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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

The impact of free movement of workers in the context of EU enlargement

**Report on the first phase (1 January 2007 – 31 December 2008) of the Transitional
Arrangements set out in the 2005 Accession Treaty and as requested according to the
Transitional Arrangement set out in the 2003 Accession Treaty**

1. INTRODUCTION

1.1. Purpose of the report

The present report has a twofold purpose:

- To serve as a basis for a review by Council of the first two years of the transitional arrangements for the free movement of workers in accordance with paragraph 3 of Annexes VI and VII of the 2005 Bulgaria and Romania Accession Treaty, , and
- To provide a basis for a further review¹ by Council of the transitional arrangements of the 2003 Accession Treaty in accordance with paragraph 4 of Annexes V, VI, VIII, IX, X, XII, XIII, XIV following the request of the Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovenia and the Slovak Republic (received on 10 September 2008) and of Hungary (received on 29 September 2008)².

It summarises the statistical and analytical material presented in the Employment in Europe 2008 report, which should be consulted for any further detailed references, including research referred to in this report³.

1.2. Free movement of workers as a fundamental freedom

Free movement of persons is one of the fundamental freedoms guaranteed by EC law. It includes the right of EU nationals to move freely to another EU Member State to take up employment and reside there with their family members⁴. Free movement of workers precludes Member States from directly or indirectly discriminating against EU workers and their families on the basis of nationality in employment related matters. It also ensures equal treatment as regards public housing, tax advantages and social advantages.

1.3. Transitional arrangements on the free movement of workers

The Accession Treaties of 2003 and 2005 allow Member States to temporarily restrict the free access of workers from the Member States that joined in 2004 (with the exception of Malta and Cyprus) and 2007 to their labour markets⁵. These so-called transitional arrangements can only be applied to workers but not to self-

¹ For the Commission report on the first two years of the transitional arrangements see COM(2006)48.

² This report does not deal with immigration of non-EU nationals.

³ European Commission, Employment in Europe 2008, Chapter 3: Geographical labour mobility in the context of EU enlargement. The report will be available at:
<http://ec.europa.eu/social/main.jsp?catId=119&langId=en>.

⁴ Free movement of workers (Article 39 EC) must be legally distinguished from freedom of establishment of self-employment (Article 43 EC) and freedom to provide services (Article 49 EC). The Directive on posting of workers relates to the latter freedom and is not subject to transitional arrangements, although Germany and Austria are allowed to apply restrictions on the cross-border provisions of services in certain sensitive sectors involving the temporary posting of workers as set out in paragraph 13 of the transitional arrangements of the country-specific annexes of the 2003 and the 2005 Acts of Accession.

⁵ "EU-15" refers to all Member States forming part of the EU before 1 May 2004;

"EU-10" refers to all countries that joined the EU on 1 May 2004;

"EU-8" refers to all EU-10 Member States except for Malta and Cyprus;

"EU-25" refers to all Member States forming part of the EU before 1 January 2007;

"EU-2" refers to Bulgaria and Romania.

employed persons or any other category of EU citizens⁶. Notwithstanding the restrictions, a Member State must always give preference to Bulgarian and Romanian and EU-8 workers over workers who are nationals of non-EU countries as regards first access to the labour market.

The transitional arrangements of the Accession Treaties of 2003 and 2005 are essentially identical as regards set-up and mechanisms. The overall transitional period of a maximum of seven years is divided into three distinct phases (“2-plus-3-plus-2” formula). Different conditions apply during each phase:

- For an initial 2-year period, the national law of the other Member States regulates the access of workers from EU-8 and EU-2. At the end of this first phase, the Commission has to provide a report to enable the Council to examine this first phase of the transitional arrangements.
- Member States can extend their national measures for a second phase of another 3 years upon notification to the Commission before the end of the first phase; otherwise EC law granting free movement of workers applies.
- Restrictions should in principle end with the second phase. However, a Member State maintaining national measures at the end of the second phase may, in case of serious disturbances of its labour market or threat thereof and after notifying the Commission, continue to apply these measures until the end of the seven year period following the date of accession.

The transitional arrangements will irrevocably end for Bulgaria and Romania on 31 December 2013 and for the EU-8 on 30 April 2011⁷.

1.4. Bulgaria and Romania

15 Member States apply restrictions for workers from Bulgaria and Romania, while 10 Member States have opened their labour markets⁸. Among these 15 Member States, the diverse national measures result in legally different regimes for access to the labour markets. 7 of the 15 Member States apply simplifications, ranging from accelerated or simplified procedures (Austria, Belgium, Luxembourg) to exemption from labour market tests when issuing work permits (Austria, France, Hungary, Germany) to exemption from the work permit requirement for occupations in certain sectors or under certain conditions (Denmark, Hungary, Italy).

From 1 January 2009, the second phase of the transitional period will start. EU-25 Member States that decide to lift restrictions will be able, throughout the remainder of the transitional period, to reintroduce restrictions, using the safeguard procedure set out in the Accession Treaty, should they undergo or foresee disturbances on their labour markets. Those EU-25 Member States that want to continue to apply restrictions must notify the Commission before the end of the first phase on 31 December 2008.

⁶ But see provisions regarding Germany and Austria referred to in footnote 4

⁷ For more information on transitional arrangements see:
<http://ec.europa.eu/social/main.jsp?catId=466&langId=en>.

⁸ For a more detailed overview of Member States’ policies see summary table at:
<http://ec.europa.eu/social/main.jsp?catId=466&langId=en>.

1.5. EU-8 Member States

11 of the 15 Member States have opened their labour markets for workers from the EU-8 Member States; of the remaining four Member States, Austria applies simplified procedures for 65 professions as well as exemptions from work permit and labour market test requirements for 3 more professions. Belgium has introduced an accelerated procedure for jobs in professions for which there is a labour shortage, Denmark does not require a work permit for employment that is covered by a collective agreement, and Germany exempts certain skilled engineers from a labour market test. Hungary applies reciprocal measures, restricting access to its labour market for workers from any EU-15 Member States that restrict access of Hungarian workers but exempts skilled workers from a work permit requirement and some unskilled workers from a labour market test.

Restrictions on the free movement of EU-8 workers should end on 30 April 2009. Member States that still apply restrictions may maintain them after 30 April 2009 in the event of a serious disturbance of the labour market or a threat thereof and after notifying the Commission before 1 May 2009.

By temporarily restricting free movement of workers, the transitional arrangements derogate from a fundamental freedom of EC law. As the Court of Justice of the European Communities has consistently held, derogations from fundamental freedoms must be interpreted strictly. A strict interpretation also applies to the conditions under which Member States may continue to restrict labour market access in the third phase.

Table 1: Member States' policies towards workers from the new Member States

Member State	Workers from the EU-8/EU-15	Workers from BG and RO/EU-25	
EU-15	Belgium (BE)	Restrictions with simplifications	Restrictions with simplifications
	Denmark (DK)	Restrictions with simplifications	Restrictions with simplifications
	Germany (DE)	Restrictions with simplifications *	Restrictions with simplifications *
	Ireland (IE)	Free access (1 May 2004)	Restrictions
	Greece (EL)	Free access (1 May 2006)	Restrictions
	Spain (ES)	Free access (1 May 2006)	Restrictions
	France (FR)	Free access (1 July 2008)	Restrictions with simplifications
	Italy (IT)	Free access (27 July 2006)	Restrictions with simplifications
	Luxembourg (LU)	Free access (1 November 2007)	Restrictions with simplifications
	Netherlands (NL)	Free access (1 May 2007)	Restrictions
	Austria (AT)	Restrictions with simplifications*	Restrictions with simplifications*
	Portugal (PT)	Free access (1 May 2006)	Restrictions
	Finland (FI)	Free access (1 May 2006)	Free access, subsequent registration for monitoring purposes
	Sweden (SE)	Free access (1 May 2004)	Free access
United Kingdom (UK)	Free access (1 May 2004), mandatory workers registration scheme for monitoring purposes	Restrictions	
EU-10	Czech Republic (CZ)	No reciprocal measures	Free access
	Estonia (EE)	No reciprocal measures	Free access
	Cyprus (CY)	-	Free access, subsequent registration for monitoring purposes
	Latvia (LV)	No reciprocal measures	Free access
	Lithuania (LT)	No reciprocal measures	Free access
	Hungary (HU)	Reciprocal measures (simplifications as of 1 January 2008)	Restrictions with simplifications
	Malta (MT)	-	Restrictions
	Poland (PL)	No reciprocal measures (17 January 2007)	Free access
	Slovenia (SI)	No reciprocal measures (25 May 2006)	Free access, subsequent registration for monitoring purposes
EU-2	Slovakia (SK)	No reciprocal measures	Free access
	Bulgaria (BG)	-	No reciprocal measures
	Romania (RO)	-	No reciprocal measures

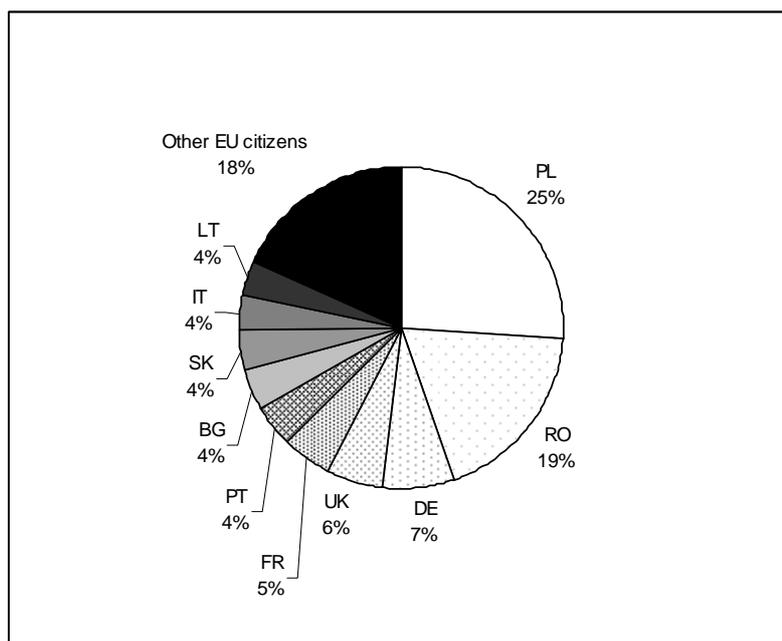
Source: DG EMPL. Note: * Restrictions also on the posting of workers in certain sectors

2. EXTENT OF INTRA-EU MOBILITY AFTER ENLARGEMENT

2.1. Bulgarian and Romanian citizens resident in other EU Member States

The exact size of post-enlargement mobility flows is difficult to determine due to shortcomings in the existing data and largely open borders between the Member States. However, available population statistics and data from the EU Labour Force Survey suggest that the number of Bulgarian and Romanian citizens resident in the EU-25 increased from around 690 000 at the end of 2003 to about 1.8 million at the end of 2007, a process which had started well before the accession of both countries to the EU in January 2007 (see Table A1). This amounts to an average net growth of about 290 000 persons per year. Romanians accounted for around 19% of all recent intra-EU movers who took residence in another EU Member State over the past 4 years, Bulgarian citizens for about 4% (Chart 1).

