

Free movement: workers from eight Member States that joined EU in 2004 finally enjoy full rights

May 1st 2011 will mark the removal of restrictions on the right to work in any Member State for citizens from the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia and Slovakia. All workers from the countries that joined the EU in 2004 will now be able to take up employment freely in those Member States where labour market restrictions have been in place until the very end of the seven year transitional period ending April 30th 2011. The Commission does not expect huge flows of workers from the EU-8 countries as many wanting to move to work in an EU-15 Member State have already done so. Experience and studies show that the impact of any future mobility is likely to be positive, contributing to economic growth and filling existing labour market shortages.

Speaking at a labour market conference in Budapest, László Andor, EU Commissioner for Employment, Social Affairs and Inclusion welcomed the end of the transitional period. "*The removal of these final obstacles for workers from the EU-8 is a great opportunity for each individual but also for the EU as a whole. Mobility is a key driver for employment growth and in countries like Germany and Austria it will help fill serious skills gaps and job vacancies*"

As part of the 2003 Accession Treaty and to alleviate concerns about the negative impact that the full application of EU law on free movement of workers could have on the labour markets and the social situation of the EU's then 15 Member States, a seven-year transitional period was agreed during which countries could gradually introduce the free movement of workers.

Some Member States opened up their labour markets straight away to the EU-8 workers from the very start. Only Germany and Austria (and to a lesser extent the UK with its registration requirement of the UK's Worker Registration Scheme) did not apply EU law on free movement to workers from the 8 EU countries until the end of this seven-year period.

As the transitional period draws to a close, the Commission has concluded that initial fears of massive flows of workers from the East were exaggerated. In its two reports from 2006 and 2008 which look at the impact of free movement of workers in the context of enlargement, it found that mobile workers from these countries have had an overwhelmingly positive impact on Member States' economies and have not led to serious disturbances on their labour markets. On the contrary, these workers have made a significant contribution to sustained economic growth. They did not aggravate unemployment or drive down wages and open labour markets have also helped efforts to stamp out undeclared work.

Figures show that inflows of workers from the EU-8 countries have been relatively limited. Their number has increased quite rapidly (especially in some Member States as Ireland or UK) from around 1 million in 2004 (0.3% of the total population) to a bit more than 2.3 million in 2010 (0.6% of the total population). However, it remains low compared to 19 million non-EU nationals residing in EU-15 countries (a bit less than 5% of the total population).

Looking ahead, the Commission does not expect a massive new wave of workers moving from EU-8 to EU-15 countries after 1 May 2011. According to current estimates, the total stock of nationals from EU-8 countries living in EU-15 Member States will increase to 3.3 million in 2015 and 3.9 million in 2020 and their share in the total population from currently 0.6% to 0.8% in 2015 and a bit less than 1% in 2020.

Massive inflows are also not to be expected to Germany and Austria. Any future mobility is likely to be a positive development in these countries in particular which have some of the lowest unemployment rates and highest numbers of job vacancies.

Background

The 2003 Accession Treaty allowed Member States to restrict during a seven-year transitional period the right of workers from 8 of the 10 countries that joined the EU in 2004 (EU-8) to freely move to another Member State to work (namely Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia).

The aim of these transitional arrangements was to allow Member States to gradually introduce free movement step-by-step during this period, to avoid labour market disturbances by a sudden inflow of workers following accession to the EU. Such transitional arrangements have applied in most of the EU's enlargements. There were three phases (2+3+2 years) in the 2003 transitional arrangements during which different, increasingly stricter conditions applied as to the conditions under which Member States could restrict labour market access. Member States could, however, open their labour markets at any stage. Typically Member States that restricted access to their labour markets applied work permit schemes.

3 Member States (Ireland, UK and Sweden) opened their labour markets from the beginning on 1 May 2004 while the remaining 12 restricted access to their labour markets. In turn, 3 of the EU-8 Member States (Hungary, Poland and Slovenia) used reciprocal measures and restricted access to their labour markets for nationals from those Member States that restricted labour market access for their nationals.

During the course of the second phase, i.e. the three years from 2006 to 2009, EU-8 workers were gradually given free access to the labour markets in a total of 8 more Member States (2006: Greece, Spain, Portugal, Finland, Italy, 2007: Netherlands, Luxembourg, 2008: France) and the reciprocal measures were dropped by Slovenia and Poland.

From the beginning of the final third phase from 1 May 2009 two more Member States (Belgium and Denmark) ended restrictions and opened their labour markets for EU-8 workers and Hungary ended reciprocal measures. Therefore, during the final two years of the transitional period, only two Member States (Germany and Austria) continued to apply substantial restrictions on labour market access.

Further information:

2008 Report on the impact of free movement of workers in the context of EU enlargement

2006 Report on the first phase of the Transitional Arrangements for the EU-8:

<http://ec.europa.eu/social/main.jsp?catId=508&langId=en>

[MEMO/11/259](#)

Relevant DG website :

<http://ec.europa.eu/social/main.jsp?catId=466&langId=en>