MOBILITY, MIGRATION AND EMPLOYMENT IN EUROPE

Three aspects of European societies are analysed in this article: the very low level of labour mobility within European Union (EU) Member States (MS), the high level of external immigration, and the disparate and sometimes extremely high rates of unemployment, especially in MS with an extremely low level of mobility and high levels of immigration. Intra-EU mobility is six times lower than in the US, and is mainly from Eastern MS. Non-EU immigration is higher than in the US, coming from the Southern Mediterranean, Latin America, the Middle East, Asia, and Africa, and is concentrated in the North Mediterranean EU MS. It is precisely the MS of this area of the euro zone that are receiving workers from several foreign countries, as well as from the EU, and this area has low employment rates, and high or very high unemployment rates.

Movilidad, migración y empleo en Europa

En este artículo se analizan tres aspectos de las sociedades europeas: el bajísimo nivel de movilidad laboral dentro de los Estados miembros (EM) de la Unión Europea (UE), el alto nivel de inmigración exterior, y las dispares y a veces altísimas tasas de desempleo, especialmente en los EM con un nivel de movilidad extremadamente bajo y altos niveles de inmigración. La movilidad intracomunitaria es seis veces inferior a la de EE UU, y procede principalmente de los EM del este. La inmigración extracomunitaria es mayor que en EE UU, y procede del sur del Mediterráneo, América Latina, Oriente Medio, Asia y África, y se concentra en los EM del norte del Mediterráneo. Precisamente, los EM de esta área de la eurozona reciben trabajadores de varios países extranjeros, así como de la UE, y esta zona tiene bajas tasas de empleo, y altas o muy altas tasas de desempleo.

Keywords: Europe, economic integration, mobility, immigration, unemployment, economic policy, welfare state, Spain.

Palabras clave: Europa, integración económica, movilidad, inmigración, desempleo, política económica, estado de bienestar, España.

JEL: F15, J61, K30, L51, N34.
1. Introduction

In this paper, three aspects of European societies are analysed: the very low level of labour mobility within European Union (EU) Member States (MS), the high level of external immigration, and the disparate and sometimes extremely high rates of unemployment, especially in MS with an extremely low level of mobility and high levels of immigration. These dynamics are leading to EU imbalances in competitiveness and in current and capital accounts, as well as divergences in economic and political regulations. The lack of an integrated labour market and of mobility as well as disparate policies, are keeping the euro zone as a non-optimal currency area, and they are delaying structural reforms and limiting the benefits of European economic governance. Deepening European integration will foster competitiveness and wellbeing, especially in the euro periphery.

In the euro periphery there is a long-lasting paradox: the co-existence of high unemployment, a low level of mobility, and high immigration. This paradox is limiting the competitiveness and potential benefits of European integration and governance. High levels of immobility, immigration, and unemployment in the Euro-Mediterranean MS are an essential challenge to an EU balanced population. Although this paper does not directly deal with depopulation or population concentration, its focus on migration has a core influence in population imbalances and rebalancing, whether it is the cause or the consequence.

Free movement of people is essential for the European Union’s political, social, and economic objectives. The principle of equal treatment regardless of nationality is crucial for each of the European political, social, and economic aims. The desired effects of this principle are at the heart of the social vocation of the European integration process, for which a certain mixing is key. Economically, the mobility of people is a condition, *sine qua non*, for the sustainability of an optimum monetary area, such as the euro zone needs to be.

Despite the clear facility for movement, and even despite policies that foster workers’ mobility within the EU Member States, there is an extremely low level of worker mobility within the EU. Furthermore, there is a deep contradiction between European integration and labour immobility. But the main question is not only the extremely low level of European workers’ internal mobility, and the non-integration of the European labour markets, but the fact that this extremely low level of mobility coexists with high external immigration and with high and disparate levels of unemployment. Countries having very high levels of unemployment also have very low levels of mobility and high levels of immigration.

Despite the common market, there are, within the EU, strong and persistent divergences with regard to the Member States’ various levels of employment and unemployment. Because of workers’ immobility, the labour markets are not balanced. Nevertheless, all these aspects are essential for an integrated and balanced economy, even more so for a monetary union, such as the euro area is. Euro imbalances have grown considerably, and there are concerns about the sustainability of the euro zone: a euro periphery has appeared. Some of the subjects mentioned here are taboo. In fact, taboos reflect the notorious limitations of the euro area that are the source of great social concern about the Welfare State and social integration, as growing populism has underlined. This research does not directly deal with depopulation or population concentration, but its focus on migration has a core influence in population imbalances and rebalancing.

