

Conference Proceedings

DOKBAT

**14th Annual International Bata Conference
for Ph.D. Students and Young Researchers**



International Bata Conference

**Tomas Bata University in Zlín
Faculty of Management and Economics
Mostní 5139 – Zlín, 760 01
Czech Republic**

ECONOMIC EVALUATION OF THE FREE MOVEMENT OF CITIZENS IN THE EU

Meri Duduci

Abstract

Economic evaluation of the free movement of citizens in the European Union is an analysis of how this movement has helped the economy of the EU member countries. It is very important to mention the analysis done through the years and the results that was gathered from it. Through the information gathered it is possible to notice how the movement changes between the countries. It can be pointed out which countries are most preferred due to the economic possibilities that they offer, and which ones are less preferred due to economic lacks and instability.

There were analyzed some economic variables and through the analysis, it was possible to notice how the variables change due to the free movement of citizens in the EU.

The advantages and disadvantages that this movement has offered to the native and hosting EU countries are a very significant economic analysis of how much this movement is affecting the general economy of the EU.

Keywords: European Union, Free Movement of Citizens, Labour, Economic Evaluation.

1 INTRODUCTION

One of the four pillars of where the European Union was built was the free movement of citizens. The free movement of citizens includes the freedom of working, visiting and living all the European citizens. The citizens will always have the same legal treatment in any of the member countries of the EU, except of some countries that did not fully accept the free movement of citizens.

There have been different changes in the intramovement flows during the years caused by several factors as the economic situations of different member countries. Citizens tend to move to where the living and working conditions are better and offer more opportunities.

According to the situation there are countries who support and fiercely defend the freedom of movement and working with the citizens and there are others who strongly stress on the fact that there are several economic problems caused by this movement.

In a time frame analysis, it is possible to notice that the countries are divided between two big groups. The first group includes the countries whose citizens are called movers. The second group is created by countries whose citizens are called stayers. It is important to acknowledge the fact that the movers have become so due to different causes, starting from the economic reasons to the social ones.

There are also several advantages and disadvantages that the European Union member countries are facing due to the free movement of citizens. The countries benefit when the working force is specialized and well known in their working position. As they are gaining a worker for whom they never invested in and is ready to contribute to the economic development of the country. There are also several other reasons that are listed as advantages of the free movement of citizens.

On the other hand, there are also different disadvantages that the hosting countries are facing due to citizens flows. To mention the fact that it might affect the working positions of their native citizens causing problems with the employment and unemployment rate of the country. Due to several economic disadvantages this might also lead to some social problems among the native citizens and movers.

2 MATERIALS AND METHODS

There were used different methodological tools to conduct this manuscript. The resources used to write it have been mainly gathered from literature resources regarding the free movement of citizens in the EU, different statistical websites that have a similar aim, to analyze this situation of movement in the European Union countries.

The selective research was used to collect the information in a selective way, focusing mainly on the economic sector of the EU countries and the different theoretic analysis of the movers. The main focus was to gather the information focusing only on the specific sources that analyzed the free movement of citizens. The research was carefully focused only on the internal movement without involving external immigration.

Another methodology that was used in this paper is the factual research. Through this research it was possible to focus on finding specific dates through several years, which are important in the history of the freedom of movement in the European Union. As it is the date when the Maastricht Treaty was signed in 1992 that introduced the concept of creating the EU citizenship and demolishing the internal borders. Another important date that is important in this analysis is the year 2008 where the economic crises started and how it changed the internal movement in search of better economic conditions for the EU citizens. During the years of crisis, it happened a high rate of movement as some of the countries were more affected than others. Having the possibility to an EU citizenship, they opted to move to countries such as the Czech Republic, Germany, France and other countries where the economy was more stable. The countries from where the citizens moved the most were Italy, Spain, Greece and Portugal.

In the entire manuscript, it was used the Qualitative methodology describing the reasons why some citizens decide to become “Movers”, such as economic instability, political instability and not sufficient possibilities to have a successful profession life.

On the other hand also the Quantitative methodology enriched this paper through the specific data regarding the number of citizens moving into the countries of the Union. It is important to mention that countries who have the highest number of movements are Romania with a 13 % and Italy with a 10 % of the whole population. Also, it is important to mention that according to the data gathered from Eurostat there are 10.5 million of EU citizens that have opted to work and live in another country of the EU.

