

Post-Enlargement Migration and the Great Recession in the E(M)U: Lessons and Policy Implications

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Abstract

This paper summarizes some of key results from our research about post-enlargement mobility in the EU. We clarify its scope, composition and effects; labor market situation of mobile workers; the role of labor mobility as a vehicle of economic stabilization; as well as brain circulation and return migration. We also outline a policy agenda for a labor mobility model for a vibrant EU, enabling Europe to cope with labor market imbalances and asymmetric economic shocks, and providing for a more prosperous, cohesive and equal EU.

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1. Introduction

Following a century scarred by the frontlines and atrocities of two World Wars and a split by the Iron Curtain during the Cold War, the demise of Communist rule in Central Eastern Europe followed by integration and enlargement of the European Union (EU) have been among the greatest achievements of Europeans in modern history. The EU single labor market and free mobility of workers are important outcomes but also vehicles, and fundamental cornerstones, of this endeavor. Their role is essential in nurturing the mutual understanding, cooperation and trust between European peoples and their benefits stretch across social, political, cultural and economic domains.

As any societal process of comparable depth and scope, however, the free mobility of workers and its extension to new member states from Central Eastern Europe has affected the lives of many and besides winners, it has also created losers. In consequence, it has not only generated supporters but has also given rise to opponents and political opposition. There are widespread negative perceptions not only of the process itself but also of the actors involved in it, including mobile workers and their families. Challenges not caused by enlargement may nevertheless be blamed to this event or may change its perception; certainly the Great Recession has brought additional fears that migration could cause harm. Such forces may derail European integration or its possible future expansion, as well as undermine the free movement of workers (Hillion 2010).

For these reasons it is eminently important to form a balanced account of both the benefits and costs of free mobility of labor—for the EU as a whole as well as for any of its subpopulations, and with specific regard to the effects on vulnerable groups. This involves rigorously evaluating available and newly collected data to generate solid knowledge, as well as disseminating this knowledge and fostering a dialogue involving all stakeholders. All this needs to be done with the overarching objective of advancing our understanding of free mobility's role in the EU, as well as stimulating and better informing evidence-based policy making in this domain.

A growing body of literature has studied post-enlargement mobility in Europe, its causes and its effects on the receiving but also sending countries. The general consensus in this literature is that labor mobility increased in the EU after enlargement, with migrants from the new member states creating a new, highly fluid stratum of workers (Kahanec and Zimmermann 2010a; Kahanec 2013; Constant 2013; Zimmermann 2014a). Migrants' impact on the employment rate in the receiving countries is defined by complementarities between immigrant and native labor, whereby immigrant labor fills labor shortages in receiving labor markets (Constant 2014). In effect, rather than taking

jobs of native workers, migrants increase dynamism and job creation in receiving labor markets (Kahanec 2013; Constant 2014). Kahanec et al. (2013) indeed find positive effects of immigration on the employment rate as well as GDP per capita in old member states and Guzi et al. (2015) document that immigrants from outside the old member states respond to labor shortages more fluidly than natives. However, working in jobs below immigrants' level of (formal) qualification remains a widespread phenomenon (Kahanec 2013). Zaiceva (2014) reviews the literature on sending countries and concludes that post-enlargement labor mobility relieved the sending countries of slack labor and helped to reduce unemployment rates and increase wage levels especially in sectors with the highest out-migration rates. She reports, however, that some of those sectors also experienced labor shortages as a result.

In general, the migration literature suggests that labor mobility has the potential to absorb economic shocks, which is even more important in economic blocks such as the EU, which has little capacity to address asymmetric economic shocks across its member states using fiscal or monetary stabilization tools. While this has been carefully documented, the Single European Labor Market vision has remained incomplete (Zimmermann 2014a; Krause et al. 2016). Insufficient labor mobility remains the core challenge for this economic concept. However this conclusion is under rising political pressure, as shown by the rise of the welfare migration debate in several member states, including the Brexit threat of the United Kingdom potentially leaving the EU, as well as recent Swiss votes against further EU labor mobility. It remains important to document the value labor mobility offers for economic prosperity.

In an edited volume, Kahanec and Zimmermann (2016, forthcoming), we explore the double experiment of both EU enlargement, which increased the EU's labor mobility potential, as well as the Great Recession, which asymmetrically affected EU member states' economies precisely when millions of new member states' citizens were already considering or exploring mobility within the EU. This double experiment allows us to study the role of post-enlargement mobility as a vehicle of adjustment to economic shocks that asymmetrically affected EU labor markets. We include all 28 EU members as of 2015, although our coverage of Croatia's experience remains limited, due to its accession only in 2013. In this synthesis we review the key findings from Kahanec and Zimmermann (2016, forthcoming), including pan-European perspectives as well as country case studies, and we propose a policy agenda for EU mobility.

Among the key results we find that the free mobility of workers after the EU eastern enlargements has led to increased east-west mobility. Migration responded to economic and socio-demographic factors in the destination countries, as well as in the source labor markets, but was hampered by transitional arrangements until they expired. We also find that the post-enlargement migrants from the new member states were young and well-educated, highly employable, but often, although not always, downgraded into occupations below their formal qualification level. Those who returned home brought some valuable new skills, although many faced reintegration problems. Some decided to re-migrate, providing Europe with a mobile labor force group responsive to economic shocks.

In the final section, we outline a policy agenda for a vibrant EU. In our vision, the EU embraces labor mobility as a mechanism that enables it to cope with economic-entrenched imbalances and asymmetric shocks; mobility also acts as a vehicle to create cross-border social and cultural ties, generates trust between the peoples of Europe, and provides for increased economic efficiency while not creating inequality. We thus provide a blueprint for the EU whereby mobility enables Europe to thrive as a vibrant global economic, social, and political model.

1. East-West Mobility in an Enlarged European Union: Key Facts and Findings

1.1 The Scale of Post-Enlargement Migration

Following the EU's eastern enlargements, EU east-west mobility increased significantly. Whereas there were about two million citizens of EU8+2 countries residing in the EU15 in 2004, this number increased by a factor of 2.5 to almost five million by 2009 (see a detailed analysis in Kahanec et al., 2016, forthcoming, and Fic et al., 2016, forthcoming).¹ At the onset of the Great Recession, a

¹ EU8 denotes new EU member states that entered the EU in 2004, excepting Cyprus and Malta. These include the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia; Romania and Bulgaria, which entered in 2007, are denoted as EU2 and the combination of new member states from Central Eastern Europe is the EU8+2. EU12 comprises of EU8+2 and Cyprus and Malta. EU15 denotes old member states including Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.

slowdown in east-west migration flows occurred, but increased numbers of migrants from the new member states continued working in the EU15. To illustrate these trends (see Data Appendix²), there were about 0.64 million Polish and 65,000 Lithuanian citizens in the EU15 in 2004. By 2008 these numbers had increased to 1.47 million Poles and 197,000 Lithuanians. As the Great Recession destroyed job opportunities in the main EU15 destinations, the next year the number of Poles increased only slightly (to 1.48 million) and the number of Lithuanians dropped to 182,000. However more recent data show an increasing number of Lithuanians in all destination countries for which we have data, with the number of Lithuanian citizens in the UK increasing from 81,000 in 2009 to 137,000 in 2011 and 163,000 in 2013; the corresponding increase for Polish migrants in the UK was from 0.56 through 0.70 to 0.75 million from 2009 to 2011 and 2013, respectively. In fact, the number of Poles alone in 2011 in the EU15 approximately equaled the total combined number of migrants from the EU8+2 in the EU15 in 2004.

