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**The mobility of employees
within the European Union,
and the Eures Network**



“For Europe should be a genuine "area of freedom", where everyone, and not only an elite few, can exercise their fundamental right to seek employment and to take up work in other EU countries.”

*Anna Diamantopoulou
EU Commissioner for Employment and Social Affairs*

Abstract

This thesis is mainly dealing with the mobility of the employees within the borders of the European Union. Legislative framework from the EU is favourable and the Commission has set as one of its goals to promote the migration. Globalisation trends and contemporary business concepts need people who are mobile on the other hand. But migration numbers are still low within Europe. The purpose of this thesis is to find out how much the legal uncertainties, and the different culture mentality in the workplace of another country act as barriers in the minds of the people who wish to work abroad. A survey is done to demonstrate this, and the Eures network is chosen for this reason. Eures is a valuable tool, created with the support of the European Commission, which provides information on job vacancies all over the EEA, and can also provide additional information on the host country.

People from four selected countries (Spain, Greece, Germany, Sweden) are asked about how would they feel to work abroad, what do they perceive as major problems in that, and if they are aware of the Eures network. The findings are supported by the answers from big multinational companies of the same countries, regarding their attitudes towards employing foreign people, the problems they face, and if they are familiar with the Eures network.

The results of the survey show that the people that were questioned are very open minded in working abroad, and from their opinions on the problems they think they will have to deal with, the two major are further analysed. Namely, in the business field, the different culture in the companies, and their fear if they will not be easily integrated, and in the law field, the social security and pensions system.

For this work, I would especially like to thank my family in Greece that supported me all this time and had confidence in me, and all my wonderful classmates, all this year in the master's program, that gave me nice memories and energy to go on.

THANK YOU!

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1. Introduction

The European Commission has set as one of its priorities to encourage the mobility of the European citizens in terms of job seeking and job establishment.¹ Europe must meet the challenge of globalisation by the creation of an efficient, competitive and productive economy. And it must make further progress in the institutional and political construction of a strong continent based on unity, democracy and social justice for the well being of its citizens. Economic and Monetary Union is now a reality and will bring stability and growth among the states creating a firm path to the employment objectives.

The fight against unemployment is a key element to the achievement of a well performing economy and a balanced society. In order for the internal market to function properly, growth and employment in the European area have to be promoted. The need for firm and sustained action has never been greater, and especially now that enlargement is on its way. While primary responsibility in the fight against unemployment rests with the Member States, the Union must support to the fullest extent their efforts to promote employment and minimise unemployment.

The Treaty of Amsterdam gives the EU new powers to achieve this objective. The EU has now the right to act in areas such as the co-ordination of employment policy, the fight against all forms of discrimination and exclusion, and the rights and obligations of nationals of non-members countries legally resident in a Member State. These new areas of responsibility will enable the European labour market to develop while maintaining its focus on economic growth and widely shared prosperity, economic efficiency and social justice.

The goal is to build a more efficient European labour market, compared to today's practices, founded on guidelines and an approach to employment policy that are shared by all the Member States. But efforts are also being done towards a labour market, which will provide more opportunities for everyone living in the EU. This can only be done if the labour market plays its part in fighting all forms of

¹ The following section is based on the following booklet: Thirty years of free movement of workers in Europe, Proceedings of the conference Brussels, 17-19 December 1998, European Commission

discrimination and exclusion effectively. The right to free movement must now develop for the benefit of all in the EU. The ever closer integration of European labour markets means that common values and common goals must drive the national labour markets, while, at the same time, the distinctiveness of each Member State must be respected.

Labour markets that are open for all and the promotion of mobility within the EU are the current goals of the European Commission. Favourable legislation has been shaped for this specific reason and the recent trends of globalisation in the business markets give a push towards this direction as well. I will discuss all these reasons that made it interesting for me to chose this subject and then go on with discussing the problem area and what I will look more deeply into.

1.1. Fundamental reasons establishing the EU and recent trends in the job market

With the Treaty of Nice, the European Union confers a wide range of rights to its citizens, in terms of job seeking and employment mobility mainly due to the creation of the internal market. The free movement of people is one of the fundamental freedoms that establishes the EU. On the other side, with the recent trends of globalisation and the multinational companies there is an increased need for people who are mobile and open minded, people who can speak many languages, are familiar with other cultures, and are ready to travel and live in another country.

1.1.1. Single Market

The Treaty of Rome in 1958 created the Common Market, which intended to eliminate trade barriers between the Member States.² The main objective was to liberate the circulation of goods and services within the EC, mainly achieved through the customs union and the elimination of quantitative restrictions. In the mid-80's a more thorough approach was considered and the Internal Market was created initially by the White Paper of the Commission, and then by the Single European Act, which was incorporated in the Treaty. The internal Market was

² The following information regarding the Common, Internal Market and the 4 freedoms were found at: http://www.europarl.eu.int/factsheets/3_1_0_en.htm , 9 May 2002

intended to create an area without internal frontiers and a set of legislative rules followed for the proper function.

1.1.2. The four Freedoms

For the creation of the Internal Market, the world's largest in terms of purchasing power of its 370 million people, the four freedoms were introduced, the free movement of goods, persons, services and capital. These four fundamental freedoms were intended to serve as the mean to create an area where human and material resources could move freely to ensure their optimum use. These four freedoms are invaluable for the realization of the Internal Market, which was empowered even more by the Single Currency but there are still issues that have to be solved, such as the harmonization of a tax system and the complete freedom of movement of persons.

1.1.3. Globalisation

It is widely asserted that we live in an era in which, the greater part of social life is determined by global processes, in which national cultures, national economies and national borders are dissolving. Central to this perception is the notion of a rapid and recent process of economic globalisation. A truly global economy is claimed to have emerged or to be in the process of emerging, in which distinct national economies and therefore domestic strategies of national economic management are increasingly irrelevant.³

Globalisation has been particularly evident in Europe, a blend of trader states have already been part of the process to a large extent, and it has been occurring there as fast as in other trading blocs; the completion of the Single Market and the introduction of a common currency has only accelerated this trend. Globalisation involves a perception that the business community is becoming more internationalised, less dependent on national boundaries. International corporations are seen as footloose, deciding where to locate their plants based on strict economic criteria. Hence, globalisation is closely connected with the international mobility of

³ Hirst P. and Thompson G., *Globalisation in question*, Polity Press 1996, p. 195

capital, as it is this capital mobility, which is perceived to be shifting the balance between corporations, national governments, and domestic labour.⁴

The industrial and business leaders of the world firmly believe that globalisation is a key to growth and survival. Today, globalisation is an evolutionary necessity, and it is an open and deliberate process of individual and collective choice for progress and development.⁵ The record of growth in the world economy over the past decade, on average, appears to be closely associated with global economic integration through liberalization of trade and finance. Although the developing countries have in general participated equally in the process of globalisation, evidence shows that a larger part of the benefits have been limited to the “triad”: North America, Western Europe and Japan, and to some newly industrialized countries in East Asia. Increased mobility of goods and resources within and across national boundaries, according to the conventional wisdom, increases both static and dynamic efficiency in production and distribution by stimulating competition, promoting technological change, reaping economies of scale and sharing the benefits of specialization based on comparative and competitive advantages. These gains are then translated into higher growth rates for all participants in the process.⁶

1.1.4. Contemporary business concepts and needs

A fundamental shift is occurring in the world economy. People are moving progressively further away from a world in which national economies were relatively isolated from each other by barriers to cross-border trade and investment; by distance, time zones, and language; and by national differences in government regulation, culture, and business systems.⁷ And we are moving towards a world in which national economies are merging into an interdependent global economic system, as earlier described, globalisation. The concept of domestic business has nowadays become anachronistic, and definitions of success now transcend national boundaries. International competition has been harsh and companies begun to market and produce abroad. Product ideas are drawn from worldwide sources, as

⁴ Horst S., Globalisation and labour, Institut für weltwirtschaft an der Universität, 1999, p.65

⁵ Nandi P., Shahidullah S., Globalisation and the evolving world society, 1998, p.1-15

⁶ Dev Gupta S. with N.Choudhry, Globalisation, growth and sustainability, Kluwer Academic Publishers 1997, p.3

⁷ Hill C., International business, competing in the global marketplace, Third Edition Postscript 2002. p.4-13

these are the factors and locations of production. In the current phase, firms need to know how to understand their potential clients' needs, quickly translate them into goods and services, produce those goods and services on a least-cost basis, and deliver them back to the client in an acceptable fashion. All these are done without any consideration to geographical boundaries, only top-quality and least-possible-cost requirements.

According to I. Goteman's master thesis, corporations are in need of increased workforce mobility for several motives. One reason can be to execute a control function that local business operations are conducted in accordance with the parent company ambitions. Another reason would be to minimise communication problems often connected with cultural differences, national as well as organisational. A third reason is to transfer skills and know-how to other parts of an organization, nowadays often associated with a strategy of worldwide learning. A fourth reason is to train specific employees internationally and make them acquire international management skills through personal experience of working in various countries.⁸

Functioning in this global market requires a global perspective and according to Percy Barnevik, former CEO of Asea Brown Boveri (ABB), he estimates that his company needs "500 or so global managers, people who are internationally minded, but are also comfortable with their own nation of origin."⁹

International and European business need therefore people who are increasingly mobile, people with the right skills and knowledge so as to perform the job in all these different places and understand all these different languages and cultures. An effective global human resource management strategy is essential for organizational survival and success.

European economies also seem to benefit from the international mobility of high, semi and low-skilled workers, service providers and businesspersons, and human exchanges through art, science and tourism.¹⁰

Apart from the modern business practices and the high skilled and mobile personnel that is needed there, there are more sectors in certain countries within the

⁸ Goteman I., Barriers to Workforce Mobility, MEA program 1997-98, Lund University, Master thesis, p.7

⁹ Lane H., DiStefano J., Maznevski M., International management behaviour, Third edition 1999

¹⁰ <http://www.gmfus.org/Apps/GMF/GMFUSWebwelcome.nsf/GMF?OpenFrameset>, 11 May 2002

EU that are definitely in lack of personnel and people are urgently needed to fill in those gaps. In a speech regarding the e-economy in Europe, Anna Diamantopoulou, commissioner for Employment and Social Affairs, stated: “[...] in particular the emergence of skills shortages in some sectors both in ICT, and in other sectors such as construction and health services.”¹¹ In other words, mobile people are needed in most sectors of the labour market, high educated for the white-collar positions of the multinational companies, language skilled people for the tourism and services sectors and people with special qualifications for the sectors that are in lack of people.

1.1.5. The employment situation in the EU

The employment situation in the EU has steadily improved over the last couple of years, reflecting the positive overall economic climate as well as progress in reforming the labour markets.¹² Long-standing problems, such as high unemployment and low participation in employment, start to be effectively addressed, while new challenges, such as labour shortages and skill gaps, are emerging.

Due to an improved economic policy framework, structural reforms bearing on labour markets are now being implemented against a more favourable economic outlook, leading in particular to strong demand for labour. This development will create new responsibilities for policy-makers, to the extent that more ambitious efforts for structural reform are required in order to sustain and accelerate economic and employment growth while maintaining financial and price stability. These great efforts on the part of the Member States have resulted to finally reducing the high youth and long-term unemployment. But still the general unemployment levels remain high.

In recent years, the European Union generally enjoyed increased prosperity; supported by strong economic growth, low inflation and falling unemployment. However, an economic slowdown started to emerge in the US in early 2001, soon having a knock-on effect on the rest of the world. The terrorist attacks on the US on

¹¹ http://europa.eu.int/comm/enterprise/events/e-economy/doc/speech_diamantopoulou.pdf, 13 May 2002

¹² This section is based on the booklet: Employment in Europe 2001, recent trends and prospects, Employment & Social Affairs, European Commission

11 September 2001, followed by a US-led military attack on Afghanistan in October 2001, have produced further uncertainty in the global economic outlook. Although the global slowdown has affected Western Europe, resulting in slower economic growth, the EU has still performed better than either the US or Japan.¹³

1.1.6. How to deal with unemployment

The labour market must be more open to employment through the increased responsiveness of individuals and enterprises to economic change, the modernisation of the organisation of work and increased mobility. To promote this, public policy should seek to combine worker protection with greater flexibility.¹⁴ Several factors clearly point to increased international labour mobility in the years to come. Enterprises themselves are more mobile in the European space and are looking for a pluri-national workforce. At the same time, the development of a better educated, multilingual and multi-cultural workforce results in more people being willing and able to work abroad.

By the Commission's Communication on the New European Labour Markets, the conclusions of the Stockholm European Council of March 2001, and the work of the High Level Task Force on Skills and Mobility, which submitted its report to the Commission in December 2001, the Action Plan for skills and mobility was culminated.

