

EU Expansion and the Free Movement of Workers: Do Continued Restrictions Make Sense for Germany?

On 1 May 2004, eight Central and Eastern European states with a combined total population of approximately 75 million people joined the European Union (EU). Membership in the EU guarantees the citizens of these countries certain freedoms within the territories of other member states, including the right to move and reside freely, the right to establish and provide services and the right to take up employment. Immediately prior to the accession of the new states (referred to here as the EU8¹), concerns arose in some of the old member states (EU15)² regarding the number of potential immigrants that would arrive from the EU8 once they had been granted the freedom to move. Given the relatively low wages and standard of living in the EU8, it was predicted that a disproportionate number of people would move to the EU15 in the hope of earning a better living.

In response to fears in some member states that a 'flood' of cheap labour from the EU8 would lead to higher unemployment rates and falling wages, the EU added 'transitional arrangements' to the accession treaty signed by the new member states. These arrangements allow individual member states to restrict the free movement of workers³ from the EU8 for a period of up to seven years. Whereas the majority of EU15 states, including Germany, opted to restrict access to their labour markets, three member states – the United Kingdom, Ireland and Sweden – chose to open theirs to citizens of the new member states. Now that two years have passed since the restrictions were put in place, this policy brief will look at the number and characteristics of EU8 labour migrants who have taken up employment in the countries that chose to open their labour markets, placing particular emphasis on the United Kingdom. It will also consider the impact these migrants have had on the domestic economy and whether or not continued restrictions make sense for Germany.

The Transitional Arrangements: An Overview

For workers from a European Union member state, the freedom to look for and take up employment in another member state has existed since the founding of the European Community (EC) in 1957. Along with the free movement of capital, goods and services, the free movement of people has

played a central role in the EU's efforts to create a common market across all member states. However, the European Union included in the Treaty of Accession, in response to pressure from Germany and Austria prior to the signing of the document in 2003, a transitional period of up to seven years, during which member states could choose to exempt themselves from the law relating to free movement of workers. The following table shows the timeline set out for the transitional measures:

An Overview of the Transitional Period (2+3+2):	
Phase one: two years (May 2004 – April 2006)	In the first two years after accession, the free movement of workers does not apply to workers from the EU8 wishing to work in an EU15 state. Instead, pre-existing bilateral agreements continue to apply. Individual member states can, however, choose to introduce national laws that allow greater freedom of movement.
Phase two: three years (May 2006 – April 2009)	Before the end of phase one, member states that wish to continue applying restrictions must notify the European Commission of their intent. During phase two, any member state can decide at any time to abandon the restrictions and allow full freedom of movement for workers.
Phase three: two years (May 2009 – April 2011)	In principle, national measures restricting the access of EU8 workers to the labour markets in EU15 states should cease by 2009. EU15 states may, however, continue to apply them if there are serious disturbances or threats of the same to their labour markets. EU15 states that choose to allow the free movement of workers during this phase may resort to a 'safeguard clause' in the transitional agreement in order to suspend this free movement, if necessary. From May 2011 onwards, full freedom of movement will apply throughout the European Union.

During the first phase, eight of the EU15 countries, including Germany, chose to invoke the transitional measures to block the access of Central and Eastern European migrant workers to their labour markets and to keep pre-existing bilateral agreements in place. Austria, Italy, the Netherlands and Portugal did the same but introduced an additional quota system for labour migrants from the EU8 countries. Only the United Kingdom, Ireland and Sweden chose to allow EU8 nationals full access to their labour markets.

Why Were Transitional Arrangements Introduced?

The decision to restrict labour migration from the EU8 to the EU15 was more of a reaction to widespread public fears that a 'flood' of cheap labour would lead to higher unemployment than a decision based on sound economic analysis. In order to understand the economic rationale behind such fears, it is useful to look briefly at the simplified economic models that are sometimes used to substantiate this decision. Here it is also possible to see how such models fail to take into account

important factors affecting migration, which can lead to an overestimation of the number of anticipated migrants.

