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Building the future of work together

Making Smart Moves – how to capitalise on the benefits of labour mobility

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Labour mobility and legal migration have the potential to contribute to more dynamic and inclusive labour markets if mobility and migration policies are based on a demand-driven approach and balance the needs of sending and receiving countries. A focus on compliance and enforcement is important for well-managed work mobility policies to protect workers.

Labour mobility and the freedom to move and work in other EU Member States have been fundamental principles of the European integration process. At the same time, Labour mobility and legal migration are gaining importance at a global level, as employers around the world are confronted with rising skills and labour shortages and many industries are globalising. While labour mobility and legal migration are thus becoming an economic necessity, public debate at global and European level is still too often dominated by focusing on their challenges and problems.

The World Employment Confederation-Europe has recently developed some thinking on well-managed labour mobility and legal migration. The following elements are essential to achieve good labour market outcomes for companies, workers and society.

Firstly, labour mobility and legal migration must be based on an appropriate and fair legal framework. Private employment services - and the agency work industry in particular - are an essential pathway for mobility in the EU. Within certain limits and in accordance with national law, the agency work industry as a service provider on European labour markets is serving both companies and workers in the cross-border mobility of workers, offering employment opportunities to EU citizens who are living and working in an EU Member State other than their country of origin. The European Union provides a good example here with the basic freedom to provide services and the free movement of workers, combined with a comprehensive regulatory framework protecting mobile and migrant workers.

The private employment services industry fully supports existing EU instruments such as the Posting of Workers Directive, the Regulation on the Coordination of Social Security, and the Directives on legal migration. Besides an appropriate legal framework, it is equally essential to ensure compliance

and enforcement. Here, cooperation between EU Member States is necessary, and European organisations such as the European Labour Authority also play an increasingly important role. In addition to appropriate regulation and compliance, transparency and access to information linked to labour mobility are essential elements to work on. In the context of the posting of workers, and cross-border mobility in providing a service, the single national websites on the posting of workers are essential tools. The information they provide should be further improved and regularly updated - especially regarding the mobility of temporary agency workers.

Evidence from global organisations and European institutions shows that improved labour mobility can contribute to addressing labour and skills shortages in Europe and worldwide. In this context, it is essential to reach a balance between the interests and economic needs of “sending” and “receiving” countries. Wage differentials between Eastern European and Western European countries have been an essential factor driving labour mobility since the 2004 EU enlargement. Still, in a longer-term perspective, this risk being detrimental to the economic development of the “sending” countries. Therefore, labour mobility based on skills and the labour market needs to be well managed and consider both short-term and long-term labour market needs. Looking at the necessity for economic migration in Germany, one of Europe’s largest economies, the research institute of the German public employment service (IAB) has calculated that Germany needs a net yearly immigration of 400.000 people to keep up the current level of labour supply and meet labour market needs. The main reason for needing economic migration is skills and labour shortages, and the most affected economic sectors are IT, care services and the crafts sector.

Within the labour market ecosystems, many actors should work together to reach better labour market outcomes through mobility. These include a close dialogue and exchange between employers and public authorities on the economic needs and benefits of mobility, as well as capitalising on the private employment services industry's role in enabling geographical, occupational, and social mobility in Europe.

In several European countries the private employment services industry has developed innovative practices which are fostering labour mobility, such as labour mobility job fairs and discussions and cooperation with public employment services through mobility centres and in the context of the EU EURES mobility scheme. Labour mobility and legal migration are also important topics in the sectoral social dialogue on temporary agency work. In The Netherlands, the sectoral social partners for temporary agency work have included provisions on labour mobility and access to housing for migrant workers in the collective labour agreement of the agency work sector.

At European level, since the establishment of the European Labour Authority, the World Employment Confederation-Europe has been actively involved in sharing good practices on labour mobility in working towards solutions that, on the one hand, capitalise on the benefits of mobility while at the same time ensuring the protection of mobile workers through compliance with and enforcement of existing EU rules. All these activities contribute to “making smart moves” and fostering fair and rules-based labour mobility and legal migration.

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