The analyses developed in this paper can be summarized according to the aspects explored and considered, as follows:

1) Mobility, migration, and employment in Europe.
2) Immobility, immigration, and unemployment in Western Europe.

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1 We reserve the word mobility to refer to the intra-EU permanent movement of people, and the word migration to refer to the extra-EU permanent movement of people.
3) Complete immobility, high levels of immigration, and high levels of unemployment in the euro zone.

4) Complete immobility, high levels of immigration, and high levels of unemployment because of the Welfare States in the euro zone.

5) Complete immobility, high levels of immigration and high levels of unemployment because of the Welfare States in the euro zone: This is producing asymmetric shocks, divergent dynamics between Member States and growing imbalances in the euro periphery.

6) Complete immobility, high levels of immigration and high levels of unemployment because of the Welfare States in the euro zone: This is producing asymmetric shocks, divergent dynamics between Member States and growing imbalances in the euro periphery, and all this generates a need for European economic governance to foster structural reforms in the less competitive euro periphery, as well as fostering deeper European integration.

2. The EU and the reasons for moving, migrating, and for being employed

The phenomenon of migration

The main reason for a permanent change of residence is work: searching for work, accepting work, and stopping work. Thus, mobility and migration are the result of people’s relative conditions and is influenced by ideas and policies, as well as being guided by people’s ultimate aims. More broadly, it is a question of explaining people’s motivations for moving and migrating. By moving, people jump over the gaps that exist between the social, economic and political levels, both at the point of origin, and at the destination (Alcidi & Gros, 2019).

Workers are the ones most sensitive to economic conditions. High unemployment and less quality of life and, in particular, less coverage by the Welfare State, are the key factors in the country of origin that influence the decision to move and to migrate. The attractions are high wages and bad demography (Recchi, 2015; Blau & Mackie, 2016). Despite globalisation, literacy, and the empire of English as a second language, differences in language and culture are the key deterrent for most Europeans. Within the EU important differences remain between less and more developed countries, but they have not been sufficient to generate movement.

The main factors pushing and pulling people are summarised in Figure 1. In the case of mobility between EU MS we can distinguish between more and less developed MS. The reasons for moving to more developed EU MS are high unemployment in the countries of origin and the bad demography and high wages in the destination country. The reasons for remaining in less developed EU MS are the large Welfare State, the high quality of life in the country of origin, and the different languages and cultures in the destination country (CESifo, 2015).

European integration: Political, social, and economic concerns

Free movement is essential for European integration. It is essential officially and materially (Barslund et al., 2014; Benlolo-Carabot, 2020). Non-discrimination on the grounds of nationality and the freedom of movement is at the heart of the integration process. This is certainly true now, the EU being a political union of States, but it was also true at the time of the European Economic Community, when mobility between EU MS, as well as within the MS itself, was considerably higher than now. Nevertheless, since the times of the Common Market to our political and monetary union, this fundamental official liberty has been declining in practice, and now mobility is at a very low level. This is in total contradiction to the aims of the EU, and to the needs of the single market and of the euro zone (European Parliament, 2022).

The free movement of people is officially and materially essential for European integration. But there
is a concern about workers’ mobility, not because of official limitations, but because of material limitations. At this point in European integration, the movement of workers between EU MS, and even inside EU MS, is not growing, but falling. This is because, for workers individually, the benefits of moving are smaller than the costs. But collectively the non-integration of the labour markets contradicts the integration of goods, services and capital.

The national nature of social questions and of labour protection in the process of European integration has led to highly developed national systems of social security. This and the high degree of wellbeing achieved are disincentives for European labour mobility (Tatsiramos, 2009).

**The non-optimal currency, the euro zone and disincentives for mobility**

From Mundell (1961) we know about the conditions for having an Optimal Currency Area (OCA), and of the advantages of having one. Since the launch of the euro in 1999, it has become an OCA in most ways. The Union has progressed, if not through similarity of preferences, at least through convergence. There has also been the important creation of internal trade, and even more difficult, the creation and growth of a common fiscal resource which, if not budgetary, is at least a bail-out resource (Razin & Sadka, 2021). The only issue on which there has been no progress is on labour mobility. The 2008-2013 financial crisis produced an asymmetric shock in the non-OCA euro system. The difficulties of Greece made it necessary to develop a common bail-out mechanism, but worker mobility is an issue that has not been given much attention.

