

European Labor Market Integration: What the Experts Think

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Abstract

Purpose: This paper investigates the current state of the Single European Labor Market (SELM), its related risks and opportunities, and identifies useful measures for reaching the goal of increased European labor mobility.

Design/methodology/approach: We conducted an online survey among European labor market experts (IZA Research and Policy Fellows) on the current state of the SELM, its determinants, and the role of the Great Recession. We evaluate the data using descriptive and regression-based methods.

Findings: The experts agree on the SELM's importance, especially for larger economic welfare, but are not convinced that it has been achieved. To enhance labor mobility across Europe, the respondents identify key factors such as recognizing professional qualifications more efficiently, harmonizing social security systems and knowing several languages. Moreover, at least 50 percent of the respondents consider positive attitudes—by policy makers and citizens alike—towards free mobility to be important to enhance labor mobility.

Originality/value: The IZA Expert Opinion Survey presents a unique opportunity to learn how numerous experts think about the important issue of European labor market integration and moreover constitutes a valuable extension to public opinion surveys on related topics. This survey's findings provide a sophisticated basis for a discussion about policy options regarding the SELM.

Keywords: European integration, labor mobility, economic crisis, migration, labor market reforms

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1 Introduction

The Single Market in Europe is supposed to guarantee the free movement of goods, services, capital and workers. The idea of the free movement of workers, however, was developed long before the “Single Market Act” was established in 1992.¹ In 1951, the Treaty of Paris allowed for free movement of workers in the coal and steel industries, followed by the Treaty of Rome in 1957 establishing the right for the free movement of workers throughout the European Economic Community member states.² By fostering growth through a more efficient allocation of labor between countries with labor surpluses and those with labor shortages, the free movement of labor can create higher economic welfare (Zimmermann, 2005). Moreover, from a social perspective, mobility within Europe potentially increases the European social-cultural integration and strengthens European identity (Bonin *et al.*, 2008).

But even decades after establishing the idea and legislation for a Single European Labor Market (SELM), academic experts and policy makers seem to agree that this goal is far from being accomplished (see, e.g., European Commission, 2012; Dhéret *et al.*, 2013; Zimmermann, 2013a).³ Bonin *et al.* (2008) emphasize that while too *little* mobility may be accompanied with reduced adaptability, unfilled vacancies and unused growth opportunities, too *much* mobility may negatively affect national labor markets and create social tensions. Thus, it appears important to consider an optimal level of mobility – although it is extremely difficult to judge that exact level.

The discussion about labor mobility obstacles within Europe is not a new debate. For example, Zimmermann (1995) and Heinz and Ward-Warmedinger (2006) mention the following barriers: language and cultural differences, the monetary costs of moving, inefficient housing markets, non-harmonized social security benefits including pensions, insufficient international recognition of professional qualifications, disparate education systems and the lack of transparency in job openings.⁴ Most of these reasons distinguish the European situation from the labor

¹ See http://ec.europa.eu/internal_market/smact/index_en.htm for more background information on the Single Market.

² In the Treaty of Rome, the goal of a common market is formulated in Article 2 as follows: “It shall be the aim of the Community, by establishing a Common Market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relations between its Member States.” Full texts of the treaties can be found at http://www.cvce.eu/obj/treaty_establishing_the_european_coal_and_steel_community_paris_18_april_1951-en-11a21305-941e-49d7-a171-ed5be548cd58.html and http://www.cvce.eu/obj/treaty_establishing_the_european_economic_community_rome_25_march_1957-en-cca6ba28-0bf3-4ce6-8a76-6b0b3252696e.html.

³ See Figure 1 for a very up-to-date opinion poll on this question from the IZA Expert Opinion Survey. Section 3 provides details on this survey.