Chart 1: Nationality of recent intra-EU movers (age group 15-64), 2007 (% of all recent intra-EU movers)



Source: Eurostat, EU Labour Force Survey, annual data 2007.

Note: Recent intra-EU movers defined as persons resident four years or less in another EU Member State.

Their main EU destination country has been Spain, which received well over 50% of recent intra-EU movers from both Bulgaria and Romania. The second most important receiving country for recent movers from Romania has been Italy (around 25%), with flows to other Member States much smaller and nowhere exceeding 2% of the total. For recent movers from Bulgaria, the second main receiving country in the EU has been Germany (15%), with Greece, Italy, France, the UK and Cyprus receiving most of the others in largely equal parts (Table 2).

Table 2: Main destination countries of recent intra-EU movers (age group 15-64), 2007

Citizenship of EU-nationals resident four years or less in another EU Member State by main EU destination country (percentage of overall number of working age nationals resident four years and less in another Member State)					
PL	59%	UK	17%	IE	11%	DE
RO	57%	ES	26%	IT	2%	UK
DE	33%	FR	22%	AT	18%	UK
UK	39%	FR	20%	ES	18%	IE
FR	35%	UK	16%	DE	16%	BE
PT	31%	ES	28%	FR	28%	UK
BG	56%	ES	15%	DE	7%	EL
SK	55%	UK	21%	CZ	11%	IE
IT	26%	ES	23%	UK	21%	FR
LT	52%	UK	33%	IE	10%	DE
Other EU citizens	38%	UK	17%	DE	9%	FR
All recent intra EU-movers	32%	UK	18%	ES	10%	IE

Source: Eurostat, EU Labour Force Survey, annual data 2007.

While significant in absolute terms, the number of Bulgarian and Romanian citizens appears modest in relation to the overall population in the receiving countries.

Between 2003 and 2007 the population share of Bulgarians and Romanians in the EU-15 increased from 0.2% to 0.5%, albeit with significant differences between Member States (Table A1 and Chart A1). In 2007, Spain and Italy recorded the highest population share of Romanian and Bulgarian citizens, with 1.9% and 1.1% respectively (Chart A2).

Of all Member States, Spain and Italy also show the highest share of recently arrived Bulgarian and Romanian workers. However, the labour force share of recently arrived workers from non-EU countries has been significantly higher. (Table A3).

2.2. EU-10⁹ citizens resident in other EU Member States

Since the 2004 enlargement, the number of EU-10 citizens resident in the EU-15 has increased by roughly 1.1 million. Totalling over 900 000 in 2003, it now stands at about 2 million (with numbers of EU-2/10 citizens living in other EU-2/10 Member States generally negligible) (Table A2).

The average population shares of non-EU nationals and other EU-15 citizens resident in the EU-15 remain well above the population share of EU-10 and EU-2 nationals, even four years after the 2004 enlargement.

In almost all Member States the number of recent arrivals from non-EU countries exceeds the number of newcomers from other EU Member States. The only exceptions are Ireland and Luxembourg. Moreover, in most Member States the inflow of other EU-15 nationals has been larger than the number of recent arrivals from the EU-10 and EU-2.

Ireland has been by far the largest receiving country of EU-10 nationals relative to its population size, with around 5% of its current working age population from the EU-10, followed by the UK (1.2%). Austria and Luxembourg also have a significant proportion of recent EU-10 arrivals, albeit much fewer than in the UK and Ireland. In all other Member States the population share of recent EU-10 arrivals is very small, even in Sweden, which never applied restrictions to the free movement of workers, and in those Member States which have opened their labour markets since 2006.

2.3. Mobility flows from the sending countries' perspective

A look at the sending countries also reveals a very varied picture, with “high-mobility” and “low-mobility” countries amongst EU-2 and EU-10 Member States.

The recent outflow of Romanian citizens to other EU Member States over the past four years amounts to about 2.5% of the Romanian working age population (Chart 2). In Bulgaria the corresponding mobility rate has been 1.7%. The highest recent mobility rate of all Member States is found in Lithuania, with 3.1% of Lithuanians having moved to other EU Member States over the past four years, followed by Cyprus (3%), Poland (2%) and Slovakia (2%). Although still substantial, intra-EU mobility rates for Latvia and Estonia are significantly lower. Interestingly, Portugal also has a significant recent intra-EU mobility rate of 1.2%, to some lesser extent also Ireland and the Netherlands.

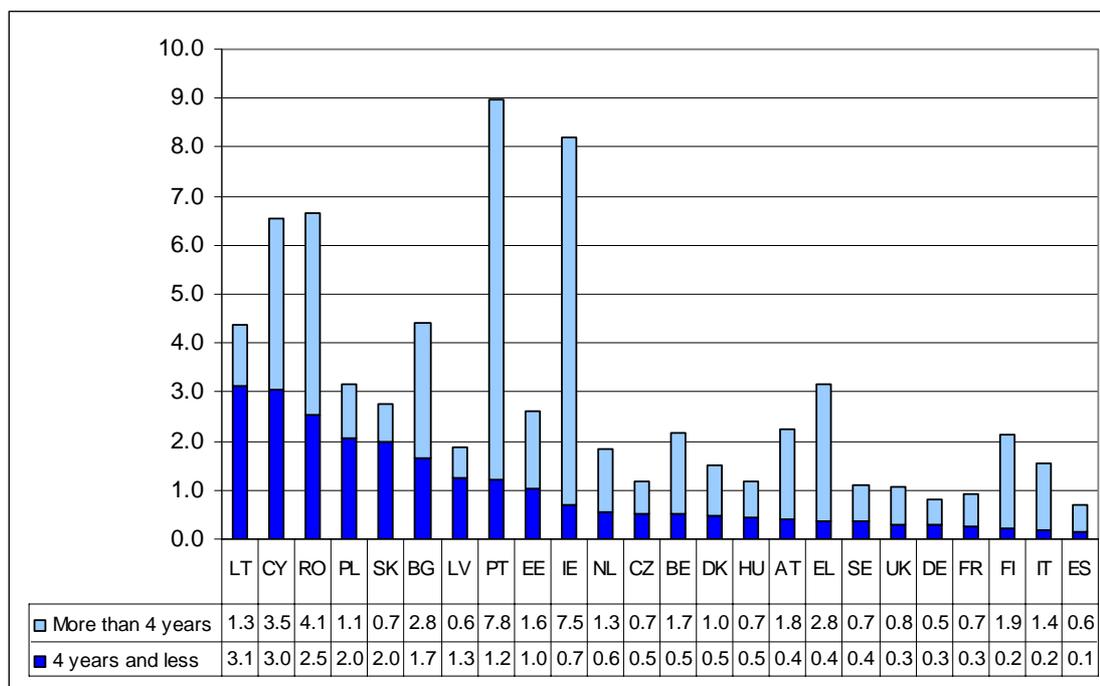
On the other hand, the Czech Republic and Hungary have rather low intra-EU mobility rates which are below or equal to that of many of the EU-15 Member States.

⁹ Most of the data group Malta and Cyprus together with the EU-8 Member States (as EU-10) to ensure comprehensive coverage of post enlargement developments. Due to the small numbers involved this has only a marginal impact on results.

For Slovenia, Malta and Luxembourg the numbers involved are too small to be statistically reliable.

Taking a long-term perspective and including also emigrants who left their home country more than 4 years ago, Portugal and Ireland show the highest share of citizens living in another EU Member State (9% and 8.2% respectively).

Chart 2: Mobility rates by sending country — mobile EU citizens living in another EU Member State by years of residence (age group 15-64), 2007 (in % of working age population of country of citizenship)



Source: Eurostat, EU LFS; annual data.

Note: Figures do not include citizens who were born in another Member State and continue living there. Figures for LU, MT and SI too small to be reliable.

2.4. Temporary mobility flows and postings

A characteristic feature of post-enlargement mobility (and recent intra-EU mobility in general) is that a large part of it appears to be temporary. Evidence from some Member States indicates that many mobile workers go to another Member State for a few months or years but do not intend to stay forever. For example, data for the UK suggest that around half of the EU-8 citizens who have come to work in the UK since 2004 may have already left the country again, with a similar picture emerging for Ireland¹⁰.

The temporary posting of workers also forms an important element of the European mobility equation, with a significant number of posted workers coming from not only the new but also the EU-15 and EU-25 Member States (Charts A3/4).

2.5. Trends in mobility flows

A further surge of labour mobility from the new Member States seems unlikely. Mobility flows from the EU-10 to the UK and Ireland appear to have peaked in 2006

¹⁰ See footnote 3 and Pollard et al. (2008).

and have significantly declined in 2007 and the first quarter of 2008 (Charts A5/6). Moreover, there are indications of increased return migration of people living in the UK.¹¹ Furthermore, the opening of labour markets for EU-8 workers in most of the other EU-15 countries since 2006 may have led to a limited diversion of mobility flows to some other Member States, but the most recent foreign population shares (Table A1 and A2) suggest that it has not unleashed a substantial additional inflow of workers from these Member States.

Even in the case of Bulgaria and Romania, large numbers have already been moving from these countries and working in the EU over the past years, suggesting that many of those who wanted to move have already done so and that the potential for additional emigration is limited. Moreover, all of the main EU sending countries have seen a rapid rise in incomes and decline in unemployment over recent years (Charts A7/8). There is some evidence that this is already dampening the incentive to migrate and is likely to contribute to a further decline in labour supply from the EU-2/10.¹² In addition, due to a substantially shrinking young generation, the pool of potentially mobile workers from the EU-2/10 is getting smaller and is likely to act as a brake on geographic labour mobility within the EU.

In the wake of the current economic developments it is likely that a possible decline in labour demand will reduce labour flows within the EU. For example, the recent economic slowdown in Ireland and the UK has already led to a substantial reduction in new entries, and in parallel to an increase in return migration. This is a sign that free labour mobility provides a much needed flexibility in both directions: workers come when there is demand for labour and many leave again when employment conditions become less favourable.