Free Movement of Workers and Economic Theory

Using very basic economic models, it is possible to argue – as some economists did prior to the EU enlargement – that the creation of a common market for labour, i.e. the elimination of barriers to the movement of workers between two countries, can have negative effects on certain parts of the population if the economic conditions in those countries vary greatly. For example: these models show that the comparatively high wages in one country will attract workers from another country that has relatively low wages. This, in turn, can lead to the lowering of wages through competition in the destination country or, if this is not possible, to an increase in unemployment due to the presence of more workers in the labour market than are employable. It was precisely this fear of lower wages and higher unemployment that was heightened by the media in many EU15 countries immediately prior to the accession of the EU8 countries.

In order to function properly on a theoretical level, however, such models make certain assumptions about labour migrants and labour markets that do not always hold true on a practical level. For example: it is presumed that labour migrants are primarily motivated by a desire for economic gain. But while higher wages may be attractive to labour migrants, social and cultural factors, as well as linguistic problems and difficulties in having educational qualifications recognized in other countries, often temper workers' willingness to leave their native countries. With regard to the labour market, it is assumed that native and migrant workers are interchangeable, i.e. that they are both qualified to do the same work and thus compete for the same jobs. However, in many economies, particularly in Western Europe, there is a shortage of particular skills that labour migrants may fill. In this case, labour migrant workers complement rather than compete with native workers, meaning that employment levels and wages are not necessarily negatively affected.

The evolution of living standards in the EU15 and EU8 will also affect the movement of workers in the future. Economic performance in the EU8 is already improving, which suggests that, in the course of time, there will be fewer economic incentives for workers to seek employment abroad. The more the standard of living in the EU8 converges with that in the EU15, the fewer workers will be inclined to leave their native countries. This development, among other factors, must be taken into account when predicting the future level of migration between the EU8 and the EU15.

Public Fears - A Question of Scale

In some EU15 countries, the high number of predicted immigrants raised fears among politicians and the general public that already high unemployment rates would rise further once 'cheap' labour flooded the market. In 2004, 75% of Germans surveyed expected unemployment to rise following the accession of the Central and Eastern European states; only 28% welcomed the expansion. In France, the 'Polish plumber'

became a symbol for a perceived threat to the national labour market due to EU expansion, a perception that helped fuel France's rejection of the EU Constitution in May 2005.

Attempts by economists and other researchers to predict the number of labour migrants from Central and Eastern Europe came to varying conclusions.⁴ Calculations based on econometric models predicted that 4-7% of the total population of the EU8 countries, or approximately 3-5 million people, would move to the EU15 to take up employment. Surveys focusing on willingness of EU8 residents to migrate to the EU15 concluded that 1-4% of the total population of the EU8 countries, or about 1-3 million people, would be willing to take up employment in the EU15. Depending on the scenario, these predictions would have meant an average annual migration of 200,000 workers a year or more from the EU8 to the EU15. However, the surveys emphasised that it was unclear how long any of these migrants were interested in remaining in the EU15; the vast majority expressed an interest in living and working abroad for a period of one to five years, while only a small minority expressed an interest in emigrating permanently.

A look at the southern enlargement of the EU suggested that a large inflow of labour migrants was not to be expected. Following the accession of Spain, Portugal and Greece to the EU in the 1980s, relatively little migration took place between the new and old member states; the number of migrants even declined slightly. It was argued, however, that the case of these countries was not comparable to the case of the EU8, as the wage difference between the latter and the EU15 was going to be much higher at the time of their accession than had been the case for Spain, Portugal or Greece.

In light of the number of Central and Eastern European labour migrants anticipated, Germany and Austria were particularly concerned that they would be the recipients of the majority of labour migrants from the EU8, given their geographical proximity to those countries; a proximity that was not there in the case of Spain, Portugal and Greece's accession to the EU. Fears surrounding this geographical proximity were increased by the fact that approximately 80% of the migrant workers arriving from Central and Eastern Europe since the fall of the Iron Curtain have chosen Germany or Austria as their destination.

Two years after accession, it is possible to examine the preliminary experiences of those EU15 countries that chose to allow the unrestricted free movement of workers and to ask whether it makes sense for Germany to continue to disallow it.

