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## **WORKERS' MOBILITY – WHAT ROLE FOR THE SOCIAL PARTNERS?**

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### **Workers' mobility – under which conditions for which results?**

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#### **1. Introduction**

European employers strongly support moves to facilitate and improve workers' mobility and to better match labour demand and supply in the European Union. This is essential not only to improve labour market functioning but also to tackle bottlenecks and labour shortages and can contribute fulfilling the Lisbon strategy. UNICE therefore fully support initiatives such as the European Year of Workers' Mobility.

However, current levels of geographical and occupational mobility within the EU are low. Less than 2% of European citizens live in a different Member State from their own. Moreover, this proportion has hardly changed over the last 30 years. Available data also show low levels of job mobility in Europe. For example, on average almost 40% of European workers has been with the same employer for over 10 years. The average duration of employment in the same job is 10.6 years in Europe, compared to 6.7 years in the US. In fact, mobility, both geographically and occupationally, is persistently lower in the EU than in the US.

#### **2. On obstacles to mobility**

Nevertheless, according to a recent Eurobarometer survey, European citizens strongly believe in the right to free movement while the large majority of Europeans also acknowledge that there is no such thing as a job for life. These findings seem to be in apparent contradiction with the actual low levels of mobility observed in the EU. They indicate that there are still numerous obstacles which deter workers from moving between countries or taking up the risk of finding a new or better job. Some important obstacles are:

- Legal and administrative barriers;
- Lack of language skills;
- Lack of recognition of educational and vocational qualifications across Member States;
- Difficulty to find suitable employment opportunities for both partners in a household;
- Fragmentation of information about and lack of transparency of job and learning opportunities;
- Poorly or insufficiently developed skills and knowledge;
- Bottlenecks in the housing market;
- Lack of transport infrastructure.

### 3. On how to remove obstacles

In order to promote mobility, action is needed to lift the many obstacles that continue to stand in their way. European employers believe that an effective policy to enhance workers' mobility should include the following key components:

- First of all, it is important to develop a better understanding of the barriers and incentives to geographical and occupational mobility. Efforts have been made in recent years to identify and address obstacles to workers' mobility in Europe. Nevertheless, a more in-depth understanding – through studies undertaken at both EU and national level – of the scale, nature, drivers and obstacles as well as economic impact of mobility would be valuable.
- Secondly, it is important to increase flexibility on European labour markets.

Experience shows that countries with flexible labour markets have higher rates of job mobility and better employment performance. More flexibility resulting in higher mobility rates between companies and sectors is crucial to improve employment and competitiveness of European business in today's global economy. These, in turn, are fundamental to achieve sustainable economic growth.

It is important to bear in mind that levels of job mobility are not only determined by flexibility in terms of hiring and firing legislation. Modern work organisation and a diversity of contractual and work arrangements that suit the needs of companies and workers also contribute to better mobility.

- Thirdly, education systems should be made more responsive to the needs of the labour market and the access to and efficiency of life long learning should be enhanced.

Today's labour markets are increasingly defined by a rapid pace of change and demand for new qualifications. More and more people will have to adapt to a change of job or career during their working life involving the acquisition of new and different skills. Individuals therefore have to maintain and improve their competences to remain employable and adapt to labour market changes. The priorities should be to:

- ensure that individuals acquire the necessary basic skills before leaving education systems;
  - encourage individuals to take responsibility for upgrading their competences throughout their working lives;
  - make learning more attractive, flexible and relevant to labour markets.
- Fourthly - and closely related to the previous two issues - social protection systems should be modernised so that they support and facilitate transitions between different statuses on the labour market and encourage people to take-up risks like moving to a different country or finding a better job.

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In this respect, European business welcomes the debate on flexicurity and in particular the emphasis put on improving the employability of individuals so that they can adapt to changes in the labour market and grasp new employment opportunities. In essence, flexicurity is about moving away from a system in which individual jobs are protected to a system which focuses on job creation and accompanies people in their career changes to increase their chances on the labour market. Experience shows that recruitment is facilitated by cutting back red tape, investing in skills development and active labour market policy rather than in passive income support.

