

THE MOBILE GENERATION - A EUROPEAN PLAN FOR LABOUR MOBILITY

Due to a multitude of factors, such as limited or no work experience and a mismatch between the skills young people possess and those demanded by the labour market, young people in Europe tend to be disadvantaged when entering the labour market.

As a consequence, young people have been more adversely affected by unemployment than the average European citizen.

In fact, the youth unemployment rate in the EU is more than twice as large as the adult unemployment rate – 20% compared to 9.1 % (22.5 % compared to 10.5 in the euro area)

4.5 million young Europeans under the age of 25 (3.1 million in the euro area) are unemployed.

There are large differences in youth unemployment rates between EU countries: from 7 % in Germany, 9.9 % in Denmark and 10,9 % in Austria to almost 50% in Greece (49.5 % in September 2015), Spain (47.5 %), Croatia (45.1 % in the third quarter) and Italy (38.1 %) youth unemployment has been reduced by 412,000 since November 2014.

To improve the match between demand and supply, mobility across EU countries should be enhanced.

Freedom of movement, a key aspect of which is the freedom to work anywhere in the European Union, is one of the four fundamental freedoms on which the EU was founded.

While more than four in ten young Europeans (43%) said in a Eurobarometer survey that they would like to work, study or undergo training in another EU country, the intra-EU labour mobility rate in the EU is only 0.29%.

This white paper aims to determine mobility patterns, to identify barriers and to propose policy measures and instruments for the EU to facilitate labour mobility.

1. Development of appropriate policies to ensure the development of a true Union labour market.

There are a number of legal and administrative obstacles to labour mobility that must be eliminated, especially in the area of recognition of qualifications and conferral of rights for pension provision. The greatest problems, which negatively affect labour mobility, are accommodation, language, partner residence and employment opportunities, return to homeland mechanisms, historical obstacles and recognition of experience acquired in another country.

We highlight existing obstacles to the employment of women, elderly persons, young disabled people and migrants, all of which hinder integrated growth. It is important to create conditions for successful worker career changes, attainment of appropriate/ relevant qualifications, and improvement of workplace quality, the reduction of structural unemployment, active integration, as well as adequate and sustainable social protection.

YEPP calls for:

- The elimination of legal and administrative obstacles to labour mobility and the modernisation review of employment, education and social security policies in regards to with the aim of strengthening labour mobility.
- The modernisation of the labour market. Modernising the labour market so as to reflect current market realities is an essential condition towards creating a growing and competitive common market, on a par with other dynamically growing economies.
- A modern labour market that embraces the principle of flexicurity. More flexible employment with fair social protection, according to the principle of flexible security, which ensures the social protection of workers and their incomes while it allows for flexible human resources management to the employer.
- The facilitation of access to quality jobs that offer a fair wage and social protection is fundamental to social stability and growth, including the wellbeing of the young and future generations.
- Participation in the labour market to be increased and structural unemployment to be reduced.
- Strengthening and professionalising the Public Employment Services, so that they have the resources and knowhow to be a dynamic conductor of the labour market.

2. Youth employment policies that ensure quality and sustainable working contracts and a comprehensive approach to education.

We live in a knowledge-based economy and we need a skilful workforce in line with, and in anticipation of, to labour market requirements, in particular with the technical and IT sectors.

Quality education, lifelong learning and vocational training are essential in helping young people acquire the theoretical and practical skills that are essential in a competitive and ever-changing labour market.

The performance of educational systems must improve at all levels. Young people should develop those skills that will enable them to be the innovative workforce that confidently responds to the challenges of our times. To increase youth employment it is essential to increase the percentage of young people participating in education, including vocational training.

YFPP recalls:

• that the development of new skills through vocational training can contribute to the reduction of early school leaving to under 10%, and vastly increases participation of young people to higher education.

YEPP calls for:

- Member States to develop assistance systems for young early school leavers, incentivise them to return to education, including alternative learning pathways, and provide them with professional guidance and further education until entering the world of labour.
- Linking education to the market needs. Europe's competitiveness goes hand in hand with its ability to invest in industries that can adapt to change and are sustainable over time.
- The promotion of a partnership between the education sector and the labour market, and the analysis of workforce demand trends to create educational programmes adapted to the requirements of local and regional labour markets.
- Heightened better cooperation between governments, the industry, and educational institutions so as to more effectively link educational curricula to the demands of the labour market.

- A comprehensive approach to education from elementary education, throughout higher education to lifelong learning or continuous vocational education and training (VET) that will allow young people to develop and apply research skills, creative thinking and digital skills.
- Increased cooperation between Member States and simplified procedures regarding recognition and standardization of academic titles, continuous education diplomas, and professional qualifications in order to allow young professionals access to all opportunities across the EU.

3. Facilitating integration of mobile workers

Differences in language and culture among nationals of different Member States are one of the largest barriers to mobility, and most difficult to overcome, at least in the short term.

Foreign language skills are important for mobility, even if they are not intrinsically part of the job description. They facilitate personal contacts between co-workers, and speed up integration. Several studies have pointed out that lack of proficiency in the native language is one of the main barriers to the integration of mobile workers, especially where an obligation for proficiency in the native language in order to access the job market is in place.