The numbers of Romanians in the EU15 rose even before Romania's EU accession, in part due to the visa waiver of 2001 (Andr n and Roman, 2016, forthcoming). As depicted in Kahanec and Zimmermann (2016, forthcoming), they increased almost six-fold from 0.29 million in 2001 to 1.64 million by 2007. Although 2008 and 2009 recorded significant slowdowns in Romanian migration flows; thereafter the period from 2010 to 2013 marked increasing migrant outflows from Romania to some EU15 countries, particularly to Belgium, Germany, Italy and the UK.

Some source countries experienced significantly higher migrant outflows than others. Among the former are Bulgaria, Latvia, Lithuania, and Romania, whereas Czech and Slovenian out-migration remained low (Kahanec and Zimmermann, 2016, forthcoming). These patterns continued to change over time, for example Hungarians belonged to the latter group for most of the studied period, but since 2010 their flows have increased significantly (H rs, 2016, forthcoming and Kahanec and Zimmermann, 2016, forthcoming). Kahanec et al. (2016, forthcoming) find that short-run variation in economic conditions in the sending countries did not play a significant role for out-migration rates; however out-migration rates as well as the structure of return migration varied significantly across sending countries' regions. This indicates that migrants responded to the conditions in local labor

² The Data Appendix of Kahanec and Zimmermann (2016, forthcoming) details the reported trends.

markets (Kahanec and Mýtna Kureková, 2016, forthcoming and Kaczmarczyk et al. 2016, forthcoming).

Slovakia provides evidence that people with a higher unemployment or inactivity probability were more likely to look for jobs abroad, thus relieving the slack in the national economy during the downturn (Kahanec and Mýtna Kureková, 2016, forthcoming). The crisis diverted Slovak out-migration from affected destination countries (for example, the UK and Ireland) to more favorable labor markets (such as Austria). On the other hand, it appears that regional ties with Austria led to an above-average out-migration rate and decreased unemployment in the Hungarian regions neighboring Austria, which are some of the economically strongest in the nation; contrarily, lower out-migration rates provided fewer economic benefits to the lagging north-eastern regions (Hárs, 2016, forthcoming).

The Great Recession's economic impacts were particularly devastating in the Baltic countries. To illustrate, in 2009 Latvian GDP was almost 20% lower than in 2007 and the unemployment rate increased from 6% in 2007 to almost 20% in 2010 (Hazans, 2016, forthcoming). All three Baltic economies, however, started gradually recovering in the early 2010s. Nevertheless, such adverse effects from the Great Recession triggered a new emigration wave, exceeding the pre-crisis levels (ibid). Eamets (2016, forthcoming) reports that out-migration from Estonia doubled during the crisis compared to pre-crisis years, and was primarily comprised of temporary migrants to Finland.

Inflow intensity was very uneven and changing across receiving countries; and transitional arrangements and demographic, social, and economic factors significantly affected it (e.g. Kahanec et al., 2016, forthcoming; Kahanec and Mýtna Kureková, 2016, forthcoming; Zaiceva and Zimmermann, 2016, forthcoming). On the other hand, generosity of welfare provisions in receiving countries did not play any significant or systematic role (Giulietti et al. 2013; Giulietti 2014). The UK and Ireland were the hotspots during the early years following enlargement—especially for EU8 citizens—whereas Spain and Italy continued to be the main destinations for workers from the EU2. In the late 2000s the Great Recession shifted magnetism to countries like Germany and Austria (Kahanec and Mýtna Kureková, 2016, forthcoming; Kahanec and Zimmermann, 2016, forthcoming (Data Appendix)). This is well-illustrated by the polar cases of Ireland, Germany, and Spain. Ireland, which along with Sweden and the UK opened its labor market to EU8 citizens immediately following the 2004 enlargement hosted 0.21 million EU8+2 migrants in 2008, compared to just 26,000 in 2004. The crisis years of 2009 and 2010 brought about net outflows of EU8+2 migrants from Ireland, but

2011 recorded a swift recovery showing an all-time high of 0.23 million (Kahanec and Zimmermann, 2016, forthcoming (Data Appendix)). These trends indicate that EU8+2 migrants were flowing into Ireland during both the economic boom and post-crisis recovery, but flowing out during the recession. This fluidity, according to Barrett et al. (2013), was also because they did not have time to settle and were not entitled to benefits due to restrictive welfare policies.

On the other hand, Germany - postponing labor market liberalization until the end of the seven-year transitional period following both the 2004 and 2007 enlargements - recorded steady and moderate migratory inflows. From about 0.55 million in 2004, the number of EU8+2 citizens in Germany increased to 0.76 million in 2008. Whereas the following year witnessed a small increase, 2010 and 2011 together added 0.23 million EU8+2 immigrants, i.e. somewhat more than the five-year period following the 2004 enlargement. In line with the results in Kahanec et al. (2016, forthcoming), this appears to reflect two key factors. First, the transitional arrangements slowed down the early inflows. Second, the German labor market showed extraordinary robustness during and after the Great Recession, resulting in a rather significant increased inflow following the recession's initial shock.

As a key destination for EU2 migrants, Spain witnessed a steep increase in immigrant stocks from the new member states starting at the beginning of the 2000s: Stock rose from just 53,000 EU8+2 immigrants in 2000 (the year before visa liberalization) to 0.43 million in 2004, then attaining 1.1 million in 2008. The inflow velocity plummeted thereafter when Spain suffered major economic difficulties during the Great Recession. Total EU8+2 immigrants reached 1.18 million in 2011.

Due to the high flexibility of migration strategies among new member state migrants, some authors refer to post-accession migration as liquid or fluid migration (Engbersen et al. 2013; Grabowska-Lusinska and Okólski 2009). Temporary mobility indeed constitutes a very significant part of east-west movement of workers within the EU (Kahanec and Zimmermann 2010a). Soosaar and Viilmann (2015) (in Meriküll, 2016, forthcoming) estimated the probability of returning to Estonia to be around 40%. One should note, however, that preferences may change. For example, among Romanian immigrants in Italy the largest share indicated a low probability of return; however, the original intentions seem to have been different: 30% changed their minds (from temporary to more permanent) after arrival due to finding work, better living standards, family reasons, and the negative economic situation in Romania (Del Boca and Venturini, 2016, forthcoming). Data from Germany show that neither EU enlargement nor the recession had a direct impact on seasonal

migration, while changes in legislation and labor market conditions were important (Elsner and Zimmermann, 2016, forthcoming). While seasonal migration from the EU10 (EU8 plus Cyprus and Malta) to Germany was low in the 2000s, seasonal migration from the EU2 steadily increased during the 2000s and doubled from 2010 to 2011.