Examples like Sweden, Finland, Greece, Portugal (free early labour market access but low labour inflows) and Germany and Austria (restricted access but relatively high inflows) suggest that restrictions on labour market access have only a limited influence on the distribution of intra-EU mobility. Ultimately, mobility flows are driven by other factors such as general labour demand, network effects through existing foreign populations or language. If anything, restrictions on labour market access will only delay labour market adjustments. They may even exacerbate to the incidence of undeclared work, leading to undesired social consequences both for undeclared workers and the regular labour force, if not accompanied by appropriate enforcement of legislation¹³.

The experience since 2004 suggests that lifting restrictions on labour market access reduces the likelihood of undeclared work by citizens from the new Member States. For example, it has been suggested that up to 40% of EU-8 workers registering for the workers registration scheme in 2004 may already have been in the country when the UK opened its labour markets.¹⁴ Reports from the Netherlands indicate that the incidence of illegal employment of EU-8 citizens working without permit decreased after the Netherlands decided to open its labour market in 2007.¹⁵

¹¹ See Pollard et al. (2008).

¹² Ibid.

¹³ See "Stepping up the fight against undeclared work" - COM(2007) 628, 24.10.2007.

¹⁴ UK Home Office (2004).

¹⁵ Ministry of Social Affairs and Employment of the Netherlands (2007).

3. MAIN CHARACTERISTICS OF INTRA-EU MOVERS

3.1. Labour market status

The great majority of recent movers from Bulgaria, Romania and the EU-10 have come to work. Data for 2007¹⁶ indicate that recent arrivals from Bulgaria and Romania have an average employment rate which is about equal to the average employment rate in the EU-15 and substantially higher than the overall employment rate in Romania and Bulgaria (Chart A9). The average employment rate of recent intra-EU movers from the EU-10 is even substantially higher.

Average unemployment among recently arrived workers from Bulgaria and Romania to the EU-15 is higher than the EU-15 average but lower than that among recently arrived workers from non-EU countries. Average unemployment among recent EU-10 movers is only slightly higher than the EU-15 average.

The vast majority of EU-10/2 nationals who recently moved for work purposes are employed workers, with less than 10% being self-employed.

3.2. Age and gender

EU mobile workers are substantially younger than the overall labour forces in the sending and receiving countries. Close to 80% of recently arrived workers from the EU-10 and close to 70% from the EU-2 are younger than 35.

Women seem on average slightly overrepresented among recent EU-2 movers, while the gender breakdown of recent EU-10 movers largely corresponds to that in the labour forces of both the sending and receiving countries.

3.3. Occupations, skills and sectors

Recent arrivals from Bulgaria and Romania tend to work predominantly in agriculture, construction, hotels, restaurants and in private households. Recent arrivals from the EU-10 have mostly gone into manufacturing, construction, hotels, restaurants, business related services and private households (Table 3).

Table 3: Employment by economic activity of total EU-15 workforce compared to recent movers from EU-10/2, 2007 (in % of total employment by group)

Economic Activity (Nace Rev.1)	total EU-15 workforce	recent EU-10 movers	recent EU-2 (BG/RO) movers
A Agriculture	3.1	2.3	7.1
B Fishing	0.1	:	0.0
C Mining and quarrying	0.2	:	:
D Manufacturing	17.5	25.3	10.0
E Electricity gas and water supply	0.7	:	:
F Construction	8.3	13.2	28.4
G Wholesale and retail trade	14.3	12.1	6.3
H Hotels and restaurants	4.6	13.3	13.2
I Transport storage and communication	6.1	7.7	(2.0)
J Financial intermediation	3.3	:	:
K Real estate renting and business activities	10.6	9.4	6.4
L Public administration	7.4	:	:
M Education	7.1	2.0	:
N Health and social work	10.7	6.3	3.1
O Other community social and personal service	4.9	4.0	(2.1)
P Private households	1.3	2.1	19.4
Q Extra-territorial organisations	0.1	:	:

¹⁶

Note that economic conditions in a number of Member States (e.g. Spain and Ireland) have been deteriorating most recently, with possible negative effects on the labour market performance of both national and foreign workers.

Source: EU LFS, annual data.

Note: Recent movers defined as EU-10/2 citizens resident 4 years and less in an EU-15 Member State - “:” - Figures too small to be reliable. Figures in brackets of limited reliability. For some activities (e.g. agriculture, construction, hotels and restaurants) the LFS may understate the number of persons employed due to underestimation of seasonal workers.

Most recent arrivals from the EU-10 work in jobs that tend to require intermediate skills and, above all, in low-skill jobs, with rather few employed in high-skilled occupations. The proportion of recently mobile EU-2 workers among the high-skilled occupations is even lower, with a relatively high number employed in crafts and elementary jobs.

Table 4: Occupation of total resident employment compared to employed recent EU-10/2 movers, 2007 (in % of total employment by group)

Occupation (ISCO-88)		total EU-15 workforce	recent EU-10 movers	recent EU-2 (BG/RO) movers
<i>High-skilled</i>	1 Legislators senior officials and managers	8.8	2.6	:
	2 Professionals	13.9	4.3	3.1
	3 Technicians and associate professionals	17.4	5.2	(2.4)
<i>Inter-mediate</i>	4 Clerks	11.9	4.4	(2.0)
	5 Service workers and shop and market sales workers	13.9	17.6	16.0
	6 Skilled agricultural and fishery workers	2.5	:	2.9
	7 Craft and related trades workers	13.6	16.0	28.3
<i>Low-skilled</i>	8 Plant and machine operators and assemblers	8.1	18.0	4.4
	9 Elementary occupations	9.9	31.0	39.1

Source: EU LFS, annual data.

Note: Recent movers defined as EU-10/2 citizens resident 4 years and less in an EU-15 Member State - “:” - Figures too small to be reliable. Figures in brackets of limited reliability. For some occupations (e.g. in agriculture, construction, hotels and restaurants) the LFS may understate the number of employed due to underestimation of seasonal workers.

Overall, mobile workers from the EU-10/2 have made a positive contribution to the skill mix of the EU-15 labour force. The share of university educated recent EU-10/2 movers appears to be only moderately lower than among the EU-15 labour force. Moreover, the share of recent EU-10/2 arrivals with a medium level education is higher than among the EU-15 labour force, while the share of low-skilled recent arrivals from the EU-2 is not higher than that of the EU-15 labour force, and substantially lower in the case of EU-10 movers (Chart A9). However, comparing the proportion of medium and highly-skilled EU-10/2 workers to the proportion of those working in intermediate and low-skilled jobs suggests that not all of them are in employment commensurate with their skill levels.

The share of the highly-skilled among recent emigrants is on average somewhat higher than among the total labour force of their home countries. However, the percentage of medium-skilled recent movers tends to be lower than in the overall labour force, while the share of low-skilled movers is relatively higher. In general, these figures do not suggest a disproportionate loss of highly-skilled workers for the EU-10/2 countries.

4. ECONOMIC, LABOUR MARKET AND SOCIAL IMPACTS

4.1. Impact on growth, GDP per capita and inflation

Mobility from the EU-10/2 has had a clearly positive impact on economic growth in the EU. One study estimates that additional mobility from the EU-8 during the 2004-07 period boosted the aggregate GDP of the enlarged EU by about 0.17% in the short

run and 0.28% in the long run (once production facilities have adjusted to the additional labour supply), while mobility from the EU-2 increased the GDP of the enlarged EU by 0.15% in the short run and by 0.27% in the long run over the same period.¹⁷ The same study finds an almost neutral impact on GDP per capita in the receiving countries in the short run and a slightly positive impact in the longer run. Other studies tend to confirm the positive effect on overall GDP and moderate effects on GDP per capita.¹⁸

In addition, research shows that labour mobility from the new Member States has helped to reduce inflationary pressures in most receiving countries, although it is contributing to a (temporary) increase in inflation in the main sending countries.¹⁹

4.2. Impact on public finances, welfare systems and public services

Although there are variations across different functions of the welfare state and levels of government, the impact of recent migration and mobility flows on public finances and the welfare state (including its financing) is negligible or positive at national level. For example, data for the UK show that only a very small number of EU-8 nationals claim tax-funded benefits or housing support.²⁰ Migration and mobility flows have in some cases created pressure on the provision of education, housing and health care services at the local level.²¹

4.3. Impact on wages and employment

Practically all available research finds little impact of post-enlargement labour mobility on wages and employment of local workers and no indication of serious labour market imbalances through intra-EU mobility, even in those Member States with the biggest inflows.

For example, one study finds that that wages in the EU-15 are on average only 0.08% lower in the short run than they would have been without additional mobility from the EU-8, with no impact at all in the long run. The short-run impact on unemployment is also found to be marginal, with an estimated increase of the average EU-15 unemployment rate of only 0.04 percentage points in the short run and a neutral effect in the longer run due to the inflow of EU-8 workers and a similar moderate effect concerning EU-2 mobility.²² Even when taking into account differences in worker's qualifications, impacts tend to be moderate across the range of different skill groups. The moderate impact on wages and employment is confirmed by a range of recent studies.²³

It should be stressed that these are the isolated effects of mobility, not taking into account other factors that have an impact on wages and employment. Data for the main European destination countries indicate that nominal gross wages and salaries have largely kept increasing and unemployment mostly declining, even at the low-skill end of the labour market and in sectors which have seen a relatively high inflow of workers from other Member States (Charts A10/11/12 and footnote 3).

¹⁷ See Brücker et al. (2008).

¹⁸ See e.g. Barrell et al. (2007).

¹⁹ See e.g. Barrell et al. (2007) and Blanchflower et al. (2007).

²⁰ See UK Home Office (2008).

²¹ See for a brief overview footnote 3.

²² See footnote 17.

²³ See e.g. Longhi et al. (2004 and 2008), Lemos and Portes (2008), Blanchflower et al. (2008), Doyle et al. (2006), Pajares (2007), Baas et al. (2007), BMWI (2007), Prettnner and Stiglbauer (2007).

4.4. Remittances

Remittances by workers living abroad can be a substantial source of income in the sending country and help to drive economic growth by supporting aggregate demand and financing investment in education or the start-up of capital-intensive businesses. Remittances data suggest that they make a significant contribution to GDP in several EU Member States, in particular Poland, the Baltic States, and above all Romania and Bulgaria (Chart A13).

4.5. Brain drain and labour shortages in the sending countries

In a number of countries, the emigration of mostly younger workers has sparked concerns over brain drain and labour shortages. Several reports indeed indicate that emigration has contributed to labour shortages in some countries, e.g. the Baltic States and Poland.