The Results Two Years after Enlargement: Preliminary Results

According to a report issued by the European Commission in February 2006 on the first phase of the transitional arrangements, the United Kingdom, Ireland and Sweden found that the free movement of workers from the EU8 had had a positive effect on their economies in general.⁵ Given the low number of EU8 migrants that have entered Sweden since May 2004⁶, the following analysis will concentrate on the United Kingdom and, to a more limited extent, Ireland.

How Many Migrant Workers Have Arrived From the EU8?

Available data in the United Kingdom and Ireland make it difficult to determine exactly how many migrant workers have arrived in those countries from the EU8 since May 2004. In order to monitor the employment activities of migrant workers from the EU8, the United Kingdom introduced the Worker Registration Scheme (WRS), with which workers from the EU8 are required to register within 30 days of entering employment. Between May 2004 and December 2005, 344,635 EU8 workers registered with the WRS. However, for several reasons, this figure cannot be taken as representative of the number of EU8 migrants entering the UK following accession. First, workers are required to register for each new job, which means that migrants who change jobs can be recorded multiple times in the WRS. Second, migrants are not required to deregister if they leave their job or the country. Third, once an EU8 worker has been legally employed for a period of 12 months, they are no longer required to register with the WRS. Finally, according to one UK report, 26% of workers registered with the WRS by December 2004 had reported being in the UK prior to accession, and a further 12% did not give details on their date of arrival.¹ This means that many people recorded in the WRS were living and/or working in the UK prior to accession and registered a change of job after 1 May 2004. And so, the total number of WRS registrations most likely overestimates the inflow of EU8 labour migrants following accession.

The number of EU8 migrants registered in the United Kingdom amounted to only 0.4% of the total working age population in the periods from May 2004 to September 2005. Contrary to predictions, the UK did not experience a sudden and uncontrollable influx of migrant labour from the new EU member states.

In Ireland, the number of Personal Public Service (PPS) Numbers issued has been used as an indicator of the numbers of labour migrants that have arrived from the EU8 following accession. Between May 2004 and November 2005, 160,853 PPS numbers were issued to people from the EU8. As with the WRS in the UK, however, these figures overestimate the number of actual labour migrants, as the numbers are also issued to accompanying family members for social security and health care purposes. Additionally, it is possible that a number of these migrants were present in Ireland prior to accession. From May to December 2004 the number of PPS numbers issued amounted to 1.9% of the working age population; this percentage rose to 3.8% from January to September 2005. Although Ireland has received the highest number of EU8 migrants proportional to its working age population since May 2004, the large number has to be seen as part of the significant rise in immigration that has taken place there since the mid-1990s⁸, and not only as a consequence of the country's application of the free movement of workers principle.

What Type of Labour Migrants Have Arrived From the EU8?

In terms of demographic characteristics, data show that labour migrants from the EU8 states are typically young and single. In the United Kingdom, 83% of the 344,635 workers who registered with the WRS between May 2004 and December 2005 were aged 18 to 34, and only 6% were accompanied by

their families. The majority came from Poland, Lithuania and Estonia.

The migrants hold a mixture of low-, moderate- and high-level qualifications. Notably, the United Kingdom and Ireland experienced an influx of dentists, nurses, doctors and other professionals. The report prepared by the European Commission on the first phase of the transitional arrangements examined the skill levels of EU8 nationals (plus those from Cyprus and Malta), in reference to the EU15 as a whole. It found that 57% of EU8 nationals in the EU15 in 2005 held medium-level qualifications⁹, a further 21% were considered low-skilled and 22% were considered highly-skilled. Therefore, according to the report, 79% of labour migrants from the EU8 states (plus Cyprus and Malta) belong to either the moderately- or highly-skilled category.

