



**POSITION PAPER**

**FREE MOVEMENT MUST  
BE MORE FAIR, NOT  
LESS FREE: OUR  
ALTERNATIVE,  
PROGRESSIVE VISION**

*A MORE SOCIALLY JUST EUROPE*

*Social rights in Europe*

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## INTRODUCTION

1. Free Movement of citizens and of workers is the core of EU citizenship and a pillar of the success of EU single market. To limit free movement would harm EU citizens and deprive them of a fundamental right. The real point is to do away with austerity and troikas, and to fight for a different growth policy and a different social policy in Europe promoting investment, cohesion and employment for all citizens in all Member States.
2. Free Movement of citizens and workers is not the cause of social dumping. Voluntary labour mobility is key for Europe's economic success. What is unacceptable is that companies increase their profits by exploiting cheap labour cross-border in an EU that only challenges competitiveness on the basis of unit labour cost, leading to increases in the number of working poor while lowering wages and social conditions for all. We want to fight for high social and labour standards for all workers in the EU. We want a thorough revision of the Directive on posted workers to guarantee that all workers in the EU enjoy full rights and decent living and working conditions. We want "equal pay for equal work at the same place".
3. Free Movement of citizens and workers is not and must not be an instrument to abuse social systems and social benefits. Access by EU citizens to social assistance is not an unrestricted right. European law allows national governments to limit access to social security and benefits in the first three months of residence, for first time job seekers and for non-active EU citizens. So national governments should not call for revision of EU laws on free movement. Member states should do their job, and fully and correctly apply EU law and introduce effective legislation to prevent abuses.
4. Free movement in Europe is really free if it is a choice, not a forced option due to poverty. Poverty migration in the EU is an issue. But the problems we have to solve are growth divergences and poverty, not migration. We want Europe to be at the forefront of the battle against poverty and exclusion and we have fought to preserve European funds that support this purpose, like the ESF, the ERDF and the FEAD. The task is now up to national governments of both sending and receiving Member states: they must fully and transparently use European funds available to promote integration, social inclusion, fight against poverty, support communities to address any increase in the numbers of marginalized citizens - nationals or non-nationals.

## **1 FREE MOVEMENT OF CITIZENS AND OF WORKERS IS THE CORE OF EU CITIZENSHIP AND A PILLAR OF THE SUCCESS OF EU SINGLE MARKET**

To challenge free movement is to put into question the construction and future development of the Union from which we all benefit, but the debate has become poisoned by nationalistic and xenophobic rhetoric. People's concerns about the impact of free movement have been distorted by populist politicians. They and their supporters in the press are using the economic crisis and its consequences and the ending of the transition periods for Bulgaria and Romania on 1 January 2014 as pretexts to attack the European Union and one of its greatest achievements. By doing so, they are trying to deflect from their own national electoral problems.

It is easy for populists to preach fear and intolerance, based on speculation. We want to address citizens' concerns by setting out the positive case for free movement, based on facts, not prejudices.

The right to move freely around the European Union has been one of the greatest expansions of liberty for European citizens. Free movement of workers was enshrined in the Treaty of Rome in 1957 as one of the four key freedoms of our community. It is essential to a functioning market economy and the heart of European citizenship. Free movement of citizens was recognised as a fundamental freedom, and a core value of the Union, in the 1992 Treaty of Maastricht.

Only 2.8% of all EU citizens live in a Member State other than their own, yet they are a key element in the success of the internal market, and they boost Europe's economy. 56% of European citizens see free movement as the EU's most positive achievement, and 67% acknowledge that it benefits their country economically.

Mobile EU citizens contribute to the prosperity of the EU. The current economic crisis, combined with the aftermath of the fall of the Berlin Wall, led to relatively poor people moving west from Central and Eastern European Member States. This movement of people is estimated to have boosted the GDP of the EU-15 by 1%.