1.2 The Composition of Post-Enlargement Migration

Regarding the composition of post-enlargement migration, we can observe several trends. Post-enlargement migrants from the EU8+2 are generally young at arrival but appear to be aging. To illustrate, the largest share among EU12 migrants in the UK are those aged 25–34, and the average age of Romanians in Spain is 33 (Clark et al., 2016, forthcoming; Andrén and Roman, 2016, forthcoming). Overall, more than 80% of post-enlargement migrants are of working age, whereas the majority of migrants of working age are between 25 and 34 years old, accounting for 55% of EU8 migrants and 44% of EU2 migrants (Fic et al., 2016, forthcoming).

Del Boca and Venturini (2016, forthcoming) show that Romanians who arrived in Italy after enlargement were younger than those who had arrived before enlargement. However, aging of new member state migrants appears to have already been occurring, as shown in Kahanec and Mýtna Kureková (2016, forthcoming) discussing Slovak migrants in the EU15. On the other hand, the age profile of Hungarian migrants in the EU15 was stable during the crisis, aside from an increase in the number of younger migrants aged 25–34 to Austria and the UK (Hárs, 2016, forthcoming).

The gender composition of EU8+2 migrants in the EU15 has varied rather dramatically. In some countries such as the UK or Germany there was a notable female prevalence among EU12 migrants (Elsner and Zimmermann, 2016, forthcoming; Clark et al., 2016, forthcoming). Migration from the EU12 to Sweden was primarily female from Estonia and Latvia, and until 2006 also from Bulgaria, the Czech Republic, Hungary, Lithuania, Poland, Romania and Slovakia; contrarily migration to Sweden was predominately male from Cyprus and Slovenia (Gerdes and Wadensjö, 2016, forthcoming). Kahanec and Mýtna Kureková (2016, forthcoming) show that in 2004 Slovak migrants in the EU15 were primarily male but heavily skewed towards females in the countries that completely opened up in 2004 (Ireland, Sweden and the UK). Whereas the share of females among Slovaks in these three countries steadily declined during the 2000s, the share of females among

Slovaks in Germany and Austria increased significantly during the Great Recession. Through the 2000s, most immigrants in Italy were males (working mainly in agriculture and construction), while by 2012 females comprised 53% of the total foreign population (Del Boca and Venturini, 2016, forthcoming); the share of females was even higher for Romanians at 64 percent. Hazans (2016, forthcoming) and Kahanec and Mýtina Kureková (2016, forthcoming) document that ethnicity played an important role: whereas some ethnic minorities were more likely to emigrate than majority populations (e.g. Russian speakers and non-citizens from Latvia and several minority groups from Slovakia), the situation was the opposite for others (e.g. Russian speakers from Estonia). Russian speakers were less likely to return to Estonia and Latvia (Hazans, 2016, forthcoming).

Migrants from the new member states in the EU15 are well-educated. To illustrate, one-third of EU12 migrants in the UK had high education (leaving full-time education after the age of 20), which was similar to the EU15 as well as non-EU immigrants (Clark et al., 2016, forthcoming). The share of high-educated EU12 migrants in the UK increased significantly after the 2004 enlargement and further increased during the Great Recession. Throughout the 2000s, migrants from the new member states were better educated than natives in Germany across all sectors, although before 2004 the difference in education was not significant. The education level of these migrants decreased after the EU enlargement (which can be explained by a change in their age composition) but increased during the crisis (Elsner and Zimmermann, 2016, forthcoming).

Fic et al. (2016, forthcoming) confirm that EU2 and EU8 migrants are well-educated, with EU8 migrants somewhat better educated than EU2 migrants. Kahanec et al. (2016, forthcoming) provide an overview of educational attainment of post-enlargement migrants, showing a generally similar educational attainment of EU12 migrants and natives in the receiving countries, with the exception of southern European EU15 countries and the UK, which showed a lower share of tertiary education among immigrants than among natives.

Migrants from the new member states are also well-educated when compared to the source populations. Romanian emigrants are more educated than the native labor force in Romania (Andrén and Roman (2016, forthcoming)). Studies on Poland show that the educational selectivity of migrants has been positive (Kaczmarczyk et al. (2016, forthcoming)). Similar results are found in Hárs (2016, forthcoming), which reports a decreasing (positive) effect of tertiary education on out-migration from Hungary to the EU, controlling for a number of socio-demographic and economic factors. Hazans (2016, forthcoming) finds no evidence that university graduates among Baltic citizens selected into

migration in the early post-accession period; by 2011 however, compared to the respective populations of stayers, university graduates were overrepresented among Latvian and Lithuanian emigrants working in European OECD countries. On the other hand, Kahanec and Mýtna Kureková (2016, forthcoming) find small negative effects of tertiary education on out-migration from Slovakia to the EU15 and shows that the effects vary across educational specializations. More generally, in Slovakia the most frequent migrant profile changed from the young and educated to somewhat aged “breadwinners” with a medium education level. Fic et al. (2016, forthcoming) provide evidence that compared to the respective source populations, low-skilled workers are somewhat overrepresented whereas high and medium-educated are underrepresented among EU2 and EU8 migrants.

1.3 The Labor Market Situation of Post-Enlargement Migrants Abroad and Downskilling

Across the studied destinations we find that EU8+2 migrants have relatively high employment rates: This documents an increased economically driven mobility after enlargement, which suggests that these migrants take up less welfare benefits (Elsner and Zimmermann, 2016, forthcoming; Rodríguez-Planas and Farré, 2016, forthcoming); see also Kahanec and Zimmermann 2010a; Kahanec 2013). Fic et al. (2016, forthcoming) report that the average employment rate for EU8+2 workers exceeded 70% between 2004 and 2009. In Italy, for example, the participation rate of Romanians was 75% and their employment rate was 67%, both higher than the corresponding figures for natives at 59% and 55% (Del Boca and Venturini, 2016, forthcoming). According to the UK Labour Force Survey, out of three immigrant groups (EU12, EU14, and non-EU), the non-EU migrants had the lowest activity and employment rates, while EU12 had the highest and with the largest increase after 2004 compared to other migrant groups (Clark et al., 2016, forthcoming). Hazans (2016, forthcoming) corroborates that Latvians and Lithuanians in the UK attained better labor market outcomes than the natives, as well as stayers in their home countries. Ireland and Finland exhibit the same advantage for young (but not older) immigrants from the Baltic states (Hazans, 2016, forthcoming). Gender can play an important role, such as in the Spanish case, where female migrants from the new member states have higher employment rates than their native counterparts, while the opposite is true for males. Interestingly, these gender patterns became even more pronounced during the Great Recession (Rodríguez-Planas and Farré, 2016, forthcoming). Although raw data in Ireland demonstrate an increasing wage gap between natives and migrants, a decomposition analysis shows

that changes in immigrant characteristics between cohorts actually caused this happening (Barrett et al., 2016, forthcoming). An EU perspective reveals higher participation as well as unemployment rates of EU12 migrants compared to natives in almost all EU member states (Kahanec et al., 2016, forthcoming).