It is also used the deductive analysis that through all the data and information gathered, after studying them it was possible to reach a conclusion. So from general information gathered from books and other resources, the next step was to process and to carefully analyze them to finalize to a conclusion. By gathering some data from the free movement, it was possible to see that in years of crises the movement is higher. Also, the movement of younger people is higher due to the fact that they want to experience different lifestyles and to gain foreign experience. The movement of younger people is higher in the countries with an economic stability less than the others.

The vertical analysis was used in this paper as well, an analysis that is expanded in time and does not do the analysis of a certain specific time. The free movement of citizens in the EU is one of the main pillars of the Union, so to focus on a specific moment was not possible. Not only was not possible to focus on a specific time moment, but also is not possible to focus on a specific place, this is done by using the Horizontal analysis, which is an analysis expanded in place, by not focusing on just a specific place. In this paper were considered and gathered information from the European Union as a whole, with the 28 countries part of it. So it was focused on 28 countries.

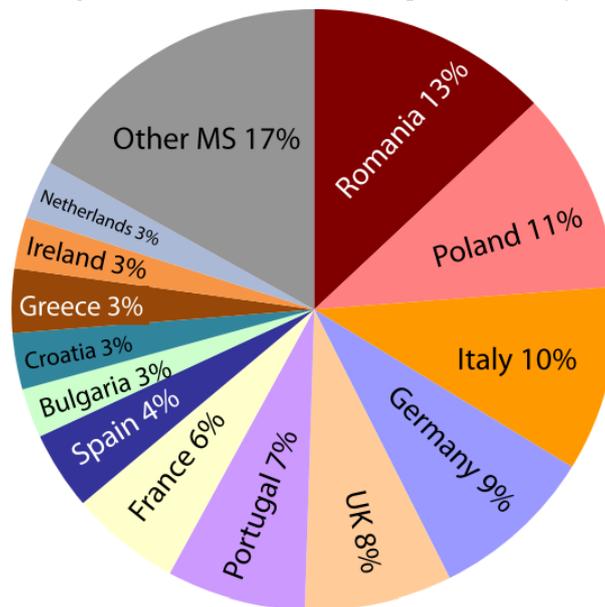
3 DISCUSSION

There were several data gathered regarding the free movement of citizens in the European Union. The aim of this paper is to be up to date with the information collected, this is the reason why the data have been selected near to the present year 2010 up to 2017. In this way it is possible to analyse the present situation.

3.1 EU citizens living in another country

Due to the fact that it is very important to analyze the situation of free movement between countries of the EU during the economic crisis. As it is one of the main reasons that has caused the citizens to move.

Table 1 EU Native Citizens living in another Member State (Departure Country, 2017). Source: WorldBank

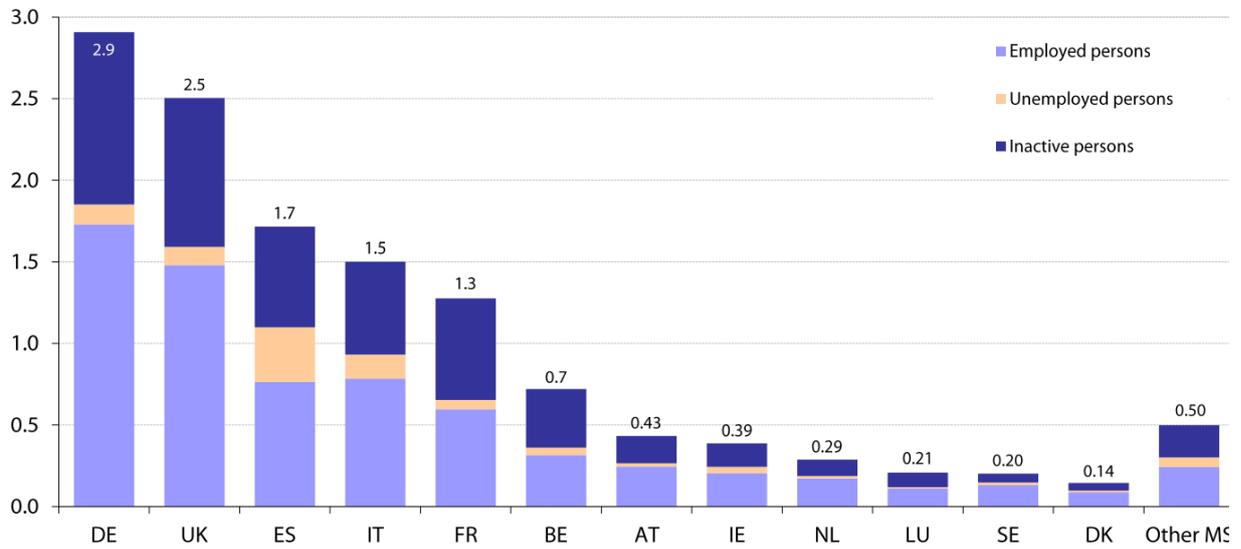


It is easily understandable that the countries are divided in two groups. Those countries who have a lower percentage of native citizens, living in another country. The second group is created by the countries who have a high percentage of citizens living in another EU country. It is quite noticeable that countries like Italy, that was deeply affected by the economic crisis, has still a high percentage of citizen living outside of the country. As seen on the figure 1 with a 10% and this is caused due to political instability and economic recession.

