
EU enlargement and labour migration

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ippr *FactFiles* on Asylum & Migration

Immigration and asylum issues are currently high on the political and public agenda in the UK and elsewhere. Despite this, there is very little objective and easily accessible information about the key issues and facts informing these opinions. The information that exists is very complex, difficult to disaggregate and often provided by organisations with particular concerns or interests.

One of the key objectives of ippr's Migration Programme is to engage the media and the public in an informed and evidence-based debate. As part of this process we are consolidating the available evidence on asylum and immigration issues in the form of accessible *FactFiles* and producing a Working Paper Series dealing with key issues in the current debate.

An examination of labour migration to the UK is both timely and important. It is timely because the UK government, like many governments around the world, has been attempting in recent years to come up with effective policies to manage migration into the country. Informed by economic imperatives resulting from labour shortages in key sectors as well as an ageing population, managed labour migration has emerged as one strategy to ensure sustained economic growth. It is also important to examine the extent and nature of labour migration in the context of wider migrant flows. The public debate surrounding immigration to the UK is almost exclusively concerned with asylum and fails to acknowledge the increasing significance of labour migration. This *FactFile* is intended to provide some of the empirical evidence upon which a more comprehensive and constructive discussion can be based.

Membership of the European Union (EU) affects labour migration to the United Kingdom (UK) in two important ways: through the implications of free movement of people *within* the EU, and through the drive to develop common strategies to manage the flow of migrants *into* the EU from third countries. Recent developments in both areas, and the implications of EU enlargement in particular, have captured the public's attention and kept policy makers busy. This ippr *FactFile* seeks to provide the background to and some data on how EU enlargement is likely to affect labour migration to the UK.

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Key questions about EU enlargement

What rights do migrants moving within the existing EU have?

Free movement of persons is one of the fundamental freedoms guaranteed by European Community law and includes the right to live and work in another Member State. It is a key entitlement of European citizens and it complements the free movement of goods, services and capital within the single internal market.

The Treaty of Amsterdam, which came into force on 1 May 1999, amends the European Union (EU) Treaties to include greater scope for intergovernmental co-operation on establishing 'an area of freedom, security and justice' within the EU. Several regulations and directives now govern the movement of citizens within the 15 existing EU member states (EU-15).

Freedom of movement within the EU operates in several different ways. At the practical level, the 13 EU members who have signed up to the Schengen Convention (all but the UK and Ireland) have dismantled internal borders and permit the unimpeded movement of people within the Schengen zone (which also includes Iceland and Norway). At a broader level, all citizens of EU-15 members may **enter other member states visa-free for a period of up to six months** upon production of a valid passport or identity document.

Currently, all citizens of EU-15 states can reside in another member state for **more than six months if they meet certain conditions**

- be engaged in economic activity (on an employed or self-employed basis); or
- have sufficient resources and sickness insurance to ensure that they do not become a burden on the social services of the host member state; or
- be following vocational training as a student; or
- be a family member of a Union citizen who falls into one of the above categories (including non-EU citizen spouses).

Citizens of EU-15 members acquire the right of **permanent residence** in the host member state after a four-year period of legal residence. EU citizens may be expelled from the host Member State on grounds of public policy, public security or public health but under no circumstances may an expulsion decision be taken on economic grounds.

How many nationals of existing EU members currently live and work in the UK?

It is difficult to estimate how many citizens of other EU-15 members currently live and work in the UK, or the extent of their involvement in the UK economy and society. However, there are several indicators that the stocks of EU-15 citizens living in the UK are large, and that flows of people between the UK and the rest of the EU are significant.