The Action Plan builds on the conclusions of the Task Force in order to create a more favorable environment for more open and easily accessible European labor markets by 2005. Three fundamental challenges are highlighted in the Action Plan to promote the objective of European labor markets being made more open and accessible. Firstly, there is the challenge of inadequate occupational mobility, showing up the need to adapt education and training systems more effectively to the labor market, to boost lifelong learning and skills acquisition (particularly skills in information and communication technologies - ICT), and to improve systems to recognize qualifications and competences. Secondly, low levels of geographic

¹³ http://www.worldinformation.com/World/Europe_EU/continent.asp?country=Europa
25 April 2002

¹⁴ The way forward: The European Employment strategy. European Commission, Employment and Social Affairs.

mobility within and between Member States suggest that the benefits of the internal market are not yet fully explored, for example in terms of dealing with skills bottlenecks or labor market imbalances. Many obstacles to mobility still exist, including deficiencies in language skills, family circumstances, as well as in relation to taxes, pensions, social security and related issues. Furthermore, a declining EU workforce due to demographic changes suggests that immigration of third country nationals would also help satisfy some of the skill needs. Finally, deficiencies in access to and the quality of information on mobility and individual sectors deter many people from considering a job move or particular career choice.¹⁵

1.1.7. Migration within the EU

There is not a single EU Member State that is not affected by migratory movements. The traditional distinction between source and destination countries is fading, rendering many of them source and destination countries at the same time, and there is a demand for service providers, highly skilled, semi-skilled and unskilled workers.¹⁶

About 600.000 people, or 0,4% of the total EU employed population work in a country different from the country of main residence, both inside the EU borders or in non Member States. The share of cross-border commuters is highest in Austria, Belgium, France and Luxemburg where it exceeds 1% of the employed population. The table below shows the share of cross-border commuters, residents of one Member State that moved to another Member State, during the year 2000.

According to this table, the most mobile employees are citizens of Belgium, Luxemburg, Austria, France and Portugal.

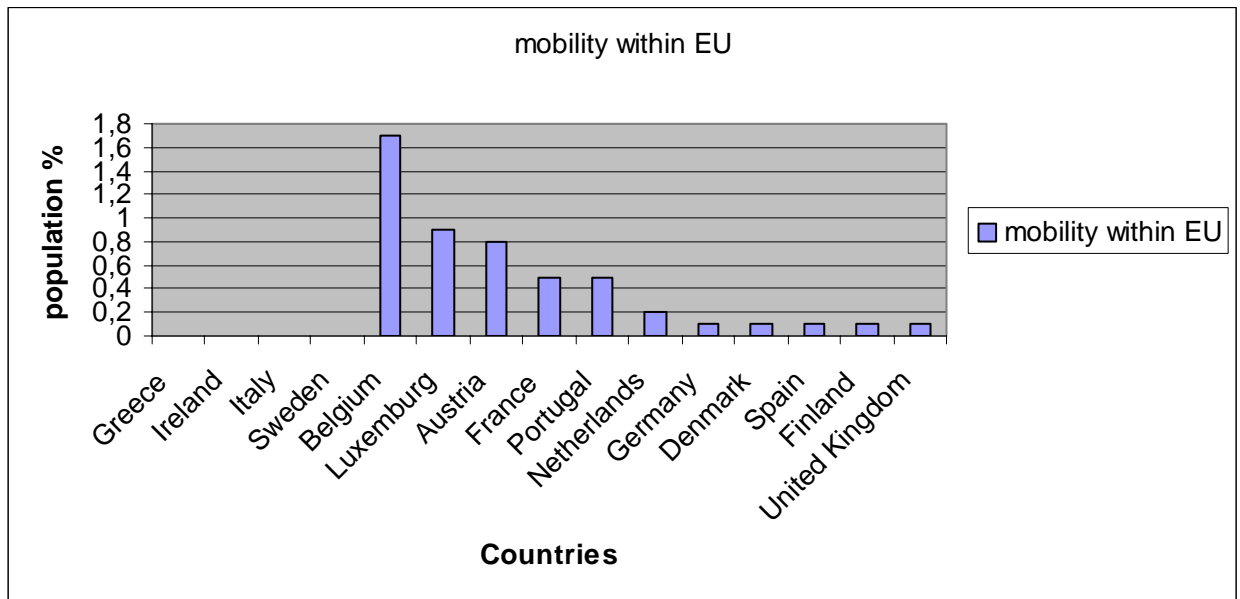
Figures for Greece, Ireland, Italy and Sweden concerning this particular matter are not available.

¹⁵ http://europa.eu.int/comm/employment_social/news/2002/feb/ap_en.pdf, 10 May 2002

¹⁶ <http://www.gmfus.org/Apps/GMF/GMFUSWebwelcome.nsf/GMF?OpenFrameset>, 11 May 2002

The figures are rates per thousand inhabitants.

| Country | % mobile population |
|----------------|---------------------|
| Greece | <i>n.a.</i> |
| Ireland | <i>n.a.</i> |
| Italy | <i>n.a.</i> |
| Sweden | <i>n.a.</i> |
| Belgium | 1,7 |
| Luxemburg | 0,9 |
| Austria | 0,8 |
| France | 0,5 |
| Portugal | 0,5 |
| Netherlands | 0,2 |
| Germany | 0,1 |
| Denmark | 0,1 |
| Spain | 0,1 |
| Finland | 0,1 |
| United Kingdom | 0,1 |



Source: Eurostat¹⁷

At least after the beginning of the nineties, migration movements are also on the top of the agendas also of international summits.¹⁸

The European Union is also currently negotiating with 12 nations for membership, 10 from East Europe plus Cyprus and Malta and there is every sign that enlargement will go ahead. To mitigate possible migration, a transition period is

¹⁷ Employment in Europe 2001, recent trends and prospects, Employment & Social Affairs, European Commission, p. 51

¹⁸ <http://www.uni-bamberg.de/~ba6ef3/pubfor3e.htm>, 11 May 2002

being negotiated during which the free movement of workers, a core principle of the EU, would not apply to new entrants.¹⁹

1.2. The problem area and the purpose of the thesis

At their Lisbon summit in the spring 2000, EU leaders committed themselves to making the Union the most "competitive and dynamic knowledge-based economy" in the world by 2010, while retaining high levels of social protection and aiming for full employment.²⁰

It is a fact that despite the efforts and the favorable legislation of the EU, people are hesitating to consider a work abroad, and companies don't take into serious consideration hiring a non-national. As mentioned in the Commissions report on the Action plan for skills and mobility, one of the three fundamental challenges in this field, is "deficiencies in access to and the quality of information on mobility and individual sectors deter many people from considering a job move or particular career choice."²¹ The proposed action set out in this Action Plan, which is designed to address this specific challenge is "improving information provision means by setting up a One-Stop mobility information site, improving the effectiveness of the Eures jobs vacancy system and launching a mobility information campaign." It is obvious from these remarks that one of the most significant problems is the lack of information. The Eures network has been built for this purpose, but it seems that it is not very popular. Eures is a valuable network that provides information on job availabilities all over the EU and in addition it provides information on the employment and living conditions in the desired country.

The purpose of the thesis is to improve the understanding of the direct and indirect mechanisms and hindrances of international migration to the European Union. The general problem that will be dealt in this thesis is how much people are willing to work abroad, or companies to hire someone from abroad, and how much the Eures network is helping to this procedure. Unemployment is a major issue for the EU, and it has set as a main goal to promote employment and at the same time the

¹⁹ http://news.bbc.co.uk/1/hi/english/world/europe/newsid_1901000/1901293.stm#, 10 May 2002

²⁰ <http://europa.eu.int/comm/enterprise/ict/policy/e-economy.htm>, 29 April 2002

²¹ Commission of the European Communities: Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the regions, Commission's Action Plan for skills and mobility, Brussels, 13.02.2002.
http://europa.eu.int/comm/employment_social/news/2002/feb/ap_en.pdf

mobility of employees. The issue of the mobility of employees within the European Union is a major responsibility for all the Member States. The general issue to be tackled is how can the privilege to move around the union for the citizens of the EU be a tool for people to find a better job that best fits them and for companies to find the desired employee. Why is it that even though the borders are open for people to move, and the unemployment rates are still high, people still seem to be reluctant to migrate. On the other side, companies need skilled people with language competencies and culture understanding, but even though, they seem to think twice when the case comes to hire a non-national.

Specific answers will be given in the following fields through the survey that will be conducted later on in this thesis. Answers related to the hinders of mobility in the fields of EU legislation, the different national cultures in the business area and the EU means to promote employment.

a. regarding the EU legislation

There is favourable legislation in the EU that encourages the citizens to move around and work, but there are still problematic areas. Is this a hinder for people to consider finding a job abroad, and which one do they perceive as the biggest?

b. regarding the different national cultures in the business area

Cultures within the EU are close, yet very different, and especially in the business relationships where hierarchy and procedures are not the same. Is this a big concern for the people when thinking to move abroad to work, and how is it handled differently by the various nationalities?

c. regarding the EU means to promote employment

The EU and especially the European Commission has created various means in order to promote employment within the Union, and to make it easier for people to find a job and face their concerns regarding the new host country. Are people aware of these means, do they use them and how satisfied are they by their services?

The results are intended to serve as a basis for understanding the current situation and furthermore for the development of policy instruments and practical solutions as well as to provide tools for enhancing and estimating future migration.

1.3. Demarcations and thesis overview

Finding a job and additional information about the host country is the first step to be taken, in order to take the final decision of migrating. But the lack of information regarding such useful tools that have been created with the support of the European Commission seems to be a serious obstacle to the endorsement of migration within the European Union borders, and this thesis will try to enlighten this point through the examination of Eures. I have chosen this particular tool, because it is the most complete one since it covers the most needs of the people interested to find a job abroad. I had the impression that people looking for a job abroad, as well as companies that are looking for employees were not informed about it and felt intrigued to do a further survey. The information that I obtained from the people looking for job were satisfactory- and very interesting, but the information that I received from the companies were very limited so their information will be used as additional to the job seekers, and no further survey will be made on them. It would be interesting to see how people of all ages feel about finding a job and working abroad, but because of the time limits and the difficulty to get in contact with people of all ages in a student town like Lund, I will limit the survey only to young people, currently students or recent graduates. The information will be collected for four Member States of the European Union, since there is no sufficient time to make a survey for all the 15 although it would be very interesting to explore how all Member States are acting, and their perceptions on this subject.

Through this survey, both legal aspects and business concepts will be discussed as a hinder to the decision to work abroad and in the next chapter I will give the theoretical framework of the problems that will be discussed later. The empirical methodology description follows and the choice of the countries to be studied, as well as the questions that will be posed. Survey results and the specific problems that have arisen to be analyzed will come towards the end.

2. Theoretical framework

In this section the theoretical framework will be given on the legal and business issues that will be further analysed for the survey results regarding the employees mobility and the perceived hinders. Furthermore the latest and most popular efforts of the Commission to promote employability and workforce mobility within the Union will be described.

2.1. Legal framework within the EU

First the legal framework will be studied, regarding the Community Legislation on the freedoms related to the migration. Current European employment law consists of measures from the Treaty of Rome, the Maastricht Agreement, the Amsterdam Treaty, legislation provisions and case law of the European Court of Justice. European legislation in the area of social policy –employment law included – is applicable to all Member States equally: the Amsterdam Treaty brought an end to the UK-opt out.

2.1.1. Initially, the Treaty of Rome

Already in the Treaty of Rome (came into force 1 January 1958) there were provisions regarding the need to promote improved working conditions and an improved standard of living for workers. But the articles were limited in scope and did not confer direct rights to the people. On the contrary they were mainly aiming to the promotion of cooperation between the Member States and to the facilitation of the coordination of their action in all social policy fields, particularly in matters relating to employment, labour law and working conditions and social security among others.²²

2.1.2. The Treaty of Maastricht

The Maastricht agreement (came into force 1 November 1993) on Social Policy and the introduction of the Community Charter of Basic Social Rights are founded upon the firm will to promote the standard of living on the one hand and social

²² Barnard C., EC Employment Law, Second Edition, 2000

consensus on the other. The Member States have agreed on the need to promote improved living and working conditions for workers so as to make their harmonisation possible while maintaining their improvement. Furthermore the social improvements guarantee the freedom of movement, the social protection and the equal treatment of migrant workers and nationals of third countries. Although the Charter has no legally binding effect, it must still be implemented and respected by the Member States.

2.1.3. Today, the Treaty of Amsterdam

The Treaty of Amsterdam, signed on 2 October 1997 and came into force 1 May 1999, brought some improvements with the introduction of new Titles concerning employment and social policy, a general principle of non-discrimination, and references to the Social Charter of the Council of Europe.²³ It contains a chapter on employment and job creation, and the purpose of the summit was to realize this commitment by agreeing on measures that could give a new direction to tackle employment issues in Europe.

A citizen of the EU today has certain rights enshrined in the EC Treaty. These are basically the four fundamental freedoms of the area without frontiers: free movement of goods, persons, services and capital. Within these freedoms and regarding the mobility of the employees, the following paragraphs are applicable.

Free movement of workers

More explicitly Articles 39-42 of the Treaty provides for the Freedom of workers within the Community and that any discrimination based on nationality between the workers of the Member States as regards employment, remuneration and other conditions of work should be abolished.

The right to move freely within the Community includes access to an occupational activity, the granting of social and political rights and the right of residence in the host country. People can pursue an occupational activity in any member state of the Community under the same conditions as nationals of the host country and this equal treatment is an essential element of Community social legislation.

²³ Blanpain R., *European Labour Law*, Kluwer Law International 2000.

Community law provides both for eligibility for employment as well as for right of establishment for self-employed activities and for the freedom to provide services.

Freedom of establishment

In Articles 43-48 there are provisions for the freedom of Establishment stating that any restrictions on the freedom of establishment of nationals of one Member State to another Member State shall be prohibited.

Freedom to provide services

Similar provisions are also in Articles 49-55 regarding the freedom to provide Services.

