

**Heinrich-Boell Foundation**  
**Congress Fortress Europe 16. - 17. February 2006**

**Intra - Community labour migration:  
the Irish and Swedish experience of opening the  
labour market  
to new Member State nationals<sup>1</sup>**

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The "Transitional Arrangements" were agreed and signed by the EU-25 at the conclusion of the Accession Treaty on 16<sup>th</sup> April 2003. Member States were given the possibility to restrict the free movement of workers for a maximum of 7 years from the date of accession (1<sup>st</sup> May 2004). This means, that Articles 39 and 49(1) - governing the free movement of workers and the freedom to provide services - are subject to transitional provisions and Articles 1-6 of Reg. 1612/68 on freedom of movement of workers within the Community are not applied until the end of transitional period. Subsequently, Accession State nationals remain subject to work permit or work authorization requirements.

Transitional Agreements cover:

- the workers who are admitted to the labour market of an EU-15 Member State for a period of less than 12 months,
- their family members who, in this case, can not claim immediate access thereto either;
- the family members of the worker - who has been admitted to the labour market of an EU-15 Member State after 1<sup>st</sup> May 2004 for at least one year - up to their eighteenth months of legal residence with the worker or up to the third year following accession, whichever is the earlier.

The transitional measures do not apply to self-employed and pensioners, or economically non-active persons, to students (and their part-time work), and - with some exceptions - to those, who provide services. Nationals of the eight Accession States (Czech Republic, Estonia, Latvia, Lithuania, Hungary, Slovakia, Slovenia, and Poland) are subject to different immigration regimes as regards employment in the EU-15, stemming from fully liberalized labour markets to work permits combined with quota system.

Sweden grants free access for workers from the new Member States to the labour market and does not restrict access to social benefits either. Actually, Sweden is the only country to fully apply the Community rules on the free movement of workers. This means, that job-seekers from the new Member States are also entitled to register with labour offices and to receive assistance in seeking work. Despite these very favourable conditions, only a few new Member State nationals have chosen to come to Sweden for work.

Ireland grants free access to its labour market for Accession State workers too; however in order to access social assistance, applicants must fulfil the "habitual residence" criterion. The significant economic growth of the country and the relatively liberal policy towards admission of migrant workers, have resulted in a sizeable immigration, as from the Accession

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States, as from third countries. If comparing the Irish data with the experience of other EU-15 countries, we see that in relative terms, Ireland has attracted six times as many migrant workers than Britain, for example. (This assumption takes into account the size of the host population and compares it with the number of migrant workers present in the country.)

The Swedish and Irish labour markets were able to cope with the increased number of migrant workers and this basically because migrant workers took up employments, which otherwise would have been "hard to fill". Migrant workers make their contribution to the host economies in a complementary way and fill the employment gaps.

Economic, financial, and even emotional reasons might both encourage and discourage the worker from leaving. Obvious reasons which fuel migration are the better pay perspective, the lack of career perspective in the sending country, the possibility to learn new language, etc. At the same time, the language barrier may act as a disincentive to migration, as well as the different socio-cultural background, family and property ties, or the lack of adequate information on the administrative implications of moving abroad.

According to a survey, conducted by *Jobsearch.ie* - the Irish jobsite, Irish employers feel that migrant workers are willing to work hard without asking for "inflated salaries". Other comments of employers esteemed the availability and the work ethic of migrant workers, such as their respectful and courteous behaviour towards their peers and supervisors. However, as reflected by two significant disputes (the so-called "*Irish ferries*" and the "*Waxholm*" cases), controversy is caused by the cheaper and more competitive labour and especially the replacement of national workers by workers from the new Member States for lower salaries and/or outside collective agreements.

Nevertheless, in the three countries which opened their labour market to new Member State nationals, economic evidence shows that labour migration is beneficial to national economies. Ireland, the United Kingdom and Sweden reaffirm, that the presence of Accession State migrant workers have not crowd out national workers and did not disrupt national labour markets.

In Member States where access to the labour market is conditioned upon the issuing of work permits, statistics held by national authorities do not constitute a reliable source of information on the real labour market situation, since if it is too difficult for a new Member State national to take up employment as a salaried worker, the person concerned might look for other possibilities as self-employed or service provider.

Providing reliable data would be crucial in order to address a positive message to EU-15 citizens (as also recommended by the Commission) and to relieve social tensions in the host countries. Regularization processes could start and host economies could effectively make use of the migrant workers' potential. One must bare in mind that labour migration is a demand driven phenomenon, i.e. it could not take place if there was no labour shortage on the demand side.

The application of transitional measures on the free movement of workers in the context of the Eastern enlargement of the European Union has led to the maintaining of different national regimes and resulted in the "fragmentation" of the internal market of the European Union. While the flow of goods and capitals is not subject to restrictions, labour mobility is limited. If not for reasons of non discrimination based on nationality (art. 12 ECT); or for granting the same rights for all European Citizens (art. 18 ECT), than for the mere fact of the impact immigrants have on the

economic growth, productivity and income distribution of the host country; EU-15 should reconsider the adequacy of TA. If we attempt to understand migrant workers' preferences when choosing or not choosing a country in view of taking up employment there, than we will probably be better placed to assess the usefulness of transitional measures and the impact of restrictions on labour markets.