- The 2001 UK Census of population revealed that of the 58.8 million living in the UK, some 1.3 million people (2.2 per cent) were born outside the UK but within the EU (including the Republic of Ireland).¹ The proportion of EU-born residents rises to 5.3 per cent in the London area.² The lack of statistics on when these people moved to the UK, whether they are now UK citizens or whether they are working, makes predicting the scale of labour migration from existing EU-15 members difficult.
- Nearly two-thirds of all passenger movements to and from the UK are to other EU countries.³
- More than half of all visitors (tourists etc) to the UK are from the EU.⁴

It is very difficult to estimate the numbers of EU nationals working in the UK at present because **nationals of EU-15 states do not require a work permit to obtain employment here**. We do know, however, that the freedom of establishment is one of the least used entitlements of Europeans. We know that the EU is incredibly important to the UK in terms of trade of goods and services, and capital flows, but the numbers of migrant workers moving within the existing EU are relatively small compared to the scale of these other movements. That said, it is very likely that many EU workers, especially in the professional and business occupations, do migrate for considerable periods (over 12 months) to live and work in the UK.

¹ <http://www.statistics.gov.uk/census2001/profiles/uk.asp>

² <http://www.statistics.gov.uk/census2001/profiles/h.asp>

³ <http://www.statistics.gov.uk/STATBASE/Expodata/Spreadsheets/D4783.xls>

⁴ http://www.statistics.gov.uk/downloads/theme_transport/TTrends02.pdf

How will EU enlargement affect labour migration to the UK?

The accession of ten new member states (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia) to membership of the EU on 1 May 2004 has generated a debate about how best to manage the process of expansion.

These new members have met membership criteria set out at the Copenhagen European Council: stability of institutions guaranteeing democracy, rule of law, human rights and protection of minorities; the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the EU; the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

Enlargement is likely to result in substantial economic gains and achieve key political aims. One study estimates the net economic gain of the Eastward enlargement of the EU would - even in a conservative scenario - bring an economic gain for the EU-15 of €10 billion, and for the new members of €23 billion (Baldwin et al 1997). Similarly, the re-unification of Europe has been an important aspiration of many policy makers.

However, **there have been concerns about the possible impact of labour migration to the UK and other EU-15 states** because of the unprecedented scale of the enlargement (10 new members at once) and the large economic disparities between existing and new members. Enlargement will increase the total EU population by some 75 million people (of whom more than half will be from Poland), and average income of the new members is only a fraction of the average income of existing members. These observations have led to two concerns about enlargement: that there will be large flows of labour migrants from the accession states to existing members and that these flows may have a detrimental impact on the domestic labour market in those existing member states.

Therefore, despite the new member states having met the accession criteria listed above and despite the likely economic gains, many existing member states have placed short-term restrictions on the free movement of people and services from new members.

How can existing members restrict access to migrants from new members?

There are important clauses in the rules governing the process of accession that aim to manage the potential impact that accession may have on the economies of existing member states. In general, these clauses provide for a transitional period of up to seven years in which restrictions can be placed on the free movement of workers and services between the new and old member states. It is important to be clear about what is and is not covered by potential restrictions:

- Any limits to the freedom of movement ensured by EU membership will only apply to the free movement of **workers** and **services**. That is, transitional restrictions will apply to those who want to sign an employment contract with an employer in one of the existing member states.
- Restrictions will not affect those who want to visit the UK for short periods as tourists or those who want to stay here for longer periods for purposes other than work, such as study or retirement.
- Restrictions will generally not affect those who wish to establish themselves as self-employed persons (with some exceptions such as self-employed persons providing certain services in Austria and Germany).
- Any restrictions imposed will generally apply to migrants from the eight Central and Eastern European countries (CEECs) that are becoming members. Nationals of Cyprus and Malta are likely to enjoy full rights from 1 May 2004.
- A 'standstill clause' states that existing states cannot make access to their labour market more restrictive than it was on the date of signature of the accession treaty (16 April 2003).
- Once a worker from an new member is permitted to enter an existing member state, they will have the same rights as any other EU worker. Discrimination on the grounds of nationality is against Community law.
- Even if restrictions are placed on migrants from new members, existing member states are obliged to give preference to workers and service providers from the new members over persons from all non-EU countries. Some jobs in the public sector can continue to be restricted to nationals of the host Member State.
- New member states may choose to impose equivalent restrictions on the nationals of existing member states that have themselves imposed restrictions, and to use of the safeguard clause to limit access to nationals of the other new member states.