It can be seen a lower percentage of movement of Greece and Spain, even if they were deeply affected by the crisis. The answer to this is that the high rate of movement was mainly part of the years after crisis and it has reached a stability now. With the big debts that the economy got from the European Union this has made possible the stability of these states. On the other hand countries such as Germany and Czech Republic that are not part of the graph specifically, but collected all together, have the lowest movement percentage.

3.2 Employed, Unemployed and Inactive citizens

Figure2 Employed, unemployed and inactive EU citizens living in the host member states (in millions 2015). Source:Eurostat

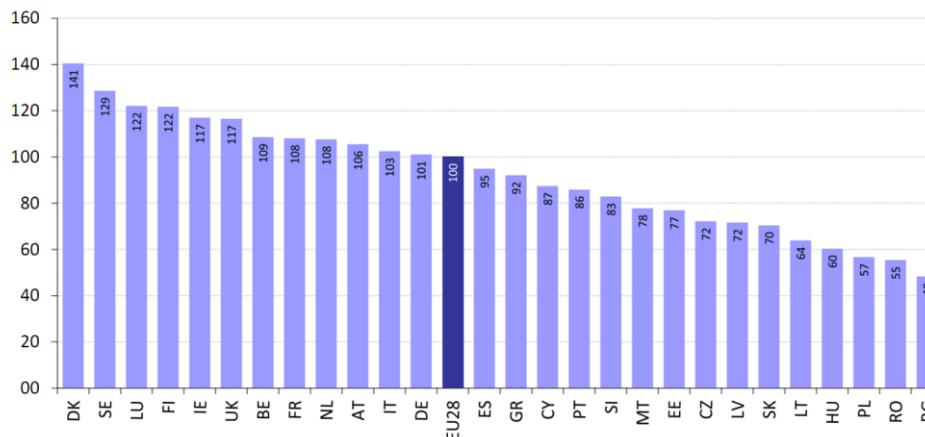


In the Figure 2 is shown the rate of employment, unemployment and inactive EU citizens. It is being study the year 2015. It is interesting to analyze Germany with the highest employment and unemployment persons. Due to the fact that specialized forces and also unspecialized forces seek ermany as a residence country. The advantage of the countries that have a higher amount of employed people is that in most cases graduated student are in search for a better place with higher living standard and higher professional opportunities. Also universities of Germany and UK too, are highly rated from the students of other countries. This is also very positive for the economy of a country due to the fact that they are collecting the future specialized workforce.

On the other hand, movers who are not specialized causes a decrease in the economy as they tend to lower the salaries and working standards.

3.3 Price Index for household

Figure3 Price index for household final consumption expenditure (EU28=100, 2015) Source:Eurostat



This is one of the main indexes that shows the changes that the economy has faced due to the free movement of citizens in the EU. It is visible in here a difference that the Nordic countries have faced the highest rate of price index household.

Table 2 Composition of intra-EU mobility by different types, EU-28 citizens in the EU-28, 2015. Source: Eurostat

Type of mobility	Extent
'Long-term' EU-28 movers of working age (20-64 years) living in EU-28* (Eurostat figures)	11.3 million
<i>(as share of the total working-age population in the EU-28⁴²)</i>	<i>(3.7%)</i>
EU-28 movers of working age living in EU-28*(EU-LFS figures)	10.5 million ⁴³
...of which active EU-28 movers (employed or looking for work)**	8.5 million ⁴⁴
<i>(as share of the total labour force in the EU-28)</i>	<i>(3.6%)</i>
Cross-border workers (20-64 years)**	1.3 million
<i>(as share of the total employed in the EU-28)</i>	<i>(0.6%)</i>
Number of postings⁴⁵ (of employed and self-employed), (no. of PDs A1)***	2 million
Annual return mobility (20-64 years) (2014)****	630,763
<i>(as share of 'long-term' EU-28 movers of working age)</i>	<i>(6%)</i>
<i>(as share of EU-28 nationals emigrating from their country of origin in 2014)*****</i>	<i>(59%)</i>
Retired EU-28 movers (all ages)	1.4 million

3.4 Economic advantages and disadvantages

As mentioned before, there are several economic advantages because of the free movement of citizens of the hosting countries.