The Great Recession seems to have constricted employment not just for migrants but has also affected natives' opportunities. An important observation is that migrants from the new member states disproportionately absorbed turbulences that the Great Recession inflicted. In 2010, 74% of EU8 migrants were employed versus 63% from the EU2; the latter group was affected more since many resided in Spain and Italy, two countries that experienced greater economic downturn during the recession (Fic et al., 2016, forthcoming). In the Irish labor market, employment rates of new member state immigrants dropped significantly more than those of natives or other migrant groups (Barrett et al., 2016, forthcoming). This finding may relate to the fact that they experienced concentration in low-skilled sectors (and correspondingly lower wages), possibly due to language barriers, incomparability or lack of foreign degree recognition by the receiving country's employers, lack of industry-specific skills, or their chosen short-term migration strategy and further investment at home rather than abroad.

A general result from the literature is that migrants from the new member states were mostly employed in construction, manufacturing, agriculture, tourism, entertainment, and domestic care and work, whereas they were particularly underrepresented in public administration and defense (Favell 2008; Kahanec and Zimmermann 2010a; Ciupijus 2011; Kahanec 2013; Kahanec and Kureková 2013; Kahanec and Zimmermann, 2016, forthcoming). According to Fic et al. (2016, forthcoming), movers from the EU8 predominantly occupy the manufacturing sector as well as wholesale and retail trade, while movers from the EU2 are frequently employed in the construction sector and by private households. Regarding the occupational structure, the authors report that 30% of the EU8+2 movers are employed in elementary occupations, 55% in medium-skill occupations (e.g. market sales or trade workers) and around 15% in high-skilled occupations such as managers, legislators and technicians. Hence, a relatively significant share of these migrants works in high- or medium-skilled occupations and a non-negligible percentage work as managers and professionals (see also Drinkwater, Eade, and Garapich 2009; Kahanec and Mýtna Kureková (2016, forthcoming)). Sectoral allocation is typically rather gendered, with construction being a prime example of a male-dominated sector whereas

domestic care is rather feminized (e.g. Rodríguez-Planas and Farré (2016, forthcoming); Kahanec and Mýtna Kureková (2016, forthcoming)).

Downskilling into occupations below migrants' educational attainment was prevalent in all destinations (Zaiceva and Zimmermann, 2016, forthcoming). In Spain, in spite of their educational attainment, EU12 migrants are more likely to be employed in low-skilled sectors (Rodríguez-Planas and Farré, 2016, forthcoming). The downskilling of EU12 migrants has persisted with time, with labor market assimilation being more likely for immigrants with lower education (Rodríguez-Planas and Farré (2016, forthcoming)). Similarly in Germany, EU8 migrants are on average better educated than natives, but are more likely to be self-employed or concentrated in the blue-collar sector; the scale of downskilling has even increased since 2004, with a shift in the sectoral distribution towards the blue-collar sector (Elsner and Zimmermann, 2016, forthcoming). In the UK, downskilling is highest for EU12 migrants, with more than half of the total number of migrants with higher education working in low-skilled jobs after EU enlargement: The relevant share for migrants from the other EU15 countries is less than 10% and is 22% for non-EU migrants.

1.4 Labor Mobility as a Vehicle of Adjustment

Whereas the theoretical model presented in Kahanec et al. (2016, forthcoming) elucidate the mechanisms through which labor migration may help economies adjust to asymmetric economic shocks, whether such adjustment has taken place in the EU during the Great Recession is an empirical question. Applying difference-in-differences empirical methods to a unique dataset, Kahanec et al., (2016, forthcoming) study whether and how EU enlargement and the free movement of labor enabled greater east-west mobility in an enlarged EU, and whether post-enlargement mobility responded to changing economic imbalances across the EU. Compared to receiving countries that kept transitional arrangements, the authors find that liberalizing access to the receiving country's labor market increased inflows from the EU8 countries by almost 30% and from the EU2 countries by about 35% (measured as increases in emigration rates relative to the source country's population), although the effect for the EU2 is statistically insignificant. Interestingly, whereas the effect of EU enlargement was similarly strong as the labor market opening effect for the EU8 countries, it was much stronger for the EU2 countries, reaching about 80% (and highly significant).

Kahanec et al. (2016, forthcoming) further find that post-enlargement migrants responded to changing economic opportunities in receiving labor markets. Whereas the variation of economic factors across source countries does not emerge as a significant factor explaining short-run variation in migration flows, economic conditions in the source countries and long-term east-west imbalances act as primary reasons for east-west migration. The authors interpret this as evidence that post-enlargement migration in the EU can be seen as a vehicle of adjustment. Long-term east-west migration trends respond to, and reduce, long-term east-west economic gaps in wages, and those migrants who have decided to move respond to variation in economic dynamism across receiving labor markets.

But could it also have some adverse impacts on macroeconomic variables in the receiving economies? Using the NiGEM model to assess migration's short-term and long-term impact on employment and wages, Fic et al. (2016, forthcoming) evaluate the post-enlargement mobility effects on receiving countries' real wages and unemployment rates. The authors report that any temporary unemployment increases would have been offset by 2009 through greater output for Ireland, the UK and also Spain. They therefore conclude that the impact on the EU15 overall unemployment rate has been negligible. Conversely, they estimate that the effect on long-run real wages is slightly negative due to the downward pressure from the labor inflow, which in turn will help to absorb the effects on unemployment and have negligible impact on inflation.

As for country specific experiences, in spite of Germany's labor market restrictions, Elsner and Zimmermann (2016, forthcoming) shows that migration from new member states increased after the 2004 enlargement but net flows dropped close to zero when the recession began. The arriving immigrants held a lower educational attainment than previous migrants but nonetheless the wage gap with Germans narrowed over time. Migrants came from countries worse off due to the crisis. The authors argue that the flows are not large enough to offset unemployment in destination countries, which have also suffered from the crisis.