How long can existing members restrict migrant workers from new members?

Under the Accession Treaty, there will be transitional periods limiting the free movement of workers from new member states to existing member states. For two years from 1 May 2004, access to the EU-15 labour markets will depend on national measures and policies, as well as bilateral agreements that may be in place. Existing states are not required to notify the Commission formally of the measures to be taken.

At the end of the **first two years** (1 May 2006) the European Commission will review the transitional arrangements. EU-15 states must notify the Commission of their intentions for the next period of up to three years either to continue with national measures, or to allow free movement of workers.

There should therefore be free movement of workers **after 5 years** from accession. However, the possibility does exist for a current member state to ask the European Commission for authorisation to continue to apply national measures for a further two years, but only if a state can show that there are 'serious disturbances of its labour market or threat thereof.' This requirement must be objectively justified.

Even those Member States which allow free movement of workers have a special safeguard to (re)impose restrictions during the first two years, then with permission from the European Commission, for the next three years. Restrictions can also be applied unilaterally 'in urgent and exceptional cases'.

From 2011, seven years after accession, there will be complete freedom of movement for workers from new Member States.

Timeline for transitional restrictions

1 May 2004	<i>first 2 years:</i>	1 May 2006	<i>next 3 years:</i>	1 May 2009	<i>next 2 years:</i>	1 May 2011
Accession	<i>EU-15 states permitted to restrict movement</i>	Review of impacts by European Commission	<i>Limits can continue but EC must be informed</i>	Free movement in principle	<i>EC must approve any further limits</i>	No further limits permitted

What restrictions have existing member states put in place?

<i>Member state</i>	<i>Measures taken or indicated</i>
Austria	Expected to restrict the entry of workers from the incoming states for the full seven years.
Belgium	Restrictions on workers for two years. No decision yet on access to welfare benefits.
Denmark	Accord signed by major parties in December 2003 limits work permits and access to benefits for five years, with possible 2-year extension.
Finland	Limits on work permits for two years, renewable year by year. Permits will only be given if a Finn cannot be found to do the job.
France	Limits on work permits for two years, with review for extension.
Germany	Cap on numbers of work permits for two years, with extensions expected for full seven years.
Greece	Limits planned for first two years, but decision expected after elections on 7 March 2004.
Ireland	No limits but promised to look very closely at what eventuates. Expects to cut numbers under current work permit system.
Italy	No formal announcement but expected to imposed restrictions for two years in the first instance.
Luxembourg	Plans to limit access to workers for two years.
Netherlands	Cap on the number of workers arriving from CEECs to 22000.
Portugal	Quota of 6500 workers from CEEC states.
Spain	Limits on work permits for two years. CEEC nationals already in Spain will gain full rights and be permitted family reunion.
Sweden	Went back on promises and its open-door policy, citing concern about impact on welfare system.
UK	Promised to allow free access but announcement on 23 February 2004 likely to restrict access.

How many new member nationals presently live and work in the UK?

The lack of quality data on the numbers of foreigners in the UK makes estimating the numbers of new member nationals living in the UK difficult. We can, however, make several observations:

- the UK is home to only a small proportion of all new member nationals currently living within the EU-15;
- the scale of visitors to/from Eastern Europe is small compared to other regions of the world;
- the scale of Eastern European migration to/from the UK is currently much smaller than from other areas;
- the number of new member nationals who are currently here on a work permit is relatively small; and
- that Eastern Europeans do however make up a significant proportion of workers here on agricultural employment schemes.

Residents

There are currently about 850,000 accession state nationals residing within the EU-15 at the moment (without Cyprus and Malta, but including Romania and Bulgaria) (Brücker *et al* 2003). This accounts for 0.2 per cent of the EU-15 population and just over 1 per cent of the total population of the new members. Of those 850,000, only about 5 per cent, around 50,000 people, are estimated to be residing in the UK. Provisional results from the 2001 UK Census show that there were 240,000 people born in Eastern Europe (including the former USSR) living in England and Wales, of whom 58,000 were born in Poland.⁵ This is compared to 1.3 million born outside the UK but within existing EU member states.