⁴ There are also psychological migration costs related to leaving familiar surroundings, family and friends (Sjaastad, 1962); however, these are more difficult to quantify.

market in the United States (US), where mobility is much higher. Importantly, US mobility is not only higher than within Europe, but is also higher than *within* European countries (Bonin *et al.*, 2008).⁵ However, the US has become less mobile since the crisis, whereas mobility in Europe has increased after the EU Eastern enlargements in 2004 and 2007 (Zimmermann, 2013a). Jauer *et al.* (2014) show, for example, that intra-European migration flows could be able to absorb up to a quarter of the asymmetric shocks to unemployment that the Great Recession induced.⁶ Moreover, at least to some extent, the Great Recession has already diverted migration flows within Europe. For example, Dhéret *et al.* (2013) identify Germany as a new “core destination” in Europe. Bertoli *et al.* (2013) find that deteriorating conditions in alternative destinations caused almost 80 percent of the recent migratory increase to Germany.

These developments have been accompanied by rising tensions over free labor mobility in Europe. First, there is the well-observed long-term rise in EU-skepticism (Ritzen and Zimmermann, 2013; Ritzen *et al.*, 2014).⁷ The number of people in European member countries who hold the European ideal is decelerating, and many observers associate this with the failure of the SELM. Second, and in spite of all the positive findings for the European labor markets due to the EU Eastern enlargements, there is a rising mistrust in the benefits of labor mobility. In 2013, four governments—those of Germany, Austria, the United Kingdom and the Netherlands—raised concerns in a public letter to the EU Council regarding a perceived threat of welfare migration.⁸ In 2014, the Swiss population voted to reintroduce immigration quotas, therefore going against free mobility, as defined in the collaborative treaties between Switzerland and the European Union. This year after national elections in the United Kingdom, the British government announced a referendum about the UK potentially leaving the EU (UK Government, 2015). It demands certain EU measures, such as legal regulations to reduce inner-EU member mobility, particularly by narrowing social benefit eligibility. These developments suggest a potential EU degeneration, unless the public can be convinced of the merits arising from free labor mobility.

The current debate therefore concentrates on the following questions: What are the risks and opportunities related to a SELM? Does the Great Recession play a role in this context? Which factors are likely to enhance labor mobility? The aim of this

⁵ Recent numbers from 2011 and 2012 show the annual cross-border intra-European mobility rate is about one tenth of the level in the US, which is 2.7% (European Commission, 2014).

⁶ Before the crisis hit in 2008, the unemployment rates of many European countries were converging towards each other. But since 2008, unemployment rates have diverged. For example, Germany’s performance during the Great Recession has been exceptionally strong and its unemployment rate comparatively low (see, e.g., Rinne and Zimmermann, 2012, 2013).

⁷ The 2014 European Parliament elections outcome also reflects EU-skepticism’s rise: EU-skeptic parties strongly increased their number of parliamentary seats.

⁸ For a public version of the letter sent to the Irish Presidency of the European Council, see http://docs.dpaq.de/3604-130415_letter_to_presidency_final_1_2.pdf.

paper is to provide answers to these questions and give policy recommendations that are useful toward reaching the goal of increased labor mobility in Europe. Our methodological approach is to collect opinions of European labor market experts by asking the EU-based IZA Research Fellows and Policy Fellows the most relevant questions. Next to analyzing their answers descriptively we also present the results of a regression analysis to arrive at a richer picture of how expert opinions differ across relevant contexts, especially across countries, and to assess the robustness of our findings, especially with respect to the generalizability of our results. Similar to Kahanec et al. (2013) we draw on the idea that if the experts' reported opinions do not depend, in the statistical sense, on their demographic and professional characteristics, our results may reflect a broader consensus among experts beyond our sample.

This paper is organized as follows: After we discuss the SELM concept and migration's costs, benefits and obstacles in Section 2, we present results of the IZA Expert Opinion Survey in Section 3. A specific regression analysis of the survey data follows in Section 4. We conclude in Section 5.

2 A Single European Labor Market

A SELM in particular involves the free movement of workers. Theoretically, migration contributes to the functioning of a market economy as an adjustment mechanism for the optimal allocation of scarce resources. Through labor mobility the capital-to-labor ratio and regional income disparities have the potential to equalize. Mundell (1961) describes in his seminal paper that high factor mobility (capital and labor) are an essential determinant of a single currency area for economic stability and to absorb shocks. But as Pissarides and McMaster (1990) have shown for the United Kingdom, labor mobility does not always function well to serve this end.