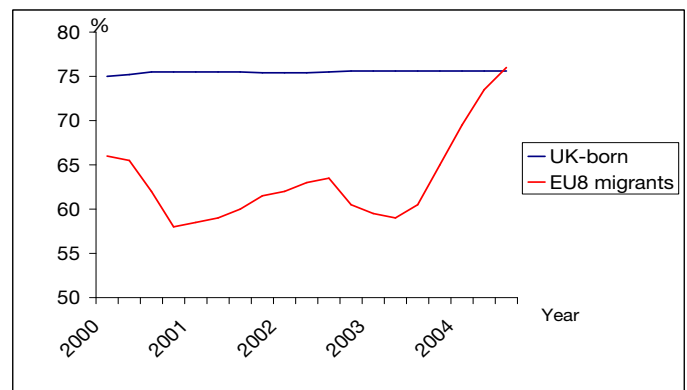
What Effect Have EU8 Labour Migrants Had on the Economy?

According to various analysts¹⁰ and the European Commission, EU8 labour migrants have had a positive economic impact in the United Kingdom and Ireland in general. Due to the greater availability of data on the effect of these migrants on the United Kingdom's economy, this section will concentrate on developments in that country. Of particular interest here is the effect this migration has had on employment rates and wages.

With regard to employment rates, there was a substantial increase in the employment level of EU8 workers following the introduction of free movement, and it has even surpassed the employment level of UK-born workers. The most significant aspect of these findings, however, is that this increase did not take place to the detriment of UK-born workers, whose employment rate has remained constant. Theoretically, this could be the result of EU8 migrants finding employment in sectors – such as agriculture, hospitality and administration – that have been experiencing labour shortages. It could also be the result of the types of qualifications and skills the EU8 migrants have brought with them (see above). According to the European Commission's report, the medium-level qualifications possessed by the majority of EU8 migrants are precisely the level of qualification most often lacking in EU15 countries, therefore; the new arrivals would tend to complement the UK-born workforce rather than compete for the same jobs.

Another explanation for the trend in employment rates

EU8 Migrant and UK-Born Employment Rates 2000-2004

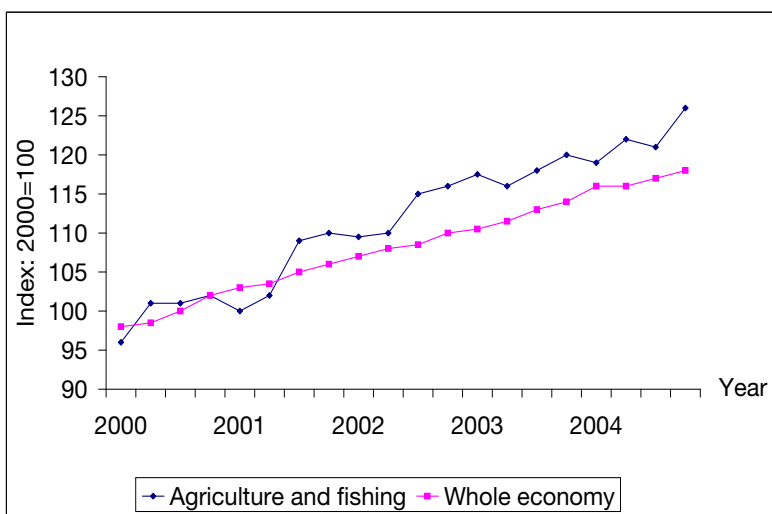


Source: Portes/French (2005).

could be the legalisation of formerly unofficial employment by EU8 migrants present in the United Kingdom before accession. Some migrants residing and working in the country prior to the enlargement may have taken advantage of their new status to register their employment activities with the authorities.

In the United Kingdom, average earnings have risen steadily, which runs contrary to fears that an influx of workers from the EU8 countries would lower wages due to increased competition. This is even observed in the agricultural sector, where a large number of these workers found employment. In theory, this could be due to the fact that young labour migrants in general – as the majority of EU8 migrants are – tend to be highly motivated. This may lead to higher productivity and, in

Average Earnings Index in the Agriculture and Fishing Industry and the Whole Economy



Source: Portes/French (2005).

turn, to higher wages. The rising wages may also be the result of increasing consumer demand from the migrant population itself.

Beyond these positive developments in employment levels and wages, the British government placed the net economic gain due to labour migration from the EU8 countries in the first eleven months after accession at approximately 500 million pounds.

