

## VIEWPOINTS TO LABOUR MOBILITY DEVELOPMENT

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### **Abstract**

*The goal of the paper is to provide viewpoints to labour mobility development in the Western Balkans and in Macedonia in particular, since it would be one of the advantages of joining the European Union. The EU integration process of the Western Balkans opens up new dimensions for labour mobility in the long run in two aspects. One is the possibility of revitalization of the earlier notion of “intra mobility” of Yugoslavia, especially since there are small language barriers among the successor countries. Once the candidate countries become part of the Community, these new borders will naturally be brought down once again. The broader possibility and a special added value of joining the European Union would be the free access to the labour market of EC countries. The landlocked country of Macedonia could be in a very advantageous position in the long run, being surrounded by practically either existing members of the EU, or candidate countries. It lies at the junction of important communication routes, and has a long history of migration. Europe’s historically established migrations patterns – from the east towards the west and from the south to the north – suggest that the country, at least in the short and middle run, will benefit from the free mobility of workers. There have been development projects related to labour mobility. One has been carried out by the International Organization for Migration (IOM), establishing migration centres in Macedonia, as well as an EU Twinning project supporting capacity building regarding preparations for the free movement of workers. Mobility can offer employment possibilities and opportunities for a great number of jobseekers, and through transfer of capital and know-how, returning skilled labour force and business ties can boost the economy and the domestic labour market. There are however obstacles to the free movement, and national policies can have a great role in overcoming these difficulties, ranging from regional infrastructure policies to narrowing the information gaps by guidance networks up to targeted mobility schemes all aiming at mobility becoming a reality. Public Employment Services have a crucial role in facilitating of all relevant players in the field in order to create an environment where mobility becomes a natural phenomenon and disadvantages are reduced to a minimum. Based on the experiences of the EU countries, development of labour*

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*mobility provides a lot of advantages as regards raising of employment levels, and the growing competition for skilled workers calls for a systematic strategy. This paper aims to enlist the most typical barriers to mobility and take into account the latest trends and methods in mobility development. In order to overcome the barriers to mobility (classified herein as information, financial and administrative gaps), Public Employment Services should at best develop their Lifelong Guidance systems (including mobility questions), and complex financial solutions “mobility schemes”.*

**Keywords:** *labour mobility, barriers to mobility, employment possibilities*

*JEL Classification: J60, J61, J62, J68*

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## **Introduction**

### *Policy developments*

Since the Council of Europe decided in December 2005 to grant the country candidate status, much has been achieved in adopting the relevant *acquis* of the EU. However, as the 2014 progress report (European Commission, p. 23.) points out: “Some progress has been made in the area of freedom of movement for workers”. The country has been implementing measures developing support systems helping migrant workers, i.e. an IOM project establishing Migration Centres, and a twinning project aiming at strengthening capacity building as regards social security co-ordination and the preparation for the free movement of workers and the initiation of the EURES system.

### *Basic factors supporting migration*

The labour force is skilled on a general level, 18 % having tertiary education (European Commission, Country Report, p. 20). However, as a result of labour market mismatches, one quarter is unemployed, since most jobs have been created in occupations with lower skills levels. The knowledge of the English language is quite widespread, especially among younger generation. Besides English and the “Balkan languages”, German, Italian, and Russian are the most widely spoken. 65% of the households had internet access in 2013, and there are around 1 million facebook profiles in use in the country.

As regards infrastructural possibilities, the country lies at the junction of 2 great routes, the E75 north-south corridor (Vardø-Sitia), connecting the country with Serbia and Greece, and the highway connecting Tirana and Sofia. In respect of air travel, Skopje and Ohrid have international airports.

### *Labour mobility*

There is a well established history of labour mobility, partly connected to the

Yugoslavian era, when working in another member country was an absolute natural phenomenon. The other reason was a relatively large outflow of people to Australia and the US, especially after the 90's. Based on the World Bank's surveys, up to 450.000 people are estimated to have left the country (World Bank, Bilateral Migration and Remittances, 2010). Besides this, based on the experiences of the Employment Service Agency, Macedonians' favorite destinations are Germany, Italy (in seasonal agricultural jobs) and Montenegro (in construction). There are 2 administrative factors as well supporting the outward migration. Following the visa liberalization with EU countries, Macedonian citizens can travel around in the European Union and some of them choose not to return after 3 months. Another phenomenon is that with Bulgaria joining the EU, the number of Macedonians holding a Bulgarian passport has increased, enabling them to access the European labour market without limitations (let alone transitional periods towards Bulgaria).