Looking at family care workers over the last five years as reported in the Italian Labor Force Survey dataset, Del Boca and Venturini (2016, forthcoming) show that foreign labor has been a key adjustment mechanism for the family sector, allowing for more skilled native females to participate in the Italian labor market. Remarkably, Rodríguez-Planas and Farré (2016, forthcoming) find that migrant men are worse off and have a greater risk of job instability in Spain. On the other end, women migrants from the new member states have been better off all around compared to both natives and

other migrants. Further evaluating why the real estate burst in Spain affected male migrants so greatly, the authors explain that they were disproportionately represented in the construction sector (31%) compared to other migrants (17%) and thus immediately hit. On the other hand, female migrants from the new member states were disproportionately working in domestic services (35% compared to 25% of other migrants) and hence suffered much less. The authors point out the fact that native women in receiving countries may have chosen to continue in, or entered, the labor market as their spouses were becoming unemployed, which in itself could have increased (at least short-term) domestic service demand.

Examining labor mobility in Ireland, it seems that both migrants and natives alike have reacted to the recession, flowing in during economic upturn and leaving during harder times. Ireland's Central Statistics Office reported that about 2% of the population, equivalent to 90,000 people, moved abroad between 2010 and 2012; migratory outflows were higher for those from the new member states (Barrett et al., 2016, forthcoming). In the early post-enlargement period, EU8 immigrants in Ireland were younger and better educated than natives. By 2009 the share of EU8 immigrant workers with degrees as well as the average tenure among these migrants decreased. During the same period natives' average tenure decreased as well, but the proportion of natives with degrees increased. This lends support to the notion that the Great Recession's inflicted shocks to the skilled sector were disproportionately absorbed by EU8 migrants rather than by natives (Barrett et al., 2016, forthcoming).

Correspondingly, out-migration had the potential to relieve new member states from labor market slacks induced by the Great Recession. Kahanec and Mýtna Kureková (2016, forthcoming) find that unemployment status pushed workers into out-migration and that economically less advanced regions sent more migrants, controlling for other factors. Meriküll (2016, forthcoming) offers a revealing insight into labor market transitions and mobility during the Great recession in Estonia. Whereas transitions from employment to unemployment increased during the crisis, with hiring rates behaving pro-cyclically and separation rates counter-cyclically, there is evidence that geographical mobility increased as well. Out-migration increased immediately at the inception of the crisis, but return migration increased during the crisis and remained high during the recovery period as well. On the other hand, Meriküll (2016, forthcoming) also shows that mobility across industries, occupations and jobs was lower during the Great Recession. This last finding may have partly been due to a new labor legislation introduced during the Great Recession. However, Eamets (2016, forthcoming) argues that this new legislation was not very effective and hence the available evidence

suggests that geographical mobility was a key mechanism through which labor market shocks were absorbed in Estonia. Eamets (2016, forthcoming) further argues that migration into (mostly low-skilled) jobs in Finland relieved the Estonian social security system during the Great Recession.

Andrén and Roman (2016, forthcoming) document that Romanian migrants' entrepreneurship increased in 2009, showing a 15% growth in the number of Romanian-owned companies in Italy compared to the previous year. Migrant households report the main negative effects from the crisis were increased unemployment and reduced labor demand. Preferred solutions include a change in employment or living on a stricter budget rather than temporary or permanent return to Romania. Female migrants were less affected by the crisis in Italy and Spain due to employment in sectors less responsive to economic fluctuations. Out-migration caused by unstable economic development, labor market crises, and regional development differences has reduced unemployment pressure and the burden on social protection schemes (Andrén and Roman, 2016, forthcoming).

Hazans (2016, forthcoming) summarizes the available evidence and concludes that out-migration from the Baltic states helped to alleviate unemployment in these countries, positively affected real wages of stayers, and benefited the source country through remittances and diaspora engagement in economic development. On the other hand, the author worries that worker outflow has a permanent negative effect on potential output and undermines sending countries' demographic balance as well as social security system sustainability.

1.5 Brain Circulation and Return Migration

The impact of out-migration may pose nontrivial risks for sending countries. It is indeed the new member states' highly mobile young citizens who possess greater skills and are seeking out perceived opportunities abroad rather than face slack labor markets or weak economies at home. According to Fic et al. (2016, forthcoming) this risk is especially high in the cases of Bulgaria, Romania, and the Baltic states. Indeed out-migration of professionals in healthcare and construction, but also in other sectors, has been a challenge for several sending countries (see e.g. Meriküll, 2016, forthcoming; Eamets, 2016, forthcoming; Hazans, 2016, forthcoming; Rutkowski 2007). Hazans (2016, forthcoming) identifies two channels of brain drain: emigration of highly skilled people and emigration of young people who acquire education or training in host countries. According to Hazans (2016, forthcoming), brain drain from the Baltic countries intensified during the crisis, with the

exception of Estonian out-migration to Finland. Additionally, return migration is unlikely to attenuate the brain drain, as return migrants are mostly less skilled than stayers.

On the other hand, combining a variety of data sources, Zaiceva and Zimmermann (2016, forthcoming) provide a painstaking account of EU8 and EU2 return migrants, including their selection, key factors influencing return, and the potential for re-migration. They argue that although the Great Recession in receiving labor markets could have stimulated return intentions, the economic situation in their home countries—some of which were struggling with similar or even worse economic difficulties—could have inhibited such thoughts. Importantly for the brain-drain debate, they find that many migrants return and returnees are more likely to migrate again, hence providing support for the brain-circulation hypothesis.

Indeed, Zaiceva and Zimmermann (2016, forthcoming) find that the propensity to migrate increases in the severity of the Great Recession's effects. The authors report that migratory flows lessened during the crisis both in the UK as well as in Ireland. Thereafter, the decline continued in Ireland for all new member state migrants apart from Romanians. Contrarily, in the post-crisis UK, EU8 and EU2 immigration again began to increase in 2009, particularly from Lithuania and Latvia (slowing down just in 2011). Remarkably, Zaiceva and Zimmermann (2016, forthcoming) document that immigrants from the new member states in Ireland suffered from the largest increase in unemployment, but in the UK they have experienced no significant rise in unemployment.

Zaiceva and Zimmermann (2016, forthcoming) argue that overall, empirical studies do not find evidence of massive return migration during the crisis, especially when the home country had been more affected by the crisis. This corroborates earlier studies by Eurofound (2012) and Holland et al. (2011). From the sending countries' perspective, based on European Social Survey data for 2008 and 2010, the authors find that Bulgaria, Hungary and Poland saw an increased share of returnees over 2008–2010. Contrarily, return migration declined in the Czech Republic, Estonia, Slovakia and Slovenia. In terms of shares in sending countries' populations, the greatest proportions were in the Baltics, Poland and Slovakia.

Regarding returnees' educational structure—compared to migrants who stay in the destination country—there are higher proportions of returnees with low educational attainment in Bulgaria and Romania and to a smaller extent in Hungary, Latvia and Lithuania. On the other end, skilled individuals are overrepresented among returnees vis-à-vis stayers in the Czech Republic, Hungary and especially in Slovakia and Slovenia (Zaiceva and Zimmermann, 2016, forthcoming). The authors

also find that characteristics of those more likely to return are those who are male, single, or with higher or middle education degrees.

