



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 28 September 2012

14323/12

SOC 783

NOTE

from: Presidency
to: Delegations

Subject: Labour Mobility - Towards a European Labour Market
(Lunch debate at the EPSCO Council - 4 October 2012)

Delegations will find attached a note prepared by the Presidency in view of the discussion during lunch at the EPSCO Council on 4 October 2012.

Background note from the Presidency

LABOUR MOBILITY – TOWARDS A EUROPEAN LABOUR MARKET

Lunch debate

Free movement of workers is a fundamental principle of the Treaty and one of the most important freedoms guaranteed by Community law. Mobility of workers is essential for achieving an effective internal market, a competitive EU economy, dynamic labour markets, efficient matching of jobseekers to jobs and of employers to skills. Labour mobility is also important in view of the demographic ageing and its impact on the overall EU workforce numbers. The Europe 2020 Strategy puts particular emphasis on promoting labour mobility, both domestic and migrant, for addressing labour and skills shortages and rendering the EU workforce more adaptable to change. The Union should be able, in the future, to quickly respond to the emerging new demands from the most competitive parts of the economy.

The principle of free movement of workers has developed constantly over the years and cross-border labour mobility in the EU has increased significantly in the last decade due to the flows fostered by the 2004 and 2007 enlargements. The number of EU citizens living in a Member State other than their own increased by 5 million between the end of 2003 and the end of 2010 (from 7.7 to 12.7 million); nevertheless, only 2.8 % of the EU working age citizens (15-64) live in a Member State different from the one of their nationality.

The current legal framework for free movement of workers is substantive. Proposals in areas such as the mutual recognition of professional qualifications, the portability of pensions or the future of the EURES portal are designed to improve it further by providing for more incentives for cross-border labour mobility.

Labour mobility is a multidimensional issue and as such, the promotion of policies that facilitate free movement of workers should tackle the issue with a more integrated approach. There are many factors. One aspect concerns the big gaps currently existing between EU countries and regions in terms of unemployment rates and job vacancy rates but also between Member States in terms of the numbers of EU workers they receive.

Another aspect to consider is that freedom of movement is a right and as such labour mobility should be a voluntary decision of the worker in order to further enhance their employment opportunities and career prospects.

A growing concern for many Member States is the issue of social security and social assistance rights in relation to labour mobility. The EU has worked hard towards the coordination of social security systems so that people can move within Europe without losing their social security rights.

In order for this coordination to adequately support freedom of movement, it is important to take into account the new perspectives and trends of labour mobility that are constantly emerging and to effectively address concerns related to the abuse of social benefits.

Also, the effort to foster labour mobility between Member States should ensure that this mobility is done in a way that respects the free movement principles and does not create phenomena of unfair competition, exploitation of workers and poor working conditions as well as imbalances in national labour markets.

The Presidency suggests that Ministers express their views on the action to be taken to promote labour mobility with a view to creating a fair and genuine European labour market, taking into account, at least for the short-term action, the current difference in Member States due to the effects of the economic crisis.

The following questions could serve as a basis for the discussion:

- 1. Besides the initiatives concerning EURES, the mutual recognition of qualifications and the portability of pensions, what other actions could be taken at EU level to foster quality labour mobility between Member States?**
- 2. Which innovative measures/mechanisms/services/incentives/campaigns at national level can best help to boost cross-border labour mobility with the aim of attaining the Europe 2020 targets and objectives?**

- 3. How to promote and enhance mechanisms for the effective implementation of the principle of equal treatment for EU workers and members of their families exercising their right to free movement? What are the main obstacles to it?**
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