Visitors

According to the International Passenger Survey (IPS), the estimated 539,000 visitors to the UK from the countries of Central & Eastern Europe (Albania, Bulgaria, Czech Republic, Slovakia, Hungary, Poland and Romania) in 2002 accounted for only 2.2 per cent of all foreign visitors to UK. This figure was dwarfed by the 14.1 million visitors from EU-15 states, and was less than the 700,000 visitors from Australia alone. Together Malta and Cyprus accounted for a further 100,000 annual visitors. Some 242,000 visitors (45 per cent) from Central and Eastern Europe came to the UK for business purposes in 2002, compared to 30 per cent of all visitors. Around 135,000 of those visitors arrived aboard goods vehicles by sea or the Channel tunnel. Only 98,000 (18 per cent) came to visit family or friends, compared to 26 per cent of all visitors. Only 12,000 (2.2 per cent) had long stays (3-12 months).

Migrants

According to IPS data, only a very small proportion of all visitors from non-EU Europe were migrants (that is, people intending to stay for longer than 12 months to work, study, etc.). Flows in recent years have been dwarfed by those coming

⁵ <http://www.statistics.gov.uk/StatBase/Expodata/Spreadsheets/D7547.xls>

from other regions, particularly the Commonwealth, and have been made little net impact on the stock of migrants in this country (see Table 1).

Table 1. Migration to/from the UK, 2001 (based on International Passenger Survey)

<i>Country of Birth</i>	<i>INFLOW (number of people migrating to the UK)</i>	<i>OUTFLOW (number of people emigrating from the UK)</i>	<i>NET BALANCE</i>
EU (including UK)	82,600	77,600	+5,000
Remainder of Europe	15,100	15,300	-200
Commonwealth (not including UK)	169,800	97,600	+72,200
Other countries	104,700	60,800	+43,400
Total (all countries)	372,200	251,400	+120,800

Source: International Migration Statistics, Office of National Statistics (ONS), Series MN no.28, Table 3.20.⁶

Work permits

The number of work permit holders from new members is also small. Amongst the new members, Poland and the Czech Republic have been the largest sources of work permit holders over last five years. In 2002 1609 work permits were issued to Polish nationals and 551 to nationals of the Czech Republic, ranked 10th and 12th respectively amongst all nationalities. While the numbers of work permits issued to Polish and the Czech nationals have increased in line with the overall growth of work permits, these two nationals have consistently accounted for only around 2% of all work permits issued in the last five years (Table 2). Latest figures estimate 920 Polish nationals were issued with 12-month work permits during 2003 and 1180 with work permits for less than 12 months.⁷

Table 2. Work permits issued by nationality, 1995-2002

	1995	1996	1997	1998	1999	2000	2001	2002
Czech Rep	199	169	184	234	265	429	571	551
Poland	615	342	453	525	471	687	979	1609
All nationalities	24,161	26,432	31,720	37,528	41,950	64,571	85,144	88,622

Source: Clarke and Salt 2003: 569

Agricultural workers

In 2002, of the 19,372 people who came to work in the UK under Seasonal Agricultural Workers Scheme (SAWS), Polish nationals accounted for 25 per cent and the three Baltic states for 18 per cent. In total, just over 10,000 workers (51 per cent of all participants) came from new members (Clarke and Salt 2003:573).

⁶ http://www.statistics.gov.uk/downloads/theme_population/MN28.pdf

⁷ <http://www.official-documents.co.uk/document/cm60/6053/6053.pdf>

What will happen after accession to new member nationals now in the UK?

A new member national working legally in an existing member state on 1 May 2004 and holding a work permit or other authorisation for 12 months or longer will continue to have access to the labour market of that member state. They will not have automatic access to the labour markets of the other existing member states. Should they voluntarily leave that member state, their right of access will be subject to any restrictions imposed during the transitional period.

The impact of enlargement on nationals of new members who are currently living illegally in an existing member state (that is, having entered illegally or having over-stayed their entry visa) or working illegally (for example, in contravention of a student visa) is unclear.