At the microeconomic level, the individual migration decision is seen as an investment decision. Potential migrants calculate the present discounted value of expected returns in the potential destination and origin region. If the net gain from moving, including migration costs, is higher than the expected utility of not moving, the individual will decide to migrate. Such models are discussed in more detail in Sjaastad (1962) and Borjas (1989), among others (Constant and Zimmermann, 2013 contain further references).

How are these theoretical considerations related to the situation in Europe? What are the benefits and possible drawbacks of a SELM? In this section, we focus on these questions and subsequently turn our attention to migration drivers and obstacles.

2.1 Costs and Benefits of Intra-EU Migration

When discussing mobility costs and benefits, it is useful to distinguish between the economic, demographic and social perspective (Bonin *et al.*, 2008; Zimmermann 2013a). From an economic point of view, enhanced labor mobility serves to balance labor supply and demand between regional labor markets. This may result in better skill matches and lead to higher returns of human capital formation; in turn, it increases incentives to invest in human capital, innovation and entrepreneurship, and fosters growth for the majority of people (Bonin *et al.*, 2008; Hunt and Gauthier-Loiselle, 2010).

Potential drawbacks of increased labor mobility in receiving countries are increased competition that puts downward pressure on wages and the threat of welfare migration (Bonin *et al.*, 2008; Zimmermann, 2013a). However, there appears to be no negative effect of immigration on native employment and wages (e.g., Altonji and Card, 1991; Bonin, 2005; Kahanec and Zimmermann, 2009; Kahanec, 2013). Likewise, Brunow and Brenzel (2012) show that immigration has a positive net effect on regional income. Moreover they find that cultural diversity among foreign-born people produces income gains by increasing the supply of different skills, knowledge and tasks.⁹ Giulietti and Wahba (2013) provide an overview of the literature on welfare migration and state that the empirical evidence of welfare migration is mixed. Importantly, when evidence for a welfare magnet is found, it is rather small.

Potential drawbacks for sending countries may be a brain-drain shock, which can be problematic for long-term economic growth. However, this shock may be offset through remittances, temporary rather than permanent migration and migrants acting as middlemen linking businesses in the sending and receiving countries (Bonin *et al.*, 2008; Brenke, 2011). In the context of EU enlargement and migration flows to the United Kingdom and Ireland, Elsner (2013) shows that emigration had a significant positive effect on the wages of stayers.

Hence, for mobility to be beneficial, the associated gains need to outweigh the losses. The European case is judged to be an economic win-win situation, meaning a SELM would bring more good than bad for most people (Bonin *et al.*, 2008; Dhéret *et al.*, 2013).

Regarding the demographic situation in Europe, migration certainly represents one way to at least partially reduce the effects of an aging society and population decline. However, as almost all European countries face these trends, there is not much room to counteract demographic trends with labor mobility *within* Europe (Bonin *et al.*, 2008). There would be more scope for migration from non-EU countries with respect to these demographic trends. However, there is some evidence

⁹ Parrotta *et al.* (2014) is another example in the literature demonstrating that ethnic and cultural diversity positively relate to innovative activities.

for a “Fortress Europe”: liberalizing mobility within Europe, but keeping migration restrictions from outside Europe (Marques, 2010). Alongside migration of EU-nationals, intra-EU migration of third-country nationals then becomes an important policy dimension.

Regarding labor mobility’s social dimension there is some, although limited, evidence showing that increased mobility may foster socio-cultural integration in Europe and strengthen the European identity (Bonin *et al.*, 2008). Potential drawbacks include tensions between ethnic minorities and natives, thereby affecting social cohesion. Benton and Petrovic (2013) discuss the impact of migration on local communities and emphasize a need for further research. In particular, the impacts on local communities who are partly overwhelmed with high migrant inflows are not yet fully understood. While this issue may only affect particular communities and is not representative of the majority of migration flows within the EU, the concern needs to be taken seriously and tackled appropriately.