The Treaty establishing the European Communities, states clearly on Article 136 that “The Community and the Member States [...] shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion.[...] They believe that such a development will ensure not only from functioning of the common market, which will favour the harmonisation of social systems, but also from the procedures provided for in this Treaty and from the approximation of provisions laid down by law, regulation or administrative action.”

Social rights

In this area EU citizens have the same rights and obligations as nationals. However, the differences between national systems is such that the Community was forced to draw up (regulation no 1408/71) a proper set of rules for the social protection of persons moving within the Community. Its aim is not to approximate the laws of the Member States, which therefore remain unchanged, still less to establish a unified Community social security system. It simply seeks to coordinate national schemes to facilitate the transfer from one national system to another and to

regulate the consequences for one scheme of events, which occurred under other schemes.

The aim of the Treaty that the 15 Member States have agreed upon and signed is clear, to promote employment by any means and facilitate the mobility of the workforce in the Community in order for them to find the most suitable job and at the same time to fight the unemployment. The Treaty of Amsterdam has not changed the provisions on free movement for workers, but it has opened up new possibilities in relation to citizenship and immigration; it has also enabled advances to be made on the social front and in the field of fundamental rights. With regard to the economic and ideological fundament of EU employment policies, various tensions and ambivalences could be shown – most of which are based, on the one hand, in the conflicts of competences between the Union and the Member States, and on the other, in the structural differences of national labour markets and economic policies.

Articles 39-55 provide direct applicability and it is up to the people to make use of them. In contrast, the articles regarding the Social Provisions are left upon the cooperation of the Member States in order to facilitate the coordination of their action in all social policy fields, and in particular in matters relating to: employment, labour law and working conditions, training, social security, collective agreements, safety and health at work.

Commenting on the adoption of the new Social Policy Agenda after the European Council in Nice, in the beginning of December 2000, Anna Diamantopoulou, EU Employment and Social Affairs Commissioner said "the purpose is to confront the new social challenges resulting from the radical transformation of Europe's economy and society, particularly those engendered by the knowledge-based economy. We do not seek to harmonise social policies but to mobilise support towards common European objectives in order to achieve the strategic goal agreed in Lisbon to make Europe become the most competitive and dynamic knowledge-based economy capable of sustaining economic growth with more and better jobs and greater social cohesion." ²⁴

2.1.4. The future, the Treaty of Nice

The Nice Treaty was agreed on December 11th 2000. It adopted a number of measures that will allow the EU to expand into Eastern Europe, extend qualified majority voting into such areas as facilitating the free movement of workers and also formalise the status of the 'Charter of Fundamental Rights of the European Union'.²⁵

2.1.5. Secondary legislation and the ECJ

The most relevant present Community legislation in force regarding the free movement of workers is summarized below.

- Directive 1999/42/EC of the European Parliament and of the Council of 7 June 1999 establishing a mechanism for the recognition of qualifications in respect of the professional activities covered by the Directives on liberalisation and transitional measures and supplementing the general systems for the recognition of qualifications.
- 93/569/EEC: Commission Decision of 22 October 1993 on the implementing of Council Regulation (EEC) No 1612/68 on freedom of movement for workers within the Community as regards, in particular, a network entitled Eures (European Employment Services)
- Council Directive 92/51/EEC of 18 June 1992 on a second general system for the recognition of professional education and training to supplement Directive 89/48/EEC.
- Council Directive 89/48/EEC of 21 December 1988 on a general system for the recognition of higher-education diplomas awarded on completion of professional education and training of at least three years' duration.
- Council Directive 77/486/EEC of 25 July 1977 on the education of the children of migrant workers.
- Council Directive 73/148/EEC of 21 May 1973 on the abolition of restrictions on movement and residence within the Community for nationals of Member States with regard to establishment and the provision of services.
- Regulation (EEC) No 1251/70 of the Commission of 29 June 1970 on the right of workers to remain in the territory of a Member State after having been employed in that State.
- Regulation (EEC) No 1612/68 of the Council of 15 October 1968 on freedom of movement for workers within the Community.
- Council Directive 68/360/EEC of 15 October 1968 on the abolition of restrictions on movement and residence within the Community for workers of Member States and their families

The Treaty provides for the free movement of workers, and any discrimination based on nationality is forbidden, but still legislative action is needed in areas that lend themselves to be directly or indirectly discriminatory and thus constitute a hinder to the free movement. Aside from the direct discrimination based on nationality, covert forms of it are possible, and these areas are covered by the abovementioned Directives, Regulations and Decisions. Main fields are the degree

²⁴ http://europa.eu.int/comm/nice_council/index_en.htm, 11 May 2002

²⁵ <http://europa.eu.int/scadplus/leg/en/lvb/114001.htm>

recognition, the right of residence for the employees family, the right of education for their children. At times it is difficult to distinguish free movement of workers from freedom of movement of services – think of a hairdresser travelling within the Community and giving occasional haircuts. Thus the directives, implementing the freedoms of movement of services and freedom of establishment provided for in the Treaty, are inseparable in ensuring the free movement of persons.

Another very important determinant of how the four freedoms of the treaties specified by the secondary legislation are implemented, is their interpretation by the European Court of Justice. The case law of the European Court of Justice has been very important to the interpretation and application of the various legislative measures passed in the area of free movement of workers. The case law has defined the meaning of the law and guided national courts in applying European legislation. There is a very broad case law regarding the free movement of workers, regarding many aspects and problematic areas.

First of all it is useful to note that the word 'worker' is interpreted very broadly by the European Court of Justice; in fact it has to be interpreted by reference to the decisions of the court, rather than by reference to domestic rules or definitions, and the ECJ has interpreted 'worker' very broadly so as to give the fullest possible effect to the right of free movement. There is no need to work-full time to be a 'worker', nor is there any minimum level of income that must be earned: the main requirement is to be carrying out "genuine and effective economic activity".²⁶ In the case of Antonissen²⁷ the ECJ said that EEA citizens who were unemployed but looking for work in another EEA state could be considered as workers for a period of time, and could not be expelled from that country in the meantime. Generally, three months appear to be the length of time allowed. In some circumstances, the full status of 'worker' can be retained where work is given up to follow a course of studies.

One of the first cases regarding the free movement of workers was in 1974, when Van Duyn²⁸, a Dutch national, was offered employment as a secretary with the Church of Scientology at its college at East Grinstead. With the intention of taking

²⁶ Kapteyn P.J.G and VerLoren van Themaat P., Introduction to the Law of the European Communities, Kluwer Law International, 1998.

²⁷ Case C-292/89 R.v. The Immigration Appeal Tribunal, ex parte Antonissen

²⁸ Case 41/74 Van Duyn v.Home Office

up that offer she arrived to the UK, on May 9, 1973, but was refused leave to enter the country. Relying on the Community rules on freedom of movement of workers and especially on Article 48 of the EEC Treaty, Regulation 1612/68 and Article 3 of Directive 64/221, Van Duyn claimed that the refusal of leave to enter was unlawful and seeks a declaration from the High Court that she was entitled to stay in the United Kingdom for the purpose of employment and to be given leave to enter the United Kingdom. The Courts decision raised the issue whether Directives could be directly effective, and the decision was that directives could be directly effective as long as they were: clear and precise; and unconditional, in that there was no room for interpretation in the implementation.

Another field that the decisions of the ECJ has given jurisprudence is the treatment to the workers family, and especially in the cases that the spouse is a not a national of a Member State. In the case of Singh²⁹, an Indian who had married an English national, and after being divorced wanted to return to his job in Germany, the ECJ held that as the spouse of an EC national who had exercised her rights to work in Germany he was entitled on their return to claim his rights as a spouse under EC law. The Court gives much significance in favour of Mr. Singh, refrained form considering the effect of his divorce.

These, and many more cases, show the intentions of the ECJ to interpret the EU law in facilitating the movement of workers, and trying to eliminate the direct and indirect obstacles that still exist.

Although Community legislation is favourable and aims clearly to the endorsement of the mobility of employees, and despite the secondary legislation and the ECJ's interpretations, there are still some gaps and some points that still don't seem to be clear on how to be handled. This survey will try to identify these fields and see which ones are perceived as the most important obstacles on the decision to move abroad in order to work.

2.2. Business framework

In this part, the business theoretical framework will be described, mainly in terms of different national cultures that are directly related to the migration.

2.2.1. National cultures

Obstacles to mobility can be due to national culture differences, and the people's perception of how the companies are operating in another country. The fear that business is conducted under different ways than the one people have been taught, or have got used to by experience, may be an impede to their decision to migrate. Different national cultures are discussed in this section, based on Professor's Hofstede theories and the tables of the 4 countries that will be studied with their scores for each perception.³⁰

Power distance index (PDI)

Societies and nations can be distinguished by the way they are accustomed to deal with inequalities. In any society is there inequality, and some people have more power than others; they are more able to determine the behaviour of others than vice versa. In the daily work environment, people have to deal with their managers or subordinates, and there is different attitude towards them in every culture as well as the perception of how close people are to their bosses.

In small power distance countries there is limited dependence of subordinates on bosses, and a preference for consultation, that is, interdependence between boss and subordinate. The emotional distance between them is relatively small: subordinates will quite readily approach and contradict their bosses.

Power distance index values, ranked by the highest to the lowest.

| | |
|---------|----|
| Greece | 60 |
| Spain | 57 |
| Germany | 35 |
| Sweden | 31 |

Source: G. Hofstede

²⁹ C-370/90, R.v. Immigration Appeal Tribunal, ex parte Secretary of State for Home Department

³⁰ The following section is based on: Hofstede G., Cultures and Organizations, Intercultural Cooperation and its importance for survival, Software of the mind, Harper Collins Publishers, 1994.

Individualism and Collectivism

The role of personal relationships in business is another aspect of different business practices in the nations. Collectivism is a characteristic of people who put the interest of the group above all, and business is done with a person that they have learned to trust. The hiring process in a collectivist society always takes the in-group into account. Usually preference is given to hiring relatives, of the employer or of people already employed by the company. On the other hand, employed persons in an individualist culture are expected to act according to their own interest, and work should be organized in such a way that this self-interest and the employer's interest coincide. Subordinates can usually be moved around individually and if incentives or bonuses are given, these should be linked to an individual's performance.

Individualism index values, ranked by the highest to the lowest.

| | |
|---------|----|
| Sweden | 71 |
| Germany | 67 |
| Spain | 51 |
| Greece | 35 |

Source: G. Hofstede

Masculinity and femininity

In spite of the variety found there is a common trend among most societies, as to the distribution of social sex roles. Men are supposed to be more concerned with achievements outside the home- hunting and fighting in economic terms of the modern societies. They are supposed to be more assertive, competitive and tough. Women on the other hand take up the tender roles; they are supposed to be more concerned with taking care of the home, of the children and of people in general. According to Hofstede something similar applies to the working environment as well, where in masculine cultures gender roles are clearly distinct and men are supposed to be focused on material success and to be confident while women are supposed to be more modest and concerned with the quality of life. In feminine culture nations the social gender roles overlap and there is no real distinction between them.

Masculinity index values, ranked by the highest to the lowest.

| | |
|---------|----|
| Germany | 66 |
| Greece | 57 |
| Spain | 42 |
| Sweden | 5 |

Source: G. Hofstede

Uncertainty avoidance

The tolerance of the unpredictable is the last distinction between the different national cultures in the business areas. Uncertainty avoidance can therefore be defined as the extent to which the members of a culture feel threatened by uncertain or unknown situation. This feeling is among other things, expressed through nervous stress and in a need for predictability: a need for written and unwritten rules. The more anxious cultures tend to be the more expressive cultures, where people talk with their hands, where it is socially acceptable to raise one's voice, to show one's emotions, to pound the table.

Uncertainty avoidance index values, ranked by the highest to the lowest.

| | |
|---------|-----|
| Greece | 112 |
| Spain | 86 |
| Germany | 65 |
| Sweden | 29 |

Source: G. Hofstede

Working environment conditions and relationships within the occupation are considerably different, even within the European Union. This survey will try to explore how much the fear of a different business environment acts as a hinder to migrate, and how different these aspects are between the people from different countries.

2.3. Means of EU to promote employment

The European Union has created many ways and possibilities in order to boost employment, and make it easier for people to find another job in their own country or anywhere within the Union.

The most common and popular tools are the following:

2.3.1. The IV pillars

Following the objectives given by the Treaty of Amsterdam on employment, at the Luxembourg Jobs summit, in November 1997, it was agreed that this strategy should be built on thematic priorities, grouped in four pillars as described in Employment Guidelines. Every year, these Guidelines have to be translated in National Action Plans for Employment by the Member States and the results will be presented in a Joint Employment Report who will serve as a basis for further strategy shaping. The 4 pillars that were given as guidelines for the Member States to implement and improve the employment opportunities are as follows:

Pillar I, employability

The Member States must adopt measures in order to promote employability of young people, older workers and unemployed persons by improvements in the quality of and access to initial and continuing education and training systems, and by the development of work-based training. The developing of skills and lifelong learning are the key issues of this objective to ensure that people are equipped to take advantage of new employment opportunities in the fast- changing labour market. It is a preventive measure since it aims to avoid that people remain unemployed by providing them with the necessary skills.

Pillar II, entrepreneurship

Member States should take initiatives to integrate the teaching of entrepreneurship skills into education and training curricula is another aspect of lifelong learning.

Pillar III, adaptability

This part includes the development of partnerships by the majority of Member States between national authorities and the social partners to provide continuing

training and address skill gaps, and also measures by Member States and enterprises to address barriers to investment in training.