However, in many countries labour shortages have been aggravated by factors other than emigration, such as strong economic growth, relatively low labour market participation, in particular of younger and older persons, and low internal mobility. Moreover, labour shortages affect mostly specific sectors of the economy (e.g. construction, hotels and restaurants) and professions (e.g. health care). Furthermore, the differences in the skill-mix between emigrants and the sending countries' labour forces seem to be relatively moderate, thus suggesting that the overall brain drain may be limited. There is also evidence that enrolment rates for tertiary education in the EU-10/2 have substantially accelerated over the past years, which may begin to compensate the outflow of skilled labour.²⁴

4.6. Social impacts

There is evidence of differences between the living conditions of newcomers and host country nationals (including higher risks of poverty, poorer educational attainment for their children, difficulties in accessing housing, health care and other social services), but no comprehensive assessment of income and living conditions of workers, specifically from Bulgaria and Romania, who moved to other EU countries after 1 January 2007 is available yet. There have been reports from some sending countries on negative impacts on family cohesion and children as a consequence of one or both parents working abroad.²⁵

5. CONCLUSIONS AND RECOMMENDATIONS

Workers from Bulgaria, Romania and the EU-10 Member States have helped to meet higher demand for labour in the receiving countries and have thus made a significant contribution to sustained economic growth. Evidence at hand suggests that post-enlargement intra-EU mobility has not led — and is unlikely to lead — to serious labour market disturbances.

Moreover, there are indications that mobility flows from the EU-2 and EU-8 may have peaked already and that much of recent intra-EU mobility has been of a temporary nature. Rapidly rising income levels and labour demand in the sending countries, coupled with falling numbers of young people most likely to emigrate,

²⁴ See footnote 3 and Brücker et al. (2008).

²⁵ For a brief overview see footnote 3.

appear to be reducing labour flows and are likely to lead to a further decline in labour supply from within the EU.

In addition, the volume and direction of mobility flows are driven rather by general labour supply and demand and other factors than by restrictions on labour market access. On top of that, restrictions may delay labour market adjustments and even exacerbate the incidence of undeclared work. Alternative solutions may be a more efficient way of addressing concerns that opening up labour markets creates "losers" among the resident population, e.g. gearing labour market policies to bringing the unemployed (in particular low-skilled workers) back into work.

This is not to say that there have been no economic and social costs involved. However, experience suggests that instead of restricting labour market access for EU nationals, alternative solutions are a better and more effective way to address these costs. In particular, any impacts on public services, housing, social cohesion, exploitation or undeclared work certainly need to be addressed. Having unfavourable conditions for mobile workers to integrate into the host society can result in social difficulties and in wasting the economic benefits of mobility. The Commission recommends that Member States develop integration and social inclusion policies for mobile workers and their families, using existing EU measures and tools, e.g. on cultural, linguistic and schooling policies and on anti-discrimination and skills recognition.

Problems for the sending countries arising from brain drain and labour shortages may be addressed by, for instance, measures to increase general labour market participation, further improvements to education and vocational training, good conditions for public sector workers, incentives for return migration or facilitating both internal labour mobility and immigration from outside the EU.

The Commission concludes that the overall impact of post-enlargement mobility has been positive. It trusts that this communication and its supporting material will provide Member States with the necessary information to review their positions for the second period of the transitional arrangements of Bulgaria and Romania.

Moreover, freedom of movement of workers is one of the fundamental freedoms under the EC Treaty. It makes a positive contribution to labour markets throughout Europe and as such represents a key element of the European Employment Strategy to which all Member States have subscribed. At the same time, it represents a powerful and positive symbol of what Europe means for the individual EU citizen.

To this effect Member States declared, when they signed the Accession Treaties, that they would move as swiftly as possible to the full application of the *acquis* in this area. Whatever decision is taken at this stage, Member States need to prepare to open their labour markets, so as to fulfil their commitments under the treaties.

The Commission believes that moving towards full free movement of workers in the EU is a strong political signal, particularly at the occasion of the fifth anniversary of the 2004 enlargement. Therefore, the Commission calls upon Member States to consider whether they need to continue applying restrictions in the light of the situation of their labour markets, notwithstanding their rights set out in the Treaties of Accession concerning transitional arrangements. The Commission recommends that the social partners be fully involved in the preparation of these decisions.

In light of current economic developments and their possible impact on the labour market situation, experience shows that cross-border labour mobility tends to be self-

regulating and decline in times of economic downturns. The Commission recalls that the Accession Treaties contain a safeguard clause which allows Member States that apply EC law on free movement of workers to later apply for the reintroduction of restrictions if they undergo or foresee disturbances on their labour markets.

Furthermore, the Commission recalls that, according to the Accession Treaty, a Member State maintaining national measures restricting the free movement of workers at the end of the five year period following the date of accession may, in case of serious disturbances of its labour market or threat thereof, continue to apply these measures until the end of the seven year period following the same date, after notifying the Commission. The Commission will then fulfil its role as guardian of the Treaties based on the evidence provided by the Member States.

ANNEX 1: Statistical Annex

Table A1: Share of foreign nationals resident in the EU-27 by broad group of citizenship, 2003 – 07 (% of total population)

Host country	Resident foreign nationals from ...																			
	EU-15 Member States					EU-10 Member States					EU-2 Member States (BG/RO)					Non-EU-27 countries				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
	% of total resident population																			
BE 1)	4.8	5.2	5.2	4.9	5.0	0.1	0.1	0.2	0.2	0.2	0.0	0.1	0.1	0.2	0.2	2.1	2.5	2.4	2.4	2.8
DK 2)	1.0	1.1	1.1	1.1	1.2	0.2	0.2	0.2	0.3	0.4	0.0	0.0	0.0	0.0	0.1	3.7	3.6	3.5	3.6	3.7
DE 3)	2.2	2.0	2.0	2.2	2.2	0.6	0.5	0.6	0.7	0.7	0.2	0.1	0.1	0.1	0.1	5.8	6.1	5.4	5.7	5.8
IE 4)	3.5	3.5	3.8	3.9	3.9	1.0	1.3	2.8	4.3	5.8	:	:	:	:	:	3.0	3.2	3.1	3.5	3.7
EL 1)	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5	3.7	4.1	4.2	4.3	4.9
ES 3)	1.3	1.5	1.7	2.2	2.4	0.1	0.1	0.2	0.2	0.3	0.6	0.9	1.1	1.5	1.9	4.6	5.3	6.1	6.4	7.2
FR 1)	1.8	1.8	1.6	1.7	1.8	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	2.8	2.9	2.9	2.8	3.1
IT 2)	0.2	0.2	0.2	0.3	0.3	0.1	0.1	0.1	0.2	0.2	0.3	0.5	0.5	0.6	1.1	2.8	3.3	3.6	3.9	4.2
LU 1)	34.0	34.0	36.2	35.6	37.3	:	:	:	0.6	0.8	:	:	:	:	:	3.4	3.8	3.0	3.3	3.4
NL 3)	1.3	1.3	1.3	1.3	1.4	0.1	0.1	0.1	0.2	0.2	0.0	0.0	0.0	0.0	0.0	2.2	2.2	2.2	2.1	2.2
AT 2)	1.6	1.7	1.8	1.9	2.1	0.7	0.8	0.9	1.0	1.1	0.3	0.3	0.4	0.4	0.4	6.5	6.5	6.6	6.5	6.5
PT 1)	0.4	0.4	0.4	0.4	0.4	:	:	:	:	:	0.1	0.1	0.1	0.1	0.3	1.8	2.0	2.3	2.2	2.7
FI 2)	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.5	0.0	0.0	0.0	0.0	0.0	1.3	1.4	1.4	1.5	1.6
SE 3)	2.1	2.1	2.1	2.1	2.1	0.2	0.3	0.3	0.4	0.5	0.0	0.0	0.0	0.0	0.0	2.9	2.9	2.8	2.6	2.6
UK 1)	1.6	1.6	1.7	1.6	1.6	0.2	0.3	0.5	0.8	1.1	0.0	0.0	0.0	0.1	0.1	2.9	3.2	3.3	3.6	3.9
EU-15 6)	1.6	1.6	1.6	1.7	1.7	0.2	0.3	0.3	0.4	0.5	0.2	0.2	0.3	0.3	0.5	3.7	4.0	4.0	4.2	4.5
CZ 3)	0.1	0.1	0.2	0.2	0.2	0.5	0.5	0.7	0.8	0.8	0.1	0.1	0.1	0.1	0.1	1.2	1.8	1.6	1.8	2.0
EE 1)	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	18.3	18.1	16.2	15.6	16.2
CY 1)	:	5.8	5.6	5.9	5.4	:	0.1	0.2	0.4	0.3	:	0.5	0.7	0.7	1.7	:	4.8	4.7	4.8	5.7
LV 3)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.4	0.0	0.0	0.0	0.0	:	22.0	21.1	19.7	18.7	16.4
LT 3)	:	0.0	0.0	0.0	0.1	:	0.0	0.0	0.0	0.0	:	0.0	0.0	0.0	0.0	:	0.6	0.7	0.6	0.7
HU 3)	0.1	0.1	0.2	0.3	0.2	0.1	0.0	0.1	0.1	0.1	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.6
MT 5)	1.4	1.3	0.9	0.8	1.0	:	:	:	:	:	:	:	:	:	:	0.8	1.4	1.5	1.3	0.9
PL 1)	:	0.0	0.1	0.0	0.0	:	0.0	0.0	0.0	0.0	:	:	:	:	:	:	0.1	0.1	0.1	0.1
SI 3)	0.1	0.1	0.1	0.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	:	2.2	2.1	2.3	2.5	6.3
SK 3)	0.1	0.1	0.1	0.1	0.3	0.2	0.1	0.2	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.2	0.2	0.1
EU-10 6)	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1.5	1.6	1.5	1.4	1.5
BG 1)	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	0.1	0.1	0.1	0.1	0.1
RO 3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	:	0.1	0.1	0.1	0.1	0.1
EU-2 6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
EU-27 6)	1.3	1.3	1.3	1.3	1.4	0.2	0.2	0.3	0.4	0.4	0.2	0.2	0.2	0.3	0.4	3.2	3.4	3.4	3.5	3.8

Sources: Eurostat EU LFS, Eurostat population statistics, national data sources, DG Employment estimates. “:” figures too small to be reliable or not available.

Note: Choice of data sources according to data availability for individual countries. — For population statistics end of year data, for LFS 4th quarter data. — Figures not fully comparable between Member States due to the use of different sources. — Data from the LFS should be treated with some caution due to limitations of the survey with regard to foreign populations, in particular concerning coverage of very recent migrants and collective households, relative levels of non-response and small sample sizes. — 1) EU LFS quarterly data, 4th quarter. — 2) National and Eurostat population statistics. — 3) Eurostat population statistics, 2007 DG Employment estimate. — 4) CSO Ireland, Quarterly national household survey, 4th quarter; for 2003 3rd quarter 2004; Nationals from BG and RO included under non-EU-27 nationals until 2006 and under EU-10 nationals in 2007. — 5) EU LFS quarterly data, 4th quarter. EU-10 and EU-2 nationals included under non-EU-27. — 6) EU totals and sub-totals are only of an indicative nature as they are the sum of country values that stem from different sources; EU totals and sub-totals include country data which are not shown individually due to small sample size.