Related to social tensions is the formation of attitudes towards migrants. Careja and Andreß (2013) investigate how national labor market policies shape natives’ opinions about immigrants even though they acknowledge that causality may go in both directions. They find that a more liberal regime with respect to legal aspects of immigrants’ access to and security within the labor market is related to more positive opinions about immigrants’ economic role in the country. Bauer *et al.* (2000) find that in countries receiving predominantly refugees, natives are relatively more concerned with immigration’s impact on social issues (e.g., crime) whereas in countries receiving predominantly economic migrants, natives are relatively more concerned about losing jobs to immigrants.

In sum, increased labor mobility results in positive economic gains, rather small effects at the demographic level, and unclear effects in the social dimension. Therefore higher labor mobility within Europe would likely increase welfare for most Europeans (Bonin *et al.*, 2008).

2.2 Migration’s Drivers and Obstacles

There are drivers of mobility at the macroeconomic, policy and individual level. By investigating migration inflows to the EU15, Marques (2010) identifies several macroeconomic drivers or obstacles to migration. Immigration increases due to a higher average income level and a larger own migrant community in the destination country, as well as the existence of a common language and border. Furthermore, liberal immigration policy implementation contributes to higher inflows. Factors that decrease inflows include a higher unemployment rate in the destination country, a higher average income level and more political freedom in the origin country, as well as a larger distance between origin and destination countries. Palmer and Pytlikova (2013) provide another example of policies affecting migration behavior: They find

that EU destinations with easier formal labor market access for migrants (defined by the destination country's laws on immigrants' employment rights) have higher immigration rates.

Certain individual characteristics are related to mobility, such as being young, male, unmarried, childless, highly educated, unemployed and having migrated previously (Bonin *et al.*, 2008). Aparicio Fenoll and Kuehn (2014) find that speaking a country's language increases the likelihood of migrating to that country by almost five times. Survey results of EU migrants who state their main reason for moving show that the primary motivation is employment (Benton and Petrovic, 2013). This observation differs across countries and includes migrants who move knowing about a prospective job as well as movers without any pre-arranged or planned employment. The next most important reason for moving appears to be family related factors. Other non-negligible reasons are studying and retirement. This shows that economic, network and individual factors play a role in determining migration patterns.

Obstacles to European labor mobility have already been discussed in the literature over the last decades (e.g. Zimmermann, 1995; Heinz and Ward-Warmedinger, 2006). Among these obstacles, some are related to institutional settings. These include pension rights or unemployment benefits portability, qualifications transferability, inefficient housing markets, disparate education systems and the lack of transparency in job openings. Other barriers are more strongly tied to the individual, such as language and cultural differences. Bonin *et al.* (2008) identify these individual hurdles as more relevant than institutional settings for reducing the propensity to migrate. There is one exception, however, which is the worry about finding a suitable job in the destination area; this is found to be another important mobility deterrent and is related to the institutional setting of transparency and information regarding job openings.

3 IZA Expert Opinion Survey

What do labor market experts think about the state of European integration? In this section, we present unique data answering this question using the IZA Expert Opinion Survey that was conducted in early 2014.

IZA operates the largest network of labor economists worldwide, comprising more than 1,300 Research Fellows and Policy Fellows from over 45 countries. Among them are the most prominent researchers in the field. The network of IZA Policy Fellows consists of influential representatives from business, politics, society and the media. All IZA Research and Policy Fellows based in Europe were approached via email and invited to participate in a short online survey consisting of nine questions. The purpose of the survey was to collect opinions regarding the current state of the SELM,

its determinants and the importance of the Great Recession. All individuals were specifically approached as practitioners and experts in labor market issues.

An email invitation including the survey link was sent to the 708 IZA Research Fellows and Policy Fellows that are based in Europe. Those individuals who had not already filled out the questionnaire received two reminders to participate (the first was sent two days after the initial invitation and then two weeks after). In total, 299 individuals (42 percent) responded and 409 individuals (58 percent) did not.¹⁰ Table 1 displays descriptive statistics for the entire sample of IZA experts who were approached via email and for the two respondent and non-respondent samples.