Do Continued Restrictions Make Sense for Germany?

Despite the positive economic developments in the EU15 countries that chose to allow the free movement of workers, Germany has already announced its intention to keep restrictions in place, at least until the end of the second phase of the transitional period in 2009, if not until 2011. A statement issued by the Federal Ministry for Labour and Social Affairs lists several arguments in support of this decision.¹¹ First, it points out that Germany has a high overall unemployment rate: there were 5 million unemployed peoples registered in February 2006, which amounts to an unemployment rate of 12.2%. This rate is considerably higher in the eastern federal states, and

primarily low- and unqualified workers are affected by this unemployment. This fact, combined with the stated expectation that primarily low- or unqualified workers would arrive from the EU8 states, led the government to forecast increasing tension in the labour market and falling wages due to competition, should the free movement of workers be allowed. Second, pointing to Germany's geographical proximity to the EU8 countries, the government predicts a greater influx of migrant workers from the EU8 than has been the case in the United Kingdom, Ireland and Sweden. This is attributed to the assumption that, since it facilitates commuting, geographical proximity eliminates the greatest barriers to migration: separation from family, friends and familiar environment. Finally, it is argued in the statement that existing bilateral agreements with EU8 countries and Germany's new Immigration Act are effective tools for recruiting the right number of workers in the right sectors, in order to meet Germany's labour market needs.

With regard to the first argument, Germany's high unemployment rate and relatively rigid wages could indeed pose some difficulties in certain sectors, if the number of low-skilled EU8 workers increased dramatically within a short period of time. However, observations made thus far suggest that it is neither likely that the influx would be of an unmanageable magnitude nor probable that the majority of those arriving would be low-skilled. As pointed out in the European Commission's report, a large proportion of EU8 migrants who work in EU15 countries have medium- or high-level qualifications, both of which are sought after in countries like Germany.

Regardless of the number and qualifications of labour migrants, fears have been raised in Germany that a lack of opportunities on the labour market could lead migrants to make more demands on the social welfare system than contributions to the country's economy. However, access to welfare benefits by non-German citizens is already quite restricted, and Germany could follow the UK and Ireland in restricting EU8 migrants' access to benefits while allowing the free movement of workers. It should be noted, however, that benefits do not seem to be the main attraction for EU8 migrants in choosing a country of destination. Sweden, the only EU15 state to allow EU8 nationals unlimited access to its welfare system, has received far fewer migrants from these countries than either the UK or Ireland since May 2004.

As to the government's assumption that Germany's geographical proximity to the EU8 would heighten labour migration flows to an unacceptable degree, there are two reasons why a large influx of migrants would probably occur – if at all – only in the short term. First, while there may be large numbers of unemployed young people in Central and Eastern European countries at the moment, these countries have declining birth rates and will soon be confronted with demographic problems of their own. As the population of working age in these countries declines, so will unemployment and thus one reason for workers to seek employment abroad. Second, as time passes and the economic performance of Central and Eastern European countries converges with that of the EU15, the difference in wages – another important economic

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When it comes to discussion about labour migration to Germany from the EU8 countries, it is important to remember that the majority of EU8 migrants come from Poland. Poland's demographic potential notwithstanding (it accounts for more than half of the combined population of the EU8), only Polish migrants have succeeded in developing extensive and effective social networks in Germany, which have sustained and fostered a sizeable influx of Polish labour over the past 15 years.

It might therefore be interesting here to focus on some recent trends in Polish migration, particularly those emerging since May 1st, 2004.

According to Polish Labour Force Survey data, trends in labour migration from Poland tend to be closely linked to labour market developments in Poland. For instance, declining domestic unemployment in 1993-1998 was followed, approximately one year later, by a decline in the number of workers leaving Poland. Also, the rise in the outflow of workers observed since 2000 has been concomitant with the dramatic rise in unemployment that started in 1999.