Pillar IV, equal opportunities

Member States should take action in order to improve the access of women returning to training with the aim of strengthening the equality.³¹

2.3.2. Eures (EUROpean Employment Services)

EURES is a European labour market network aiming at facilitating the mobility of workers in the 17 countries of the European Economic Area, which is the 15 EU Member States plus Norway and Iceland. The Networks objective is to make it easier for all job seekers who wish to live and work in another country and to provide employers with an opportunity of recruiting across borders. It is a partnership for the creation of an open European labour market and it links more than 450 Euroadvisers- throughout Europe. Euroadvisers are specially trained staff in employment matters and they provide advice and assistance on work opportunities in various countries, and also provide information about the rules and regulations that apply. Partners in the network include Public Employment Services, Trade Unions and Employer Organisations.

The partnership is coordinated by the European Commission and its main functions are to:

- Inform, counsel and provide advice to potentially mobile workers on job opportunities and living and working conditions in the European Economic Area
- Assist employers working to recruit workers from other countries
- Provide particular advice and guidance to workers and employers in cross- border regions. In cross- border regions, special structures have been set up to meet the special needs of these areas, in which labour mobility is highest.

○ *Euroadvisers*

These functions are carried out by the special human network, the Euroadvisers, which have at their disposal a database of job vacancies in Europe and at the same

³¹ Employment policies in the EU and the Member States, Joint report 2000. European Commission, Employment and Social Affairs.

time provide information on living and working conditions in the country of interest. Furthermore they provide information on social legislation and taxation, on education and healthcare systems, training opportunities, comparability of qualifications, cost of living and accommodation as well as useful addresses and contacts for more specialized information.³²

These specially trained personnel is what makes Eures so different, since it is not just a web-based database where people can search for a job, but it also offers advice and support for all the different situations that can be faced in the foreign country and provides information for all the formalities that will be needed.

The essential objective of Eures is to facilitate international labour mobility within the European Economic Area (EEA) by helping people - both employers and jobseekers - to make informed decisions in this respect and to put these decisions into effect.

Several factors clearly point to increased international labour mobility in the years to come. Enterprises themselves are more mobile in the European space and are looking for a pluri-national workforce. At the same time, the development of a better educated, multilingual and multi-cultural workforce results in more people being willing and able to work abroad.

The network is still narrow though, and as the Report of High Panel on Free Movement of People mentions, "The Panel sees great potential in the development of Eures by proposing to extend its role to reach more citizens with more job offers across borders."³³

Eures can be used as an excellent tool, not only to promote the mobility of employees by providing information on the available job vacancies and on the host country conditions, but it can also be used as a means to fight unemployment in particular sectors that need specialized employees and the national workforce of one country cannot cover the needs sufficiently.

2.3.3. Citizens first

Citizens First initiative was launched by the European Commission and its purpose is to make available to as many people as possible clear, factual information on the

³² http://www.europa.eu.int/comm/employment_social/elm/eures/

³³ http://europa.eu.int/comm/internal_market/en/people/hlp/summ.htm, 8 January 2002

rights and opportunities people have as a result of the EU and on what to do if these rights are denied. Since the launch of the first phase in November 1996, some 75 million people have become aware of Citizens First. People with practical problems concerning the rights covered by Citizens First can turn to the "Signpost Service" for informal advice on specific situations and problems. The "Signpost Service" is available either by calling the Citizens First phone number, or through the Internet site. People are called back within three working days by an expert and advised on the next step they should take. Over 1 million have contacted Citizens First via the free phone numbers and the Internet site to obtain guides and fact sheets concerning their rights to work, live and study in another EU country.

Citizens First is a practical and effective means of raising people's awareness about their rights in the EU. According to Single Market Commissioner Mario Monti comments "For the Single Market to be a success, people must know about their rights, and how they can use them in practice. By being responsive to people's interests and concerns, Citizens First can play an important role in making the European Union a reality for people in terms of equal opportunities, a greater choice of jobs [...] and greater mobility."³⁴

Since all these efforts of the Commission aim to the facilitation of the mobility of employees, I will chose Eures, which is the one that is more relevant to finding the actual job in the EU, and also provides the vital information that people most probably need when deciding to migrate to another country. My survey will try to enlighten how much people are aware of this tool and if they are satisfied when using it.

3. Empirical Methodology

The aim of the study is to find out if people are willing to work abroad, and if they are aware of the Eures network that has been created by the European Union institutions for this purpose exactly. Finding a job abroad and get information on the living and working conditions in the host country is the first step made in order to decide to migrate.

A survey will be used for this purpose, since the questions posed aim to find out how many of them are willing to find a job abroad, how many of them are aware of the services the EU provides for this purpose, and how much satisfied they are. Furthermore there is no requirement of control over behavioral events, since the questions are simple and they are answered in a YES/NO manner, and the scope is focused on a contemporary event. According to R.K Yin the appropriate method to be used for that is a survey.³⁵

The survey will also indicate factors that are perceived as hinders to migration by the people, and they will afterwards be discussed. I will also look on the other side, that is the companies, and their opinion in hiring foreign people as well as the practices they follow in order to find new staff.

3.1. Countries (four groups)

The research will be performed taking sample groups from the following countries:

1. Greece
2. Sweden
3. Germany
4. Spain

Countries have been selected firstly by their unemployment rate.

Unemployed people according to International Labour Organisation (ILO) criteria are those aged 15 and over who:

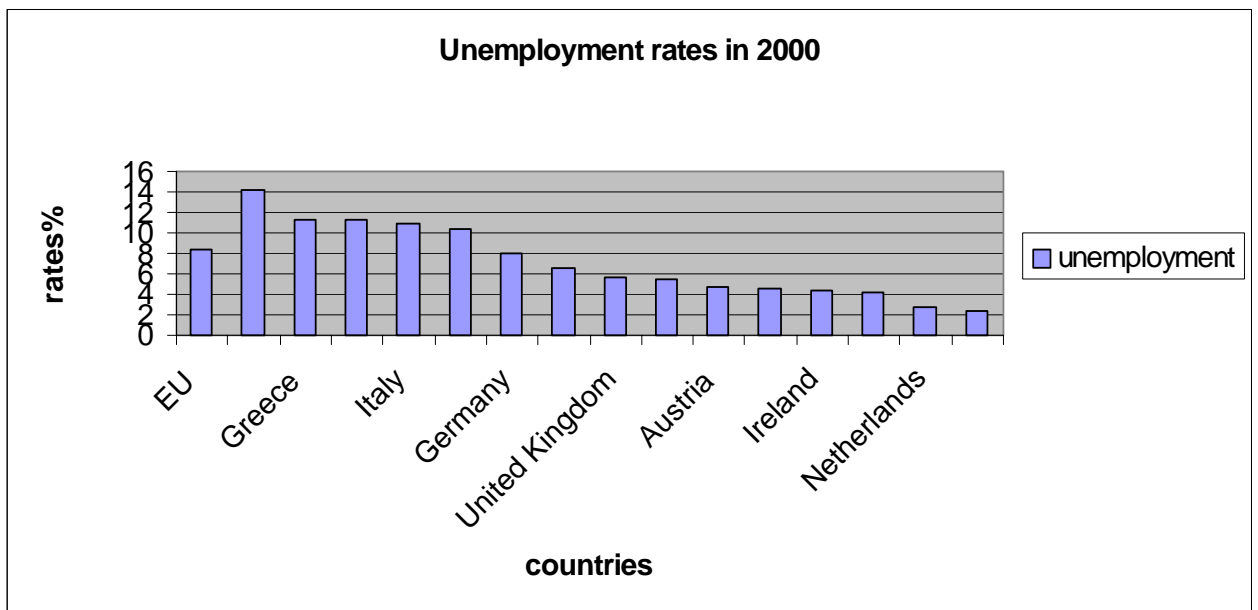
- are without work
- are available to start work within the next two weeks

³⁴ <http://citizens.eu.int/en/en/newsitem-6.htm>

³⁵ Yin K.Robert, Case study research, Design and methods, second edition, 1994.

- and have actively sought employment at some time during the previous four weeks.

| Country | % unemployment in 2002 |
|----------------|------------------------|
| EU-15 | 8,4 |
| Spain | 14,1 |
| Greece | 11,3 |
| Finland | 11,2 |
| Italy | 11,0 |
| France | 10,3 |
| Germany | 8,0 |
| Belgium | 6,6 |
| United Kingdom | 5,6 |
| Sweden | 5,5 |
| Austria | 4,7 |
| Denmark | 4,5 |
| Ireland | 4,3 |
| Portugal | 4,1 |
| Netherlands | 2,7 |
| Luxembourg | 2,4 |



Source: *Employment in Europe 2001, recent trends and prospects*, European Commission, *Employment and Social Affairs*

As seen on the chart above, Spain and Greece belong to the countries with the highest unemployment rates (14,1% and 11,3% respectively for 2000). In the middle stands Germany with an unemployment rate of 8% for 2000 and Sweden has a relatively low unemployment rate at only a bit higher than 5%.

Another criterion of selecting these four countries was by accession date, since Germany was one of the founding members of the EC, Greece came with the second enlargement, followed by Spain in the 1986 and during the last enlargement of the EU Sweden joined as well.

These criteria will show how important the unemployment rates of a country can be in the decision to move abroad in order to work and if it indeed can be connected. The accession date can show how the idea of the unification of the European countries and the creation of a single market has been mature in the minds of the people and if they actually consider seriously the possibility to migrate.

Finally, my personal contacts as well as the groups of international students who live in Lund played an important role in the selection of these countries in order to facilitate the collection of the data among them.

3.2. Young people looking for a job and Companies

From the countries selected above, questionnaires will be performed to both companies and students.

A. The first group questionnaire is addressed to students or young graduates who have been looking for a job at least once in their lives.

The purpose of this questionnaire is to find out how much young people are willing to work abroad, and if they are using the European Unions network Eures.

B. The second group questionnaire is addressed to multinational companies.

The purpose of this questionnaire is to find out how much these companies are willing to hire people of other nationality than where the company resides, and if they are using the European network Eures.

3.3. Data collection

The questionnaire will be answered through email or by personal interview from the students and by email from the companies. A personal interview with the people responsible for Eures at Arbetsförmedlingen (The Swedish national labor market administration) in Lund will give additional information on both sides about

how often they use it, and if the results are satisfactory for the individuals and the companies. Further information will be required through email by the national Unemployment offices in Greece (Organismos Apasxoliseos Ergatikou Dynamikou), Spain (Instituto Nacional de Empleo) and Germany (Arbeitsamt).

All answers except one will be given in a simple YES/NO form, so as to get comparable results. The results will be formatted as a percentage of the YES to the total number of people/companies asked and reach conclusions on whether people are considering seriously working abroad and if companies seriously consider hiring non-nationals.

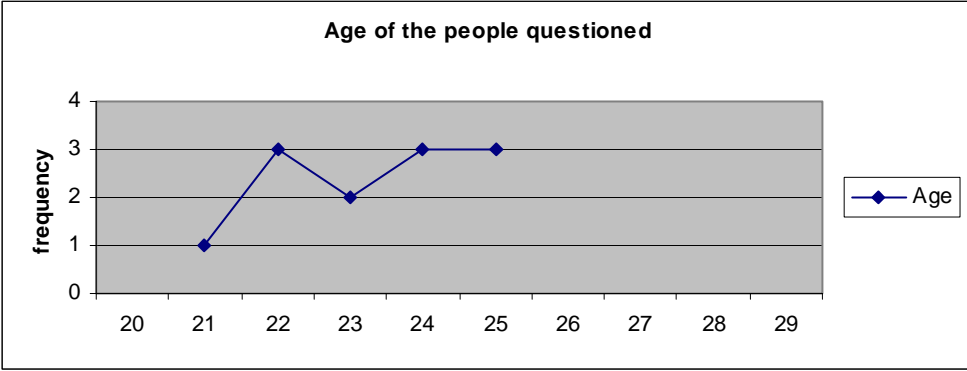
One question is regarding the major problem that people and companies may face when living abroad, or when hiring non-nationals. Depending on the answers, the survey will lead to a further analysis of a specific problem in the legal area and the business area and both analyses will be based on the theory developed earlier in the theoretical framework.

For the companies, records will be kept on the approximate number of employee, and the percentage of foreign employees in them.

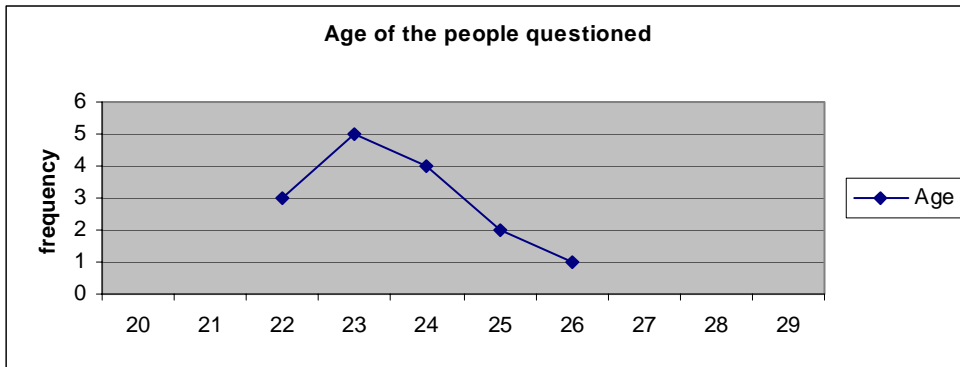
For the job seekers, the gender will be taken into consideration, and a short analysis to define the differences of the answers between men and women of the various countries, will be made at the end of this chapter.