Labour mobility is an unmet precondition for the single currency. So, let’s pose a scientific and practical question: Why is there no European mobility even though there are great and growing demographic and economic imbalances? The opportunities for movement within the EU are great. But for most EU MS workers in a precarious condition on the local labour market, the disincentives to move are higher than the incentives to move. Most likely, labour, employment and work protection and

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**FIGURE 1**

**THE MOBILITY & MIGRATION RATIONALE, I:** BALANCING REASONS TO MOVE TO THE EURO CENTRE OR TO REMAIN IN THE COUNTRIES OF ORIGIN, SUCH AS THE EURO PERIPHERY

<table>
<thead>
<tr>
<th>REASONS TO MOVE TOWARDS MORE DEVELOPED EU MEMBER STATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>High UNEMPLOYMENT</td>
</tr>
<tr>
<td>Large WELFARE STATE</td>
</tr>
<tr>
<td>High QUALITY OF LIFE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REASONS TO REMAIN IN LESS DEVELOPED EU MEMBER STATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Different LANGUAGE &amp; CULTURE</td>
</tr>
<tr>
<td>Bad DEMOGRAPHY</td>
</tr>
<tr>
<td>High WAGES</td>
</tr>
</tbody>
</table>

SOURCE: Prepared by the author.
regulations in general, act as a disincentive. National social services acting as disincentives are: education, health and pensions. Cultural differences and high standards of wellbeing are also disincentives to move. De-commodification and welfare for all always acts as a disincentive for mobility. In a service—and knowledge—based economy, facility for language (local and English) is essential in order to move. Moreover, European mobility faces competition from international immigration (Brunet, 2016, 2018).

3. Some socio-economic conditions at the EU Member States

Europe: A continent of migrations

Europe is a continent of migration. In fact, in the past, it was a continent of great migration. Traditionally migration was from Europe to America, and internally, within some European nations. In the 20th century, migration was large and sustained because of the development of industry and services. A tragic emigration from rural areas to cities occurred. In Western Europe, this population movement included migration between European nations, especially from Mediterranean countries (Italy, Spain, Portugal, and Greece) towards the Atlantic and central Europe.

But this internal European migration came to an end in the 1970s. At the present time, European emigration to America has stopped and a non-European immigration has started. Inversely, a large influx of people has appeared from the Southern Mediterranean, the rest of Africa, the Middle East, Asia, and Latin America. In the 1990s, the end of the division of Europe generated another wave of migrants from Eastern Europe (Goodhart & Pradhan, 2020).

Two dark shadows, the financial crisis and the great recession of 2008-2012, and the COVID-19 pandemic in 2020-2021, had an impact on European mobility and immigration. Because of the economic crisis, European mobility increased a little and external immigration fell a little. Later on, COVID-19 restrictions reduced both mobility and immigration.

Two other dark shadows, the war in the Middle East and Russia’s war in Crimea, had an even larger impact than the two previously mentioned. These wars produced important flows of immigrants of all ages and conditions, most notably the first, in 2015 to Germany, and the second in 2022, to Poland and to Eastern European countries.

Employment, work and wages

Differences in social conditions between territories are the main drivers for people’s mobility and for immigration.

Table 1 shows many indicators for large MS. The key developments can be summarised as follows:

- GDP growth, 1999-2019: In 20 years GDP grew at an average of 35.4 % in the EU —from 118.1 % in Romania to 7.9 % in Italy—. See also Figure 2, Panel A.
- Competitiveness: In the EU MS competitiveness and the quality of regulations are quite similar, the differences being a maximum of 10 %.
- Mobility from EU MS: Mobility is low between EU MS (around 3 % of the legally resident population), the maximum is that of Germany (7.6 %).
- Immigration from outside EU: Except for Eastern EU MS, all Western MS are experiencing a large amount of immigration (around 10 % of the legally resident population). Thus, in the EU, immigration is about three times higher than mobility.
- Sum of mobility and immigration: About 13 – 17 % of the legally resident population, except in Eastern MS where it is about 2.5 %.
- Index of Immigrant Integration in the Labour Market: From the point of view of quality, in Western EU MS integration of immigrants is lowest in France and Eastern MS, and is highest in Germany.
- Employment rate: The maximum is in Germany (80.6 % of the population 15-24 years of age), the minimum is Spain (68 %).
# TABLE 1

**Socio-Economic Conditions in Some European Union Member States: Indicators Related to Labour Market, Internal Mobility, and External Migration**