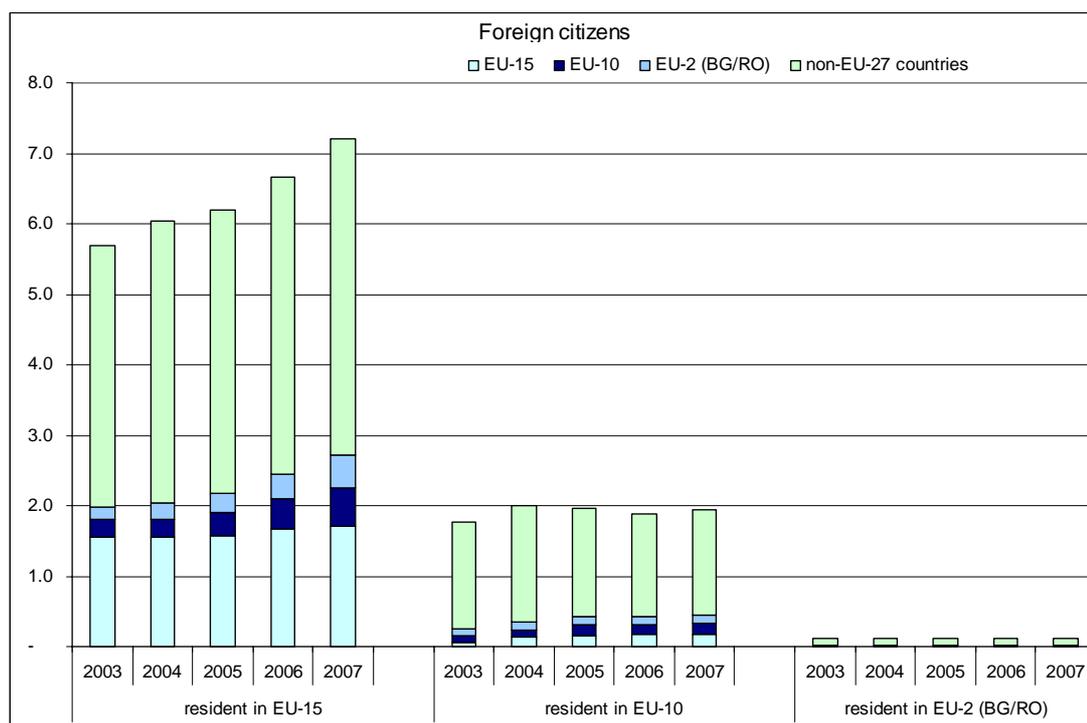
Table A2: Number of foreign nationals resident in the EU-27 by broad group of citizenship, 2003 – 07 (in 1 000)

Host country	Resident foreign nationals from ...																			
	EU-15 Member States					EU-10 Member States					EU-2 Member States (BG/RO)					Non-EU-27 countries				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
	1,000 persons																			
BE 1)	494	539	545	523	533	13	15	17	19	23	4	6	10	16	19	220	260	250	254	303
DK 2)	56	57	59	63	68	10	11	13	16	22	2	2	2	2	3	199	194	192	193	202
DE 3)	1,850	1,660	1,654	1,783	1,773	482	440	483	564	600	133	113	112	120	119	4,802	5,017	4,448	4,725	4,741
IE 4)	111	112	127	132	136	31	44	94	148	203	:	:	:	:	:	98	105	105	121	129
EL 1)	19	24	27	28	26	25	32	29	29	34	32	41	47	48	56	396	436	450	461	522
ES 3)	536	644	765	982	1,068	42	56	71	103	150	252	371	490	664	843	1,925	2,300	2,676	2,856	3,240
FR 1)	1,035	1,074	954	1,050	1,116	40	45	38	39	39	20	14	14	29	36	1,675	1,696	1,729	1,691	1,889
IT 2)	134	138	143	149	158	56	69	81	95	118	189	264	315	362	659	1,611	1,931	2,131	2,332	2,498
LU 1)	154	155	163	163	173	:	:	:	3	4	:	:	:	:	:	15	17	14	15	16
NL 3)	211	210	210	211	229	13	18	23	29	36	4	5	5	5	4	363	363	356	348	365
AT 2)	127	138	150	162	175	60	69	77	84	90	27	28	30	30	37	531	537	542	536	539
PT 1)	38	45	37	40	41	:	:	:	:	:	10	8	13	14	27	185	213	241	236	283
FI 2)	19	19	20	21	22	16	17	18	21	24	1	1	1	1	1	70	71	74	78	84
SE 3)	186	186	186	188	196	21	23	27	34	44	3	3	3	3	2	259	261	256	241	241
UK 1)	935	913	978	940	934	112	168	281	479	662	13	21	28	35	37	1,707	1,857	1,947	2,123	2,271
EU-15 6)	5,906	5,913	6,018	6,435	6,648	923	1,005	1,253	1,664	2,048	691	877	1,070	1,330	1,845	14,055	15,257	15,410	16,209	17,322
CZ 3)	13	15	19	24	17	50	51	68	78	85	6	6	7	7	7	126	182	164	186	208
EE 1)	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	246	244	217	209	216
CY 1)	:	42	41	44	41	:	1	2	3	2	:	4	5	13	:	:	35	35	35	43
LV 3)	1	2	2	2	2	3	3	4	4	9	0	0	0	0	:	510	487	451	426	372
LT 3)	:	1	1	1	2	:	1	1	1	1	:	0	0	0	0	:	22	22	21	24
HU 3)	12	10	18	25	20	5	4	7	8	5	57	69	67	68	69	56	61	63	66	57
MT 5)	6	5	4	3	4	:	:	:	:	:	:	:	:	:	:	3	5	6	5	4
PL 1)	:	10	17	12	10	:	1	2	3	2	:	:	:	:	:	:	16	20	49	37
SI 3)	1	1	2	2	9	0	0	1	1	:	0	0	0	0	:	43	43	46	51	127
SK 3)	3	3	5	7	18	9	8	9	11	12	3	1	1	1	1	15	10	10	13	5
EU-10 6)	37	90	110	122	123	70	70	95	111	118	66	81	81	82	90	999	1,106	1,036	1,062	1,093
BG 1)	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	10	9	10	8	9
RO 3)	5	5	5	5	5	0	0	0	0	:	0	0	0	0	:	19	19	20	20	20
EU-2 6)	6	6	6	5	6	0	0	1	1	:	0	0	0	0	:	30	28	30	28	29
EU-27 6)	5,949	6,009	6,135	6,563	6,777	995	1,077	1,351	1,777	2,166	757	959	1,152	1,413	1,935	15,083	16,392	16,475	17,299	18,445

Sources: Eurostat EU LFS, Eurostat population statistics, national data sources, DG Employment estimates. “:” figures too small to be reliable or not available.

Note: Choice of data sources according to data availability for individual countries. — For population statistics end of year data, for LFS 4th quarter data. — Figures not fully comparable between Member States due to the use of different sources. — Data from the LFS should be treated with some caution due to limitations of the survey with regard to foreign populations, in particular concerning coverage of very recent migrants and collective households, relative levels of non-response and small sample sizes. — 1) EU LFS quarterly data, 4th quarter. — 2) National and Eurostat population statistics. — 3) Eurostat population statistics, 2007 DG Employment estimate. — 4) CSO Ireland, Quarterly national household survey, 4th quarter; for 2003 3rd quarter 2004; Nationals from BG and RO included under non-EU-27 nationals until 2006 and under EU-10 nationals in 2007. — 5) EU LFS quarterly data, 4th quarter. EU-10 and EU-2 nationals included under non-EU-27. — 6) EU totals and sub-totals are only of an indicative nature as they are the sum of country values that stem from different sources; EU totals and sub-totals include country data which are not shown individually due to small sample size.

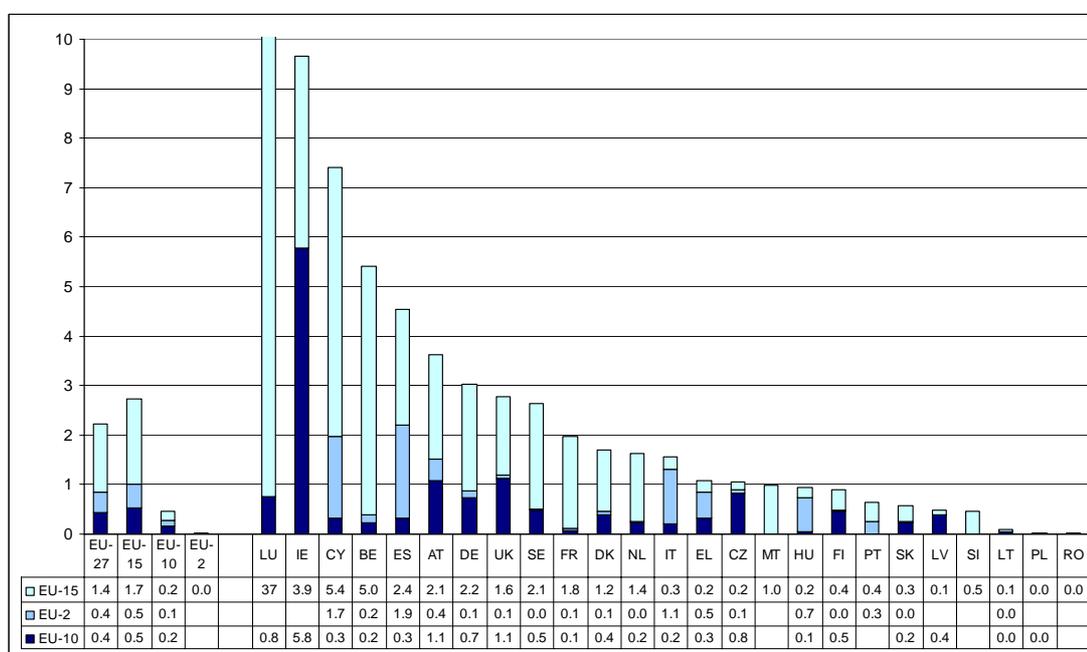
Chart A1: Foreign residents in the EU, 2003 – 07 (in % of total resident population)



Sources: Eurostat EU LFS, Eurostat population statistics, national data sources, DG Employment estimates.