Age records of the people questioned are as follows:

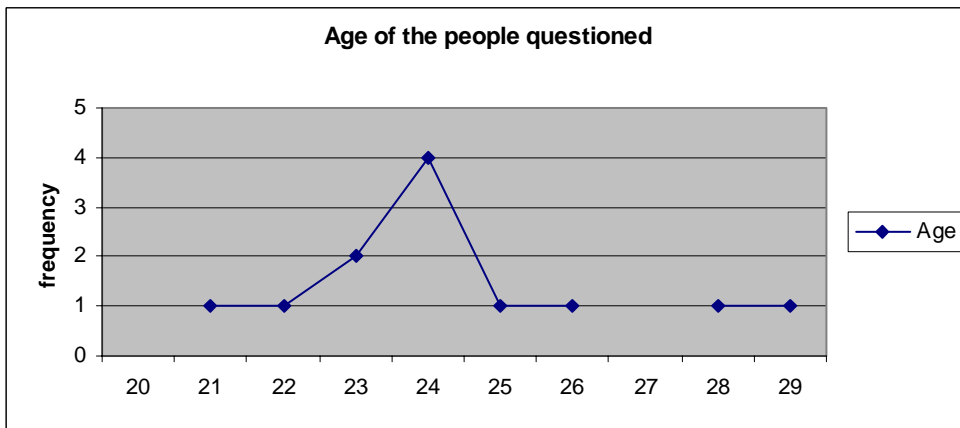
Spain



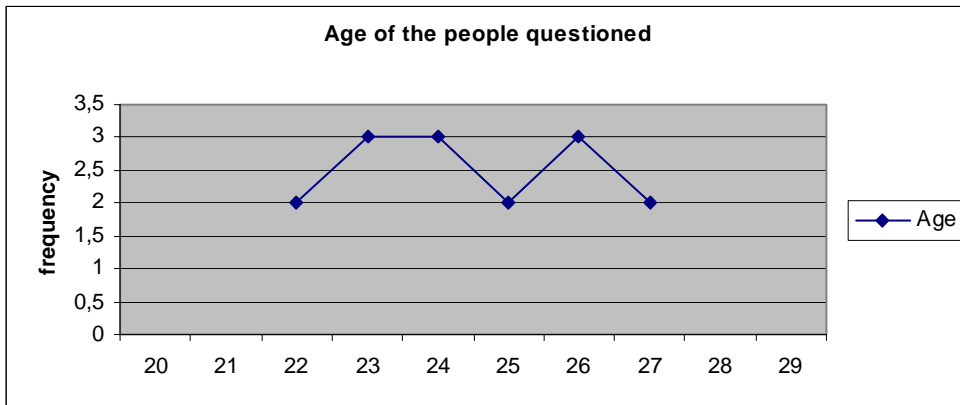
Greece



Germany



Sweden



No further analysis has been made regarding the age of the people, and their respective answers since the age limits that I have chosen are quite narrow (20-29) and in my research the aim is to ask people who are students or recent graduates looking for a job, irrespective of the age.

3.4. The questionnaire

for JOB SEEKERS

- Would you consider working abroad?
- Have you looked for a job abroad?
- Have you ever worked abroad?
- What would you consider the major problem in working abroad?

Do you know what the EURES network is?

Have you ever used it?

Were you satisfied by the results?

Did you apply for a job?

Did you get the job?

Have you contacted a Eures-adviser?

- o Country of origin
- o Gender
- o Age

for COMPANIES

-Would you consider hiring someone from another country?

-Have you ever interviewed a person from another country?

-Have you ever hired a person from another country?

-What would you consider the major problem in hiring a non-national?

Do you know what the EURES network is?

Have you ever used it?

Are you satisfied by the EURES service?

Have you contacted a Eures-adviser?

Did you get any applications for the announced job?

Do you get applications from foreigners to your website directly?

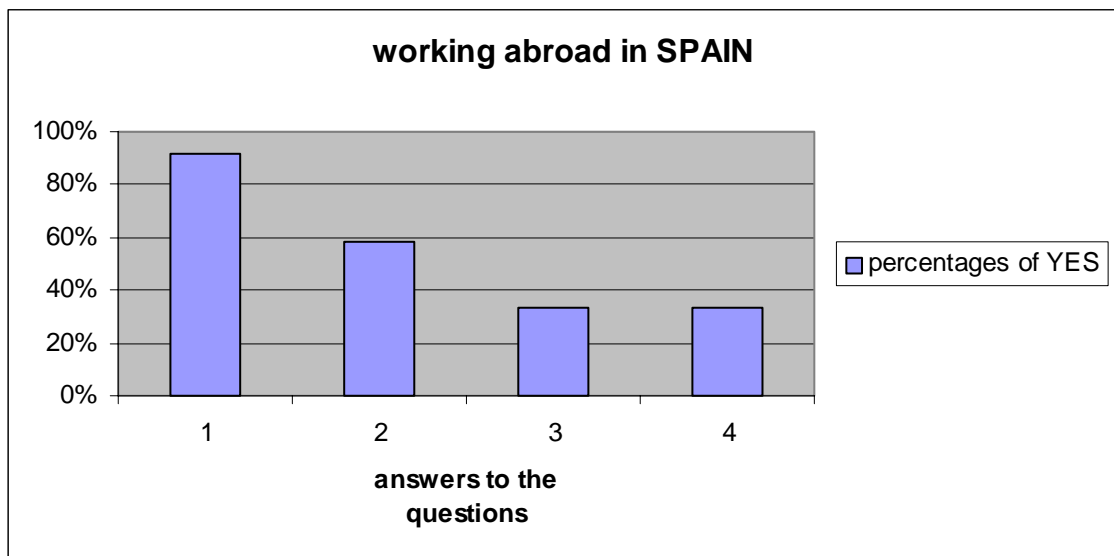
- o How many employees are there in the company (approximately)
- o How many of them are foreigners (approximately)

4. Survey results

In this section, the answers to the questionnaires will be presented and conclusions will be drawn on how willing people from the 4 Member States are to find a job abroad, and how familiar they are with the Eures network. Answers from the local unemployment offices and some selected multinational companies will support the results. Furthermore the major perceived hinders will be described, and further analyzed in the next chapter.

4.1. Spain

| | | | |
|---------------------------------------|--------------------------------------|---------------------------------|---|
| 1. Would you consider working abroad? | 2. Have you looked for a job abroad? | 3. Have you ever worked abroad? | 4. Do you know what the EURES network is? |
|---------------------------------------|--------------------------------------|---------------------------------|---|



| | |
|--|------------------------|
| Do you know what the EURES network is? | Have you ever used it? |
| 33% YES | 25% YES |

Out of this 25% that have used the Eures network no one was satisfied by the results received, no one applied for a job, and no one had found out what a Eures adviser is to contact. The web address to Eures had been provided to the people that were about it by the local unemployment office (INEM) and one of them found

it by a link in the Ministry of Education page. Their impression after visiting the Eures pages was that there were limited jobs, mainly in the tourist areas (hotels) or jobs in hospitals. There were almost no choices for people with university education background.

➤ What would you consider the major problem in working abroad?

(in ranking order by the one that most preoccupies them)

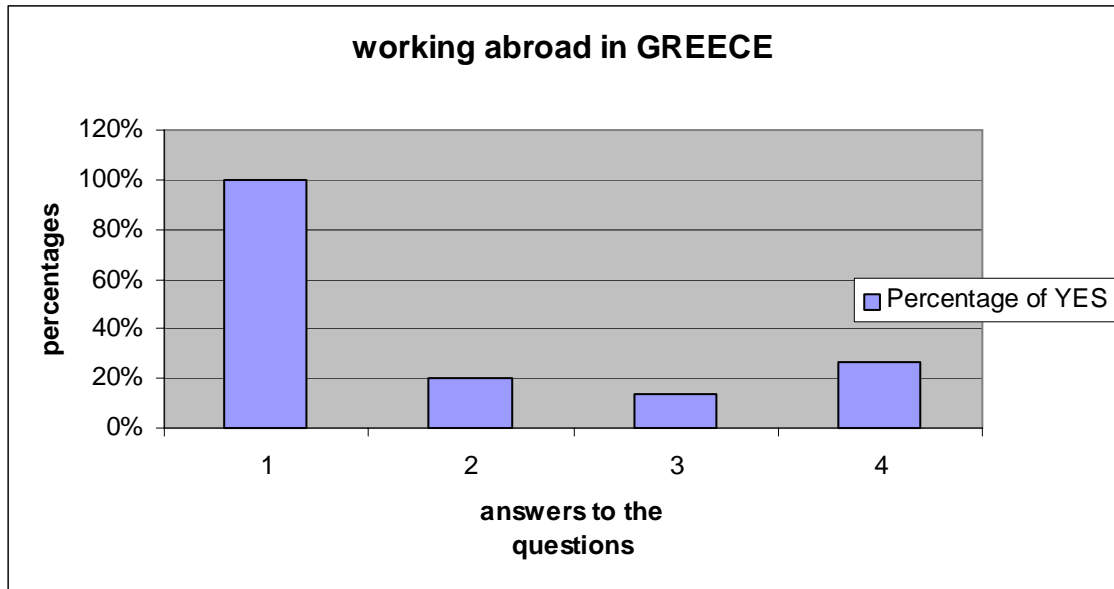
- language
- far away from family and friends
- culture
- find accommodation

Spanish people that were questioned are very eager to work abroad, and only a 5% gave a negative answer in this question. Some of them had already looked for a job abroad but only few of them have worked abroad. A 33% knew what the Eures network is, but those that looked in the pages for job vacancies were not at all satisfied.

Sad to say that no response from companies or the local unemployment office was returned to me.

4.2. Greece

| | | | |
|---------------------------------------|--------------------------------------|---------------------------------|---|
| 1. Would you consider working abroad? | 2. Have you looked for a job abroad? | 3. Have you ever worked abroad? | 4. Do you know what the EURES network is? |
|---------------------------------------|--------------------------------------|---------------------------------|---|



| | |
|--|------------------------|
| Do you know what the EURES network is? | Have you ever used it? |
| 20% YES | 0% YES |

A few of the people that were questioned had heard of the Eures network, but none of them had ever used it to find a job or get information about working abroad.

➤ What would you consider the major problem in working abroad?

(in ranking order by the one that most preoccupies them)

- language
- different job environment
- culture
- don't know how to find a job fit to my competencies
- find accommodation
- no friends

Even though all the Greek people that were questioned are willing to work abroad, only few of them know what the Eures network is. And although this 20% knew what it was, they had never actually used it to find a job. Very few of them had actually been working abroad or looked for a job abroad already.

On the other side, Greek multinational companies are not very accustomed to having non-nationals working either. May the greek language be a big hinder to attract people, or even the distant geographical position in the continent. Ms. Aspasia Dimopoulou³⁶ from the Human Resources Department of *KPMG* in Athens is very open minded towards foreign people who wish to work for the company although no figures on the amount of them working in the company are available. She considers the different culture and way of living as well as the language knowledge as to be the major problems when considering hiring a non-national. The Eures network is unknown to her, and they receive applications mainly through their website.

4.3. Germany

| | | | |
|---------------------------------------|--------------------------------------|---------------------------------|---|
| 1. Would you consider working abroad? | 2. Have you looked for a job abroad? | 3. Have you ever worked abroad? | 4. Do you know what the EURES network is? |
|---------------------------------------|--------------------------------------|---------------------------------|---|



| | |
|--|------------------------|
| Do you know what the EURES network is? | Have you ever used it? |
| 8% YES | 8% YES |

The 8% that had used the Eures network, could not find a direct link through the national unemployment's office in Germany (Arbeitsamt) web page, but looked for it on their own. The results found for them were not interesting, and they did not apply for any job. Further more, they had never heard about the Eures advisers although they thought it would be very useful to contact one and get information about the host country.

➤ What would you consider the major problem in working abroad?

(in ranking order by the one that most preoccupies them)

- language
- no friends
- working environment different, company culture
- away from family and friends
- find the job
- social security acceptance
- tax system

All the German people that were questioned showed willingness to travel abroad to work, and many of them had already done that more than once in their lives. Despite the fact that so many of them had looked for a job abroad, only 8% had done it through Eures. In this case, the results did not please them and they did not apply for a job.

One of the biggest companies in Germany, *Bayer AG* is very accustomed to having non- nationals as employees, according to Ms. Ilka v.Braun, responsible of the HRM department in Leverkusen.³⁷ The company policy is to hire persons irrespective of their nationality and they frequently hire people from countries

³⁶ E-mail response to the questionnaire, 20 May 2002.