<table>
<thead>
<tr>
<th>Data for 2019 or closest year (to avoid pandemic distortion)</th>
<th>Germany</th>
<th>Spain</th>
<th>France</th>
<th>Italy</th>
<th>Netherlands</th>
<th>Poland</th>
<th>Romania</th>
<th>EU 27</th>
<th>Euro zone 19</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural growth population</td>
<td>Birth – Death, in annual %</td>
<td>-0.19</td>
<td>-0.09</td>
<td>0.17</td>
<td>-0.32</td>
<td>0.12</td>
<td>-0.06</td>
<td>-0.35</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>GDP Growth, 1999-2019</td>
<td>Accumulative %</td>
<td>30.2</td>
<td>43.6</td>
<td>32.4</td>
<td>7.9</td>
<td>35.5</td>
<td>111.4</td>
<td>118.1</td>
<td>35.4</td>
<td>30.9</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>Institutional and regulatory quality – Ease of Doing Business – Index 100 (maximum)</td>
<td>79.7</td>
<td>77.9</td>
<td>76.8</td>
<td>72.9</td>
<td>76.1</td>
<td>76.4</td>
<td>73.3</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mobility from EU MS</td>
<td>Born in another EU MS</td>
<td>7.6</td>
<td>3.5</td>
<td>3.0</td>
<td>2.9</td>
<td>3.4</td>
<td>–</td>
<td>1.1</td>
<td>2.2</td>
<td>–</td>
</tr>
<tr>
<td>Immigration from outside EU</td>
<td>Born outside the EU as % of the resident population of the receiver EU MS</td>
<td>10.3</td>
<td>10.4</td>
<td>9.5</td>
<td>7.5</td>
<td>9.9</td>
<td>–</td>
<td>2.0</td>
<td>5.3</td>
<td>–</td>
</tr>
<tr>
<td>Total Mobility + Immigration</td>
<td>Total born outside this EU MS</td>
<td>17.9</td>
<td>13.9</td>
<td>12.5</td>
<td>10.4</td>
<td>13.3</td>
<td>2.0</td>
<td>3.2</td>
<td>11.9</td>
<td>–</td>
</tr>
<tr>
<td>Employment Rate</td>
<td>as % of the active population 20-64 years</td>
<td>80.6</td>
<td>68.0</td>
<td>71.6</td>
<td>75.0</td>
<td>68.0</td>
<td>73.0</td>
<td>70.9</td>
<td>73.1</td>
<td>–</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td></td>
<td>3.1</td>
<td>14.1</td>
<td>8.5</td>
<td>10.0</td>
<td>3.4</td>
<td>3.3</td>
<td>3.9</td>
<td>6.7</td>
<td>7.5</td>
</tr>
<tr>
<td>Young people who neither study nor work NEET</td>
<td>as % of population 15-24 years</td>
<td>6.6</td>
<td>14.6</td>
<td>11.9</td>
<td>19.9</td>
<td>4.6</td>
<td>10.5</td>
<td>17.4</td>
<td>11.5</td>
<td>–</td>
</tr>
<tr>
<td>Labour Costs</td>
<td>Total Labour Costs, including SS, in euros per worked hour</td>
<td>35.6</td>
<td>21.8</td>
<td>36.6</td>
<td>28.8</td>
<td>36.4</td>
<td>10.7</td>
<td>7.7</td>
<td>27.7</td>
<td>31.4</td>
</tr>
<tr>
<td>Unemployment Public Expenditures</td>
<td>as % GDP</td>
<td>0.9</td>
<td>1.6</td>
<td>1.6</td>
<td>0.9</td>
<td>1.1</td>
<td>0.2</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total Social Public Expenditures</td>
<td></td>
<td>25.9</td>
<td>24.7</td>
<td>31.0</td>
<td>28.2</td>
<td>16.1</td>
<td>21.3</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Living Standard</td>
<td>GDP per capita, in euros PPP per year</td>
<td>51,391</td>
<td>38,789</td>
<td>45,532</td>
<td>40,820</td>
<td>54,681</td>
<td>31,402</td>
<td>29,753</td>
<td>42,703</td>
<td>45,246</td>
</tr>
<tr>
<td>Life Satisfaction</td>
<td>Of people older than 16 years. Maximum Index = 100</td>
<td>73</td>
<td>69</td>
<td>71</td>
<td>67</td>
<td>78</td>
<td>73</td>
<td>71</td>
<td>73</td>
<td>–</td>
</tr>
<tr>
<td>Index of Immigrant Integration in Labour Market</td>
<td>Maximum Index = 100</td>
<td>81</td>
<td>67</td>
<td>52</td>
<td>67</td>
<td>65</td>
<td>31</td>
<td>46</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

**Source:** Prepared by author based on data from the European Commission (2022b); Eurostat (2022a); Eurostat (2022f); Migration Policy Group (2022); United Nations (2022a).
● Unemployment rate: The maximum is that of Spain (14.1% of 15-24 years of age), the minimum is Poland and the Netherlands (3.3% and 3.4%, respectively).
● Young people who neither study nor work: People not in education, employment or training (NEET), is highest in Italy (19.9% of 15-24 years of age), Romania (17.4%) and Spain (14.6%), but 4.6% in the Netherlands.
● Labour costs in the EU vary from €36.4 per hour (total labour cost, including Social Security) to €7.70 in Romania (see Figure 2, Panel B).