Mobility is not a one-way street: companies from the former EU-15 benefit greatly from the right to trade and move goods, services and capital across 28 countries, their students are keen to study abroad, and pensioners often see retirement as an

opportunity to use their free movement rights and settle in another Member State. It is only fair that workers of all 28 countries should also have that right of free movement. For reasons of domestic politics, leaders of some Member States ignore the historic achievements that have taken place since the fall of the Berlin Wall, and how much worse the outcome could have been without the accession of 13 countries to the EU in 2004, 2007, and 2013.

Those EU enlargements have increased trade and the potential for prosperity within Europe, and spread the Union's values of human rights and the rule of law across the continent. Some leaders, who now argue for new restrictions on free movement, were among those who pushed most strongly for the Union to expand from 12 members in 1995 to the current 28. Not only do they say no to the free movement of workers, but also to any EU wide policy that would improve the situation.

It is fundamentally wrong for right wing populists to suggest that agreed transition periods on free movement should be extended or even made permanent. The transition periods that were established in 2004 and 2007 were agreed in legally binding international Treaties that had universal support. They followed lengthy negotiations that allowed new Member States to join the EU only after meeting the most stringent economic, political, and legal criteria ever imposed. They have allowed adequate time for all Member States to prepare for free movement.

To seek to change the rules of the club at this stage is not only wrong and unlawful, it smacks of panic and a lack of leadership and foresight. European citizenship must be equal for all: we cannot accept that there should be different classes of EU citizenship, dependent on the GDP of the country of origin.

So there are strong political and economic reasons to encourage, not restrict, free movement.

People have understandable concerns about the impact of free movement because the crisis and the impact of austerity have made them vulnerable and fearful for their own prospects. Right-wing populists seek to divide their nationals from EU citizens of other member countries. Instead of creating jobs for all and reducing the gap between rich and poor, they want to drive a wedge between nationals and "foreigners," when both are EU citizens.

Europe and the governments of its Member States need to recognise genuine concerns about the impact of austerity on social provision, and take steps to address them.

Austerity and troikas have failed to meet citizens' concerns about the recession. What we need is a different growth policy and a different social policy in Europe, promoting investment, cohesion and employment for all citizens.

## **2 FREE MOVEMENT OF CITIZENS AND WORKERS IS NOT THE CAUSE OF SOCIAL DUMPING**

Populists paint a picture of free movement as a threat, bringing hordes of "benefit tourists" who abuse the system and are a burden on social provision.

The truth is that the "balance sheet" of free movement is a positive one. Voluntary labour mobility is key for Europe's economic success. Intra-EU mobility helps address labour market flexibility and the mismatch of skills and jobs. It helps resolve the huge unsustainable differences between levels of unemployment in different Member States - differences which damage the prosperity of all Member States.

Mobile citizens are, overwhelmingly, actively employed and working hard. Those not in employment represent only a small proportion of the total number of mobile EU citizens, and studies consistently show that workers from other EU States are net contributors to the public finances of the host country.

Non-active intra-EU migrants do not form a static group. The labour market status of mobile EU citizens, like that of local populations, can change quickly. A third of EU migrant jobseekers (32%) were employed one year previously. "Forced" migration is a temporary phenomenon with different characteristics from free movement of workers in general. It helps individuals to support their families in their countries of origins but data shows that in most cases these individuals would return as soon as their home country economy starts to recover.

Commission studies, as recent as that of 25 November 2013, show that workers from other Member States are net contributors to the welfare systems of the host country. Mobile workers mostly pay more into host country budgets in taxes and social security than they receive in benefits, because they tend to be younger and more economically active than the host countries' own workforce. Healthcare spending on non-active EU mobile citizens is very small relative to total health spending (0.2%) and to the economies of the host countries (0.01% of GDP), and EU citizens account for a very small share of recipients of special non-contributory benefits. Far from being a burden, mobile workers are net contributors to the economies and budgets of the host countries. They do not take a decision to leave behind family networks, friends, and

roots lightly, and the work that most of them do benefits their host country as well as themselves.

Free movement of citizens and workers is not the cause of social dumping. Voluntary labour mobility is key for Europe's economic success. What is unacceptable is that companies increase their profits by exploiting cheap labour cross-border in an EU that only challenges competitiveness on the basis of unit labour cost, leading to increases in the number of working poor while lowering wages and social conditions for all. We want to fight for high social and labour standards for all workers in host countries in the EU. We want a thorough revision of the Directive on posted workers to stop social dumping and guarantee that all workers in the EU enjoy full rights and decent living and working conditions. We want equal pay and conditions within any workplace.

