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## **NOTE**

From:	General Secretariat of the Council
To:	Delegations
Subject:	Transitional arrangements regarding the free movement of workers from Croatia
	Information from the Commission

Delegations will find attached the information note from the Commission on the subject under the reference, with a view to the meeting of the EPSCO Council on 21 June 2018 (Any Other Business item).

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## **Information note from the European Commission services**

## on the state of play concerning the transitional arrangements regarding free movement of Croatian workers

Free movement of workers is a fundamental freedom of Union citizens and a key element in the development of a genuine Union labour market. This freedom gives every Union citizen, irrespective of his or her place of residence, the right to move freely to another Member State in order to work there and/ or reside there for that purpose.

Under the Act of Accession of Croatia of 2011<sup>1</sup> Member States may apply national measures regulating access to their labour market by Croatian nationals during a transitional period of a maximum of seven years. The overall transitional period is divided into three distinct phases ("2-plus-3-plus-2"). Different conditions apply during each phase.

The second transitional phase started on 1 July 2015 and ends on 30 June 2018. In the beginning of this period, five Member States (Austria, Malta, the Netherlands, Slovenia and the United Kingdom) maintained restrictions. Meanwhile, two Member States (Malta and the United Kingdom) have decided to lift the restrictions as of 26 January 2018 (Malta) and 1 July 2018 (the United Kingdom).

The Commission has not yet been informed about whether or not Austria, Slovenia and the Netherlands will lift the restrictions.

Croatia has reciprocal transitional restrictions for workers from the Member States that apply restrictions towards Croatian nationals.

Under Annex V of the Act of Accession, a Member State may maintain national measures regulating access to the labour market of Croatian nationals for the third phase only in case of serious disturbances of its labour market or threat thereof. A Member State must notify the Commission until 30 June 2018 that it continues to apply these measures. In the absence of such notification, EU rules on free movement of workers fully apply.

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12012J%2FTXT

It is for a Member State to determine whether it is undergoing a serious disturbance of its labour market or threat thereof. However, continuing to make use of the transitional arrangements up to maximum period of seven years would mean continuing to restrict a fundamental freedom provided by the Treaty on the Functioning of the European Union. Therefore, any Member State wishing to maintain the restrictions on labour market access has to provide full information justifying the existence of a serious disturbance of its labour market or threat thereof.

At any moment of the transitional phase, a Member State can lift the restrictions it applies.

In its Report of 29 May 2015 on the Functioning of the transitional arrangements on free movement of workers from Croatia<sup>2</sup>, the Commission found that due to the size of Croatia in terms of population and as shown both by flows since 2013 and projections on post-accession mobility, future potential flows of Croatian workers to other EU Member States are likely to be small, at least in percentage of the labour force of the EU and in most destination countries. They are unlikely to lead to labour market disturbances.

The most recent total numbers of Croatian citizens (15-64 age group) who were residing in the EU/EFTA (see Table 1)<sup>3</sup> confirm the above conclusion. The number of Croatian nationals residing in other EU/EFTA countries has steadily increased from approximately 269.000 in 2013 to 365.000 in 2017. Important to note that most of Croatian nationals came to EU/EFTA countries before the accession of Croatia to the EU (already in 2009–2010 approximately 292.000 Croatian nationals resided in the EU/EFTA).

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http://ec.europa.eu/social/BlobServlet?docId=13992&langId=en

Source: Eurostat. Population by age group, sex and citizenship [migr\_pop1ctz]

Table 1.

	2009	2010	2013	2014	2015	2016	2017
EU/EFTA	293.736	291.005	268.690	280.315	303.435	333.879	364.582
NL	1.250	1.278	1.290	1504	1.721	1.881	2.048
AT	45.310	45.482	46.872	49.986	53.642	56.573	58,739
SI	6.310	6.857	7.250	7.513	7.503	7.529	7.810

The most important destination countries of Croatian nationals in 2017 were Germany (around 238.000) and Austria (around 59.000)<sup>4</sup>.

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No data is available for the United Kingdom.