● Unemployment public expenditures: In % of GDP this is around 1.6% in Spain and France, 0.2% in Poland and 0.9% in Germany and Italy.
● What is most shocking is both the difference between EU MS for employment, and for mobility and immigration, and this is the central point of this paper.
● Public social expenditure: This represents 31% of GDP in France, but 16.1% in the Netherlands. The standard of living is higher in the Netherlands (€45,690 in purchasing power parity per capita and year) and lowest in Romania (€11,270).
FIGURE 3
SOCIAL INDICATORS RELATING TO MOBILITY AND IMMIGRATION

PANEL A. WELFARE STATE SIZE: EXPENDITURE ON HEALTH (PER CAPITA, IN € PPP PER YEAR)

PANEL B. POPULATION AT RISK OF POVERTY OR SOCIAL EXCLUSION
(PERSONS WITH DISPOSABLE INCOME 60 % LOWER OF THE AVERAGE, IN % OF TOTAL POPULATION)

PANEL C. QUALITY OF LIFE (POSITION BETWEEN 83 COUNTRIES; FIRST COUNTRY: INDEX 191)

NOTE: To avoid distortions caused by the pandemic, data for 2019 or closest year.
SOURCE: Prepared by author based on data from Eurostart (2022a); OECD (2022a); World Bank (2022).
Life satisfaction: Italians and Spaniards declare the lowest life satisfaction despite the fact that Romania and Poland look worse in other specific social indicators (see Figure 3, Panel C).

Between countries, the largest differences are between salaries, per capita GDP, and health.

Welfare State benefits and wellbeing

In Table 1 we also see the countries and the size of these Welfare States in the EU MS.

4. (Un)Employment

Employment rates

There are fundamental and persistent differences in the employment rates between the EU MS and euro zone MS. In Germany, the employment rate is around 80.6 % of the active population from 20 to 64 years of age. The minimum employment rate of the large-to-medium countries of the EU is found in Spain, where the employment rate is around 68 % (OECD, 2022b).

The major differences between employment rates have two fundamental effects: a large level of unemployment and smaller room for manoeuvre for redistribution (European Commission, 2022a).

With regard to the subject that concerns us here, a complementary point of view is relevant. If we consider the employment rate of nationals, of citizens from other EU MS (mobile workers) and from third countries (immigrants) we have the results shown in Figure 4. The lowest employment rates are those of immigrants.

Unemployment rates

Because of different employment rates, the euro zone countries present significant differences in unemployment rates (OECD, 2022c). Spain is the EU MS with the highest unemployment rate (14.1 % of population from 15 to 64 years of age). This is more than...
three times the unemployment registered in Germany. Italy and France also have unemployment rates that are many times that of Germany. Romania, a country with a large amount of worker mobility, has an unemployment of 3.9 %. Poland’s unemployment rate is about 3.3 %.

Figure 5 shows the unemployment rate of young people who neither study nor work (NEET, not in education, employment, or training). 19.9 % of Italian young people are NEET; 17.4 % in Romania; and 14.6 % in Spain. On the opposite side, 4.6 % and 6.6 % respectively of young Dutch and young Germans are NEETS (see also EURES, 2022; MISSOC, 2022).

Can high unemployment be structural?

Is unemployment permanent in the euro periphery? This would seem to be true, at least for certain countries (PIGS - GIPSI: Greece, Italy, Portugal, Spain, and Ireland). Spain, Italy, and Greece are in the high persistent unemployment zone. From the point of view of mobility, the exit is low, and the entrance is high. From the point of view of migration, emigration is low, and immigration is high or very high. In the case of Italy, total growth in the last two decades is the lowest in the EU. Inversely, the Central and Eastern new EU MS have a reduced unemployment rate and high or very high accumulative growth.