Signals emitted by foreign labour markets are likely to be of secondary importance. The opening of the British, Irish and Swedish labour markets for EU8 nationals on May 1st, 2004 generated a modest, though short-lived, increase in the outflow of workers from Poland. After little more than a year, however, this trend was reversed, apparently in response to steady improvements in the Polish labour market since 2003, and despite the continued existence of favourable employment opportunities elsewhere. Taking these trends into account, whether Germany opens its labour market fully to Poles in two years or in five years might be of minor importance with regard to the potential impact on the inflow from Poland. In either situation the impact might be well below the expectations (or fears) voiced in Germany.

Another trend that is often overlooked is the gradual change of preference among migrant workers from Poland with regard to major destination countries. The above-mentioned increase in the outflow of labour observed since 2000 has resulted in rapidly growing migration to Britain, Italy and (since 2003) Ireland, and in decreasing migration to Germany and (since 2004) the USA. The share

of migrants heading to Germany, by far the most popular destination country for Poles in recent decades, has declined significantly. The most recent data suggest that Germany might have already lost its leading position as a host country for Polish migrants, or that it will soon share that position with Britain.

One factor that might help explain these trends is the change in age and education levels among migrants from Poland. Migrants are becoming younger and better educated, and more migrants are single than in preceding periods. They also have a wider range of destination countries to choose from. Therefore, young migrants do not necessarily prefer to enter the nearest attractive foreign labour market; rather, they prefer labour markets that offer the prospect of higher wages, opportunities for career advancement and a relatively open (if not inclusive) social and cultural environment. Better-educated Poles have tended not to be strongly attracted to Germany. Of the 700 000 permanent residents of Poland aged 15 or older who were temporary residents of foreign countries on May 20, 2002 (the date of the population census), 39% lived in Germany (and 2.4% in the United Kingdom). This proportion may be relatively high; however, when qualification levels are taken into consideration, only 20.6% of temporary residents with tertiary education diplomas lived in Germany (and 6% in the United Kingdom).

It might indeed be too late to debate strategies for ensuring that the German labour market is not cut off from the supply of high- or medium-skilled workers from Poland. For a great many of those workers, relatively stable patterns of migration have already been established. In the case of the young and better educated, the most common migration patterns do not seem to lead to Germany. One group of Polish migrants that will indisputably remain available to Germany is the bi-national (German-Polish) population; however, the level of education in that group of people is quite low, much lower than the average in Poland.

Further Reading

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push to migrate – will also decline. Add to this the personal barriers to migration mentioned above, and the option to stay and work in a familiar environment near family and friends will become even more attractive. Some studies predict that the population decrease in Central and Eastern Europe will begin affecting the supply of labour by 2010¹². Therefore, the longer Germany waits, the less likely it is that much-needed labour migrants will be available to help Germany combat its demographic problems and skills shortages.¹³

The government's prediction that the geographical proximity between Germany and the EU8 may lead to an increase in commuting or circular migration may very well hold true. However, there is reason to doubt the government's suggestion that this could have a negative effect on the German labour market. In general, circular migration involves the migrants in question maintaining ties, if not a residence, in their countries of origin. It follows that circular migration ensures a degree of flexibility in the labour markets in both the sending

and receiving countries.

Finally, there is reason to question the government's assertion that existing bilateral agreements and the new Immigration Act are effective enough tools for meeting Germany's immigration needs. In 2004, overall migration from Central and Eastern Europe to Germany sank to its lowest level since 1991. One of the aims of the Immigration Act, which took effect in January 2005, was to make Germany more attractive to highly-skilled migrants. However, this new legislation has not yet been particularly effective in attracting them.¹⁴ In addition to the United States, Canada and Australia, Germany is now competing with fellow European Union member states for the immigrants it needs to counter its demographic and skills shortages. If such migrants tend to seek employment now in countries with fewer entry and residence restrictions, networks may be built up which direct migrant flows to these countries long after Germany has decided to do more to attract them.

Conclusion

A look at the countries that chose to allow the free movement of workers from the EU8 immediately following accession shows that fears of large, unmanageable streams of low- or unqualified workers causing unemployment and wage decreases in the EU15 were unfounded. The number of EU8 workers seeking employment in the EU15 is lower than predicted; those who do come tend to bring with them a range of qualifications and skills that are lacking throughout the EU15. In light of these developments, the European Commission recommended in its report that the other EU15 states abandon the transitional arrangements and apply the free movement of workers principle in full.