Note: see note to Table A1

Chart A2: Population share of EU citizens resident in another Member State by broad group of citizenship, 2007 (% of resident population)



Sources: Eurostat EU LFS, Eurostat population statistics, national data sources, DG Employment estimates.

Note: Luxembourg off scale. — Empty cells: figures too small to be reliable or not available. — For further notes see Table A1.

Table A3: Share of recently arrived foreign nationals among the total labour force (age group 15-64), 2007

Host country		Active working age foreign nationals resident 4 years and less from ...			
		EU-15 Member States	EU-10 Member States	EU-2 Member States	Non-EU-27 countries
		<i>in % of total active working age population</i>			
EU-15	BE	0.7	0.1	(0.1)	0.7
	DK	0.2	(0.1)	:	0.6
	DE	0.2	0.1	0.0	0.4
	IE	1.8	6.3	(0.2)	1.8
	EL	:	:	0.2	0.7
	ES	0.3	0.0	0.9	2.6
	FR	0.4	(0.0)	(0.0)	0.6
	IT	0.0	0.1	0.3	0.8
	LU	6.6	(0.6)	:	(0.6)
	NL	0.2	(0.0)	:	0.2
	AT	0.8	0.4	0.2	1.3
	PT	:	:	0.1	0.8
	FI	:	:	0.0	(0.2)
SE	0.3	0.1	:	0.7	
UK	0.5	1.4	0.0	1.5	
EU-10	CZ	0.0	0.3	:	0.1
	EE	:	0.0	0.0	:
	CY	1.2	(0.3)	1.1	4.9
	LV	:	:	0.0	:
	LT	:	:	0.0	:
	HU	:	:	0.1	(0.1)
	MT	:	0.0	0.0	:
	PL	:	:	0.0	:
SI	:	:	0.0	(0.1)	
SK	0.0	:	0.0	0.0	
EU-2	BG	0.0	0.0	0.0	:
	RO	:	0.0	0.0	:
EU-27		0.2	0.2	0.2	0.8

Sources: Eurostat EU LFS, annual data 2007.

Note: ":" – figures too small to be reliable. Any possible discrepancies with population data shown in tables A1 and A2 due to differences in data sources (e.g. age coverage, reference date, activity status).

Chart A3: Posted workers by sending country, 2006 (in 1 000)

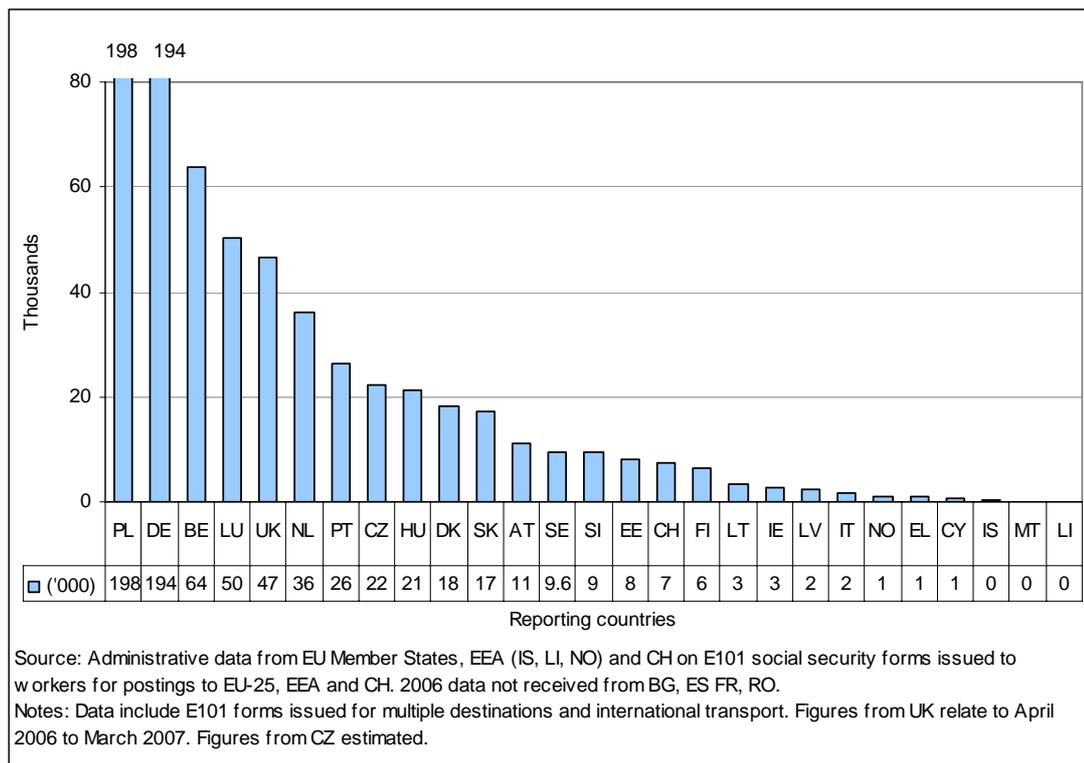


Chart A4: Posted workers from the EU-15 and EU-10 by receiving country, 2006 (in 1 000)

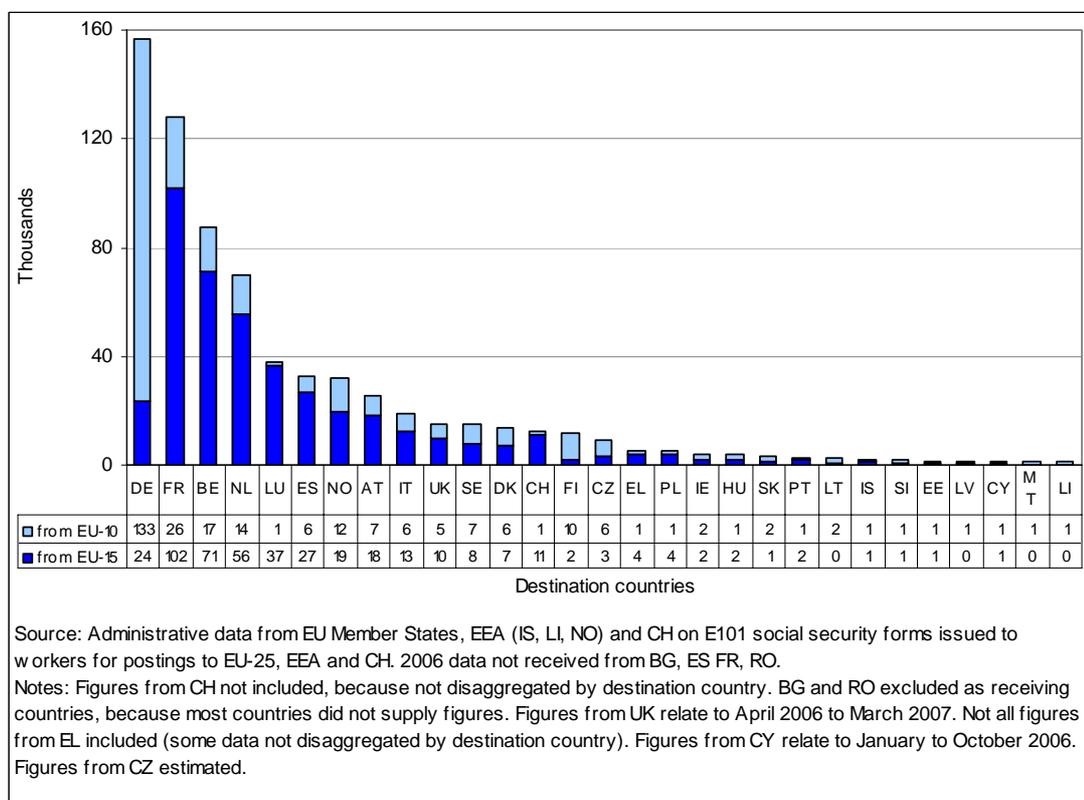
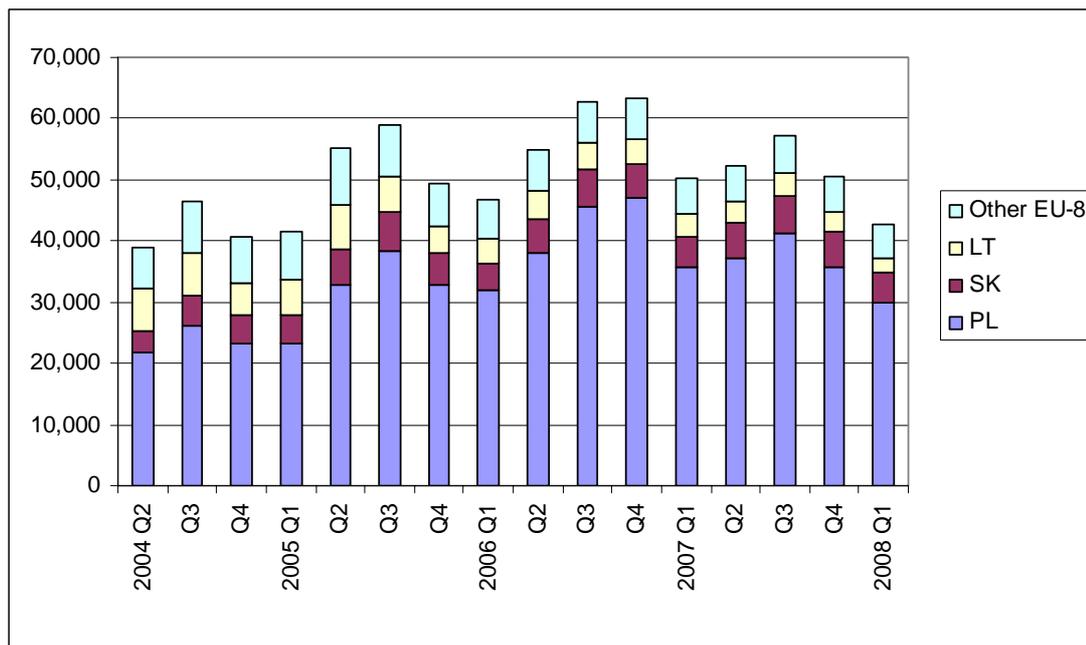
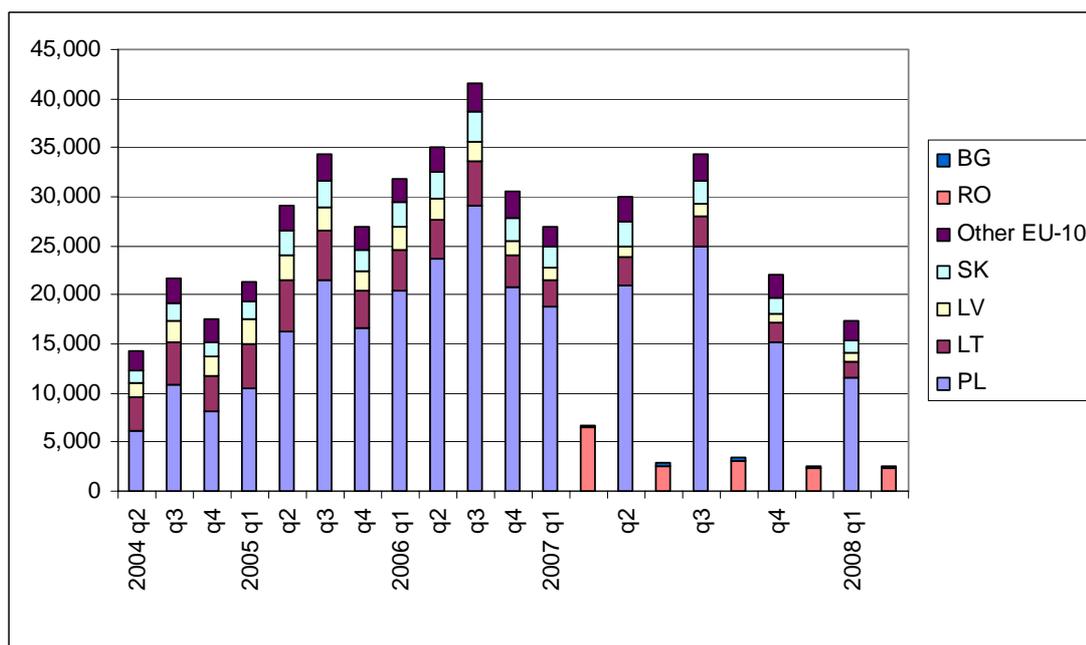