## Literature review

There is a high number of sources available on the topic, and since it is a global phenomenon, it may be useful to have a global and closer outlook on EU and regional level. Besides this, Hungarian experiences can also be valuable, having gone through a similar process not very long ago.

### *Global*

On a global level it seems certain that migration will increase in the global labour market, at least this is what is suggested by the study ordered by the US government (*Global trends – 2025- a transformed world*, p. 23.): “Europe will continue to attract migrants from younger, less developed, and faster growing African and Asian regions nearby. However, other emerging centers of industrialization—China and southern India and possibly Turkey and Iran — could attract some of this labor migration as growth among their working-age populations slows and wages rise”.

IOM (International Office for Migration), as a global actor also pays attention to migration on a global level, and produces evaluation papers with closer look at the South-East Europe region as well (IOM, 2014). This is done as part of the phenomenon of migration as such, be it of legal or illegal nature, forced and voluntary, employment, educational, business etc. motivated.

Wapes (World association of Public Employment Services), of which Macedonia is also a member, deals with the phenomenon of migration, dedicating webinars to the topic, and Wapes has also been co-operating with the Global Migration Group in order to share its best practices in supporting migration.

### *European Union*

Most of the relevant literature is connected to EU 2020 and the EURES reform Since

EU 2020 aims at a “job reach recovery” within the Employment package, the primary aim of the network is identified as supporting job placement (European Commission, Reforming EURES to meet the goals of Europe 2020”, 2012. p. 4.). Having around 1,5 million vacancies officially published on the EURES website is a great source for raising employment levels, and the network has a great role in filling the gap between employers and jobseekers. Another major change is that the EURES services, established by the new regulation (2012) are not exclusively provided by Public Employment Services. Private recruitment agencies and other partners will also have this option, provided they meet the requirements prescribed in the service catalogues. The use of market actors may boost this process, and the consequences are only clearly visible in the future.

Another invention in the future will be what is called (and implemented as pilot projects at the moment) “targeted mobility schemes”, e.g. Your First EURES job, that aims to fill in the gap as regards complex questions of financing mobility (cost of specific training like language, induction, cultural awareness, travel costs, housing etc.).

An important conceptual framework is the “Public Employment Services’ contribution to EU 2020”, initiated by Synerjob, that suggest PESs should play a leading role among the labour market actors (Synerjob, 2010. p.1.). Given the complexity of the question of mobility, this question becomes just as important, in order to make a bridge between social partners, the world of education and work, and in particular to initiate co-operation with regional development actors.

According to Eurobarometer surveys (Standard Eurobarometer 82), for EU citizens the most important issue is the question of unemployment, whereas the most visited part of the Europa portal is the EURES (eures.europa.eu) webpage, and therefore mobility is very much already part of the citizen’s perception.

### *Broader regional*

There is a co-operation among South-Eastern European countries as regards employment issues CPESSEC – Centre of Public Employment Services of Southeast European Countries, which has already applied projects aiming at the management and support of migration in the region (CPESSEC: Capacity Building, Information and Awareness Raising towards Promoting Orderly Migration in the Western Balkans; 2008-2010), (CPESSEC: Support to National Efforts for Promotion of Youth Employment and Migration Management 2009-2012).

### *Hungarian experiences*

Hungary, being a member of the European Union and therefore of the EURES network has gained first hand experiences as regards international, cross-border and interregional mobility, starting from similar situation, in both cultural and economic terms. The country, behind the iron curtain and between the East and West gradually entered the free labour market through a relatively long learning process including gradual steps (quotas, bilateral agreements, employment pacts etc.), during which

vast knowledge transfer took place with countries that were already members of the European Union. Within a decade after the joining EU the country has developed its guidance system, organized recruitment campaigns, international job fairs, opened up 2 official cross-border partnerships and hosted events connected to the Presidency of the Council of the EU. This learning process can be especially valuable when preparing to become part of the free movement of workers.

## **Methodology**

The base for the methodology used on the topics, given the complex and holistic nature, is restricted to a broad review of recent policy papers of the EU and other international organizations, sharing the 11 years of experience of Hungary as a member of the EURES network, and the Hungarian review of mobility obstacles. Since migration can be very well observed among different countries in a common free market, consideration will largely be given to the free mobility of workers in the EU. However, since economic migration is on the rise in most parts of the world, a broader international outlook is also necessary.