The largest share of return migrants who had been unemployed in receiving countries originated from Bulgaria, Latvia and Romania; those who had been inactive abroad were primarily from the Czech Republic, Latvia and Slovakia. Nonetheless, overall most migrants had been employed while in the destination country (Zaiceva and Zimmermann, 2016, forthcoming). Large shares among both Slovenian and Estonian returnees were students (*ibid*).

Zaiceva and Zimmermann (2016, forthcoming) find that 2010 saw lower probabilities of migrants leaving the EU15, which possibly indicates that the crisis negatively impacted return migration. They indeed find that the previous unemployment increase in destination countries between 2008 and 2009 was a significant push factor for EU8 migrants living in the EU15 to return to their home countries.

In their empirical analysis, the authors further find no significant relation between deciding to return home and migrants being unemployed (compared to employed migrants) in the destination country. However, migrants who are inactive in the labor market show a positive correlation with the probability of returning in the following year. Zaiceva and Zimmermann (2016, forthcoming) conclude that circular migration can be expected to alleviate economic imbalances and adverse effects caused by economic crises, providing for a more efficient labor and human capital allocation within an enlarged EU. Based on the Eurobarometer for March-April 2010, the authors find that people who report being “very likely” to move actually represented a larger proportion of returnees rather than stayers. This answer remains consistent and applicable to all new member states, indicating the potential future continuation of east-west circular migration. This is a very desirable outcome with the potential to benefit sending and receiving labor markets as well as migrants themselves, as Zimmermann (2013) outlines.

Comparing the economic activity of Polish citizens with and without migratory experience shows that the chances of economic activity are higher for returnees but the chances of wage employment are lower (Kaczmarczyk et al., 2016, forthcoming). Martin and Radu (2012) study data from 2006 for return migrants in the Czech Republic, Hungary, Latvia, Poland, Romania, and Slovakia and show that returnees are less likely to participate in the labor market and they often opt for self-employment, perhaps as a way of avoiding reintegration barriers. Reintegration difficulties may be explained by the fact that human capital acquired abroad is rather specific and certain skills

or competencies cannot always be easily transferred. In addition, experience in high-income countries may have increased migrants' reservation wages. Returnees' position at home also depends on individual characteristics and economic conditions, while previous social ties could have also weakened during the migration period. Interestingly, in Poland there is a regional selectivity of return migration with a lower share of returnees into relatively well-developed regional labor markets (Kaczmarczyk et al., 2016, forthcoming). Increased return migration in Hungary in recent years demonstrates emigration's circular characteristics, with the age group of 35–64 year olds with vocational and secondary education being more likely to return (Hárs, 2016, forthcoming). Return migration to Romania was mainly caused by unemployment abroad; this may have positive long-term effects on skills and wages for the home country, as returnees earned 12–14% more than non-migrants, possibly due to acquired skills (Ambrosini et al. 2012). Emmo (2015) (in Meriküll, 2016, forthcoming) provides additional support for this view, documenting higher asked wages by job applicants with migration experience, even after controlling for selection.

Evidence from Slovakia shows that receiving labor markets' absorptive capacity—measured as the share of return migrants who register as unemployed in the total stock of Slovak migrants in a given receiving country—differs markedly across host countries depending on their labor market situation (Kahanec and Mýtna Kureková, 2016, forthcoming). Whereas the Austrian labor market exhibits an increasing absorptive capacity (rising emigration with a low rate of return into unemployment), the rate of return into unemployment is high for Slovak migrants returning from Italy. Generally, return migration's size and composition reflected the economic situation in the destination countries as well as in Slovakia. Some evidence shows that employers within the national labor market positively regard skills acquired abroad. Interestingly, the young and well-educated cohort (aged 15–35) reacted to the crisis with increased return migration and a lower propensity to migrate (ibid).

Regardless of Poland's relatively positive development during the crisis, there continue to be reasons to migrate, such as the significant wage gap. However, return migration has been popular among Polish migrants due to the crisis in the destination countries (for example in Ireland and Southern Europe), and returning may become a challenge to Poland due to the country's deteriorating situation (Kaczmarczyk et al., 2016, forthcoming). At the same time, the Polish Labor Force Survey shows seasonal frictions during the crisis, with a change in the temporary migration structure: The number of short-term migrants has decreased, while long-term migration remains unchanged (Fihel

2011), suggesting that the stock of Polish migrants has been channeled into return and circular migration, as well as settling abroad. The crisis in the most popular destination countries for Romanians somewhat increased return migration, especially from the regions affected by high unemployment (Bernat and Viruela 2011). According to Andrén and Roman (2016, forthcoming), relatively low numbers of returnees and persistent circular migration can be explained by differences in Spanish and Romanian living standards and by migrants' high degree of adaptation and flexible adjustment strategies, including flexibility in changing occupational sectors.

2. Policy Agenda

Over the last few decades the European Union has achieved tremendous upgrading of its labor mobility institutional foundations within its territory. Article 45 in the Treaty on the Functioning of the European Union explicitly defines the free movement of workers throughout the EU. The right to work and reside is applicable to EU citizens as well as their close family members, as stated in Directive 2004/38/EC in the Treaty on the European Union as well as through the Case Law of the European Court of Justice; the only stipulation is valid health insurance and economic self-sufficiency. As national borders partition the EU into as many social security systems as there are member states, another notable addition to the body of EU law bolstering labor mobility included establishing common rules to create fluidity between social security systems and equal treatment of all EU citizens (Regulations [EC] 883/2004 and 987/2009). Lastly, Directives 2005/36/EC and 2013/55/EU attempt to enable migrant professionals to overcome the diversity of regulations dealing with qualification recognition across EU member states and hence fluidly transfer their formal qualifications and experience across national borders.

Transitional arrangements, which allowed old member states to implement restrictions on the free movement of people from the new member states, for the 2004 and 2007 entrants expired by 2011 and 2014, respectively. As of September 2014 more than half of the EU member states had fully liberalized their labor markets for citizens of Croatia, the 2013 EU entrant. It should also be noted that since self-employment falls under the “freedom of establishment” and the “freedom to provide services” in the Treaty on the Functioning of the European Union, those who were self-employed superseded the transitional agreement restrictions altogether, gaining immediate mobility upon their countries' EU accession.

On the other hand, significant barriers to labor mobility still remain, which may jeopardize smooth EU-wide mobility. Some of them relate to historical-cultural factors, such as the linguistic partition of Europe, but others correspond to current policies. Such policies include administrative or logistic complexities between all member states, such as coping with incompletely harmonized social security and health systems, cross-border taxation issues, professional qualification recognition, or fair access to business services (Kahanec 2012). While in theory EU Law provides for solutions to most situations in which migrants may find themselves, some situations are not effectively covered either due to more complex migration trajectories of household members than legislators had foreseen, or lacking the administrative capacity to implement and thoroughly enforce EU Law.

