

PM+: Free movement an 'asset' to EU economy

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It's time to dispel the myth of so-called 'benefits tourism', argues Assya Kavrakova.



The free movement of people across the EU gained speed following the bloc's fifth enlargement in 2004 and 2007. Figures from 2013 show that there were 13.7 million (2.7 per cent of the Union's population) living in another EU country.

Free movement is a valued EU right which Europeans see as one of the most important achievements of EU integration.

Yet recently we have seen several heated debates about the impact of free movement on the economies of recipient states, despite the fact that around 67 per cent of Europeans believe that free movement is an asset to their country's economy.

Several EU member states have called for restrictions on inward migration, arguing that free movement rules are having a negative impact on national welfare systems.

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In 2013, for example, the British, Austrian, German and Dutch governments wrote to the then Irish EU council presidency on the subject of so-called "benefits tourism".

They proposed limiting the right of newly arrived migrants to claim benefits and called for the introduction of bans on re-entry for those migrants found to be abusing welfare systems. No concrete evidence to back up these claims of systemic abuse and fraud were ever actually presented.

The EU's member states are already obliged to collect data on the migration of non-EU citizens. As no such obligation exists regarding EU citizens, member states do not collect such information and therefore governments can't deliver actual data on the contributions and benefit payments of EU migrants.

Recent studies have dispelled the myth of benefit tourism within the EU by highlighting the positive economic role that EU migrants play.

Migrants are on average younger than the native population and typically have a higher level of education than the population of the country they move into.

Around 29 per cent of EU migrants have university degrees compared to 24 per cent of the total population. In Austria, for example, just under a fifth of the total population has a university-level degree compared to just under a third of EU migrants living there.

And economically, EU migrants have higher employment rates and slightly lower unemployment rates in the UK, due to their active participation in the labour market. The employment rate of EU migrants is 68 per cent compared to the EU's average of 64 per cent.

Job opportunities are the main driver of migration within the EU. As a result of post-enlargement mobility, the GDP of the 'Old Europe' EU 15 is estimated to have increased by almost one per cent between the years 2004 and 2009.

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In Austria, Germany, the Netherlands and the UK, EU migrants made a positive contribution to the state budget as the total taxes they paid exceeded the total benefits they received.

This is true for Austria, Germany and the UK, even when pensions are excluded from calculations. Only in the Netherlands does the fiscal contribution of EU foreigners turn slightly negative when pensions are not counted.

A complete rebuttal of the assumption that EU free movement facilitates rampant 'benefits tourism' will only be possible if EU governments start to collate data on EU citizens in a uniform manner.

This would enable an evidence-based debate and ensure informed policy formulation at both the EU

and the national levels.

Furthermore, cooperation between sending and receiving countries must be strengthened to ensure an effective response to the current challenges regarding free movement in the EU.

After all, safeguarding this unique right sits at the heart of European citizenship.

About the author

Assya Kavrakova is director of the European Citizen Action Service (ECAS)

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