It is unscrupulous employers, not mobile EU citizens, who set lower (and even illegal) wages, promote and profit from social dumping and the black market in labour. Governments can strengthen national laws on unfair dismissal and shorten qualifying periods to prevent exploitation, enforce minimum wage laws, ensuring that breaches are subject to strict sanctions, and guarantee the right to union membership. Progressive governments will wish to guarantee a living wage for all workers.

The exploitation of EU workers by unscrupulous employers must be tackled by host country governments strictly applying their laws on discrimination, housing standards, pay and working conditions, and cracking down on tax and social security fraud. National and local governments must also take positive steps to promote the integration of communities. Laws on health and safety at work and in the home should be enforced and strengthened.

Instead of promoting myths to attack the vulnerable, populists should concentrate their fire on those companies who are ready to change countries at a whim in order to exploit low tax levels and loopholes. Ending tax havens must be a priority for the EU and Member States.

Populists would not accept barriers to the right of companies to sell their products and establish themselves for tax reasons where it suits them. Nor should we accept barriers to the free movement of citizens.

### **3 FREE MOVEMENT OF CITIZENS AND WORKERS IS NOT AND MUST NOT BE AN INSTRUMENT TO ABUSE SOCIAL SYSTEMS AND SOCIAL BENEFITS**

Access by EU citizens to social assistance is not an unrestricted right. Existing EU rules, in particular Directive 38/2004, on free movement of citizens and workers contain strict safeguards that should be sufficient to allow Member States to deal with alleged abuses of free movement. No EU citizen can reside in another EU country without working or studying and simply claim benefits there unconditionally.

During the first three months of residence the host Member State is not obliged by EU law to grant social assistance to economically inactive EU citizens. Nor is it obliged to grant social assistance to first-time jobseekers. But if non-active EU citizens apply for a social assistance benefit, for example where their economic situation changes over time, their request must be assessed in the light of their right to equal treatment.

EU law should first be implemented and evaluated rather than repealed. And the fundamental rights of EU citizens must be fully respected.

So national governments should not call for revision of EU laws on free movement. Member states should do their job, and fully and correctly apply EU law and introduce effective legislation to prevent abuses.

### **4 FREE MOVEMENT IN EUROPE IS REALLY FREE IF IT IS A CHOICE, NOT A FORCED OPTION DUE TO POVERTY**

Free movement is not without costs for countries of origin. They can lose out particularly if a significant proportion of their skilled labour force they have trained (such as doctors and nurses) leaves. On the other hand, a person may prefer to work in another Member State than to remain unemployed at home and when the economy revives in the home country very many workers return, having acquired skills and experience in the host country.

Because of the crisis, poverty migration in the EU is an issue taking a new face. But the problem we have to solve is poverty itself, not migration. EU laws and funding can support countries and local communities who fear an increase of marginalized citizens

on their territory, nationals or non-nationals. The EU should engage with local authorities to address their needs.

We want Europe to be at the forefront of the battle against poverty and exclusion and we have fought to preserve European funds that support this purpose, like the European Social Fund, the European Regional Development Fund and the Fund for European Aid to the most Deprived. The task is now up to national governments of both sending and receiving Member states: they must fully and transparently use European funds available to promote integration, social inclusion, fight against poverty, and support communities to address any increase in the numbers of marginalized citizens - nationals or non-nationals.

Countries of origin must commit to improving their systems of social provision. The correct use of EU funds for these objectives must be thoroughly monitored.

Our alternative political vision is of a Europe that is much more than a single market. It is about citizenship, solidarity, cohesion, sustainable growth and job creation. Freedom of movement and citizenship are essential components of a more democratic and socially fairer Europe and, ultimately, of European identity as we see it. For us, the EU is not just an economic project but a political and democratic one, based on solidarity, cohesion, and respect for the diversity of our cultures. A social Europe, not a sweatshop Europe.