We can draw a number of lessons from the EU's experience with the free movement of labor. In view of the demographic challenges and mismatches in EU labor markets, labor mobility is needed to improve labor allocation efficiency. It is then paradoxical that much public discourse revolves around beliefs that immigrants seek out welfare benefits, lower wages and employment, as well as lack the ability or will to integrate into the destination country and society. And yet there is a wealth of information and empirical evidence studying, discussing and contradicting such beliefs and providing a more balanced perspective on migration effects. Nonetheless negative public opinions and attitudes toward immigrants and labor mobility persist. This negativity is a key barrier to integration and also provides little motivation for politicians to support and further encourage labor mobility.

Based on the collective findings of the studies in this book, we uphold that the freedom of movement of workers within the European Union is a first-best policy and a cornerstone of the EU's economic, social and political success. The available evidence is convincing that labor mobility overall carries benefits for improved labor allocation and potential for brain circulation across EU labor markets, as well as for enhanced career opportunities for migrant workers. Regardless of these benefits, however, many gaps and barriers remain that preclude Europe from attaining its full mobility potential. Ill-informed debates divert attention to fabricated problems away from labor mobility's true challenges. The literature has not been silent regarding policy priorities aimed at reducing labor market frictions for mobile workers (Box 1). Applying the lessons learned throughout this collected volume and from the existing literature, we proceed to propose a policy agenda for a mobile Europe, outlining our policy recommendations, affecting both the entire European Union and individual EU member states.

Box 1 Policies to minimize labor market frictions

- (i) strengthening the institutional preconditions of mobility in the labor market,
- (ii) developing mobility-friendly educational policies,
- (iii) creating effective information and social networks,
- (iv) easing mobility barriers stemming from the diversity of national social protection and qualification systems, and
- (v) extending the knowledge base and evaluating mobility-related policies

Source: Bonin et al. (2008)

Informing the public about migration's causes and effects

In both receiving and sending EU countries, negative attitudes, beliefs and public opinion towards migrants and labor mobility continue to persist, in spite of each being in stark contrast and contradiction with the scientific evidence outlined above. Nevertheless, these feelings undermine the EU's cornerstone free-movement value and its ability to benefit from the free movement of workers. This is despite research and evidence bringing to light a generally positive picture of labor mobility, underscoring the benefits of EU migration for the actors involved. Therefore, steps should be taken to foster better informed public discussions and better disperse independent research findings to the public in order to provide people with a more balanced portrayal of labor mobility and its causes and effects. This can be achieved by engaging wide populations through traditional as well as new (social) media, and by conveying stakeholders' first-hand experiences, including migrants themselves. Open and transparent discussions about migration issues will generate trust among stakeholders; a better informed public can be expected to support policies more conducive to positive labor migration outcomes, for the benefit of all. This is a crucial step to break a vicious circle whereby anecdotal adverse experiences with migration are generalized in public discourse to spur negative attitudes and beliefs in the society, leading to ill-chosen policies that then again lead to negative outcomes and cause further adverse experiences to occur.

Harmonizing legislation

Migration involves substantial pecuniary and non-pecuniary costs, including non-trivial psychological costs, and is impeded by various obstacles. This is particularly true for international

migrants and migrant families. National and EU legislations can be complex for migrants to understand and thus time consuming and even difficult to obey. It may perhaps be even more difficult to exercise the rights they guarantee. The EU has taken steps to harmonize legislation between member states to reduce such migration costs, but there is still much to achieve. Some persistent obstacles include hard-to-transfer rights to social benefits, services and healthcare, as well as non-portable tax exemptions, credits, mortgages, collaterals and warrants (See Box 2). On the other hand, some duties are enforced multiple times, including implicit double taxation of spouses employed in different member states; income earned and lawfully taxed in a member state where a spouse works may increase the tax the family has to pay in their residential state. EU member states should therefore involve all stakeholders, including migrants themselves, in solution-seeking debates in order to identify and overcome these impediments, thus reducing migration costs.

Box 2 Examples of legislative gaps affecting migrant workers

Example 1: A Slovak citizen buys a TV set in Germany while residing there, but then returns to Slovakia, where the TV set breaks down. In spite of European warranty, the client is denied the warranty in Germany, on the grounds that the TV set is not used in the country, as well as Slovakia, on the ground that the TV set was not bought in the country.

Example 2: A cross-border worker resides in Slovakia but works in another EU member state. Slovak banks discount 20-30% of her salary when evaluating her creditworthiness for the purpose of mortgage loan.

Access to and portability of social entitlements

While a migrant is mobile between EU member states, social rights portability involves both contributing to and claiming social benefits. Job seekers expect to be confronted with transparent and effective rules to calculate the social benefits they are entitled to during the search for work. If social security systems are incompatible, lack transparency, or have overly complicated transferability mechanisms, they defy the equal rights principle since they may effectively exclude migrants. Worse situations arise if social security systems bureaucratically exclude some types of mobile workers or their family members. In effect, such gaps may create incentives to avoid paying contributions, as migrants cannot be sure whether they will be able to claim benefits later on in a different state. To harmonize these systems, the EU is attempting to provide standardized portability mechanisms

through laws and institutions. For example, the EU Directives provide pension rights transferability and the European Health Insurance Card aims to simplify accessing healthcare. This approach, however, has many gaps that thwart the efforts. To illustrate, employment spells in one EU member state are not necessarily taken into account when testing eligibility for unemployment benefits in another member state. The European Health Insurance Card may lead to unequal treatment in accessing healthcare since its holders may face more cumbersome medical administration and lowered or hampered payments for medical services compared to national health insurance holders. A more efficient approach would therefore be to liberalize social and pension systems as well as health insurance in order to create new institutions functioning on an EU rather than national level.

Labor market matching

There is a general disconnect between workers' skills as well as which types of jobs they are seeking and which skills employers seek. While migration generally helps to alleviate such mismatches, migrants often lack information to find the most productive job opportunities for them in the host labor market, so they are typically more vulnerable than natives. Therefore, the labor market matching mechanism needs to be strengthened in order to better match migrants to jobs, with respect to the destination country's skill supply and demand. An effective Europe-wide job placement system provided by public services could help workers to find opportunities even in far-away places. Both receiving and sending countries can improve matching, such as through employment agencies in the destination country, as well as pre-migration services in the origin country offering quality information to potential movers to help decide which destination labor market is best suited for their skills. Improved labor market matching will not only benefit migrants and general productivity in the receiving labor markets, but will also help create new employment opportunities for vulnerable groups in receiving labor markets, such as the Roma (Kahanec 2014).

Furthermore, institutional and legal constraints need adjustments to better match skills with employer demands. This requires standards for EU-wide recognition of professional qualifications and degrees. Public sector jobs in any EU member state should be open to any qualified candidate of another member country. This would not only improve allocative efficiency, but also strengthen integration efforts by establishing migrant role models in the host countries.

