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Influence of Labour Migration on the Rate of Youth Unemployment within the European Union: A Study Review

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Abstract

The European Union has been working on migration issues for several years now and several policies and structures have been developed to better manage processes connected to migration. Legal labour migration remains one of the challenges and is still a very fragmented and limited process. For some specific categories, legal labour migration is much easier, for example, highly qualified workers, seasonal workers, students, researchers, etc. This paper focuses on finding the role of labour migration on unemployment. Paper analysis cases within the European Union and methodologies used are research based on primary or secondary sources (documents, literature). The methods used in this paper are mainly qualitative and include document and text analysis and some case studies. The approach does not refer to the main challenges of migration in the European Union as the labour market does not legally integrate migrants from outside Europe (for example, third-country nationals) and does not legally integrate family members of legally migrated people, asylum seekers or even students studying in the European Union member state.

Keywords: Youth unemployment, Migration, Labour migration, Migration policy, EU migration

Introduction

The labour market still has several challenges such as the articulation of international migration processes within and outside the EU. One of the challenges is to record and manage the process inside the union, movement between states and the compatibility of competences. Under the labour migration processes and its challenges, the recognition of qualifications from different states is significant.

The internal migration rate between member states is significantly low. For example, according to Eurostat, the inter-EU migration rate was 0.3% of the population of the whole member states, which includes all labour-migrated ages between 15-64. Despite the rise in the rate of unemployment and an economic crisis, the European Union member states still face the challenge of a labour and skill mismatch. The European Union, therefore, has started to create a strategy which focuses on growing geographical migration. The idea behind it stands for reducing the mismatch for supply and demand inside the labour market.¹

In the European Union's growth strategy of 2020, it was highlighted that the labour movement within member states is a key element and a primary mechanism for the future of the labour market. Each member state is encouraged to share information about a lack of skills and qualifications in order to promote labour mobility between countries and regions. This strategy has increased chances for job seekers to get employed and to find a job easily in a wider area. Also, for companies, it has a big advantage by way of finding proper and highly-qualified workers.

Nevertheless, it is worth mentioning that the competitiveness of job seekers within the European Union also has its own challenges. The changed incentive for encouraging a geographical migration of labour at the EU level is somehow dominated at the national level by worries about negative side effects such as migrant inflow to the national labour market. These might include discarding local workers, the possibility of abusing the welfare system, and financial problems that migrants might introduce to the labour system of the receiving state.

The idea behind promoting geographical mobility is to advocate the notion of a single market within the EU and to generally enhance regional integration. The free movement principle of internal EU labour was first presented by the Treaty of Rome (1958). The job of the European Court of Justice is also significant as they have supported the idea of general free movement, not only labour migration. Later on came the Maastricht Treaty (1993), consolidating freedom of movement inside the European Union

¹Eurostat (2019) – Youth unemployment statistics
https://ec.europa.eu/eurostat/statistics-explained/index.php/Main_Page

member states and bringing into the loop the idea of European Citizenship. This was then followed by the Amsterdam Treaty (1997), which also further promoted free movement within the Union with the cooperation of the Schengen Agreement: “Every citizen shall have a right to move and reside freely within the territory of any Member State” (Maastricht Treaty, Article 18).

Results

The principle² of free migration and free movement is usually protected and regulated by European Law, where many cases can be found involving national policy-makers of migrant-receiving states being concerned about the negative outcomes within their national labour market following the migration of such labour. The enlargement process of the European Union always plays a negative role too, as there are usually migration flows from newly joined states to more economically developed member countries. According to practices of last year on each EU enlargement case, many existing EU member countries applied limits and restrictions on the national labour market to avoid excessive migration flows. In 2004, when the EU underwent one of its biggest enlargements, most of the existing member states applied some restrictions to the new member states and the ones with lower economic performance, mainly Eastern European ones. Restrictions were different for each member state but they did not last long since all restrictions within the EU member states were dismissed around May 2011.