5. (Im)Mobility

EU mobility dynamics

MS mobility is dramatically low. Not one MS mobility rate equals US levels (Jauer et al., 2014; Beyer & Smets, 2015), all are from double to nine times smaller. In each MS, the migratory inflow and outflow rates are low, including that for the United Kingdom (UK) (Schwarzwälder & Thode, 2014).

Exceptions are Austria, Belgium, Denmark, and Sweden, where the entry mobility sometimes doubles the exit mobility. But the mobility flows are always minimum compared with that of the USA.

European mobility is close to zero, not only between MS but also within MS, between NUTS1, NUTS2 and even NUTS3. The Europeans really are immobile.

In some countries, mobility is sensitive to the cycle. Thus, after the 2008-2013 crisis there was a little
growth in mobility within the EU. Because of the size effect, the small Central and Nordic MS have a large percentage of EU residents coming from other EU MS.

MED euro periphery

Italy, Spain, Portugal, and Greece are no longer countries of net emigration, neither to the EU (mobility) nor to America, as they were in the past. Old Western countries with internal differences. Despite the freedom of movement on account of EU membership, their people stopped emigrating to other European countries, and stopped emigrating to America, and their countries started receiving immigrants from all over the world because of their relative proximity to the Southern Mediterranean and the Middle East. This is producing a shocking situation because, despite having lower per capita GDP and lower salaries, these countries receive and maintain more immigrants than other richer countries with lower EU MS unemployment rates.

Eastern euro periphery

The new MS joining the EU, coming from socialism and totalitarianism, are the only European countries with an important exit mobility. This is especially the case for Poland, Romania, and Bulgaria. (Atoyan et al., 2016; OECD, 2022b). Polish workers moved to Germany and the United Kingdom, and Romanian and Bulgarian workers moved to Northern Mediterranean countries.

Figure 6 shows the dynamics of mobility and migration in 2013 and 2019. The left side shows...
the exit flows: of nationals, of other EU MS, and of third countries. The right side shows the entry flows. Between 2013 and 2019, most of the entry and exit flows grew a little. The migration flows are higher than the mobility flows.

Spaniards are the least mobile EU citizens. Spain is receiving the highest level of immigration in the EU, twice the number of migrants Germany received in 2019. For Spain, the entry and exit flows of nationals (mobility of nationals, in red in Figure 6) are of similar size.

The flows from Spain to other EU MS and from other EU MS to Spain (mobility of other EU MS citizens, in blue in Figure 6) are twice the flow of national Spaniards. Spain’s entry and exit migrant flows are the highest of those shown in Figure 6. Italy and France show a limited intra-EU mobility and a limited external migration.

The contrary is true for Germany where the mobility from/to the other EU MS is considerable, and where immigration is the highest, after that of Spain and the United Kingdom.

6. (Im)Migration

Migration of non-EU citizens is a flow limited to one side: attraction. Some emigration to other countries of the world exists, but from people quite different from immigrants to the EU. The European emigrants are overqualified persons and for most of them, their destinations include the richest countries in the world.

Central and Nordic MS

Central and Nordic EU MS were classical countries for immigration. Traditionally the Nordic countries attract migrants, especially from outside the EU. This is the case for Germany, Sweden, Denmark, and Austria, but not for Finland. The Baltic States are receiving immigrants from Russia. The main Central EU destination for immigrants is Germany. France attracts especially Algerian and Moroccan, as well as some other African immigrants (Machado & Walsh, 2014; OECD, 2022d).

MED euro periphery

After Germany, the EU MS receiving the most immigrants is Spain. Most of them come from Latin America and from Morocco. In Figure 6 we saw the phenomena of re-emigration: During the worse moments of the economic cycle there was a flow going back from Spain to the countries of origin, or to other nations, sometimes Central and Nordic EU MS.

As shown in Figure 7 the EU MS with the highest immigration rates are in the Mediterranean: Spain (where 10.4 % of legal residents come from outside the EU), France 9.5 %, and Italy 7.5 %.

Eastern euro periphery

Eastern EU MS are registering low levels of immigration. The rates of legal residents coming from outside the EU are around 2.6 % in Hungary. Also, the preferred destination for Eastern workers is inside the EU (mobility) not outside the EU.

A general conclusion can be made: For many EU countries, external immigration is an alternative to low European labour mobility (see Figure 8).

7. The Spanish paradox

Spain and Italy coincide considerably in that their nationals have a very low exit mobility, their countries receive significant incoming mobility from citizens of other EU MS, and receive large amounts of immigrants from third countries, as well as having high levels of unemployment.