In 14 of the EU Member States, publicly funded language courses are made available free to EU nationals upon arrival.

YEPP calls on:

- The European Commission to push ahead with the 'mother tongue plus two foreign languages' objective and the European Benchmark of Language Competences Initiative.
- Strengthening and widening of the YourFirstEures job initiative that helps first time mobile young workers to integrate in the destination country.
- The private sector, if necessary, to facilitate mobility by providing mobile EU workers, upon arrival, with information on intercultural integration and with language courses that are free or cost a low fee, which could be reimbursed once a certain level of competence is certified.
- The European Commission to extend cross-border vocational training and other vocational training programmes that imply training in several countries, in order to familiarise young people with working in different EU Countries.

4. A response to welfare chauvinism

According to the EU treaties, discrimination of EU citizens based on nationality is prohibited.

Mobile EU workers have a higher probability of being hired compared to the host countries' citizens. Consequently they are contributing to the host country's social security and welfare system.

Therefore, welfare chauvinism, as understood by Eurosceptic and extreme-right parties, is not only against the fundamental values and freedoms of the EU, but also lacks a theoretical basis.

YEPP Calls on:

- All Member States efforts should be aimed at ensuring access to affordable quality healthcare and social security services for all mobile EU workers and their families.
- Member States to provide spouses and/or partners of mobile workers with affordable social security and facilitate their integration into their new social environment.

5. Portability of pension entitlements

Supplementary pension entitlements are rarely, if at all, portable across EU countries. In practice, this means that mobile workers risk losing part of acquired pension rights and may face long vesting periods to build up new rights. This is a strong disincentive to taking up work abroad.

Progress has been made with the adoption of Directive 2014/50/EU on "the minimum requirements for enhancing worker mobility between Member States, improving the acquisition and preservation of supplementary pension rights".

The Directive concerns only labour market pension schemes and thus not voluntary contributions made to individual pension schemes. Key measures include a maximum vesting period of three years and a minimum age of 21 from which contributions can be vested.

In addition, an employee leaving a job to move abroad is entitled to get the value of pension entitlements paid out.

YFPP calls for:

• Further portability of supplementary pension entitlements and the safeguarding of dormant pension rights (pension rights vested but without further accrual) in a fair manner, similar to active pension contributions.

6. The promotion of EURES and to ensure it is frequently updated so more citizens can avail of its network.

EURES is a valuable tool. However, it is not frequently updated and it is relatively unknown.

YEPP welcomes the implementation of the new EURES regulation.

YEPP calls for:

- Targeted efforts to effectively communicate EURES to citizens across Europe, so as to improve awareness about the network and make it more inclusive.
- Performance based assessment of all governmental policies and programmes, and recall that EU and government spending should focus on results.

7. How labour mobility affects 'departure countries'

While labour mobility is a growth driver for the EU economy, it may have a downside for countries going through economic recession.

As the most talented and qualified workers move abroad, economic recovery for such countries can become more complicated, mainly due to brain drain. In particular, brain drain tends to affect specific sectors of economic activity and pose problems of skilled labour shortage for eastern European and southern Member States.

Although the relative scale of loss of population that many eastern and central European countries have been facing since accession to the EU is worrying, the 'brain drain' phenomenon seems to be less widespread than some media reports suggest.

Policy measures to tackle the problem of brain drain have been introduced in some countries, while other countries are in the process of assessing the extent of the phenomenon and debating possible policy solutions.

To the short/medium term downside that labour mobility deprives countries of departure of their skilled workforce and their taxes and social contributions, the long term economic and societal benefits of returning mobile workers trained abroad have to be added into the equation.

YEPP recalls that:

- Fostering youth entrepreneurship, lifting unnecessary barriers and restrictions, and simplifying regulations for SMEs are the only means of creating quality jobs in countries going through economic recession and hence the sole way of inhibiting forced labour mobility.
- European Social Fund (ESF) should be allocated as a priority to Member States disproportionately feeling the effect of brain drain.

8. Cross border labour mobility

The importance of cross border labour mobility for economic growth and further EU labour market integration. One third of the EU population lives in a border region and more than 1 million EU citizens actually live in one country and work in another. Cross border labour mobility offers a better opportunity to match the supply and demand of adjacent regional labour markets.

For many years European institutions have tried to overcome these different obstacles by stimulating different cross border partnerships using the different types of EU funding.

The result today is that there is a proliferation of different overlapping initiatives operating in the same region like Eures Crossborder, Interreg and EGTC. Although the scope and goals of these initiatives differ, all try to detect and overcome the above mentioned problems regarding frontier work. Coordination between these partnerships is sometimes lacking or even non-existing.

YEPP calls on:

- The integration and consolidation of the existing cross border partnerships acting in the same region.
- One individual body to provide uniform and more reliable information and to work out joint solutions to mobility obstacles for frontier workers.
- More coherence with regard to the management of the European funds in relation to cross border projects. The same clear procedures and rules (registration, financial, audit) should apply despite the funding source.
- To keep the administrative burden for fund beneficiaries as low as possible in order to achieve a maximum impact of the implemented measures.