Mobility processes inside the European Union were implicated in and had direct influences on the performance of labour markets at national level. For example, the labour market in Germany demonstrated a higher level of unemployment in the years of 2004-2006. Here, majority of the German people started to use freedom of movement and to migrate to the United Kingdom and Ireland. By that time, the labour market of the UK and Ireland recorded a very low rate of unemployment.

Enlargement Action Plan for European Job Mobility was adopted by EU for the years 2007-2010. The action plan was mainly dedicated to encourage geographical free movement within the European Union. The action plan did not follow its content due to the economic crisis in 2008 when attention changed direction and everyone began to focus on the main issue of crisis times: unemployment.

During the crisis, member states realised the direct link of labour migration and unemployment and as an outcome, employment committees started to work on free movement rights protection and upgrading skills at

²Directive 2014/36/EU, adopted in February 2014, regulates the conditions of entry and residence of third-country nationals for the purpose of employment as seasonal workers.

national level. Further coordination between nations regarding labour mobility and creating a strong common European labour market became a priority for the European Commission and state authorities. Thus, in 2011, all mobility barriers were removed inside the European Union. The recognition of qualifications and the use of more efficient language diversity became a priority. As part of free mobility, barriers like access to social security and national services became available for the employed migrants within the EU.

Generally, the aim of creating labour-related migration policies is to make sure supply and demand are matched on the labour market. As an example, most of the labour policies are dedicated to making sure that qualified workers are available in the labour market without additional transactional costs for companies. The connection between migration policies to labour market policies are usually well connected to the national and European level.

Both national and European policies try to ensure human capital availability and facilitate processes of migration connected to the labour market. To access the connection between labour migration and the needs of the labour market, one has to underline the issue of transaction cost. Companies that usually seek employees try to avoid recruitment from abroad due to the inherent costs. All of these changes from country to country but, for the case across the board, the documentation companies usually have to apply for the employee. Only in cases of a lack of qualification on the national labour market can companies seek employees from the global labour market. The same goes for the EU.

The above could be considered the reason for international initiatives but at the same time, they aim to restrict other actors into handling the costs regarding labour movement.

There are other types of migrants who, at the first stage of migration (when they enter the new state), are not considered as a job seeker. In certain periods, they begin to enter into the labour market. In such a group, people arriving for the purpose of study, family reunification, research, etc. can exist. Countries nowadays are working to reduce costs as much as possible which will directly strengthen the idea of having a strong and common European Union labour market.

To speak about legal perspectives, the Lisbon Treaty gives the full right to each EU member state to fully regulate their national migration policy and the freedom to establish conditions of obtaining a work permit. Usually, member states use this opportunity and freedom to monitor the process and limit the volume of entries to their national labour market. The Lisbon Treaty advises the institutional setting that it must be valued in any new initiative of the European Union connected to the field of labour migration. It is highly important to guarantee step-by-step implementation of any labour migration

connected to the EU and to articulate between international migration to the EU and migration inside the EU for its citizens.

Besides developing several strategies at the European Union and national level, intra-EU labour mobility still has several challenges and obstacles to overcome. One of the remaining obstacles is the lack of recognition of qualifications and educational backgrounds. To manage the processes of labour mobility in a good way, several frameworks and directives have been implemented and applied at EU level. Some directives were directly connected to the issue of the recognition of qualifications to establish a framework for common European qualifications. EU directives promote the idea of recognising professional qualifications when citizens of the European Union have to automatically receive authorisation to work in a certain occupation in any EU state if they are qualified workers in their home country. This recognition is guaranteed by minimum training requirements in the member state where one is willing to immigrate.

Besides all these regulations and directives, some European Union member states still require obtaining a license before permitting a person to enter their labour market. Those restrictions usually apply to medical personnel such as doctors, surgeons, dentists, pharmacists, nurses, etc.

For socio-demographic characteristics of migration within the European Union, there are a lot that make almost all EU member states have common trends. The most important and significant trend is the age group of migrants. Most of the labour migrants within the European Union are younger than the average population. According to the statistical data from Eurostat, the majority of migrants inside the EU are within the age range of 20-40. Mainly in northern European states, Sweden, Finland, and Norway recorded that the majority of migrants are under the age of 30. Similar data exists in some states of central and southern Europe such as Austria and Italy.