[TABLE 1 ABOUT HERE]

About 20 percent of the invited IZA experts are female, with no statistically significant differences in response rates across gender. However, statistically significant differences in response rates can be observed for IZA Research Fellows and IZA Policy Fellows, where the former group is more likely to respond. As a result, the respondents comprise about 87 percent IZA Research Fellows and roughly 13 percent IZA Policy Fellows. The invited IZA experts had contributed about 10 IZA Discussion Papers per person, with no statistically significant differences between respondents and non-respondents. But respondents contributed, in the statistical sense, significantly more policy-oriented papers than the non-respondents, which is reflected by a higher average number of IZA Policy Papers and IZA Standpunkte.¹¹ When looking at the IZA program areas in which the invited fellows participate, almost 40 percent of the respondents work on migration, with no statistically significant differences between respondents and non-respondents. 75 percent of the respondents work on labor market institutions which is, in the statistical sense, a significantly larger share than among non-respondents.

About 25 percent of the respondents are based in Germany and about 22 percent in Central European countries (Austria, Belgium, France, Luxembourg, the Netherlands and Switzerland). In the statistical sense, these shares are not significantly different from the corresponding shares among non-respondents. IZA experts from “crisis countries” (Cyprus, Greece, Ireland, Italy, Portugal and Spain) are statistically significantly more likely to respond, resulting in about 20 percent of respondents from these countries. IZA experts from the United Kingdom are statistically significantly less likely to respond. Their share amounts to 15 percent of respondents. The remaining IZA experts are either from Scandinavian countries (12 percent from Denmark, Finland, Norway and Sweden) or Eastern European countries (4 percent from Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania,

¹⁰ 284 respondents completed the entire questionnaire.

¹¹ IZA Standpunkte are the German-language counterparts of the IZA Policy Papers. They contain different papers and are usually not just translations of IZA Policy Papers.

Poland, Romania, Ukraine, Slovakia, Slovenia, Turkey and [Ex-]Yugoslavia), with no statistically significant differences between respondents and non-respondents.

These findings document the limited selectivity of our sample of European labor market experts. By intention, we do not attempt to represent the insights of the general public. However, in order to get an impression of differences and similarities between expert opinions and those of the general public, we also discuss the results of a recent Eurobarometer survey on the Internal Market when possible.

3.1 The EU and a Single European Labor Market

In the first part of the survey, we ask the respondents for their general attitudes towards the EU and a SELM. Figure 1 indicates that most respondents (74 percent) agree that the goal of a SELM has not yet been achieved.

[FIGURE 1 ABOUT HERE]

However, Figure 2 indicates that about 61 percent of all respondents are satisfied with the EU and roughly 29 percent are disappointed. Although the majority gives a positive assessment, one should be concerned that almost one third of labor market experts express their disappointment with the EU. Moreover, the satisfaction with the EU is clearly correlated with the perception of whether or not a SELM has been achieved yet: The share of disappointed individuals is roughly twice as large among those who think that a SELM has not yet been achieved than among those who think that it has been achieved (32 percent versus 16 percent).

[FIGURE 2 ABOUT HERE]

Figure 3 shows that about 53 percent of all respondents think that the state of the single market affects their satisfaction with the EU. On the other hand, about 41 percent of all respondents think that this is not the case. The shares between those two answer categories are almost evenly distributed among those who think that the SELM has been achieved (47 percent and 45 percent, respectively).

[FIGURE 3 ABOUT HERE]

Figure 4 shows the distribution of reasons why a SELM could be important. Larger economic welfare (about 67 percent) and greater economic integration (about 59 percent) rank as the most important reasons. 45 percent of the respondents think that labor market integration is important for society. Around one third of respondents mention reasons such as political stability, political integration, economic stability and the stability of the Euro. There is also a small fraction of respondents (5 percent) who believe that a SELM is not important at all. Slightly larger fractions of respondents who think that a SELM has been achieved think that it is important for larger economic welfare and for political stability.

[FIGURE 4 ABOUT HERE]

In a survey of the general public (Special Eurobarometer from 2013 on the Internal Market), one set of answers corroborate our finding on larger economic welfare being the most important factor in the SELM: On why people would consider working abroad, they state that economic reasons are the most important, such as a better salary, better career opportunities, better job opportunities in general, and better working conditions (Eurostat, 2013).

