on your rights to the Signpost Service ([www.europa.eu.int/citizensrights/signpost/index.htm](http://www.europa.eu.int/citizensrights/signpost/index.htm))
4. In cases of infringement of EU rules occurring due to misinterpretation or misapplication of EU law provisions by public administration you can refer to SOLVIT (please find the address of the SOLVIT centre located in your country on a website ([www.europa.eu.int/solvit](http://www.europa.eu.int/solvit))).
5. For information about individual national measures referring to workers, please consult the EURES portal on (<http://europa.eu.int/eures/index.jsp>)
6. You can also try contacting Citizen Advice Centre in your own country. Such networks are not present in all European Member States, but you may try obtaining information about them from the secretariat of Citizens Advice International, a new organization, which shares premises with ECAS.
7. Please refer also to ECAS updated '50 Questions and answers on your European Rights'. To obtain a copy please contact ECAS directly.