There are different pictures about the gender of labour migrants, which varies a lot from country to country. Women tend to be marginally more in mobility data in Eastern European member states, whereas men are more mobile in the old EU member states. However, the gender differences are usually very low which is the reason gender-orientated labour mobility has never been an issue to be taken into consideration. Another trend that has to be noted is repetitive mobility, which means that a person has already relocated several times from one state to another. A high record of this pattern of labour mobility exists in Spain, where the influence of this type worsening the labour market is significant.

Analyzing backgrounds and data on the educational levels of migrants is not possible in numbers as most member states do not record it. It is only according to a few member states' records that labour migrants often possess higher average education levels. One of the European Union member states

which records the educational background of migrants is Hungary. Here, statistics show, for example, that women with higher education mainly move to central regions of the EU compared to the ones with lower education. Data from Slovakia shows that the majority of migrants from the country are the ones with lower or no formal education. In Hungary and Slovakia, very low levels of labour migration are recorded for the people with an average formal education level. It can only go as far as generalized to speak about tendencies of migration linked to educational background as only 4 member states tend to keep such records.

Regardless of the economic crisis in 2008, some regions and states kept a shortage of labour and skills in their national labour market. The main challenge of the European institutions and policy-makers is still in balancing the labour market of each member state, which is not easy since many patterns, trends, and challenges characterizes the mobility of labour within the EU.³

One of such trend is mobility to the countries with high economic performance from the states with low GDP. This process seems very natural as job seekers concentrate on a better working environment and welfare, especially in the case when they have a high level of qualification. Within the European Union, the main destination country for labour migrants is characterized by high economic performance. In the EU, mobility records are less in Eastern European states compared to Central European States. The highest level of labour mobility is recorded in Germany, Austria, and Northern European Union member states. Labour mobility in some states increased after the economic crisis of 2008 in those countries which performed fast recovery economic actions and had strong post-crisis plans. It is also important to mention that big cities and the capitals are usually the major places that benefit from labour migration in the European Union.

Generally, youth labour migrants make up more than 10% of the overall migration of about 200 million people worldwide. Labour migration of young people is characterized by many trends and is considered the most mobile social group. This is why, within the many European states, they tend to be the majority in annual migration movements. Many reasons motivate young people all over the world to consider labour migration. First of all, there are opportunities to have a better life and achieve personal and professional development through the educational opportunities offered by the receiving state. Living abroad for young people gives additional value to the motivation to immigrate, which gives an additional opportunity to personal development as well as improvements of social and professional skills. Yet, the main motivation for young migrants is always related to the low economic

³OECD-EC (2014). Matching Economic Migration with Labour Market Needs, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264216501-en>

performance, youth unemployment rate, and working conditions in their home country.

The unemployment rate is usually double for young people in comparison to the adult generation. According to a report by the International Labour organisation (ILO) entitled ‘Global Employment Trends on Youth’, 621 million young people between the ages of 15-24 have little or no education, are not employed, or are not undergoing any training. It is further assumed that around 23% of the youth currently working earn not more than \$1.25US per day. This data shows the main motivation and a need for young people to seek a job abroad and join labour migration statistics. As a negative aspect, a lot of young labour immigrants are frequently victims of job-related abuse and they very often face exploitative jobs and unconsciously turn up into forced labour environments.

It is very common when labour migrants and more often young job seekers become victims of the economic and social system performance of their home country. Usually, when the reason behind the immigration of young people is the lack of freedom, dignity, equality or a lack of security in their home country, it can lead to very positive economic and social developments for the home country as well as for the receiving country. This is the main reason why the International Labour Organisation always includes young people as main stakeholders in the processes of social exchange, where the youth have a say in what decision are made. Thus, this promotes coherent labour migration policies and offers better work for young job seekers.