Figure 5 shows the respondents' judgment concerning important factors contributing to a SELM. Perhaps not surprisingly, intra-EU mobility proves to be by far the most important reason, listed by more than 85 percent of all respondents. Additionally, more than half of all respondents think that the harmonization of social security systems, the easy and quick recognition of professional qualifications and a positive attitude towards free mobility by policy makers and by citizens are important for a SELM. Moreover, 46 percent claim that the knowledge of several languages is important. Slightly more than one third of the respondents state that the harmonization of labor market policies on the European level and efficient labor market policies on the national level are important. One fourth says that larger cultural integration would be needed, whereas a positive attitude towards the Euro does not appear to be considered an important driver for European labor market integration. In addition, open answers listed important factors such as fiscal and income tax policy harmonization, higher mobility also *within* countries and reduced mobility costs such as information about school and childcare possibilities. Furthermore there are some differences between respondents who think that a SELM has been achieved and those who do not think so. For example, the former group attributes a greater importance to easy and quick professional qualification recognition and a lower importance to harmonizing social security systems than the latter group.

[FIGURE 5 ABOUT HERE]

Figure 6 displays the distribution of the answers to a related but slightly more specific question: Respondents were asked to specify factors that may enhance labor mobility in Europe. The most frequently named factor is the easy and quick recognition of professional qualifications since 69 percent of all respondents name this possibility. Social security system harmonization and the knowledge of several languages prove to be almost as important, as almost 60 percent of all respondents list them. The next important group of factors is policy makers' and citizens' positive attitudes towards mobility. Only 21 percent of the respondents believe that enhancing the mobility of third-country nationals in the EU is an important factor to increase intra-EU mobility. Harmonizing voting rights is named by less than 10 percent of all respondents as a mobility-enhancing factor. Two factors that we received as open

answers were again reduced mobility costs, such as information about schools and childcare facilities, and the integration of school systems. Furthermore, respondents who think that a SELM has been achieved mention the harmonization of social security systems and labor market policies substantially less frequently as mobility-enhancing factors than respondents who think that a SELM has not yet been achieved.

[FIGURE 6 ABOUT HERE]

In the Special Eurobarometer, those who would not consider working in another EU country were asked about the reasons why (Eurostat, 2013). The three main reasons mentioned are family or personal reasons, simply not wanting to work abroad and language difficulties. This overlaps with our results on the knowledge of several languages and potentially on the open answer on school and childcare facilities. Interestingly, only 3 percent of the general public worry about their qualifications not being recognized, which is the complete opposite to our expert survey result. Perhaps this is due to the selection of people who do not consider working abroad and therefore mention the more obvious obstacles to them as opposed to more detailed difficulties that might only arise when one actually considers moving.

3.2 The Great Recession and the Role of Reforms

The second part of the survey contains additional questions concerning the Great Recession and the importance of reforms for dealing with it.

Figure 7 shows that the majority of respondents—59 percent—think that the economic divergence between EU member states induced by the Great Recession will last a rather long time. Only 27 percent of all respondents think that the crisis-induced economic divergence is a transitional phenomenon. Although a smaller fraction of those respondents who think that a SELM has been achieved consider the crisis-induced divergence to last for a rather long time, their share still amounts to more than 50 percent.

[FIGURE 7 ABOUT HERE]

Figures 8 and 9 display the results to the question of whether respondents believe that economic and labor reform policies are important to deal with this crisis-induced divergence, responding for both their own country and Europe in general. Three patterns emerge from these figures. First, a clear majority (ranging between 67 and 89 percent) thinks that reforms are important to deal with the divergence. Second, economic reform policies are generally considered to be slightly more important than labor reform policies. Third, respondents consider reforms on the European level to be of greater importance than national level reforms. However,

reforms seem to be needed at both levels. The responses are quite similar between those who think that a SELM has been achieved and those who do not.

