
Comparing labour mobility in Europe and the US: facts and pitfalls

Introduction¹

A major policy benchmark for promoting greater geographical mobility among European workers is the assumed greater mobility among workers in the US. The idea, implicitly or explicitly, is that the European workforce is less mobile than their American counterparts when it comes to taking up jobs and that this hampers a better match between labour demand and supply in the European economy. In general, it is argued that workers in the US are not only working harder, but are also willing to move more easily over greater distances to take up work. Europeans are more reluctant to move to other locations where work is more plentiful. Americans are 'movers', while Europeans are 'stayers'.

Promoting geographical mobility is one of the EU's major objectives for two main reasons. First, the right to live and work in other EU Member States is a symbol of European integration and identity. Freedom of movement is what unites European Member States and represents what it truly means to be a European citizen. Freedom of movement signifies the central idea of the EU. Secondly, the free movement of labour is believed to be necessary to obtain a better match between labour demand and supply in Europe. In this regard, mobility is considered a means of promoting labour market efficiency. European countries and regions differ in the balance between the demand for and supply of workers. Moreover, a more mobile European labour force is needed, both within and between countries, in order to help the European economy to more adequately adapt to changing national and international market conditions. Greater labour force mobility, more flexibility and increased employability are also necessary to respond in a better way

to strong global competition, rapid technological change and the requirements of a knowledge society.

The Lisbon Strategy seeks to meet these challenges by making Europe a more competitive, flexible and adaptable economy. Greater labour mobility between regions and jobs is a crucial element in reaching this policy objective. In light of this, the EU Commissioner for Employment, Social Affairs and Equal Opportunities, Vladimír Špidla, emphasized: "Europe is facing a combination of skills shortages, bottlenecks and unemployment (...) If we want to see the number of workers in the right jobs envisaged by the EU growth and jobs strategy, we really need a more mobile workforce". This new European policy emphasis was reflected in the designation of 2006 as the European Year of Workers' Mobility.

Mobility in Europe and in the US: A transatlantic comparison

Are Americans indeed more mobile? Findings indicate that this seems to be relatively true if a comparison is drawn between cross-EU mobility and interstate mobility flows in the US (Theodos, 2006). In the former EU15, only about 0.1% of the working age population changes its country of residence in a given year. Conversely, in the US, about 3% of the working age population moves to a different state every year, which represents a substantial difference when compared with the EU figures. But is such a comparison correct? Comparing geographical mobility trends in Europe and the US is not without difficulty. The validity of comparing interstate labour mobility in the US with cross-border mobility in Europe is in fact problematic for various reasons. First, the US is a federal

state, while the EU is not. Moreover, the US is one nation, while the EU comprises many countries. Freedom of movement in the US is as old as the country itself, while it has only become a recent possibility in the EU. Furthermore, labour legislation is different in the US compared to the EU, and the various EU Member States still have different labour legislation. Finally, language, social and cultural mobility barriers within the EU are much greater than in the US. Moving from New York on the east coast of the US to Los Angeles on the west coast, for example, represents a move within one nation, with one common language, under the same labour market legislation. However, if a European worker moves from Helsinki to Barcelona, this represents a move between countries, which have different languages, cultures, labour market systems, fiscal regimes and institutional arrangements. Mobility, in short, is a complex phenomenon. Simply comparing overall mobility indicators for Europe and the US neglects this complexity.

A more accurate comparison

These institutional and cultural differences suggest comparing internal geographical mobility in the US with the situation *within* EU Member States rather than *between* Member States. In doing so, the figures narrow the 'mobility gap' between Europe and the US. Between 2000 and 2005, about 1% of the working age population had changed residence each year from one region to another within the EU15 countries, compared to an overall interstate mobility rate of 2.8%-3.4% in the US during the same period of time (see Chapter 5, European Commission, 2006). Furthermore, data indicate a decrease in interstate mobility in the US in the 2000-2005 period. The greatest amount of mobility takes place within county and within state in the US, rather than between states. It is interesting to note that the related findings clearly highlight that labour mobility in the US has in fact declined in the post-war decades – at least in terms of within-county. In most cases, mobility is associated with housing concerns rather than labour market issues: only one in five movers in the US identifies job-related reasons as their main motive for moving (Theodos, 2006). The US workforce may be more mobile but seemingly not for reasons relating to the labour market.