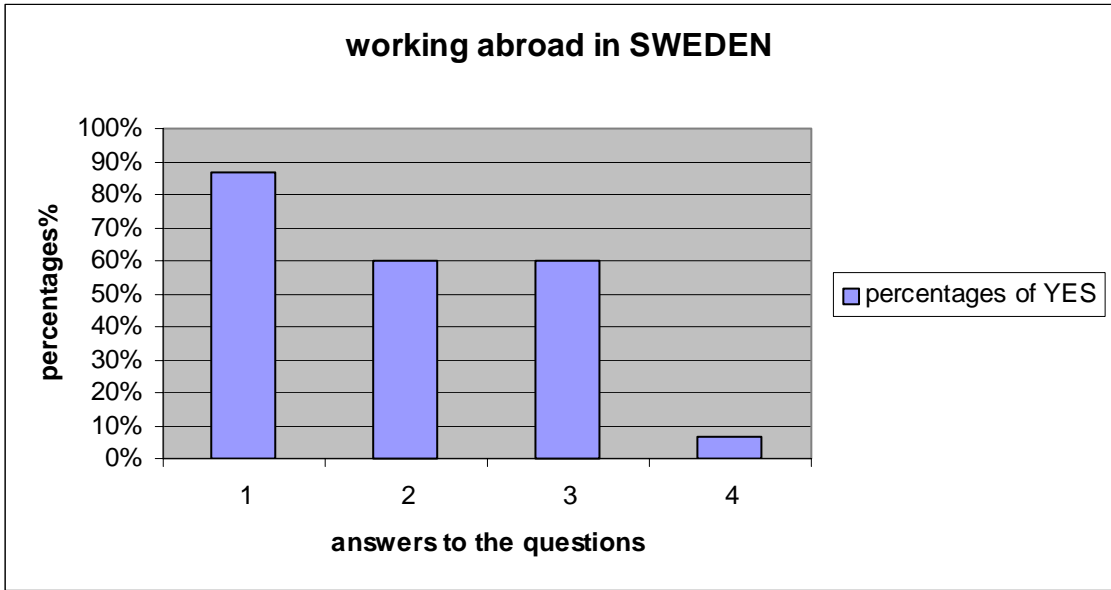
³⁷ E-mail response to the questionnaire with additional information, 22 May 2002

outside Germany. As a globally operating company, they don't consider any major problems in hiring a non- national. An average of 5,9% of the employees (38.400 are the total employees in the whole Germany) are foreigners. Although this big number of non- nationals working for the company, the Eures network is unknown to her and her colleagues, and they have never used it to find employees. Most applications from foreigners are received through the company's website.

Ms. Ina Rosenow³⁸, is working as a *Eures- adviser* in Arbeitsamt, in Berlin, and the office is receiving 30-40 enquiries for working abroad per day. People are very interested in finding a job abroad, and they require information about the EU countries, plus Switzerland on the living and working conditions and especially regarding the social security system. Approximately 70% of the jobseekers are under 30 years old. In the year 2001, the office received in total 7000 enquiries from people who wanted to work outside Germany.

4.4. Sweden

| | | | |
|---------------------------------------|--------------------------------------|---------------------------------|---|
| 1. Would you consider working abroad? | 2. Have you looked for a job abroad? | 3. Have you ever worked abroad? | 4. Do you know what the EURES network is? |
|---------------------------------------|--------------------------------------|---------------------------------|---|



| | |
|--|------------------------|
| Do you know what the EURES network is? | Have you ever used it? |
| 7% YES | 7% YES |

A 7% that had searched for a job through the Eures did not find what they were looking for, and did not apply for any jobs. Furthermore, they did not know what a Eures- adviser is.

➤ What would you consider the major problem in working abroad?

(in ranking order by the one that most preoccupies them)

- different company culture
- tax system function
- language
- away from family and friends
- how to find the job
- pension system continuance
- bureaucratic problems
- degree recognition
- logistics to move

With only a very small exception, Swedish people are very eager to work abroad, and they have already been very mobile in their lives. Despite this activity, only a 7% of them has heard and actually used the Eures network in order to look for a job abroad, but no satisfactory results appeared. Lots of concerns in working abroad were expressed, but a Euroadviser was unknown to all of them.

From a short personal interview at the local *Swedish National Labor Market Administration (Arbetsförmedlingen)* in Lund with Ms. Kerstin Holmberg³⁹, it seems that some people visit the offices to get information on working abroad, and they are mainly interested in working in the close by countries (Norway, United Kingdom). No distinction between sexes can be made, but according to her personal observations, it is mostly young people that are interested. No records are kept on how many people did actually get a job through Eures. Information on how to find a job abroad, as well as further information on the country of interest are

³⁸ E-mail information, 17 May 2002.

³⁹ Personal interview in Lund, 15 May 2002.

given on the internet, by special links to the main web page of *Arbetsförmedlingen* (www.ams.se).

Swedish companies seem not to use the Eures in order to find staff needed, even though they employ a considerable number of foreigners.

De Laval in Tumba is a Swedish company that employs 600 people in total and around a hundred of them are foreigners. Mr. Bo Irlblad⁴⁰, trainee manager in the company, says that they interview foreign people almost everyday for their vacancies, and there is a high international spirit in the company, with 36 different languages spoken in total. Although language skills seems to be the biggest problem they consider with employees who come and do not speak Swedish, it does not however hinder them to employ them. Despite the needs of the company, and the open minded behaviour towards the non-nationals, the Eures network is unknown to him and the Human Resources Department whom he has never heard of it or used it.

Pharmacia AB is one of the biggest medicine companies in Sweden, and has high needs in foreign personnel. 4.000 employees are working in Sweden, and foreign people are being interviewed very often by the recruiters, according to Mr. Fredrik Bengtsson⁴¹, CRM coordination in Human Resources of *Pharmacia AB* who considers the language skills to be the only problem in the process. Job applications are received through their website directly and they are not aware of the Eures services.

SCA is another example of a Swedish company that is not aware of the Eures network, despite the considerable amount of foreign employees. Mr. Sven Gatenheim⁴² provided me useful information about the structure of the company, where about 300 of the total 40.000 employees are foreigners, and he faces no problems during the interviewing and hiring procedures, which very often include non-nationals.

⁴⁰ Phone interview with Mr.Bo Irlblad, on the 17th of May 2002.

⁴¹ E-mail response to the questionnaire, 17 May 2002.

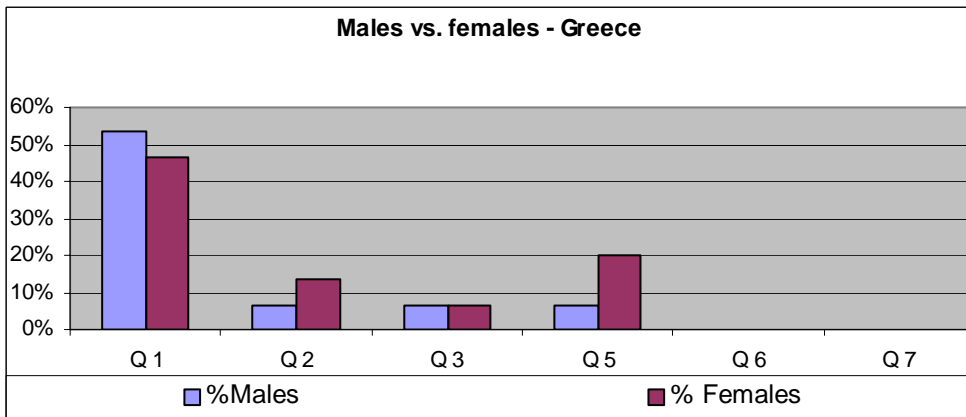
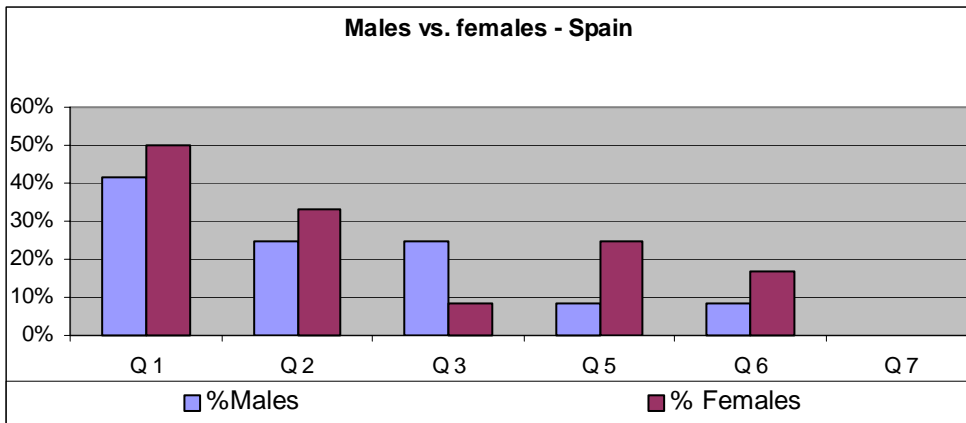
⁴² E-mail response to the questionnaire, 21 May 2002.

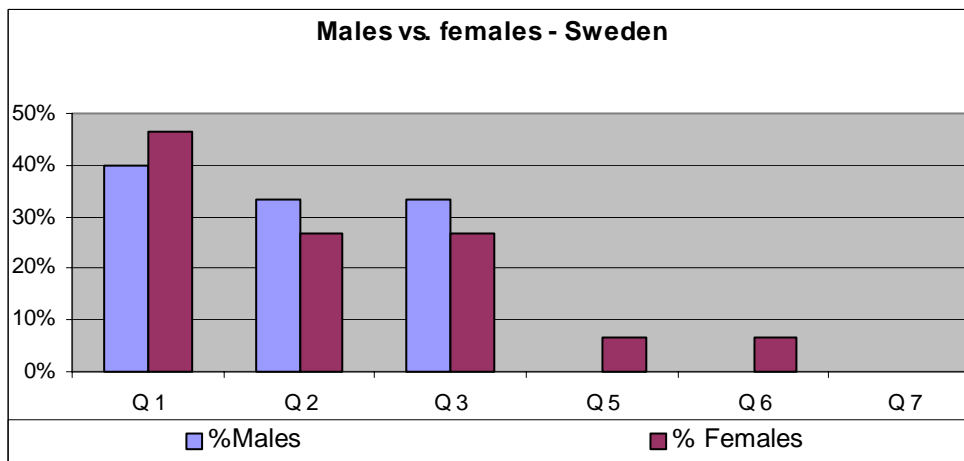
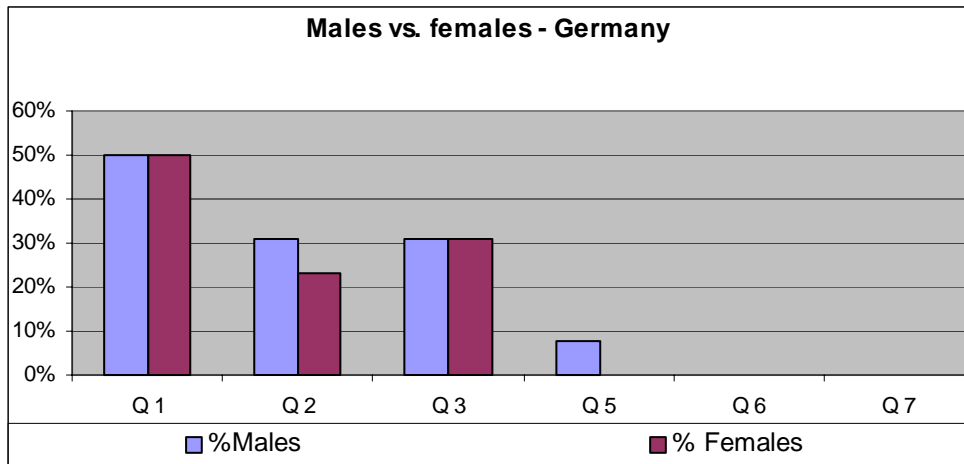
4.5 Comparison of answers based on gender

In this section, I will compare the answers given by male and women in the 4 different countries, and find out if there are significant answers between them.

The tables below correspond to the questions given by the survey, earlier. The percentages given reflect the amount of positive answers (YES).

| | | | | | |
|---------------------------------------|--------------------------------------|---------------------------------|---|------------------------------|---------------------------------------|
| 1. Would you consider working abroad? | 2. Have you looked for a job abroad? | 3. Have you ever worked abroad? | 5. Do you know what the EURES network is? | 6. Have you ever used EURES? | 7. Were you satisfied by the results? |
|---------------------------------------|--------------------------------------|---------------------------------|---|------------------------------|---------------------------------------|





From the comparisons above, some indications are given on noticeable differences in the answers between the two genders.

In Question 1 there is no visible pattern shown regarding the different answers given by the two genders and both genders seem to be highly interested in finding an occupation abroad.

In Question 2 there is an obvious difference in the answers given since in the southern countries (Greece and Spain) there is a tendency that women have been more active in searching for a job abroad. On the contrary, in the northern countries (Germany and Sweden) it is the men who have been more dynamic in the job seeking.

Regarding Question 3 there is a more general indication of men being more decisive on actually taking a job in another country. That is obvious in Spain and Sweden, although there are equal percentages of answers in Greece and Germany.

To some extent these empirical findings can be explained by the assumptions about men and women's role in the society. As discussed in the theoretical business framework that was based in Hofstede's theories, regarding masculinity and femininity, men are supposed to be more willing to take risks and take up challenges regarding their career and success. Women are more keen in taking care of the family and this could explain why fewer women have actually taken a job abroad, even though they are highly interested.

Questions 5-7 cannot give any reliable indications, since the sample that answered affirmatively is not so big and the actual differences are 1-2 people. In this case the percentages shown can represent random conditions.