[FIGURES 8 & 9 ABOUT HERE]

In sum, the IZA Expert Opinion Survey's explorative analysis shows the following important results: A clear majority of labor market experts believes that a SELM is important, mainly for overall economic welfare. However, the majority is also convinced that Europe has not yet achieved this goal. About half of the respondents claim that their attitude towards the EU is affected by the progress of a SELM. Intra-EU labor mobility proves to be the most important perceived factor to achieve a single market. The recognition of professional qualifications, the harmonization of social security systems and the knowledge of several languages are identified as the key factors to enhance labor mobility across Europe; additionally, a positive attitude by policy makers and citizens towards free mobility is mentioned by at least half of the sample. Most respondents believe that the increasing divergence due to the crisis represents a long-lasting phenomenon. Moreover, the majority thinks that particularly economic reforms, but also labor market reforms, are important to deal with this situation, especially at the European level. Hence, it appears that further measures to achieve a SELM are necessary and desired.

4 Regression Analysis

It is likely that the economic conditions in the respondent's country of origin or residence shape survey answers. Therefore, we present results of several regressions in this section. We explore three sources of country heterogeneity: a high versus low unemployment (UE) rate (defined by an UE rate higher than or equal to the median UE rate of the origin/residence countries in the sample), a high versus low net migration rate (defined by a net migration rate higher than or equal to the median net migration rate of the origin/residence countries) and having experienced a stronger crisis effect. The latter category includes Greece, Ireland, Italy, Portugal and Spain, plus Cyprus in the case of the residence countries. Therefore we estimate six regressions per outcome variable. Tables 2 to 6 display the Probit regression results.

In all regressions we control for whether the respondent expects a long economic divergence (see Figure 7) to proxy beliefs about economic development. Moreover, we also control for demographic and professional characteristics, which include a dummy for migration researchers, gender, living outside the home country, having completed university/PhD studies outside the home country, having at least one paper in an A/A+ journal, being a "top author" according to a RePEc ranking, and working at a top level institution. Due to space constraints we do not show these results in the regression tables, but we closely investigate all estimated coefficients

nonetheless because they could support the generalizability of our results (cf. Kahanec et al., 2013). And indeed, as the estimated coefficients on demographic and professional characteristics are not statistically significant in most regressions, this supports the notion that our findings may reflect a broader consensus among experts beyond our sample. However, some caution seems appropriate when the opinion on essential factors and policy options is assessed (Tables 3-5). In these regressions, some professional characteristics such as the own and institutional ranking within the profession as well as own migration experiences appear to influence answers in a statistically significant manner.

When focusing on country heterogeneity, Table 2 shows that respondents from a country with a high UE rate are less satisfied with the EU, perhaps because the economic condition in their home country does not hold up to their expectations about the EU. Those respondents who expect the economic divergence to be long-lasting are also less satisfied with the EU, possibly because they believe that the EU is partly involved in this long-lasting divergence (coeff.: -0.226, robust S.E.: 0.068).¹² Column (2) shows that those respondents who are from or live in a country that does not fare optimally (high UE or crisis country) are less likely to say that the SELM is achieved. This sounds reasonable as they probably believe that an achievement of the SELM would result in a better economic situation in these countries. There are no differences between countries on how the respondents value the length of the economic divergence (Column [3]). Only those respondents who work in migration are less likely to believe that the divergence is a long-lasting phenomenon, possibly because they think that migration is a capable adjustment mechanism (coeff.: -0.150, robust S.E.: 0.066).

[TABLE 2 ABOUT HERE]

Table 3 shows the results of the opinions about why the SELM is important. Respondents who are from or live in a country with a high UE rate find that the SELM is not so important for larger economic welfare. This is interesting since it is the most cited reason in the survey responses. However, those countries might currently be at a different stage of the development process, or put differently, have other issues to worry about before being considering welfare gains.

[TABLE 3 ABOUT HERE]

Table 4 displays the opinions about the essential factors for a SELM. Generally, these results show that respondents from economically disadvantaged countries tend to find it more essential that certain institutions and conditions become more similar

¹² Whenever mentioning the magnitude of a coefficient and standard error in the text, it has resulted from the regression including a dummy for a high UE rate in the home country, referring to the first line in each table. These numbers are rather robust across the other specifications.

across Europe, such as the culture, labor market policies and income disparities. On the other hand, these respondents are less likely to believe in the rather soft factor of attitudes towards free mobility. If the respondent lives in a crisis country, he or she values the quick recognition of qualifications less. Moreover, migration researchers are more likely to say that intra-EU labor mobility is essential for a SELM (coeff.: 0.115, robust S.E.: 0.056).