Since the right to free mobility of workers does not apply yet to the country, little systematic data collection has been made, and therefore only estimation can be made based on previous experiences among EU Member States and migration patterns in Macedonia. Further research is needed in order to explore the general willingness towards mobility, the possible barriers to mobility and the anticipated cross-border migration at all border areas.

The paper aims to collect evidence of positive effects for labor mobility, barriers to it and possible resolutions from the latest policy documents on the topic, with special emphasis on the EU, and to provide a synthesis of viewpoints to create a starting ground for future labour market development.

## **Results and findings**

### *Why mobility*

There is a rather broad agreement among experts that labour mobility advantages far outnumber any possible disadvantages. In many Member States of the EU however, especially in the period following the financial crisis, views of labour market protection against the free movement of workers have strengthened. As the previous EU Commissioner for Employment, Social Policy and Integration, Mr. László Andor has explained in his apology *Labour Mobility in the European Union* – (Andor, University of Bristol, 2014.), mobility has had very advantageous effects in the receiving countries and among sending countries as well. Regardless of disputes, the aim of supporting mobility is to raise employment levels in the whole territory of the EU, and to develop the relatively low percentage of migrant workers (around 3, 5-4) in the EU as compared to the US with its 7 percent, for example.

Results and findings will touch upon what kind of obstacles can be identified as the most typical to migration and what kind of solutions, tools, best practices have been used in identifying them, and what could be the most important points for intervention in the area.

### *Barriers to mobility*

A study created by EURES Hungary in 2008 has addressed barriers, which, based on the 4 years experiences after the joining to the European Union, have been mentioned by most jobseekers. Results were presented at a conference in Mannheim (Király, 2008.) Some remarkable barriers to mobility are clearly shown in the study, and they need to be taken in consideration regarding labour market development.

According to the findings, the biggest problem that jobseekers encounter is the lack of knowledge of a foreign language. Many of them at an early stage of job search hope that very some command of a foreign language, or only English, will be enough. Experience shows that on the one hand they are expected to speak the local language, and with quite a range of language skills to be covered from the very beginning (induction trainings, job safety instructions, shopping, finding accommodation, opening a bank account, applying for social security registration and benefits). Employers have high expectations - they do not want to be bothered most of the time and they expect to get high quality employees. Recruitment exercises for example between Hungary and the UK have shown when they would search for “basic English knowledge”, the level would be perceived, especially oral production as upper-intermediate among the jobseekers.

An interesting outcome was that the lack of start-up capital has been mentioned also by almost one third of the respondents. This is due to the low wage levels experienced in sending counties, since around the amount of 3-6 months' salary reserves might be needed for a successful job application abroad, taking into account the job research process. This includes, among many other costs, pre-financing of travel costs, (1+2 months tuition, rental costs of a flat, intensive job search for covering costs for transportation and communication etc.). In addition, the lack of information for prices at the local market also makes life more expensive, since it takes time to explore the possibilities in the destination country. There is also another factor that might cause a security risk: migrants at all times (including the moment they embark on their new adventure) should have sufficient funds to return home. Adding all this together, a sum might be needed that cannot be financed with previous low-paid incomes. The possibility to export jobseekers' allowance, though being a great achievement on the European labour market, does not allow jobseekers with lower benefits to search for a job in another Member state where price levels are higher. Part of the question is finding suitable housing, since many jobseekers have family origins respecting own housing, while because of the prices it is almost impossible to broker a real estate property of the same value in another country with generally higher price levels.

Another important group of obstacles refers to whether and how the jobseeker is leaving behind his social ties and establishes new ones, while maintaining the existing ones,

i.e. the question of integration. A lot of insecurity comes from the fact that people are by and large afraid of losing their connections, the feeling of being close and having a home, and therefore in most cases they have to make compromises. However, if they are moving their family members and practically their whole life, and the centre of their vital interests becomes the destination country, they need to integrate. This question is greatly connected to the sustainability of recruitment, since in many cases migrants decide to return to their country of origin, sometimes accepting worse conditions. Reasons can include situations when they cannot find a suitable workplace for the spouse, or suitable kindergarten for the children – whereas language plays an equally important role for them as well. This question is clearly shown on the reverse side when the mobile worker establishes a family in the destination country, decreasing the chances for a return to the “home” country, since in many ways it is already the new world where the family is integrated, where social ties are strengthened through work and new friendships are born. A job abroad can also become a part of growing up and starting one’s own life. At the beginning it can be extremely scary when one can rely only on him/herself, but after the first problems would solve the real taste of being able to manage alone, it can provide a boost to overcoming further barriers.