Having restricted the free movement of workers in the first phase of the transitional arrangements, Spain, Portugal, Greece and Finland have abandoned these restrictions in the second phase¹⁵, in the hopes of enjoying the same economic benefits that the United Kingdom, Ireland and Sweden have over the past two years. This is not the case for Germany, which will keep restrictions in place until 2009, if not until 2011.

This policy brief has provided some counterarguments to the reasons given by Germany for continuing to restrict the free movement of workers from the EU8. This is not to say that Germany's labour market and welfare system are currently in a condition to derive maximum benefits from increased labour migration. However, EU8 nationals will eventually gain unrestricted access to the German labour market; the faster Germany carries out further reforms, the sooner it will be able to profit even more from this round of EU expansion and the one planned for Romania and Bulgaria in the near future. Furthermore, consideration has to be given to the way in which EU8 migrants can be integrated in the state welfare system without raising costs and, in turn, public resentment.

Under current labour market conditions, it is quite possible that Germany would not be able to profit as much from free

movement in the short term as Great Britain and Ireland, with their more flexible labour markets, have. The time during which the transitional arrangements are in place could be used to introduce economic reforms. However, if Germany fails to attract highly qualified workers in the near future, it may risk losing potential long-term economic and demographic gains. The longer the country waits to allow free movement, the more likely it is to lose Central and Eastern Europe as a source of young, motivated and often qualified workers whose presence is needed to combat economic sclerosis and the effects of an aging workforce. With Bulgaria and Romania set to join the European Union in January 2007, the EU15 could yet benefit from an influx of young workers. However, given the political climate in Germany and the fact that the country will be able to make use of the same 2+3+2 transitional arrangements written into Bulgaria and Romania's accession treaty, it remains to be seen if workers from Central and Eastern Europe will come to be perceived as an enrichment, instead of a threat.

Footnotes

- 1 The EU8 states include the Czech Republic, Poland, Slovakia, Hungary, Estonia, Latvia, Lithuania and Slovenia. The citizens of the other two acceding states – Malta and Cyprus – were granted full freedom of movement because of the countries' small size and relative economic strength.
- 2 The term 'EU15' will be used throughout to denote those states that were EU members prior to May 1, 2004. These include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.
- 3 This restriction applies to the free movement of workers and not to the free movement of self-employed persons, students, pensioners or non-active persons, as these groups are covered by other provisions, which will not be addressed in this policy brief.
- 4 For an overview of several such predictions see Fassmann and Münz (2002).
- 5 See European Commission (2006).
- 6 The data contained in the European Commission's report places the number of EU-10 (EU8 plus Cyprus and Malta) migrants that entered Sweden from May to December 2004 at 3,514, or 0.1% of the working age population (WAP) aged 15-64. See European Commission (2006).
- 7 See Portes and French (2005).
- 8 The number of work permits issued to non-Irish migrant workers rose from less than 6,000 in 1999 to approximately 50,000 in 2003. For an overview of recent immigration to Ireland see Ruhs (2004).
- 9 According to the report, medium-level qualifications "include upper secondary education and specialised vocational training." See European Commission (2006).
- 10 See for example Home Office (2005), Portes and French (2005) and Traser (2005).
- 11 See Federal Ministry for Labour and Social Affairs (2006).
- 12 See Fassmann/Münz (2002).
- 13 For a detailed description of Germany's demographic problems and skills shortages see "focus Migration" Policy Brief #2 'Does Germany need Labour Migration?' <http://www.focus-migration.de/dokumente/policy-brief/PB02%20-%20Labourmigration.pdf>
- 14 Estimates circulated in the media place the number of people who received residence permits under the new provisions for highly-skilled workers in 2005 at only 900.
- 15 France has announced its intention to lift restrictions gradually in certain sectors. The Netherlands has postponed its decision on opening the labour market until the end of 2006.

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