- Fifthly, it is important to tackle legal, administrative and fiscal barriers which prevent geographical and professional mobility.

The provisions relating to free movement of workers should be applied more rigorously to ensure, for example, non-discriminatory access to employment (in the public sector in particular). Double taxation of supplementary pensions should be avoided. Remaining problems with the prohibition of discrimination on grounds of nationality in the field of tax (and social advantages) must be resolved.

- Sixthly, European citizens should have easy access to quality information regarding job and learning opportunities.

While there is abundant information about living and working conditions as well as labour market and learning opportunities across the EU, it is often dispersed, difficult to access and not prioritised. Yet, a transparent, integrated and easily accessible EU-wide labour market and education information system is crucial to enable citizens and companies to make the right choices in terms of skills development and opportunities for mobility. In this respect, the recently revamped EURES website could play a valuable role. Nevertheless, EURES still suffers from a lack of visibility and awareness among citizens and more notably among companies. Efforts should be stepped up to remedy this situation.

In addition, efforts should also be made to improve information on specific issues such as what happens with social security benefits - whether statutory or complementary - in the case of occupational and geographical mobility. For example in the case of occupational pensions, providing information about the level of accrued rights, the tax regime applied, the possibility to transfer them or not as well as costs and benefits for each option, etc., could be useful.

- Finally, facilitating mobility also requires action to improve housing market conditions and transport facilities.

It is essential that people can relocate and find affordable and adequate housing in those places where jobs are available. Likewise, the provision of efficient and flexible transport facilities is also key to better workers' mobility.

#### **4. On the European Year of Workers' Mobility**

European employers fully supported the Commission initiative to proclaim 2006 the European Year of Workers' Mobility. More than halfway through this year, we welcome the results and achievements so far. Apart from its symbolic importance – showing Europe's attachment to increased mobility – the European Year certainly has been instrumental in raising public awareness of and promoting debate on the issue of workers' mobility. Today's Conference, for example, is a good illustration of this.

In addition, several important studies and analyses have increased our knowledge of mobility. In this context, UNICE welcomed the European Commission report on the free movement of workers since the 2004 enlargement. The report not only provides useful statistical evidence on workers' mobility pre- and post-enlargement but also shows that migration from the EU Member States in Central and Eastern Europe was beneficial for the economies and labour markets of EU-15 Member States. It is through thorough analyses such as these that we can address unfounded fears and misconceptions and provide a positive message about mobility.

Finally, European employers also welcome the fact that concrete steps have been taken towards achieving a more mobile labour market. The launch of the revamped EURES portal provides a good example of this. The fact that only two months after its launch, the number of consultations on the EURES platform almost doubled - going from 500,000 to over 900,000 visitors per month - shows that there is clear need for easily accessible and integrated information on EU-wide learning and mobility opportunities. European business is also happy to see EURES' visibility problem addressed through the newly developed Information and Communications Strategy.

Let us hope that the second half of the European Year of Workers' Mobility will be as fruitful as the first semester. We look forward to some key events on the agenda and important studies still to be published. Needless to say, in this respect, that we eagerly await the results and conclusions of the business survey on mobility. Studies such as these are of utmost importance to inspire debates and keep the issue of workers' mobility high on the policy agenda beyond 2006.

#### **5. To conclude**

The importance and benefits of increased mobility for companies, workers and the overall European economy should not be underestimated. Improving mobility levels will require action on a broad spectrum of policy areas, at different levels of policy-making and by various actors. European social partners attach great importance to fostering mobility. In the past, we have already taken numerous initiatives which – directly or indirectly – contribute to this aim. You can remain confident that UNICE, for its part, will continue to give its full support and participation to future initiatives aimed at better mobility.

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