While estimating the numbers of new member nationals living or working in the UK illegally is extremely difficult, there is a good chance that **a sizeable proportion of illegals will be 'regularised'**, that is will become legally resident or employed. This will have advantages in terms of reducing the number of people working in the informal economy, increasing tax contributions and making the analysis of the actual state of the labour market easier.

However, if restrictions are placed on the access enjoyed by accession state nationals to labour markets, illegal workers may be reluctant to come forward and declare their presence.

What are the likely flows of migrants from new members to the UK?

Several studies have attempted to estimate the likely flows of migrants from new members after EU enlargement, either through modelling or through surveys. It is important to note that all such estimates should be treated with some caution because they are, after all, predictions. Nevertheless, almost all studies conclude that the **migration potential after accession is limited**. When it comes to the UK, estimates are even harder given the lack of data noted above. However, here too there seems to be a consensus that the **net migration to the UK will be relatively small compared to the size of the UK labour market and the scale of flows to other European countries** (especially Germany), and will reduce over time.

Research on migration flows around the world and over time suggests that migrants are unlikely to move to far away from home, unless conditions at home are particularly bad. In the case of new members, the general assumption is that relatively rapid economic growth after accession will create more economic opportunities at home. These **improving conditions at home are likely to mean that only a small proportion of the population will actually move** and that, those who do, are likely to do so for only a short period.

The latest and, arguably, the most comprehensive model of what is likely to happen after accession has been produced for the European Commission by a pan-European team of experts (Boeri et al 2000; revised in Brücker et al 2003). Their models are based on an extrapolation of migration to Germany over four decades. A table showing these projections can be found in the Appendix at the end of this **FactFile**.

In general, several observations can be made:

- annual flows of migrants to the entire EU-15 to peak at around 370,000 in 2005 and then reduce over time;
- total net increase over the first 25 years after enlargement for the entire EU-15 would be between 3.2 million (in a low migration scenario) and 4.5 million (in a high migration scenario);
- that a mid-range net increase of 3.8 million would amount to a 1 per cent increase in population in EU-15 and a 5 per cent decrease in new members' populations;
- that, by 2030, flows will reverse direction and there will be net reductions in the stocks of new member nationals in the EU-15; and
- that postponing free movement of migrants for 7 years would only reduce initial migration flows by a few thousand.

The UK is expected to experience a similar pattern of initial inflows, slowdown and eventual reduction. Their estimates for the UK (see Table 3) show that:

- net annual inflows to the UK are expected to peak at some 17,000 in the first couple of years after accession (or in the first couple of years after free movement of migrant workers is permitted);
- the stock of new member nationals living within the UK will rise from current just under 50,000 to an estimated peak of 180,000 in 2030; and
- that, from 2030, this stock will then begin to fall.

Table 3. Estimates of migrants from new members to the UK, selected years

Year	2004	2005	2006	2007	2008	2009	2010	2015	2020	2030
Migrant flows	13807	17226	16989	15237	12959	10670	8607	2731	1142	-562
Migrant stocks	59789	77015	94003	109240	122199	132869	141476	164221	172188	179124

Source: Brücker et al 2003. Note: These figures include Bulgaria and Romania

Given that the size of the UK labour market stands at some 28 million people, the relative increase of migrants from new members (only some of whom will be here to work), even at its peak of 180,000 is actually negligible. Indeed, given that the UK labour force will be ageing over the long-term, the influx of relatively young workers from Eastern Europe may potentially have a positive impact.

Other studies

Research commissioned by the Home Office (Dustmann et al 2003) reviews several studies done in this area and concludes that the likely flows of migrants from new members into the UK will be between 5,000 and 13,000 per year between 2004-2010.

Another study (Bauer and Zimmerman 1999) uses evidence of emigration from Spain, Portugal and Greece between 1985-1997 to model likely CEE flows and shows that:

- about 2-3 per cent of the total population (1.5 - 2.5 million people) of the new members will migrate over 15 years to the entire EU-15; and
- that two-thirds of this net increase will go to Germany.