Chart A5: Inflow of EU-8 labour migrants to the UK



Source: UK Home Office, Accession Monitoring Reports. Approved applicants to the workers registration scheme.

Chart A6: Inflows from EU-10 and BG/RO to Ireland



Source: Irish Department of Social and Family Affairs, number of issued Personal Public Service Numbers.

Chart A7: Convergence of GNI per capita in PPS, 2000–07

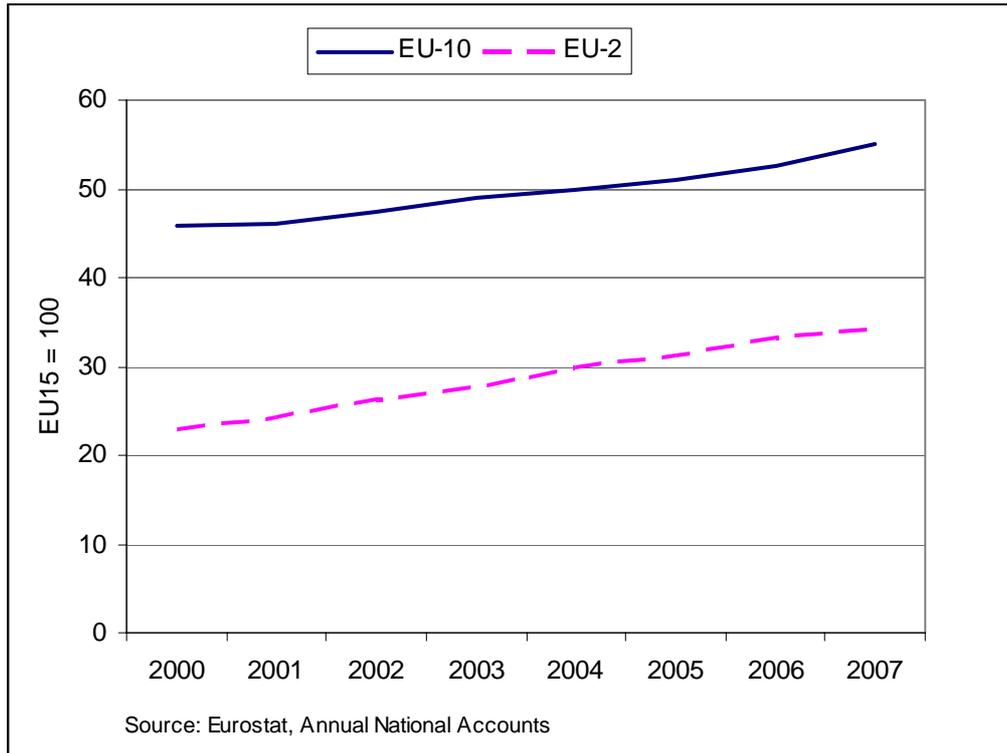


Chart A8: Unemployment rates in the EU, 2000 and 2007

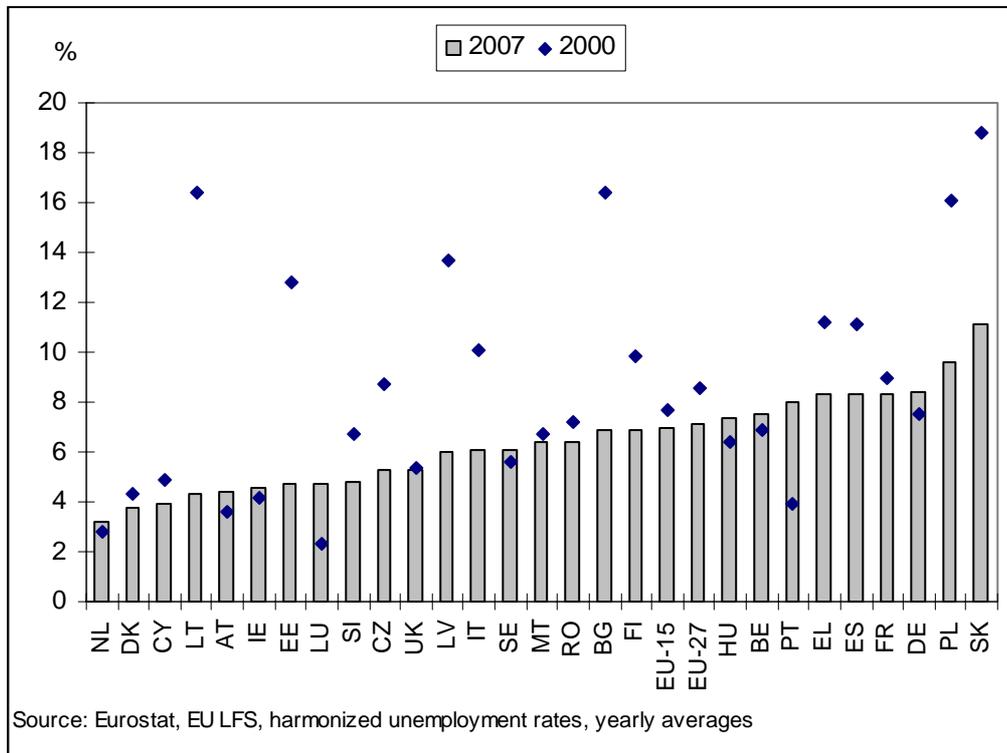
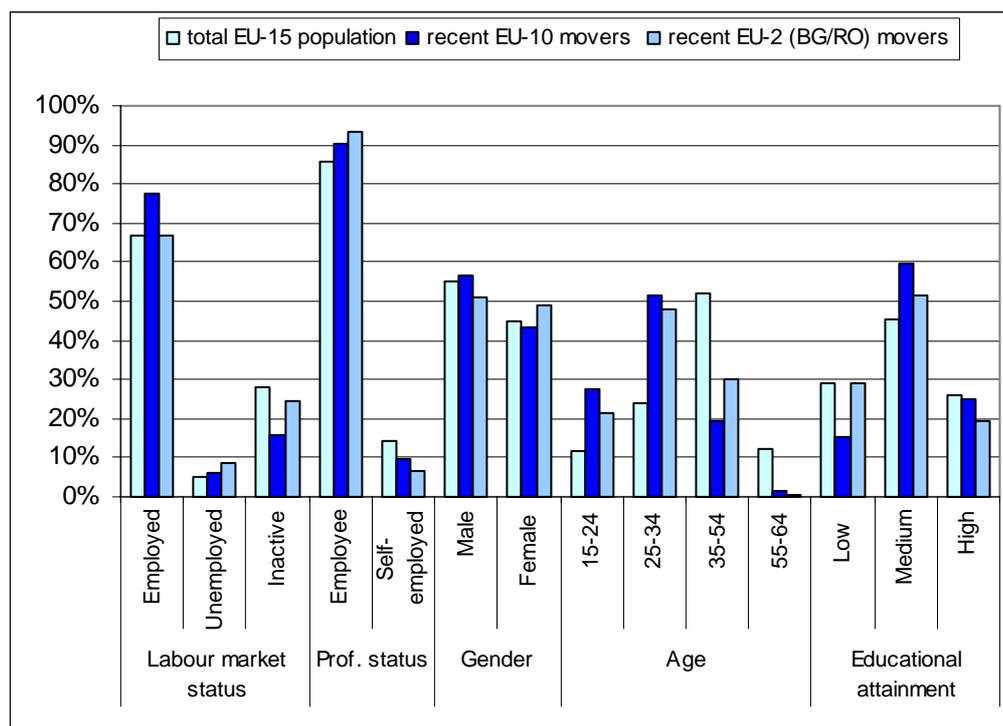


Chart A9: Socio-economic breakdown of recent movers from the EU-2/10 to the EU-15 (age group 15-64), 2007 (% of total per variable and group)



Source: Eurostat, EU LFS, annual data.

Note: Recent movers defined as persons resident 4 years or less in their EU-15 host country. Data on professional status, gender, age and educational attainment refer to active population aged 15-64, data on labour market status refer to total population aged 15-64. Data for the UK on educational attainment not included in the calculation due to problems with UK data concerning this variable.