From traditional emigration to current immobility and immigration

Spaniards and Italians emigrated en masse to Central Europe during the period 1946-1985. In France, Germany, and the United Kingdom, they formed the main group. This occurred at a time when knowing the language
FIGURE 7
MOBILITY, IMMIGRATION AND UNEMPLOYMENT

PANEL A. EU INTERNAL MOBILITY AND EXTERNAL IMMIGRATION, IN % OF RESIDENTS

- Spain: 13.9%
- Italy: 10.4%
- France: 12.5%
- Germany: 17.9%
- EU 27: 10.3%
- United Kingdom: 7.5%
- Born in another MS: 3.5%
- Born outside EU: 10.4%
- Immigrants: 14.2%

PANEL B. UNEMPLOYMENT AND IMMIGRATION, RESPECTIVELY IN % OF ACTIVE POPULATION AND IN % OF RESIDENTS

- Spain: Unemployment 10.0%, Immigrants 10.4%
- Italy: Unemployment 7.5%, Immigrants 10.0%
- France: Unemployment 9.5%, Immigrants 8.7%
- Germany: Unemployment 6.7%, Immigrants 5.2%
- EU 27: Unemployment 5.3%, Immigrants 3.8%
- United Kingdom: Unemployment 8.7%, Immigrants 5.5%
- Unemployed: 14.1%
- Immigrants: 10.3%


FIGURE 8
MAPPING MOBILITY AND IMMIGRATION IN EUROPE

MAP A. COUNTRIES OF ORIGIN AND DESTINATION OF LIVING MIGRANTS

MAP B. POPULATION GAINED/LOST DUE TO MOBILITY AND MIGRATION

was not a prerequisite for gaining employment in many sectors.

This flow ceased three decades ago. Most of these mobile workers have returned to their place of origin as pensioners. Today the movement of workers from the Northern Mediterranean to the rest of the EU is very low, both because of the language requirements at the destination, and the welfare benefits they have in their place of origin.

Intra-EU mobility from Southern Europe

What is more, for Spain most of the EU MS incoming workers are Romanians, Bulgarians, and Italians (Fassmann et al., 2014). The attraction of Spain is probably due to its relative proximity, some cultural coincidences, its welfare benefits, and to networks assisting the flows of compatriots.

Immigration from Latin America, the Southern Mediterranean, Africa, the Middle East and Asia

For Spain, the new great phenomenon in migration is the large influx coming from Latin America and the Southern Mediterranean, the rest of Africa, the Middle East, and Asia. Immigration from America is facilitated by the conditions in the countries of origin, the common language and culture, and by visa facilities, sometimes related with old family relations. Immigration from the rest of the world is motivated by conditions in the countries of origin and by the small distance between Spain and Africa (United Nations, 2022b). As we can see in Figure 9, immigration to Spain took off after 1995. Today Spain is the fourth advanced country with the most legally resident immigrants, after Germany, the USA, and the UK, close to France and far ahead of Italy.

FIGURE 9
DYNAMICS OF IMMIGRATION

Mobility, Migration and Employment in Europe

The third element considered in this paper, unemployment, is persistently very high in Spain. Whether there is a crisis or a boom, unemployment in Spain is usually three times that of Germany and the Nordic countries, and double that of France (Wittgenstein Centre for Demography and Global Human Capital, 2022).

This persistently high unemployment is not, however, a force pushing the mobility of Spanish workers towards the rest of the EU MS, and it is not a force stopping immigration from many areas of the world. Some aspects of the socio-economic situation of Spain are summarized in Table 2.

Empty Spain

The territorial distribution of a social phenomenon is heterogeneous. Thus, in Spain, as in Northern Mediterranean countries, the rural areas are suffering a huge demographic decline, deaths greatly outnumber births. It is precisely these areas that attract a large number of immigrants. This empty or emptied Spain corresponds to inland northern Spain, and central Spain, with the exception of the region of Madrid. In these areas the natural population growth is highly negative, and immigration is covering the gap. There is a substitution of local people by immigrants (Macarrón Larumbe, 2011; Geddes et al., 2020).

8. Consequences of immobility, immigration and unemployment

European economic dynamics

In the EU, in spite of convergence in the form of a «highly competitive social market economy, aiming at full employment and social progress» (European Union, 2012 p. 17), differences and even divergences are important and are growing in many respects. Being part of the Single Market and, for most of them of the euro zone, the EU MS were impacted differently by the episodes of financial crisis, COVID-19, the Russian
The asymmetric shocks enlarged trade and financial euro imbalances, especially because of the limited performance of the euro periphery (see Table 1). Thus, the so-called euro crisis was a syndrome of the disequilibria in the unfinished and non-optimal euro zone, and the unfinished Common Market. A difficult element is Europe’s non-integrated labour market.