Skill transferability and downskilling

As a particular matching problem, evidence shows that many migrants accept employment below either their actual level of formal education or professional experience. Although individual migration strategies and adjustment in a new country may partly explain such downskilling, inefficiencies resulting from persisting institutional and administrative barriers are substantial. To better harmonize labor mobility and transferring human capital between labor markets, downskilling is a critical aspect that the EU should address. Migrants with non-trivial migration trajectories of individuals and families need special attention; due to lacking administrative capacity and expertise, they often receive insufficient administrative support and institutional services from state agencies.

One way of attempting to solve the EU-skill transferability issue is through developing various documents representing certain qualifications or skills. This includes, for example, the EU Professional Card, recognized in all member states, or the European EngineerING Card (obtained through the European Federation of National Engineering Association).³ These take a step in the right direction of harmonizing individual labor markets and simplifying mobility in order to support the European Single Market. However, a more systematic and encompassing approach is desirable.

Legislative framework for cross-border employment

Provision of efficient employment contract options for a mobile workforce is equally important. In this regard, the EU should eradicate the red tape surrounding EU citizen employment. A particularly problematic issue is the principle of *lex loci laboris*, stating that home country legislation applies for employing workers who are tax residents of another EU member state. In practical terms this means following the home country's rules regarding social contributions and taxes. But it is prohibitively problematic for employers with an international workforce to deal with up to 28 different and constantly changing legislations. This issue is, for example, particularly problematic for universities and research institutions that employ project experts from other EU member states. Employers generally have no capacity to deal with the EU's institutional and legislative complexity, and as a result are often pushed to resort to precarious forms of employment. Although consultancy contracts

³ The EU Professional Card will, as of January 2016, enable general care nurses, pharmacists, physiotherapists, real estate agents and mountain guides to apply for their qualification recognition in other EU member states through an EU-wide information sharing system (Internal Market Information System). The European EngineerING Card serves as a proof of educational attainment, professional experience and continuous professional development in engineering.

could help in some situations, in many professional contexts and national legislations they are not a viable option. Moreover, in some cases they may incentivize labor market actors to engage in precarious (self-)employment situations. Therefore, EU policy needs to fully account for employers' perspectives as well as provide efficient contract options for all kinds of cross-border employment.

Internationalization of education

Despite the formal success of the Bologna Process, there are still issues regarding implementation, understanding, and acceptance of educational degrees and qualifications; thus in practice educational harmonization has not yet been achieved. One critical aspect that the EU needs to address is the flow of accurate information to potential employers and educational institutions regarding migrants' and also international students' qualifications and experience acquired abroad. This includes increased transparency about educational institutions' quality throughout the EU.

To create more exchange programs for trainees and workers and expand the successful international student exchange models seems appropriate. When it comes to fulfilling degree requirements, educational institutions should support mobility, especially by means of mutually recognizing courses as well as supervision provided by EU educational institutions of the same level. The English language has become the lingua franca of higher education and science and so English instruction and internationalizing research institutions need to be fostered. Regarding school-work transitions, it needs to be recognized that students require a certain amount of time in the destination country after graduation in order to find appropriate employment. During the job search, it is necessary to allow these graduates to access both health and welfare benefits.

Family and tied migrants

Apart from their own future, migrants also obviously consider their family members' opportunities and well-being in the destination country. A primary concern involves access to social and health services, as well as to the host country's labor market. EU member states should therefore review their policies and institutions and ensure that migrants and their families are treated as equally as native families when it comes to social and labor market integration.

Informational gaps and one-stop shops

It is almost by definition that migrants lack local know-how and general information when entering a new destination country full of different systems, institutions and possibly norms. This can limit migrants' opportunities and choices, be disempowering, and increase the risk of mistreatment or economic or social exclusion. One solution that is convenient for immigrants to discover and utilize, and also cost-effective for states, is opening "one-stop shops" that cater to migrants' informational gap. These "shops" would convey critical know-how, act as a safe house from physically or verbally abusive situations, explain new or updated policies or laws, assist state administrations and other institutions in handling more complicated migratory trajectories, and help in the qualification recognition process. Additionally, they could offer services for departing migrants for their impending re-integration and reverse culture shock when returning to the origin country. In particular, a network of one-stop shops spanning the sending and receiving countries could close informational gaps and provide better information to migrants about career opportunities across the member states and thus facilitate enhanced EU labor market matching.

Involve stakeholders, particularly migrants

Migrants themselves can and should be involved in developing and adjusting mobility and integration policies. Migrant representatives who are already in communities possess the social skills and local knowledge to assist further integration and help newcomers. Additional stakeholder contributions from a plethora of governmental, non-governmental, as well as civil society organizations would be helpful in this process. Trade unions and the business sector, as key partners in migrants' labor market inclusion, must be included in the mobility coalition. It is necessary to encompass all stakeholders to actively participate in assisting migrants and implementing mobility and integration policies.

Strengthening circular migration

In the future, beyond more permanent migration, Europe also needs a greater level of circular migration (Zimmermann 2014a). Circular migration includes both return migration and onward migration, as well as repeat migration between EU member states, which is necessary to satisfy the increasing needs for flexibility and adjustments. Designing affordable language and relocation services and mobility subsidies could help to reduce regional unemployment. The EU could open up further to include non-EU migrants, since those workers are more mobile between job opportunities

in different member states. The EU Blue Card instrument, enabling high-skilled non-EU citizens to work and live in the EU, can be further developed.⁴ War refugees and asylum seekers could receive work eligibility and qualify for regular labor immigration schemes.

Evidence-based policy making

The European Union has made significant progress in its laws and support for increasing labor mobility. For further progress it is critical to monitor and evaluate implemented policies to identify and measure the strengths, weaknesses and repercussions. In order to do so, data collection is necessary, followed by dispersing the data to experts and stakeholders (Kahanec and Zimmermann 2010b). This includes collecting data about immigrants' migration trajectories as they move across the EU, effectively treating the EU as a single entity for the purpose of data collection. This will enable researchers to connect information about migrants' trajectories with their experience and outcomes across EU labor markets. In a multicultural and multi-ethnic environment, it is then also necessary to ask respondents to self-select their ethnic identity in a way that provides for multiple ethnic identities of possibly varying strengths. Rigorous and independent policy evaluation must be fostered to provide evidence for future policy design and implementation.

3. Conclusions

Migration research delivers facts that quite often define a picture clearly different than the fiction suggested by select media and policy debates. The Single European Labor Market and high internal labor mobility, particularly between the Eurozone member states, remain an attractive vision for a prosperous and vibrant Europe. Evidence-based policy making therefore needs the support of scientists, politicians, business, trade union leaders, and the media to understand the proper facts and the options for society and the economy. This book attempts to increase availability of and access to some of the evidence needed to reach insightful decisions within various political frameworks.

⁴ The EU Blue Card, approved by Council Directive 2009/50/EC in May 2009, enables applicants with a work contract or binding job offer guaranteeing a salary of at least 1.5 times the average gross annual salary in the country to work and reside in the EU member state.

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