Yet another study (Kraus and Schwager 2000) concludes that accession 'will not necessarily induce massive East-West migration flows. On the contrary, if macroeconomic and political determinants of migration are taken into account a decline in migration is likely to occur.'

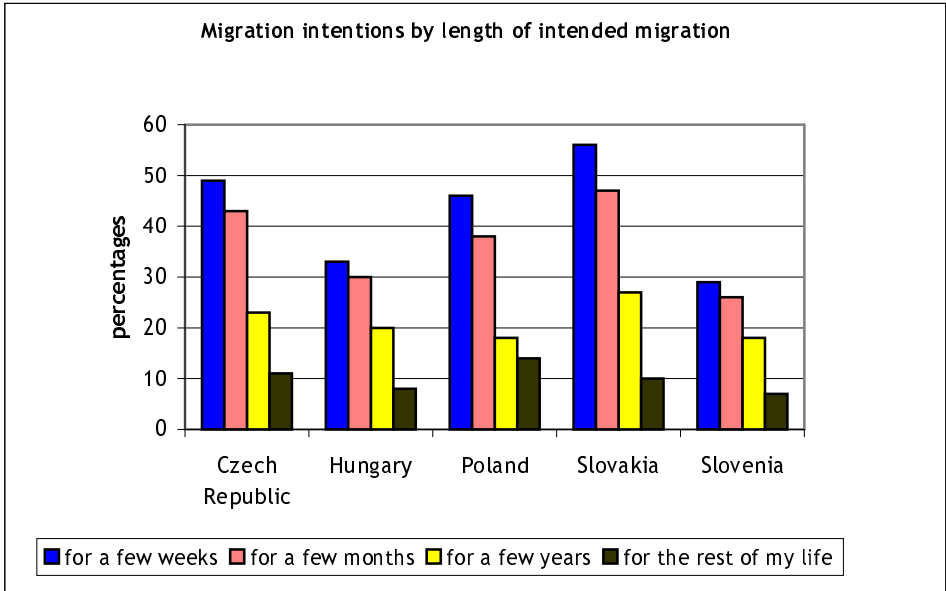
How long are migrants likely to stay in the UK?

It is clear from several studies and past experience of other labour migration flows that migrants are likely to move for only temporary periods and not permanently. Indeed, 'within Europe, most migration is not permanent, but part of a process of mobility in which both return and serial migration are natural economic responses to a dynamic economy' (Piracha and Vickerman 2002).

A 1998 survey of people from 11 Eastern European countries found that those who stated an intention to migrate to existing EU member states wanted to do so only for a short time (IOM 1998). The preferred emigration option is working abroad for a short period (several weeks or months) before returning home (see Figure 1). This would suggest that any short-term 'hump' in inflows after accession (or after restrictions are lifted) will eventually reduce over time as short-term migrants return home, and as economic conditions improve in the new members.

Rather, potential migrants were more interested in supplementing their incomes by spending some time working in countries with higher average wages. Very few people wanted emigrate permanently, and those who did preferred to go to countries such as the United States, Canada and Australia. The IOM (1998) study also concludes that, in the case of new members that border existing members, it is likely that people will migrate temporarily for short-periods, returning home for weekends or periodically. This would imply that bordering countries like Germany and Austria are much more likely recipients of these emigrants. It would also imply that, even if Germany and Austria place restrictions but the UK does not, there would not be substantially higher migration to the UK

Figure 1. Migration intentions by length of intended migration



Source: IOM 1998 cited in Dustmann et al 2003:35

What will determine whether people migrate and where they migrate?

Migration research suggests that a person's decision to migrate depends on factors such as:

- economic and political conditions at home;
- economic and social prospects at their likely destination;
- familiarity with the culture, language and life in their destination;
- the costs of migration, including direct costs of moving but also foregone income and other 'psychological' costs of being away from home;
- traditions of migration within their community;
- existing networks of people at their likely destination that will help them find jobs, accommodation etc.

Reasons most often cited for not migrating from new members centred around ties to home (such family and community connections, a good job at home, and expected improvements at home) and barriers to leaving (such as the risks of migration, legal problems, and the treatment of migrants in destination countries) (IOM 1998: 29).