Different roles of the state

The main difference between European and American policies in addressing mobility issues is rooted in the structural difference in the role of the state in such issues. In the US way of thinking, mobility and migration are related to market imperfections and above all to free choice of workers and employers. Integration of new migrants takes place through the help of civil society organizations, which are referred to as the 'societal midfield'. No unique or guiding role from the federal government exists in this respect: an explicit and official US federal policy on stimulating mobility does not exist. Mobility in the US policy tradition is primarily of a 'laissez-faire' nature. This absence of policy intervention does not imply that mobility is considered an unimportant issue. On the contrary, being mobile and moving to where jobs are more abundant, is at the heart of American history and culture. In a sense, the US is highly supportive of mobility and thus encourages migration. However, mobility is seen as the outcome of free market choices of the two main stakeholders in the labour market: employers and employees. In this case, no distinct role is played by the government.

Nonetheless, the US government seeks to adapt other policy interventions – such as training programs or unemployment insurance benefits – to accommodate market outcomes and imperfections, but it does not seek any specific mobility target.

From a US perspective, the role of the free market receives greater emphasis; the European perspective highlights the role of national governments not only in promoting mobility but also in linking mobility policies to social, economic and technological policies. Thus, different policy models are evident in both cases, as are different roles of government. These differences are rooted in quite different policy traditions. If Europe wants to voice a distinct mobility policy, it should emphasize this broader and more integral perspective. At the same time, Europe could learn from the US by relying more on market mechanisms to fill job vacancies in the future, to improve job-skills matches and occupational licensing, and to standardize tax and employment laws, as well as the ability to transfer employee pension rights (social insurance cover) from one employer to another and even between different countries.

Different cultures of mobility

Survey findings – as published earlier in Over.Werk (2006) – indicate that the intentions of European citizens to move to another EU Member State are generally quite low (about 3%), although large differences between individual European countries exist. The latest figures show higher rates of intentions to move to a different location among people in Bulgaria, Romania, Sweden and the UK, and lower rates among those in Austria and Italy (European Commission, 2007). The overwhelming majority of Europeans do not intend to move. This choice is not so much related to persistent negative views on mobility only. Europeans share the idea that mobility is good for European integration, the labour market and the economy.

On the other hand, Europeans indicate that geographical mobility is not particularly ideal for families. In this way, the mobility mindset of Europeans is based on both positive and negative outcomes. Mobility is 'bounded mobility', meaning that the decision to move is based on balanced 'pros and cons'. As a consequence, the intention not to move does not necessarily reflect a culture of immobility in Europe. It may suggest that people consider it as important to balance their professional and private lives, are well integrated in their communities, and want to maintain their social ties. Extremely high European mobility levels would indicate low community cohesion, weak family structures, low social trust, and low social capital. Better forms of mobility, not just increased mobility, are the key issue in European terms. The implication of this is that the policy debate on mobility in Europe should be on optimizing mobility, rather than on merely increasing mobility. But what are the parameters that determine optimal mobility levels and patterns? This should be the next step in the ongoing European mobility debate.

Barriers to cross-border mobility in Europe

Despite major European policy initiatives, experts agree that significant obstacles to cross-border mobility in Europe remain, such as the following: legal and administrative barriers, including social security disparities, non-recognition of workers' skills and qualifications, and transitional arrangements for workers from new Member States; practical ob-

stacles in relation to housing, language, finding employment for a partner, lack of information, difficulties in finding a job abroad; psychological and cultural issues in terms of the fear among workers of losing their social network, the absence of mechanisms for returning to the home country, and the non-recognition by employers of previous mobility experience. In recent times, the European Commission addressed most of these obstacles in its new Job Mobility Action Plan 2007-2010.