It is possible to gather the best specialized work force as those are the main who are seeking for better opportunities. According to this fact, there will be more taxes paid into the host countries that significates more revenues for the economic part.

Also the fact of having not qualified work force can be seen as an advantage as there are several jobs that native workers of developed countries are not willing to do. These positions can be fulfilled by the new comers.

On the other hand, there are several disadvantages for the countries who are facing the free movement of countries. Less tax income for the countries that are left and this leads directly to less income for some countries.

It is called "Brain Drain" that these countries are facing with their qualified and specialist workforce leaving. This is a very negative side for some countries as they are loosing incomes generated by these workforce and a slower economic growth and development.

4 CONCLUSIONS

Through this paper research it is possible to reach to the conclusions of the big importance that the free movement of citizens has in the economy of the European Union.

The European Union is one of a kind union in the world that gives possibilities to the citizens to not only find more opportunities but seek for better standards and higher professional possibilities.

There are several advantages and also disadvantages for the welcoming countries and also for the home countries that after studying can be possible to notice that both combined have brought the European Union to be one of the powerful leaders in the world.

For sure there exist some limitations regarding this research due to the fact that there is a percentage of people who move to several countries continuously, as a plan of gaining experience so to go back to their country and contribute.

In future research activities this research will be continuing with a questionnaire where EU citizens will have the possibility to express their thoughts regarding movement and at what level they find it beneficial.

References

- Fella S. Ruzza C. *Anti-Racist Movements in the EU: Between Europeanisation and National Trajectories*, Palgrave Macmillan 2012 ISBN 9780230290907
- Guild E. Peers S. Tomkin J. *The EU Citizenship Directive: A Commentary*, OUP Oxford 2014, ISBN 0198705239 2014 <https://doi.org/10.1007/978-94-6265-162-3>
- Hazelhorst M. *Free Movement of Civil Judgments in the European Union and the Right to a Fair Trial*, T.M.C. Asser Press, 2017, ISBN 9789462651623
- Rechi E. *Mobile Europe: The Theory and Practice of Free Movement in the EU*, Palgrave Macmillan UK, 2015 ISBN 1137316020 <https://doi.org/10.4337/9781849802314>
- Recchi E. Favell A. *Pioneers of European Integration: Citizenship and Mobility in the EU*, Edward Elgar Publishing 2009, ISBN 9781849802314
- Thym D. *Questioning EU Citizenship: Judges and the Limits of Free Movement and Solidarity in the EU*, Bloomsbury Publishing, 2017, ISBN 9781509914661
- Shuibhne N. *The Coherence of EU Free Movement Law: Constitutional Responsibility and the Court of Justice*, OUP Oxford 2013, ISBN 9780191511066 <https://doi.org/10.1093/acprof:oso/9780199592951.001.0001>
- European parliament, *Facts Sheets on the European Union*, 2016 [online] Accessible at http://www.europarl.europa.eu/atyourservice/en/displayFtu.html?ftuId=FTU_2.1.3.html
- European commission. *Free Movement - EU nationals*, 2017 [online] – Accessible at <http://ec.europa.eu/social/main.jsp?catId=457&langId=en>
- European commission, *Movement and Residence*, 2016 [online] – Accessible at http://ec.europa.eu/justice/citizen/move-live/index_en.htm
- European commission, *Movement and Residence*, 2016 [online] – Accessible at http://ec.europa.eu/justice/citizen/move-live/index_en.htm
- Eurostat, *Annual Report on Intra-EU Labour Mobility 2017* [online] – Accessible at [file:///C:/Users/User/Downloads/KE-BQ-17-002-EN-N%20\(1\).pdf](file:///C:/Users/User/Downloads/KE-BQ-17-002-EN-N%20(1).pdf)
- Fondation robert schuman, *The Free Movement of People in the European Union: principle, stakes and challenges*, 2014 [online] – Accessible at <http://www.robertschuman.eu/en/european-issues/0312-the-free-movement-of-people-in-the-european-unionprinciple-stakes-and-challenges>

Contact information

MSc. Meri Duduci

Tomas Bata Univerzity, Faculty of management and econom\

Mostní 5139, Zlín

+42077808788

meriduduci@gmail.com

ORCID: 0000-0001-8668-2484

DOI ID: <https://www.doi.org/10.7441/dokbat.2018.04>