4.6. Summary of results

The table below shows a summary of the YES percentage answers to the questions, the response rate on the part of the companies, and the various Hofstede cultural dimension scores for each country.

| | Spain | Greece | Germany | Sweden | <u>Sources</u> |
|--|-------|--------|---------|--------|-------------------------|
| Unemployment rate % | 14,1 | 11,3 | 8 | 5,5 | <i>EU Commission</i> |
| Question 1 YES% <i>Would you consider working abroad?</i> | 87 | 100 | 100 | 87 | <i>student survey</i> |
| Question 2 YES% <i>Have you looked for a job abroad?</i> | 60 | 20 | 54 | 60 | |
| Question 3 YES% <i>Have you ever worked abroad?</i> | 60 | 13 | 62 | 60 | |
| Question 5 YES% <i>Do you know what the EURES network is?</i> | 33 | 20 | 8 | 7 | |
| Question 6 YES% <i>Have you ever used EURES?</i> | 25 | 0 | 8 | 7 | |
| Question 7 YES% <i>Were you satisfied by the results?</i> | 0 | 0 | 0 | 0 | |
| No. of companies emailed | 16 | 20 | 13 | 25 | <i>corporate survey</i> |
| No. of responses | 0 | 1 | 1 | 3 | |
| % aware of Eures | 0 | 0 | 0 | 0 | |
| Power distance | 57 | 60 | 35 | 31 | <i>Hofstede</i> |
| Individualism | 51 | 35 | 67 | 71 | <i>(IBM sample)</i> |

| | | | | |
|-----------------------|----|-----|----|----|
| Masculinity | 42 | 57 | 66 | 5 |
| Uncertainty avoidance | 86 | 112 | 65 | 29 |

All the four countries answered the question regarding people's willingness to move to another country to work, very positive. On the questions regarding the actual actions that people have done in order to find a job, and whether they have actually had an experience in working abroad, the Spanish, German and Swedish people seem to be more active, and the Greeks seem to be more reluctant. The knowledge of Eures network is higher in the countries with the higher unemployment rates (Spain and Greece) and more uncommon for the other countries. However the actual satisfaction from the people who have used it in order to find a job, is similar to all: none of the people who were asked seem to have been satisfied by the results.

Companies' response has been extremely low, although a large number of companies were contacted from each country, and the questionnaires sent were very simple to be answered in a short time. Answers from Sweden were slightly more, but this is probably due to the fact that I have used direct emails to the human resource departments that was available to me, rather than filling general communication forms as I was asked to do by the other countries companies when visiting their website. One thing again is common in the answers in the four countries: none of the human resources responsible for multinational companies was aware of the Eures network.

Regarding the cultural differences, power distance doesn't have direct implication on people's choice to take the decision to move. The impact becomes evident when a person starts working in the host country because then the different company culture is perceived. On the contrary, Individualism may be more influential on the people's decision to move, because people from more individualistic countries should be less reluctant to leave their families and friends, as in the case of Germany and Sweden. Uncertainty avoidance could have an impact as well on the decision, since people coming from high uncertainty avoidance countries would be more insecure about leaving their country and culture where they feel comfortable, for a place they are not very familiar with, like in the case of Greece. This is especially obvious from questions 2 and 3 where Greece's positives answers are

very few on actually working or having looked for a work abroad, compared to the other 3 countries, and this can be attributed to Greece's very high uncertainty avoidance score.

5. Problem analysis

In this part, two different problems will be analysed, one in the business area and one in the legal area. Both of them have derived from the survey and are linked to the theory framework, which was discussed earlier in chapter 2.

5.1. Problem analysis in the Business area

As resulting from the survey, except for the language and distance from family and friends concerns, the third biggest problem that distress the people who were interviewed and who would like to find a job abroad, is the different business culture that they will face in the new country.

It seems to be a very big hinder in the decision to work abroad, since if they do decide to take up employment abroad, the work environment will affect their daily lives and the satisfaction they will get from their occupation. If this feeling turns to be negative, and they don't feel they fit into the new environment, then chances that they will take up the challenge to live and work abroad are very low. Since this was expressed as a major worry from the people questioned, a further analysis of this problem will follow. Culture in the business environment will be discussed, and how it is perceived by the different nationalities, as well as the probable cause of these different perceptions.

More particular, worries were expressed by the people who were questioned regarding the hierarchy and the rules in the new working environment, the different way of proceeding and also the equality between men and women in the work area and their responsibilities as well as the typical relationships with the supervisors or the boss.

5.1.1 Culture in the business environment

Big multinational companies, that are the most common targets for people who want to travel and work abroad, have a big amount of foreigners working, and should be more acquainted with the cultural diversities. Understanding and accepting other cultures is the first step for a good communication and effective cooperation.

Although organizational cultures are a phenomenon per se, different in many respects from national cultures, they are still very much affected by the country the company is based in. An organization is a social system of a different nature than a nation; if only because the organization's members usually had a certain influence in their decision to join it, are only involved in it during working hours, and may one day leave it again. Research results about national cultures and their dimensions proved to be only partly useful for the understanding of organizational cultures.⁴³

There is no standard definition of the concept "organizational culture", but most people who write about it would probably agree on the following outlines:

- it is holistic, referring to a whole which is more than the sum of its parts
- it is historically determined, reflecting the history of the organization
- it is socially constructed, created and preserved by the group of people who together form the organization
- it is soft, but also difficult to change.

Organizations with "strong" cultures, arouse positive feelings in some people, negative in others. The attitude towards strong organizational cultures is partly affected by national culture elements.

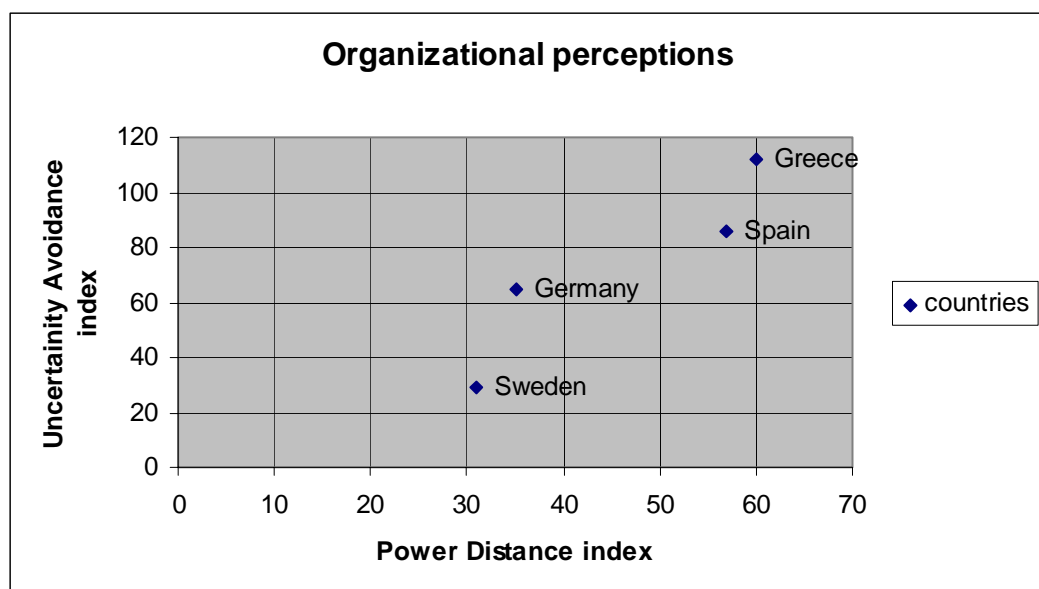
Sweden and in general the Northern countries are less built on hierarchy and rules so far the business environment is concerned, and the idea to work in Spain or Greece or another similar country where the hierarchies are kept strict, somehow prevents them. On the other hand, in the southern countries, people are used to the teamwork and the constant communication, even if it leads to conflicts or raising the voice, something that the Northern countries like Sweden and Germany are not very familiar with and might not feel so comfortable when working in such an environment.

In most organizations, there are both structural and human aspects. The people involved react according to their mental software, which partly consists of their ideas about what an organization should be like. From the 4 dimensions of national culture, described earlier on the theoretical business framework (power distance, individualism and collectivism, masculinity and femininity and uncertainty

⁴³ The following part is mainly based on the book: Hofstede G., Cultures and Organizations, Intercultural Cooperation and its importance for survival, Software of the mind, Harper Collins

avoidance), power distance and uncertainty avoidance in particular affect people's thinking about organizations. Organizing always inquires the determination of who has the power to decide what, and what rules or procedures will be followed to attain the desired goals. These two answers are influenced by cultural norms of power distance perceptions and uncertainty avoidance. The remaining two dimensions, individualism/ collectivism and masculinity/ femininity affect our thinking about the people in the organizations, rather than about organizations themselves.

According to the indexes provided earlier on these 4 countries that have been studied, a table follows with their placement according to Uncertainty avoidance and Power distance perceptions.



Source: Hofstede

Spain and Greece are countries with large power distance insight and strong uncertainty avoidance feelings. To their eyes, bosses are always in the top of the organizational pyramid, and they are the only ones responsible to give guidelines on how the work has to be performed, which the employees have to follow. Conflicts are not settled on own initiative but should preferably be addressed to the person in charge for a proper settlement and a set of guidelines for the future.

In Germany, there is also a strong need for a set of rules to prevail in the company in order for the job to be performed properly, but unlike the more southern countries, the power distance between the boss and the subordinates is not so big. People can solve their difference on their own with minimal management intervention, just as long there are formal indications on how to do it, and how to proceed.

In Sweden, there is low uncertainty avoidance, and low power distance as well. There are thus hardly any rules to determine the way the job will be performed, and the boss is not in need to give instructions or solve the problems. People would rather prefer to find a way of working that best fits their own and their team, without following any formal rules. The demands of the situation and their personal judgement will determine the course of work.

These three different approaches of people in their working environment, shows how much people have different perceptions due to their nationalities. Taking a job abroad would definitely mean that the conditions of work will be different, and that they will have to adapt if they want to be integrated and work efficiently.

Today's unprecedented speed and complexity of business demand skilled leaders, confident individuals, and dynamic teams. Having people with different job perceptions working in the same place doesn't necessarily cause trouble. It is up to the company to place them in the right position and use their skills effectively and make their integration as smooth as possible. Diverse and empowered workforce is a means for opening new perspectives and achieving a sustained competitive business advantage.

5.2. Problem analysis in the Legal area

As pointed out from most of the people that were questioned, many problems exist in the process of deciding to migrate to another country for employment purposes. Except for the language and cultural problems that will be faced in the new country, and the personal concerns such as leaving behind family and friends and going to a new country that you know nobody, some more complicated, legislative-nature concerns were also expressed. Problems such as double taxation of the income in both the home country and the host country, and also the pension

contributions that already have been paid in one country, how will it work in the new country.

5.2.1 Social Security and Pension

Tax and benefits systems do not need to be either integrated or harmonised to ensure effective mobility, but they do need to be compatible and well coordinated.⁴⁴ Complexity, lack of compatibility and lack of transparency can create both administrative hurdles and financial concerns and costs, which inhibit mobility. In most Member States, there remains much scope for review of unemployment benefit systems, so that these provide efficient unemployment insurance without unduly reducing incentives to seek work.

In many instances workers and employers cannot get tax relief for pension contributions paid to pensions institutions located in another Member State, whereas pension contributions paid to domestic institutions would have been tax deductible. This hinders workers' labour mobility, and prohibits employers with establishments in different Member States from centralizing their European pension provision.

The freedom of movement granted by the Treaty to workers and the self – employed and their families would have been deprived of much of its effect if persons, in exercising these rights, risked losing out on social security benefits acquired in their home State. It was to meet these problems that Article 42 of the EC Treaty provided for measures to be adopted in the field of social security, to ensure that claimants' contributions in different Member States are aggregated and that persons entitled to benefits may collect them wherever they are resident in the Community.⁴⁵

In 1965, in the Case of H.Knappschaft⁴⁶, where a German worker was killed while on holiday in France, the Court held that Article 42 was applicable since the concept of worker is not solely limited to migrant workers *sensu stricto*. Thus in the

⁴⁴ The following section is based on a Communication from the Commission to the Council about the "New European Labour Markets, open to all with access to all" 28 February 2001 http://europa.eu.int/comm/employment_social/empl&esf/news/labour.pdf, 18 May 2002

⁴⁵ Steiner J. and Woods L., Textbook on EC Law, 6th edition, Blackstone Press Limited, 1998

⁴⁶ Case 44/65, Hessische Knappschaft v. Maison Singer et Fils

case of social security the economic nexus rests on the fact of insurance and not on the fact of employment.

On 19 April 2001, the Commission issued a communication to the Council, the European Parliament and the Economic and Social Committee entitled: “the elimination of tax obstacles to the cross-border provision of occupational pensions”⁴⁷. There it addresses the fact that the tax obstacles relating to supplementary pensions may hinder employees wishing to work in other Member States. Generally, the pension schemes of other Member States are not recognised as eligible for tax relief under national legislation. This makes pension accumulation less attractive to employees⁴⁸. The fragmentation of pensions is also leading to higher costs than necessary for the private sector.

A lack of portability of supplementary and private pensions, or the difficulty to accumulate simply the financial value of the acquired pension rights, and of health benefits, also creates both administrative and financial barriers- for workers and for businesses. In the Case of Mura⁴⁹ and Di Prinzio⁵⁰, the Court has held that if Community legislation is more favourable than the national legislation alone, by virtue of which the worker receives a pension or in regard to overlapping of benefits, the provisions of the Community law must be applied in their entirety. Social security and pensions can be contracted out from the state scheme (state pension) or people can choose to have something additional as a supplement or to the state pension (supplementary pension).