A set of questions is connected to administrative systems and living and working conditions. The legal system and the unwritten rules as well as the cultural differences and embeddedness of the hosting country may give rise to immense difficulties for those taking the challenge to work in another county. The list can be practically ever growing, but most typical fields cover registration procedures (visa, work permit, residence permit, living place registration etc.), recognition of qualifications and diplomas, paying taxes and social contributions, creation of employment status – e.g. work contract and disputes, opening a bank account, differences in the workplace (official and casual style, CV formats, hierarchy etc.), all creating difficult and frustrating - or sometimes funny situations. This information gap can practically stretch across the whole life, from where to buy stamps and bus tickets through to driving style differences and up to what kind of TV shows are watched by colleagues, so that one can have a topic for a small talk during the coffee break. To understand the extensive totality of life in another country can be a lifelong learning process.

Difficulties regarding return may be of several types. One type of anxiety is connected to a possible failure to achieve the objectives, e.g. lack of suitable work opportunities or career possibilities in the long run, discrimination, higher living costs than expected, huge differences in climate, terrain, completely different work cultures, symptoms of homesickness (missing friends, family members, meals, jokes etc.).

The problems connected to repatriation can mean equally huge pressure on the breadwinner(s) of the family. The more time is spent abroad, the easier it is to lose ties with the domestic labour market and work cultures. In many ways, returning home can only be compared to the difficulties of finding a job abroad. Therefore Public Employment Services have a crucial role in addressing the needs and developing the services toward returning migrant.

Though most of the questions concentrate on the difficulties and effects on the

receiving country, sending countries may also encounter problems connected to labour migration. Naturally, one of them is the effect of brain drain, and labour market imbalances, connected to the decreasing labour force. This should be avoided from the very beginning and dealt with systematically, where the possibilities for return migration are built in the system in order that the sending country can also benefit from the higher employability and inflow of know-how into the country.

### *Tools and directions to the development of mobility*

As an experience of the post-crisis period, Public Employment Services are key actors in all situation aiming at combating unemployment and raising employment levels. Part of the picture is the support to mobility, since filling in vacancies through the transparency of the labour market raises employment levels in total.

### Development of counseling and information provision services

Labour market institutions, especially Public Employment Services have a crucial role in providing information services, since the knowledge about a labour market abroad is limited as compared to one's own. They need information about not only the labour market ("where are the jobs and the future employees"), but also about living and working conditions in another country (social security, taxation, car registration, how to rent a flat etc.). This is however part of a broad picture, clients need advice throughout their whole careers, and therefore it is at best that this procedure be a part of a broader concept, lifelong guidance. In this respect, mobile workers are considered as one way of transition throughout their careers, albeit a job-to-job mobility, or a start of a career immediately, or maybe after becoming unemployed seeking for opportunities abroad.

### Financial support to LM actors

One clear finding is connected to the lack of capital with which to start. This is a general phenomenon connected to the unemployed status, and that's why benefits and subsidies play such an important role. However, for mobile jobseekers this can be even more striking, since most types of costs show a huge difference in the destination country, meaning an extra burden on the unemployed person. Therefore, it is best that PES can design measures aiming at overcoming these obstacles (training costs, especially language, vocational, training, induction and cultural awareness trainings, costs of travel to destination country, job search connected costs, e.g. local travel and communication, costs related to the integration of family, housing, etc.). These costs for the persons can be reduced either by subsidies, or techniques decreasing costs (e.g. offering recruitments through video conferences, organized travel etc.). PES has a crucial role in designing these stand alone measures, or using the possibilities of targeted mobility schemes regardless of the funding mechanisms.