Chart A10: Development of hourly gross wages and salaries in industry and services (excluding public administration) in major receiving countries, 2000 to 2008 (2000 = 100)

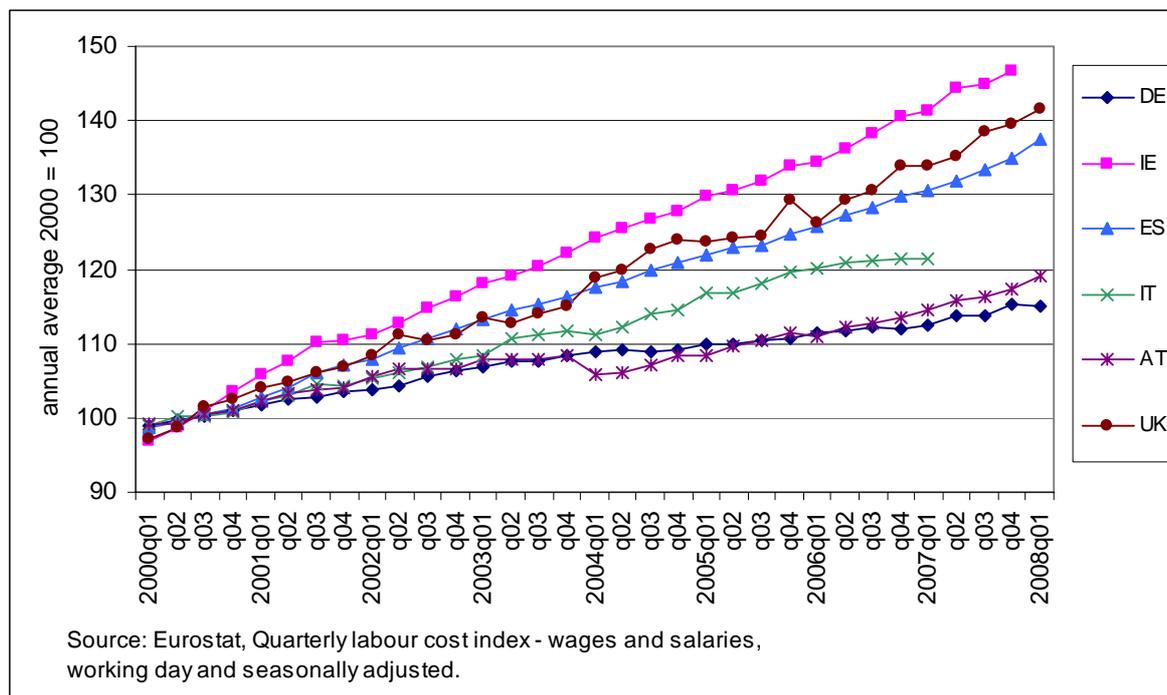


Chart A11: Overall unemployment rates in the main EU-15 receiving countries, 2000-2008

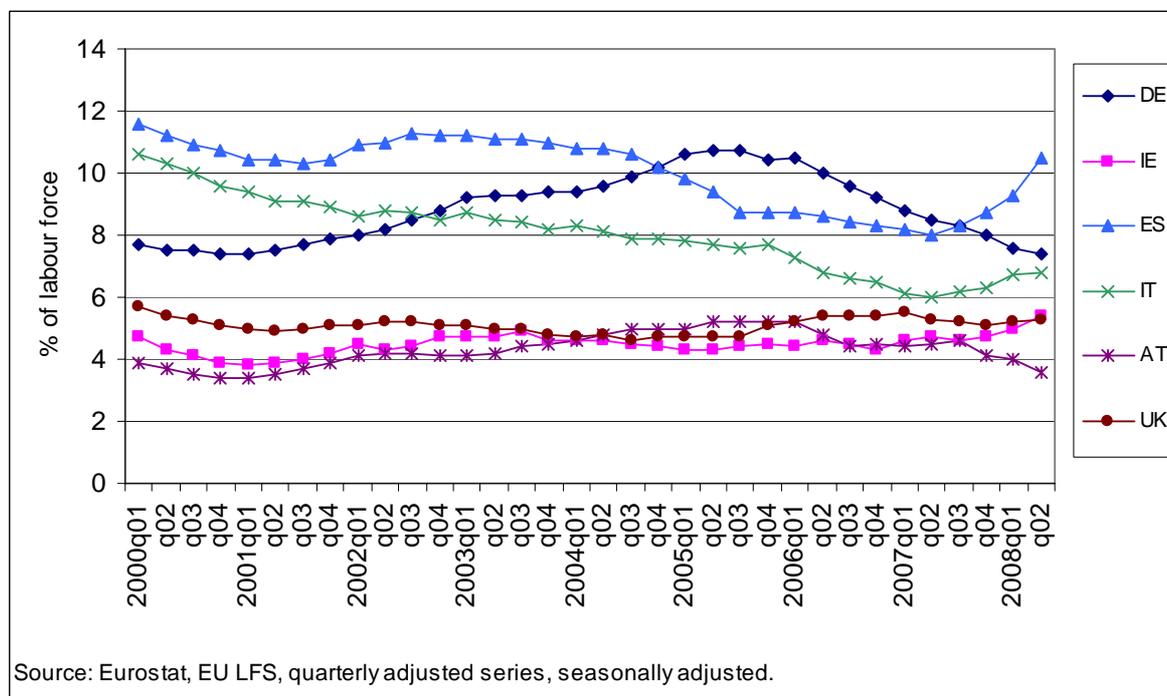


Chart A12: Overall employment rates in the main EU-15 receiving countries, 2000-2008

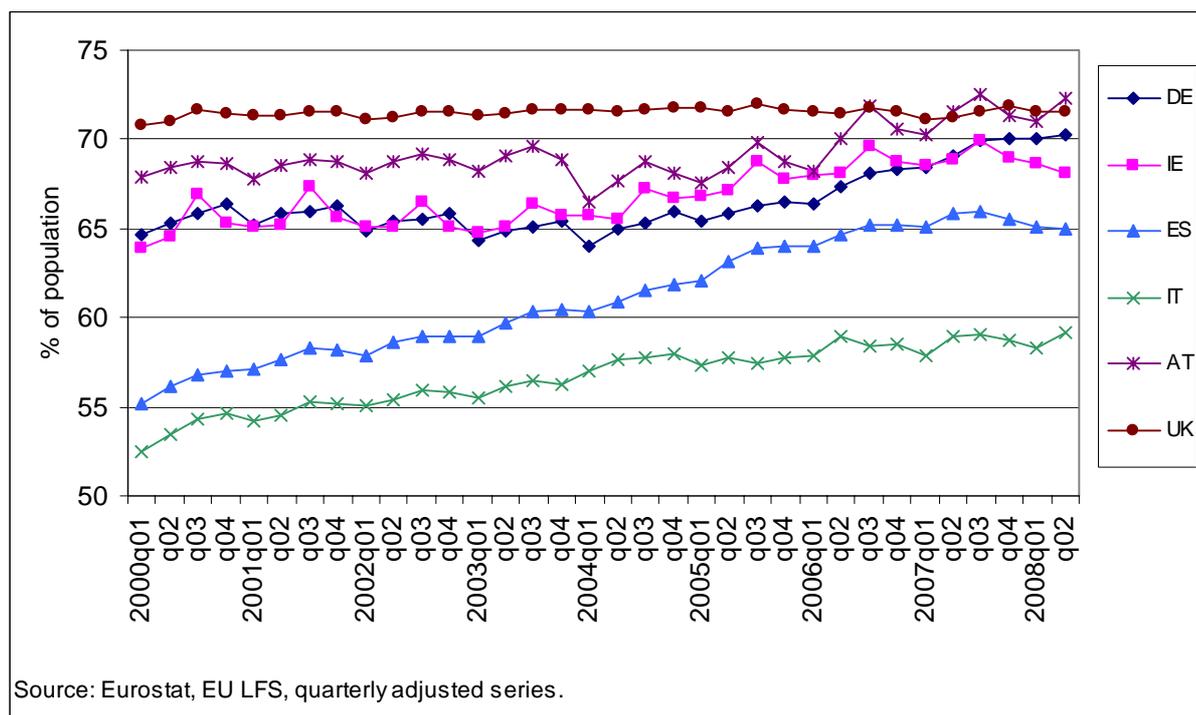
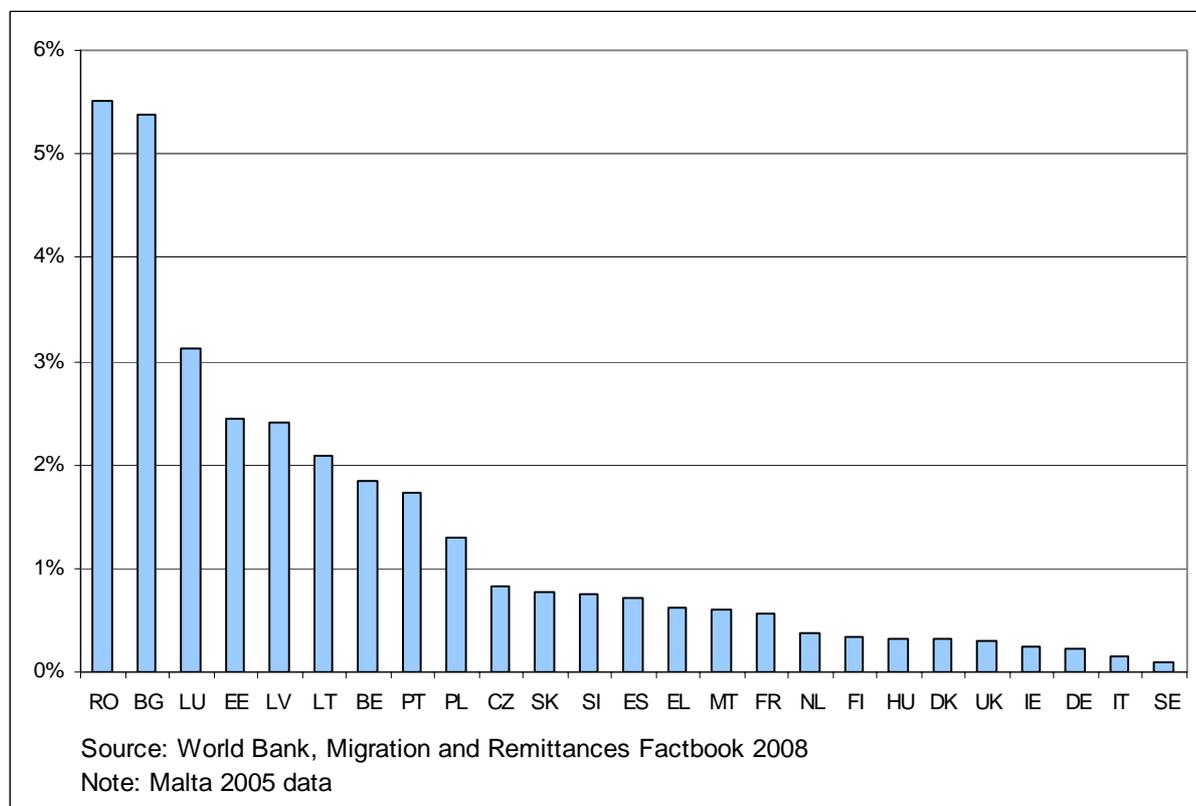


Chart A13: Workers' remittances (incl. compensation of employees) as a share of GDP, 2006 (%)



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