State pension, Regulation 1408/71

One of the biggest potential barriers to freedom of movement is the absence of a common European Community- wide social security system- so long as each Member State continues to regulate its own social security the risk remains that workers leaving one State may lose their entitlement to any benefits which have accrued while they worked in the State when they enter another State.⁵¹

⁴⁷ COM (2001)214.

⁴⁸ A publication by the Dutch Pension Funds Sector (Vereniging van Bedrijfstakpensioenfondsen and Stichting voor Ondernemingspensioenfondsen) Zeestraat 65d, 2518 AA The Hague. June 2001.

⁴⁹ Case 236/78, Fonds national de retraite des ouvriers mineurs v. Giovanni Mura

⁵⁰ Case C-5/91, Antonietta Di Prinzio v Office national des pensions

⁵¹ Barnard C, EC Employment Law, second edition 2000, p.299

Regulation 1408/71 was introduced in 1971 as part of EU legislation to facilitate the right guaranteed by the EU Treaties of free movement of persons. Only by ensuring that persons moving within the Community do not suffer disadvantages in their social security rights will this freedom guaranteed by the Treaty be of real and tangible value. The Regulation deals with the social security aspect of free movement by co-ordinating the social security systems of the member-states and European Economic Area countries.

The Regulation does not aim to replace different national social security systems - it does not introduce new types of benefits nor does it replace national rules. What it does is establish common rules and principles to ensure that application of the different national systems does not adversely affect persons exercising their right to freedom of movement of persons. In simple terms, the objective of the Community rules is to ensure that a person who has exercised his/her right to freedom to move within the Community is not placed in a worse position than a person who has always resided and worked in a single Member State.

The Regulation covers social insurance benefits rather than social assistance. Currently, the categories of benefits covered are:

- Sick and maternity benefits
- Invalidity benefits
- Old-age and survivors' pensions
- Accidents at work/occupational diseases
- Unemployment benefits
- Family benefits, benefits for dependent children and for orphans
- Special benefits⁵²

In November 1997, the European Commission adopted a proposal to extend to third-country nationals Council Regulation 1408/71 on the application of social security schemes to employed people and families moving within the European Union. The aim is to support the functioning of the single market and contribute to the fight against racism and xenophobia. In 1981 the scope of the regulation was extended to the self-employed as well.

⁵² http://www.jeanlambertmep.org.uk/downloads/briefings/0801_1408_briefing.doc, 20 May 2002

Each Member State is free to determine such things as the pensionable age, the amount of the contributions to be paid in order to fund the national pension scheme, and the methods of calculating and conditions for granting the national pension.

The Community provisions on social security come into play in order to protect persons who have worked in several Member States of the European Economic Area, with a view to guaranteeing, *inter alia*, that no social security contribution paid is lost and that their acquired pension rights are preserved in the country that they are leaving in order to go and work in another country. These rules also stipulate that each country is obliged to pay a pension commensurate with the insurance periods completed there.

When a worker has spent his/her working life in more than one Member State, Regulations Nos 1408/71 and 574/72 guarantee that, if a period of insurance is not enough to fulfil the qualifying period that might be required by a Member State's legislation for acquiring entitlement to the pension, the insurance periods completed in other countries will also be taken into account (under the principle of aggregation). Furthermore, the same Regulations lay down special rules for calculation of old-age and survivors' pensions. Accordingly, as soon as the person concerned submits a pension application in a Member State, the pension entitlements will be calculated in accordance with all the legislations that have been applicable to him/her.

National pension and pro rata pension

The social security institutions of each country where the worker has been insured are thus obliged to calculate a national pension and a pro rata pension, to compare the two figures and to grant the migrant worker the amount most favourable to him/her.

The national pension is the pension calculated in accordance with the national rules only, taking account solely of the periods of work in the country.

In order to determine the proportional or pro rata pension, it is first necessary to calculate the theoretical amount, which takes the whole of a person's working life into account as if the periods spent abroad had been completed in the country in question. Overlapping periods of work are counted only once.

The pro rata pension is then obtained by multiplying this theoretical amount by a fraction whose numerator represents the duration of the periods of work in the country and denominator all the periods taken into account in determining the theoretical amount.

Subsequent adjustments of pensions to the cost of living or the level of wages are carried out automatically without taking account of the amount of other pensions, while the review of the pensioner's personal situation or of the rules for calculating pensions in a Member State presupposes that the amount of the pension is also reviewed in all the other Member States.

Applications of the national non-aggregation rules designed to limit or prohibit the aggregation of the benefits (survivors' with retirement benefits or with other income) that a person may be granted, is also strictly regulated in his/her favour.

Lastly, Community law also stipulates that old-age benefit shall be paid wherever the former migrant worker resides or stays on the territory of the European Economic Area, without any reduction, change or suspension.⁵³

5.2.2. Supplementary pension

In its drive towards the completion of the Single Market, the European Commission has adopted on 8 October a proposal for a Council Directive on safeguarding the supplementary pension rights of employed and self-employed people moving within the European Union (EU), aimed at removing one of the remaining obstacles to the free movement of workers across the EU. The proposal covers supplementary pension schemes and concerns the preservation of acquired rights, the guarantee of cross-border payments, the possibility for workers temporarily posted by their employer to another Member State to remain affiliated to the supplementary pension scheme in the State where they were previously working, and information rights. Statutory schemes (state pensions) are already covered by EU free movement legislation (Regulation 1408/71). However for many workers, supplementary pension schemes are already more significant, in financial terms, than state pensions, and their importance is growing.

⁵³ http://europa.eu.int/comm/employment_social/soc-prot/schemes/news/pension_en.htm,

The proposed directive fills a significant gap in existing EU legislation. At the moment, people who move from one job to another across the European Union face losing all or part of their supplementary pension rights. This situation represents a significant obstacle to mobility. It penalises individual workers, it affects in a negative way the EU economy as a whole, and it goes against the fundamental principle of free movement of people within the EU.

The proposal is a first step to removing obstacles to free movement relative to supplementary pensions. It is based on the recommendations contained in the Report of the High Level Panel on Free Movement (chaired by Simone Veil, former President of the European Parliament), and concerns:

- Preservation of acquired rights. This means that a worker who ceases to pay contributions to a supplementary pension scheme on leaving an employment in order to work for another employer in another Member State, should not lose the rights already acquired in this scheme which he/she would have preserved had he/she changed employer while remaining in the same Member State.

- The guarantee of cross-border payments, which is confirmation of the application of a fundamental principle of the EU Treaty, i.e. free movement of capital. Measures allowing workers temporarily posted by their employer to another Member State to continue to contribute to the supplementary pension scheme in the State where they were previously working. The proposed Directive guarantees that workers posted from one country to another can continue to make contributions to a supplementary pension scheme in the Member State of origin under similar terms to those which apply to statutory social security schemes for posted workers (dealt with in Regulation 1408/71). The host Member State should give these contributions the same tax treatment as it gives to contributions made to approved supplementary schemes established in its own territory.

- Supplementary pension scheme managers should provide information about pension rights, and the alternatives available when moving abroad.⁵⁴

The Commission is aware of the formal problems that are faced by the people looking for a job abroad, regarding the pensions. It acknowledges that it is one of

the major hinders in the employees mobility within the EU, and recently it gave a proposal for the possibility of the full transfer of the rights acquired for the social security and pensions. The proposal includes a practical and symbolic European health insurance card that will replace all the formal papers that are required nowadays and will facilitate the whole procedure.⁵⁵

⁵⁴ http://europa.eu.int/comm/internal_market/en/finances/pensions/856.htm, 20 May 2002

⁵⁵ <http://www.in.gr/news/article.asp?IngEntityID=360606>, 13 February 2002

6. Conclusions and Final comments

The conclusions of this thesis will now be summarized, as to their connection to the purpose as described in chapter 1 and according to the findings of the survey and the problems that have been analysed in chapter 5.

It was shown clearly by the survey that people are more than willing to work abroad, but very few of them had actually done it. Their major concerns as pointed out by them in ranking order, were:

1. language
2. away from family and friends/ no friends in the new country
3. country culture and different working environment
4. find a suitable job
5. tax and pension system functions
6. find accommodation/ logistics to move
7. various bureaucratic problems
8. degree recognition

Those that had only thought about working abroad, found as major problems the language skills, the distance from family and friends and the problem of going to a new place where they don't know people. Furthermore, the idea of being in a country of a different culture and working under new rules and conditions made them hesitate a little bit.

The ones that had an experience by working abroad, were concerned with more technical details, like the function of the tax and pension system, the degree recognition, finding accommodation and transferring the personal belongings.

Big multinational companies on the other side, perceive no major problems, except for the language skills and the cultural behaviour. They are very open minded towards foreigners working for them, and they are more accustomed since there are already many of them working in the company.

The sample of people that was questioned gave indications that the higher the unemployment rates in the country, the more familiar job seekers were with Eures despite the fact that less of them had already had an experience in working abroad, like in Spain and Greece. And that in the countries with less unemployment rates, like in Germany and in Sweden, although people had been looking or even worked abroad, they were not familiar with Eures.

The main purpose of the thesis was to improve the understanding of the mechanisms and hinders of international migration to the European Union. Specific questions were looked upon, so as to define if legal obstacles and the different working cultural environments are perceived as hinders to the mobility, and which ones are the greatest.

Regarding the legal part, the tax system function and the social security and pension is faced as major problem to the eyes of those that are interested in finding a job abroad. Regarding the business part, the different corporate environment in terms of culture, hierarchy, responsibilities and problem solving is on one hand an attraction to people who want to expand their experiences, but also concerns them in the sense that they are not sure if they will be able to conduct the job, and how they will be treated.

The existence of barriers in the mobility of employees in the EU is not an unknown issue. The Commission is aware of it, and is working in finding solutions. What is new about this thesis is that young people are indeed very eager in working abroad, but they are not aware of the means that have been created by the Commission, and specifically the Eures, as a useful means to access the labour markets, and solve their questions or problems regarding the new host country.

From the survey that was performed, the trends and opinions of the young people who are about to enter the job market, are obvious. The majority of them are seriously thinking of working abroad, and despite the problems perceived in doing so, they are very excited about it. It is a way for them to experience new things and expand their knowledge further than the university theory and the home country working practice.

Practices to be followed in order to overcome all these hinders, would be simply to deal with the perceived problems that job seekers are having. Have greater access to the job markets and information about the rights and obligations in the host country and especially to the community tools that have been created for this purpose. It is up to the Community and the Member States to make the job seekers more familiar to those tools, and make it easier for them to overcome their problems and move abroad to work if they wish.

The Eures network has to be updated and expanded in many job sectors, so that people can find interesting jobs. A way to do that would be for companies to place their vacancies in Eures and not only on their homepage, but they have to be informed as well about this possibility since they don't seem to be aware.

Direction for further research could serve exactly this purpose. Find out methods and practices on how people can become more familiar with the European Union tools that encourage mobility and give them valuable information and advise on how to overcome their hinders. The Eures is a very valuable tool for that purpose and it should be upgraded and promoted for a better mobility and better information to the interested people.

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List of interviewed people (5 May- 22 May 2002)

Spain

1. Pablo Garcia del Rio
2. Rocio Andres
3. Paco Biosca Gasos
4. Igor Santos
5. Rikardo Hernandez
6. Marta Iborra
7. Letitia Roa
8. Jordi Matas
9. Mercedes Ortiz
10. Juan-Ma Rodrigo
11. Maria Laguna
12. Marife Aquino
13. Rosario Garcia
14. Laura Bernardez
15. Roberto Cano
16. Alejandro Ramirez
17. Marta Sanchez

Greece

1. Zoi Kournia
2. Filipos Filipidis
3. Sofia Pavlaki
4. Marios Bisilkas
5. Mihalis Tsantilas
6. Dafni Skalidi
7. Angelos Danikas
8. Kostas Papadomichelakis
9. Kostantinos Tsoulis
10. Trisevgeni Matsouki
11. Nikos Arakas
12. Marinos Voukis
13. Ioannis Tsoumos
14. Gianna Vlahou
15. Katerina Stavridi
16. Apostolis Sanidas
17. Konstantina Nikolettou
18. Anastasia Vogiatzi
19. Eleni Karagianni

Germany

1. Alska Scherer
2. Kristian Barthel
3. Sebastian Schaaps
4. Barbara Müller
5. Joerg Clobes
6. Tomas Schindler
7. Martin Regel
8. Silke Von Brockhausen
9. Corinna Partz
10. Ralf Thiex
11. Anja Urbanus
12. Lars-Christian Schnieder
13. Susanne Schröder
14. Eva Schneider
15. Andreas Schmidt
16. Dietmar Blasen
17. Sandra Endres
18. Maria Schmillen

Sweden

1. Björn Fuisting
2. Johan Alfredsson
3. Peter Svensson
4. Lovisa Jansson
5. Rikard Barkeling
6. Tove Lund
7. Lina Haskå
8. Kristin Nilsson
9. Hans Ranholm
10. Martin Söderberg
11. Kristin Andersson
12. Ema Dufva
13. Linda Engvall
14. Marcus Holm
15. Lena Fredriksson
16. Christoffer Anderson
17. Katja Bengston
18. Lisa Hansson
19. Åke Ljunggren