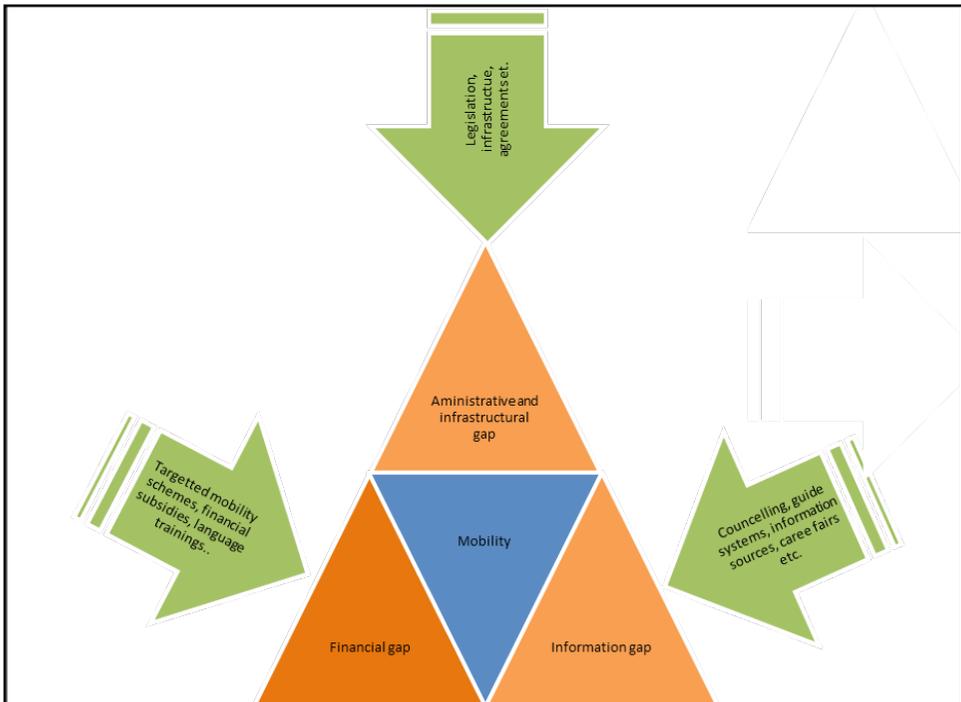
## Building the bridge as regards administrative and infrastructural systems

Mobility by its nature is connected to a lot of interdisciplinary fields, many of which are positioned in completely different responsible bodies, ministries etc. By definition, it's a labour market issue, but it is connected (only to name a few) to:

*education* (because of the transition from education to work), *social issues* (regarding social security co-ordination), *economy* (support to enterprises), *youth issues* (since the main target group is the young jobseekers), *regional development* (as connected to infrastructure enabling mobility – roads, bridges, railways, border crossings, roaming prices, commuting services), *administration issues* (residence permit, opening a bank account, tax number, shopping discount cards etc.), *foreign affairs* (citizenship, visa questions etc.), *bodies connected to defending rights*, e.g. labour inspection, police, court, trade union etc. (forced labour, prostitution, recruitment to non-existent jobs, fraud etc.).

As we can see, since PES have to play a leading role for all stakeholders, it has to regularly check the possible barriers to mobility, and take other bodies on board in order to reach out the needs of the labour market, lobbying for a new regulation connected to work permits, a new coach line supporting the workers to cross the border or a partnership with another body to defend workers' rights. Taking into account the aforementioned 3 main categories, the following structure and resolution techniques are suggested:

### Intervention logic supporting mobility



## **Conclusion**

As we have seen, Europe, and therefore Macedonia as well will be exposed to increasing international trends of mobility. The country will have to face a great number of outward migration, and at the same time there will be a growing need for skilled laborers.

Therefore national policies need to be adapted to the changes, and well functioning strategies need to be developed in order to properly sustain the change management. In order to respond to the needs in an appropriate fashion, the development of capable counseling services is inevitable. For this, a good base already exists (Migration Centers in regional offices), that needs to be further developed. Co-operation among relevant Ministries and organizations needs to be strengthened also for incoming businesses and migrant workers, in which the Public Employment Service has a great role based on European examples.

For the sake of a smooth transition and in order to gain firsthand experience for further developments, bilateral agreements and other arrangements supporting the reduction of administrative barriers can be very good tools in overcoming obstacles. As a preparatory phase, besides social security coordination and co-operation agreements, schemes enabling an easy access to EU labour market with a handful of countries (seasonal employment agreements, guest work agreements, quotas, apprenticeship schemes etc.) can be a very good learning process for the country in managing greater flows of migrant workers.

Naturally enough, European and other international funding can be of paramount importance in this question, and therefore the role of pre-accession funding is unquestionable.

Another exciting issue is the question of cross-border activities, since the country has very sound prospects as regards migration across the borders, especially in the regions where language problems do not exist or are only minimal.

Further to the questions of international and national migrations, the question of brain-drain has to be taken into account as well, therefore support to return migration should be built into the system from the very beginning, as an addition to support the economy attracting skilled labour force, since it will pay off on the long run.

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