The cost of non-Europe is the sum of: i) the cost of being a non-OCA; ii) the cost of Europe’s non-integrated labour market and overregulated MS labour markets; and iii) the cost of the European governance deficit. The consequences of the European economic deficits and of the economic dynamics of EU MS are a GDP gap, lower levels of employment, and high levels of permanent unemployment (Razin & Sadka, 2021). The non-integrated labour market produces European immobility with its associated costs. The labour market in Europe has a dreadful quality. There is a contradiction between the European single market, monetary union and national welfare regulations.

Euro zone MS no longer have the mechanisms for adjustment. With regard to finance, the euro area MS cannot implement a competitive devaluation. With regard to the labour market, the lack of wage flexibility, lack of labour mobility, in combination with immigration, in a context of low growth and of welfare provision, hinders MS in achieving a balance (Figure 10).

Despite the European conundrum, the EU is far from collapse. On the contrary, the new situation of risk acted as a spur to the Union (van Middelaar, 2018). Thus, as a result of the financial crisis, a bail-out mechanism was introduced. As a result of the Great Recession, a very expansive monetary policy was developed. As a result of the impact of COVID-19, EU expenditure financed by EU debt was expanded. As a result of Russia’s war...
In reality, with the launch of the euro, economic policy has changed in Europe. Its main instrument, monetary policy, is no longer national, of the EU MS, but of the EU, of the European Central Bank and the Eurosystem. Furthermore, the other pillar of economic policy, fiscal policy, has changed considerably because of the Maastricht criteria, the Stability and Growth Pact, the European Semester, and the Macroeconomic Imbalances Procedure (European Commission, 2022b). This basically involves putting a ceiling on MS public deficit and public debt, issuing money, zero and negative interest rates, buying debt, issuing EU debt, bailing out banks and sovereign debt. All this, taken to a European level, represents a big change.

Despite all these essential changes, there is a European governance deficit. The criteria for being an OCA are progressing so slowly, most of the fiscal sustainability rules are not implemented most of the time. And, with regard to the MS, structural reforms to introduce competition are delayed. Overprotection of national labour in the European labour market is, in no small measure, a reason for the procrastination in European economic policy (Brunet, 2018).

There is a need for Europe, and for room of manoeuvre in monetary and fiscal policies, as well as for national structural reforms. EU policies probably need to be carried out by a European social pillar that would enable virtuous convergence policies. Labour mobility, European monetary union and national Welfare States are an impossible trinity. But a feasible way for the eurozone to be an OCA is with mobility between EU MS and the regions, integrated institutions, and a balanced economy. This is a feasible European trinity that would...
preserve the monetary union, employment, growth, and wellbeing in the EU (Figure 11).

9. Conclusion

In this paper we have considered the simultaneity of phenomena that are apparently opposed, and some of the things linking them together: The low level of mobility of EU workers, high levels of immigration to the EU, the disparate EU employment rates, and the high levels of unemployment.

Despite the freedom of movement for Europeans, and despite economic and monetary integration, there is enormous worker immobility, even within States, and at the same time there are disparate, high and sustained levels of unemployment. Furthermore, in countries with high unemployment and high immobility, non-European immigration is very high.

How do national labour and welfare regulations relate to the above? In what way and to what degree does labour regulation reduce internal mobility and promote external immigration? Does the Welfare State encourage the immigration of non-Europeans and the unemployment of Europeans, and discourage the mobility of Europeans? These demographic and labour market conditions mean that the euro zone is not an optimal monetary area and they affect the peculiar dynamics of the euro imbalances and the situation in the euro periphery.

The paradox of Spain is considered, especially given its dramatic imbalances: Its low employment rate, huge level of unemployment, high levels of immigration, and scant mobility towards other Member States of the European Union that have lower unemployment and less immigration. All this has a profound impact on Spain’s competitiveness and well-being.

The high standard of living and national protection systems mean that in many MS, low mobility, high immigration and high unemployment are perpetuated and deepened. Consequently, economic shocks have very asymmetric effects. Hence the need for a European economic governance that favours national structural reforms and progress in European integration.

The fruits of these dialectics are general immobility, asymmetric unemployment, asymmetric complementary immigration, and other population, economic, social and welfare imbalances. National structural reforms are needed, as well as greater European political, economic, and social integration.

Labour mobility and labour market integration are a source of growth and wellbeing.

Bibliographic references