Challenges of mobility

Intra-EU migration patterns are selective. In particular, better educated and younger Europeans are more willing to move to another location for work purposes. These patterns echo policy emphases: better skilled Europeans need to be more mobile to address market disparities in the balance between (skilled) labour demand and supply. However, these migration patterns are also selective in terms of migrants' countries of origin. It seems that some, but not all, new Member States might face a combined 'youth drain' and 'brain drain' problem, most notably Bulgaria, Poland, Romania and the three Baltic states. Many uncertainties prevail, including whether or not migration to western European countries will have a permanent character and how these Member States will perform economically and demographically in the coming decades.

The EU policy debate on the need for more cross-border mobility among the European workforce should pay more attention to unintended side effects of migration on migrants' home countries. The abovementioned danger of selective brain drain is only one example of these knock-on effects. Substantial migration, particularly from the new Member States to the former EU15 countries, might generate serious community losses in these states. As migration is a selective process, the most entrepreneurial and skilled workers are likely to move first – the ones with substantial human capital. This may result in a depleted labour market where the best workers have left and where it is uncertain if and when they may return to their country of origin. As a result, critical social capital erosion may arise in migrants' former home communities, for example in terms of social networks, public facilities and social services. Outbound migration may strengthen

the country of destination but may weaken the country of origin. Therefore, negative aspects are indeed associated with migration; these aspects reveal that migration has an impact on both the destination and the country of origin. This impact is not only of an economic nature but also involves social, cultural and community issues. Assessing the effects of migration on the home country and home communities of migrants should have a more prominent place in the current EU mobility debate.

Better indicators

The necessity of correct benchmarking between US and European mobility patterns reinforces the need for comparable mobility indicators. In particular, US data on migration flows are leading in this respect. In light of this, the EU needs to invest more in a comparative data infrastructure of solid mobility indicators: stock and flow indicators, both with respect to donor and destination countries. This, in turn, will enable a much more realistic comparison of mobility trends between the two regions, which will thus add to the quality of the mobility policy debate.

However, little knowledge can be gathered on the various outcomes of migration: for example, the number of Europeans who will actually move, the EU countries from and to which they will move, the likelihood of return migration, whether migrants will stay permanently in their new location, or whether a new trans-European fluid labour force will emerge that follows the economic activity. Moreover, research must be carried out on the short and long-term social, economic and cultural effects of migration on both donor and destination countries. These are pressing issues and challenges that are clearly in need of a systematic and coherent mobility research program.

Peter Ester
OSA, Institute for Labour Studies
Tilburg University

Hubert Krieger
European Foundation for the Improvement of Living
and Working Conditions
Dublin

Note

1. This article is based on the findings from a high-level international expert meeting on "Labour market in a transatlantic perspective" organized by the European Foundation for the Improvement of Living and Working Conditions and the German Marshall Fund for the United States (Dublin, October 30-31, 2007). Over sixty mobility experts from the USA and Europe attended the seminar. See: <http://www.eurofound.europa.eu/publications/htmlfiles/ef0826.htm>

Literature

- European Commission. 2007. Geographical mobility of citizens. *Special Eurobarometer 281/Wave 67.1*.
- European Commission. 2006. *Employment in Europe 2006*. Luxembourg, Office for Official Publications of the European Communities.
- Fouarge, D. & Ester, P. 2007. *Factors determining international and regional migration in Europe*. Dublin, European Foundation for the Improvement of Living and Working Conditions.
- Over.Werk (3/2006). Dossier Het Europees Jaar van de Arbeidsmobiliteit.
- Theodos, B.A. 2006. *Geographic mobility and geographic labour mobility in the United States*. Washington DC, The Urban Institute.
- Vandenbrande, T., Coppin, L., van der Hallen, P., Ester, P., Fouarge, D., Fasang, A., Geerdes, S. & Schömann, K. 2006. European Foundation for the Improvement of Living and Working Conditions. *Mobility in Europe*. Luxembourg, Office for Official Publications of the European Communities.