Given these factors, and the evidence from surveys (IOM 1998), it is clear that:

- only a **relatively small proportion will actually migrate**, and even fewer would do so permanently;
- that **as conditions improve in the new members, fewer people will migrate** and more will return home;
- **Germany is the overwhelming favourite destination of potential migrant workers** because of its proximity, the presence of large numbers of migrant workers, good existing migration networks and familiarity with the German language;
- **only a small percentage of migrant workers prefer the UK** and
- an even smaller percentage would chose to emigrate permanently to the UK.

What skills are migrants from new members likely to have?

Migrants from new members to the UK are likely to have a **range of skills**. From the limited data available on new member nationals already in the UK, we know that migrant workers fill a range of occupations. For example, Polish work permit holders have filled jobs in professional, technical and service sectors (see Table 4).

We know that levels of human capital (education, skills, training) are relatively high in the new members compared to countries with similar average incomes. This means that, in general, the skills that migrants from these countries are likely to bring can be higher than their average income at home would suggest.

More specifically, surveys (IOM 1998) suggest that **young people with education and qualifications are most likely to migrate** from new members.

It is likely that migrant workers who come to the UK after accession will be in one of three broad skills categories:

- high-skilled professionals in areas such as healthcare (doctors, nurses, midwives, dentists) and engineering;
- skilled craftspeople (builders, carpenters, electricians and plumbers);
- low-skilled workers who are willing to work in low-wage sectors such as service and agricultural.

Workers in **each of these skills categories stand to contribute positively to the UK economy**.

Table 4. Proportion of work permits issued to Polish nationals by occupation, 2002

<i>Occupation Category</i>	<i>Percentage of Polish nationals</i>	<i>Percentage of all nationals</i>
Managers and Administrators	7.3%	13.1%
Professional	5.4%	24.3%
Associate Professional and Technical	24.9%	50.0%
Clerical and Secretarial	0.5%	0.1%
Craft and related	0.6%	0.1%
Personal and Protective Service	28.2%	7.5%
Plant and Machine Operatives	0.4%	0.0%
Sales	0.0%	0.1%
Other	32.6%	4.9%
Total	100%	100%

What entitlements will those who migrate to the UK have?

The transitional restrictions that existing members may place on the movement of workers from new members are **separate issue** from the access that migrants will have to entitlements.

In general, it is important to recognise that, under current rules, **migrants from new members will receive no special treatment and will be subject to the same stringent requirements applied to all EU nationals** when it comes to accessing entitlements from the UK government.

It is also important to distinguish the entitlements enjoyed by migrant workers and those who are visiting and do not intend to (or have not been) working.

In the case of migrant workers, once they are admitted to the UK and given permission to work, they will be subject to the same national and European rules as other resident workers on the co-ordination of social security. These rules determine which country is responsible for provision of pensions and other entitlements.

Visitors from new members who are here to look for work (assuming free access to the labour market) will be subject to the same rules as other EU nationals. This allows job-seekers to look for work in another member state for up to 3 months. If they are eligible for any unemployment benefit, they can only claim it from their own country for those 3 months and arrange for it to be paid in the country in which they are looking for work.

Also, if the rules applying to existing member nationals living in another member state are applied to new member nationals, new member nationals who want to stay for longer than six months in the UK will **need to have sufficient resources and sickness insurance to ensure that they do not become a burden on the social services** of the host member state.

Any new member national who has been in the UK for some time (usually as a worker) and wishes to claim benefits from the UK government will be subject to the 'habitual residence' test.

What is the 'habitual residence' test?

The Habitual Residence Test was introduced on 1 August 1994 and applies to almost all claimants for Income Support, Income Based Job Support Allowance, Pension Credit, Housing Benefit and Council Tax Benefit. If claimants have been outside the Common Travel Area (CTA; the UK, Ireland, the Channel Islands and the Isle of Man) for 5 years or more, they must establish that they are now 'habitually resident'.

Any new member national who fails to meet the habitual residence test will be classed as a person from abroad and deemed ineligible to claim benefits.