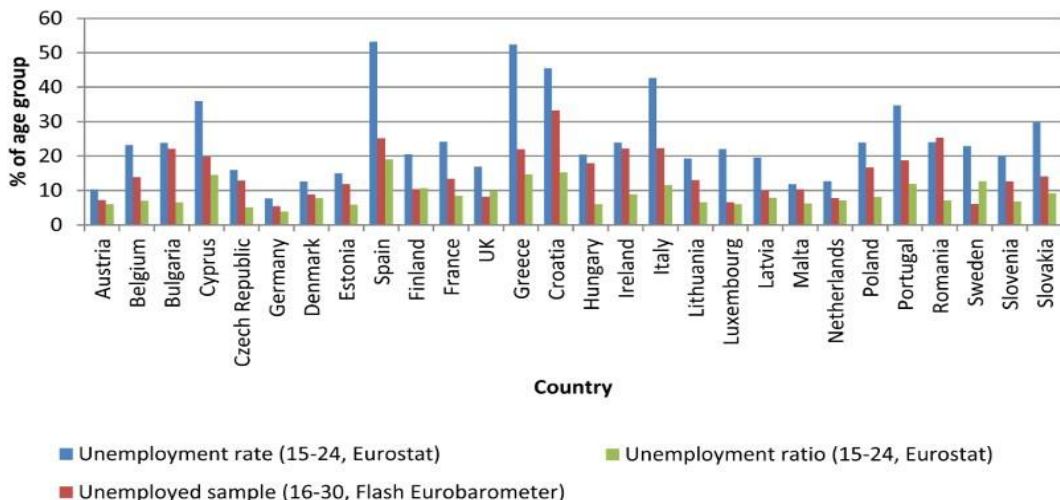


Figure 1. Comparison of Eurostat youth unemployment rates and ratios with the share of unemployed young people in the sample.⁴

⁴Christof Van Mol (2016). Migration aspirations of European youth in times of crisis, Journal of Youth Studies, 19:10, 1303-1320, DOI: 10.1080/13676261.2016.1166192

Young worker migration tends to be one of the main characteristics of changes in the unemployment rate throughout the European Union. The labour market situation for young citizens very much depends on general economic performance and employment policies that in the end create the whole economy of the EU. Inside the European Union, labour mobility is, at some level, promoted as a turning mechanism which ensures more effective labour migration. Such migration inside the EU is also understood to be advantageous to create a better labour market with better matching possibilities and at the same time reducing regional inequalities in unemployment.

Significant European Union enlargement in 2004 and 2007 caused an unexpected flow of internal EU labour migration from central and eastern European states to Western Europe. These facts were mainly linked to the economic performance of each member state and it varied between countries. The youth programs that were created under the youth policy strategy paper also promoted and encouraged young society for internal EU migration. East to West migration flow after the enlargement of the European Union had a proportion of youth migration with higher education. Thus, it is necessary to mention the negative sides of labour migration which, in the case of intra-EU migration, had played a significant role. First and most important is that, despite the qualification and educational background of employees, a majority of immigrants got employed in low-skilled jobs with fewer possibilities of promotion and with salaries lower than that of locals.

Youth mobility during those times was also quite high and was caused by the multifaceted set of push and pull aspects. It very much depended on the economic background of the sending and receiving country of an immigrant. Several migration flow factors have been identified which link the sending and receiving countries of an immigrant. Such reasons can be geographical, cultural backgrounds, religion, language and many more, which sometimes have bigger values than the economic stability of the country. Migrant networks and communities in Europe also play a significant role in migration flow inside the Union.

The labour mobility of young people from East to West could simply have been caused by the choice to exit the local labour market due to an experience of low economic performance and difficult labour conditions. Another significant motivation for young migrants is better access to higher education and a better fit for their qualifications to the labour market of a different state. With this example, attention should be given to education and labour market performance problems of recently joined member states.

Another big wave of labour migration inside the EU was caused by the financial crash in 2008. It also had a big impact and slowed down outward migration flow, which has slowly restarted since the big flow of migration from Central and Eastern member states in 2007. The crisis had a big impact

and promoted a new type of migration from those countries where finding a job became more difficult than before. An important fact about the crisis was that some countries suffered less than others and even in some states, return-migration occurred. For example, Poland and Slovakia had a big flow of migration when they joined the European Union but when the economic crisis of 2008 did not affect their economic performance, return-migration started to occur. The same effects were applied to the countries that began to experience quick recoveries from the crisis, for example Estonia and Lithuania.

