Integrating newcomers, replacing leavers: labour market effects of migration

Conference
“The integration of European Labor Markets”
Vienna, 17-18/11/2008

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Contents

Post-enlargement intra-EU migration

• What has been the scale?
  – How many have come, how many have left?

• Who are the newcomers?
  – Characteristics and labour market performance

• Main overall labour market impacts
  – Employment; wages

• Labour and skills shortages in the sending countries
  – Role of mobility in labour and skills shortages
How many have come?

Recent working-age arrivals resident four years and less in Member States, 2007 (% of total resident working age population)

Source: Eurostat, EU LFS; annual data.
Note: Data for IE provisional. Numbers for missing data and countries too small to be reliable. Limited reliability for EU-15 results for EL; EU-10 results for LU, DK and FI; EU-2 results for BE and NL; and non-EU-27 results for SI.
How many have left?

Intra-EU movers by sending country and years of residence in the host country (% of working-age citizens resident in another Member State relative to the working-age population of the sending country), 2007

Source: Eurostat, EU LFS; annual data.
Note: Figures do not include foreign citizens who were born in another Member State and continue living there. Data on foreign nationals in IE provisional. Figures for LU, MT and SI too small to be reliable.
Who are the newcomers?

Socio-economic breakdown of recent intra EU-movers (age group 15-64), 2007 (% of total per variable and group)

Source: DG Employment calculations based on EU LFS annual data.
In which sectors do they work …?

Employment of recent EU-10/2 movers by economic activity (age group 15-64), 2007
(% of total per group)

- A Agriculture
- D Manufacturing
- F Construction
- G Wholesale and retail trade
- H Hotels and restaurants
- I Transport, storage and communication
- K Real estate, renting & business act.
- M Education
- N Health and social work
- O Other com., soc. & personal service
- P Private households

Source: DG Employment calculations based on EU LFS annual data.
...and in what jobs?

Occupation of recent EU-10/2 movers (age group 15-64), 2007
(% of total per group)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>EU-10</th>
<th>EU-2 movers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Senior officials &amp; managers</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>2 Professionals</td>
<td>1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>3 Technicians and associate prof.</td>
<td>4.0</td>
<td>2.0</td>
</tr>
<tr>
<td>4 Clerks</td>
<td>9.0</td>
<td>1.0</td>
</tr>
<tr>
<td>5 Service and sales workers</td>
<td>15.0</td>
<td>15.0</td>
</tr>
<tr>
<td>6 Agricultural and fishery workers</td>
<td>15.0</td>
<td>15.0</td>
</tr>
<tr>
<td>7 Craft and related trades workers</td>
<td>20.0</td>
<td>25.0</td>
</tr>
<tr>
<td>8 Operators and assemblers</td>
<td>15.0</td>
<td>15.0</td>
</tr>
<tr>
<td>9 Elementary occupations</td>
<td>25.0</td>
<td>30.0</td>
</tr>
</tbody>
</table>

Source: DG Employment calculations based on EU LFS annual data.
Labour market impacts

Range of recent studies find that post enlargement intra-EU migration has had...

• …little or no negative impact on wages and employment of local workers and not led to serious labour market imbalances in receiving countries;

• …moderate impacts also across different skill groups of workers;

• … no substantial negative labour market impact in structurally weak regions as migrants tend to move into regions with higher wages and better job opportunities and not into regions with high unemployment;

• …moderate upward impact on wages and downward impact on unemployment in the sending countries (in the short run)
Labour and skills shortages in the sending countries

- Emigration significant, but not the decisive factor behind labour market and skills shortages in the New Member States:
  - Relative extent of emigration
  - Skills distribution of migrants
  - Rapid increase in university enrolment rates
  - Other factors unrelated to migration
Rising tertiary enrolment rates

Students enrolled in tertiary and post-tertiary education among population aged 18-24

Source: DG Employment calculations based on Eurostat education and demographic statistics
High GDP growth

Annual real GDP growth in Poland and EU-15

Source: Eurostat, annual national accounts
Low labour market participation of older workers

Older people’s employment rate for EU Member States, 2000 and 2007

Demographic trends

Percentage of population aged 15-34 out of working age population (aged 15 – 64),
2004 to 2020

Source: Eurostat, population projections 2004, no migration variant.
Low regional mobility in NMS

Regional mobility rates, 2006
(% of population having moved residence within the country from one NUTS 2 region to another since the year before)

Source: Eurostat, EU LFS, spring data.
Coping with labour market shortages

Policy-mix consisting of several elements:

– Measures to increase labour market participation

– Further improvements to education and vocational training

– Adequate pay and working conditions

– Foster return migration

– Facilitate internal labour mobility and immigration