There are several categories of claimants who are not affected by the test. This includes refugees and people with a special right (for example, exceptional leave to remain) to live in the UK. Migrant workers who are currently employed do not have to establish habitual residence. Someone who is a habitually resident *citizen* can go away for a short, or long, period abroad and still be habitually resident on their return to the U.K.

The guidance notes used by providers such as the Department for Work and Pensions when they assess for habitual residence usually employ six general criteria:

- where the claimant's 'centre of interest' is;
- the length and continuity of residence in the UK;
- whether they have had stable employment;
- the nature of their occupation;
- the original reason for coming to the UK; and
- whether the claimant intends to settle here temporarily or permanently.

As the rules stand, the use of **this test should, in principle, weed out those who do not have a legitimate claim** and those who the UK Government does not owe a duty to provide benefits.

Under EU rules, there is a presumption that **all asylum applications from new member nationals are unfounded**. This has been the case even before accession and will continue to be the case.

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Appendix: Estimates of annual net migration flows and stocks to the EU-15 from CEEC-10 (persons)

	2004	2005	2006	2007	2008	2009	2010	2015	2020	2030
Austria	23670	29532	29124	26121	22216	18292	14756	4681	1958	-964
Belgium	3977	4961	4893	4388	3732	3073	2479	786	329	-162
Denmark	3388	4227	4168	3739	3180	2618	2112	670	280	-138
Finland	4092	5105	5035	4515	3840	3162	2551	809	338	-167
France	7789	9717	9583	8595	7310	6019	4855	1540	644	-317
Germany	179787	224308	221215	198405	168739	138939	112078	35556	14870	-7323
Greece	7127	8892	8769	7865	6689	5508	4443	1409	589	-290
Ireland	71	88	87	78	66	55	44	14	6	-3
Italy	32342	40351	39794	35691	30355	24994	20162	6396	2675	-1317
Luxembourg	799	997	983	882	750	618	498	158	66	-33
Netherlands	4341	5416	5341	4790	4074	3354	2706	858	359	-177
Portugal	290	362	357	320	272	224	181	57	24	-12
Spain	4892	6104	6020	5399	4592	3781	3050	968	405	-199
Sweden	7879	9830	9694	8695	7395	6089	4912	1558	652	-321
UK	13807	17226	16989	15237	12959	10670	8607	2731	1142	-562
EU-15	294250	367114	362052	324720	276168	227394	183433	58193	24338	-11986

	2004	2005	2006	2007	2008	2009	2010	2015	2020	2030
Austria	102499	132031	161155	187277	209492	227784	242540	281534	295192	307082
Belgium	17220	22182	27075	31463	35196	38269	40748	47299	49594	51591
Denmark	14670	18897	23065	26804	29983	32601	34713	40294	42249	43951
Finland	17718	22823	27858	32373	36214	39376	41926	48667	51028	53083
France	33728	43445	53028	61624	68934	74953	79808	92639	97133	101046
Germany	778536	1002844	1224058	1422463	1591203	1730141	1842220	2138397	2242136	2332446
Greece	30862	39754	48523	56388	63077	68584	73027	84768	88880	92460
Ireland	306	395	482	560	626	681	725	842	882	918
Italy	140051	180402	220196	255887	286242	311235	331397	384676	403338	419584
Luxembourg	3460	4457	5440	6322	7072	7690	8188	9504	9965	10367
Netherlands	18797	24212	29553	34343	38417	41772	44478	51628	54133	56314
Portugal	1256	1617	1974	2294	2566	2790	2971	3449	3616	3762
Spain	21185	27289	33308	38707	43299	47080	50130	58189	61012	63469
Sweden	34117	43947	53641	62336	69730	75819	80731	93710	98256	102213
UK	59789	77015	94003	109240	122199	132869	141476	164221	172188	179124
EU-15	1274195	1641309	2003361	2328081	2604249	2831644	3015077	3499818	3669602	3817409

Source: Brücker *et al* 2003: Table A.5. Note: includes Bulgaria and Romania.