The biggest influence of the crisis was visible on the South and Northern states of the European Union. Spain, Greece, Italy, Portugal, and Ireland were the ones who suffered most from the large immigration of young people. Receiving countries in most cases appeared in central Europe but many young people also moved outside of the European Union during the crisis period. Internal migration within the European Union might also have positive consequences in terms of projecting lower unemployment rates through the EU and increased levels of better options and experiences for the youth generation of Europe.

Nevertheless, intra-EU labour mobility might result in some young labour immigrants appearing employed on a temporary flexible contract and in most cases they have to accept jobs which do not match their qualifications. Employers, in this case, benefit from lower wages and a cheaper labour force. The eventual effects of youth labour migration and re-migration are usually linked to a migrant's accumulation of their financial and social capital, which they targeted before and during their migration experience. Also, returns are usually caused by the economic well-being of the sending state. Thus far, not much is known about the discernment of Western and Eastern return labour mobility and their work-related path or what labour market outcomes and consequences this has recently caused.

However, the positive consequences of labour migration might be limited if the returning migrants face the same economic environment in the home country and face the same financial difficulties caused by the performance of the state economy. There are several policies which have been created and inspired by labour migration in the European Union. Policies tend to apply and affect mobility processes and provide welfare and social security for the migrants, but they often turn out to have more political issues than intended (Bruzelius, Chase, & Seeleib-Kaiser, 2014).

In one way, there have been different opinions regarding freedom of labour movement within the European Union. One party (critiques and Euro-sceptics) opposed the idea and tried to restrict regulations and decried migration of the labour force. At the same time, another group argued policies and tried to promote the idea to facilitate and promote mobility to have potentially transparent prosperity and social security rights via a social

insurance fund. This idea promoted reforms in migration policy and investment on the social well-being of immigrants.

The Erasmus Mundus program has to be mentioned, as it is one way for young people in Europe to start their mobility. In addition, a series of policies have been pursued to achieve better job search results and promote a better exchange of relevant knowledge through various European employment packages. This process also led to the extension of the Erasmus Mundus mobility area to include formal education in the scheme of vocational education and to turn more towards the traditional education system. This occurs combined with other sides of the labour market such as mediator companies and temporary and permanent recruitment agencies whose role is to shape the mobility of youth labour and influence characteristics of employment contract details (wages, working conditions, security, etc.). These come with both negative and beneficial effects on the host community and state, as well as on the labour migrant community.

Recently, more attention has been given to the migrants that move to another state with families and who settle down there permanently. Research by the Organisation for Economic Co-operation and Development (OECD) from 2014 showed that the proportion of 15 year-olds with two foreign parents has doubled in recent years and already second-generation migrants, whose parents were in the low skilled labour force, tend to perform at higher levels in the labour market. Their integration into society and the labour market is more natural and less painful.

Conclusion

Labour migration in the European Union generally has a huge influence on the rate of unemployment, particularly youth unemployment. The policies applicable to immigration characteristics do not protect or influence immigrants and do not prevent countries from immigration flows as they are supposed to. There have been several discussions and debates regarding immigration policies recently, especially after the immigration crisis of Europe that started in 2017 and was caused by the Syrian war. Many new policies have been applied within the European and local levels of each member state with the topic becoming a more serious talking point since many states used discriminatory approaches to protect themselves from the flow of immigration. Also, to mention non-EU migration to the European Union, dramatic differences are caused by the policies of each state, including a significant downgrade and slow work-related recovery during the first ten years of workforce mobility in the European Union. To reduce the mismatch of skills and education to the labour market, many migrants start their first years spending on education to get better qualifications and recognition in the destination state. For the second generation of young migrants, at the earlier

stages of migration, many things like social status and ethnic recognition depend on the performance of their parents. Nonetheless, according to the above-mentioned research of OECD, second-generation migrant perform well on the labour market with better qualifications, skills, education, and work-related status than their parents.

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