[TABLE 4 ABOUT HERE]

Furthermore, we investigate the factors that actually have the potential to enhance labor mobility. Results are shown in Table 5. There are not many significant differences and the results mainly mirror those from Table 4. Larger cultural integration is rated to be an enhancing factor by those respondents whose home country is a crisis country. Moreover, especially a positive attitude towards free mobility by policy makers receives a lower value by those from and living in disadvantaged countries.

[TABLE 5 ABOUT HERE]

Lastly, Table 6 displays the results of the questions related to the importance of reforms in dealing with the crisis. The respondents living in or originating from crisis countries or countries with a high UE rate are more likely to say that reforms are important, especially economic reforms in their countries. In some cases also national labor reforms and economic reforms in the EU are given a higher importance. Hence, being exposed to worse economic conditions is associated with a higher priority for reforms.

[TABLE 6 ABOUT HERE]

In sum, economic conditions in the home or residence countries shape expert opinions in certain respects. Respondents from economically disadvantaged countries view the achievement of the SELM more negatively and tend to see a need of more similarities across European countries in order for the SELM to work, but give attitudes towards free mobility a lower importance. Moreover, the respondents from these groups of countries give a higher value to economic reform policies, especially at the national level. Interestingly, opinions do not differ by the level of the net migration rate in the country, but rather whether the respondent works in the area of migration. These respondents give a higher value to intra-EU labor mobility and are more optimistic regarding the length of the economic divergence after the crisis.

5 Conclusions

A Single European Labor Market involves free labor mobility across Europe. In this paper, we present the results of the IZA Expert Opinion Survey 2014, in which labor

market experts were asked for their opinion on the achievement and the importance of the SELM. The respondents agree that a SELM is important for overall economic welfare, economic integration and society. However, most experts object that the SELM has been sufficiently achieved. In other words, mobility within Europe is not high enough to fully generate the expected benefits. Although low net migration does not necessarily imply that a SELM is not functioning, relatively high mobility rates indeed appear as a necessary condition to achieve a SELM. The experts identify a more efficient recognition of professional qualifications, the harmonization of social security systems and the knowledge of several languages as the key factors to enhance labor mobility across Europe. Moreover, a reduction of migration costs, such as easier access to information about schools and childcare facilities, is also expected to increase mobility.

Sensible policy recommendations therefore mainly tackle institutional measures such as more appropriately using tools like the job mobility portal EURES in order to increase the distribution of information about jobs across Europe.¹³ Similar initiatives with respect to childcare facilities, schools and the housing market could provide further support for families and individuals considering moving. Moreover, simplifying the professional qualification recognition process, as put forward by initiatives like the European Qualification Framework (EQF) or Europass,¹⁴ and harmonizing social security systems such as facilitating the portability of pension rights (see also European Commission, 2012; Dhéret *et al.*, 2013) present other targets for policy intervention.

If the assumption holds that similar institutions across countries could increase mobility in Europe, a broader approach should target the potential need to coordinate labor market and economic reforms at the European level. Otherwise, similar institutions may only emerge in the long run, if at all. However, our survey results show that opinions on this issue may depend on economic conditions. For example, respondents who live in countries that were hit harder by the crisis see labor market policy harmonization on the European level as more essential for a SELM than other respondents.

Furthermore, attitudes regarding the EU and free mobility should not be overlooked while moving towards a SELM: At least 50 percent of labor market experts in the IZA Expert Opinion Survey consider positive attitudes—by policy makers and citizens alike—towards free mobility to be important to enhance labor mobility. One mobility-enhancing intervention that may also affect attitudes is the European student exchange program “Erasmus”. Parey and Waldinger (2011) find that studying abroad increases the probability of working abroad by roughly 15 percentage points. Although

¹³ For more information on EURES, see <https://ec.europa.eu/eures/>.

¹⁴ For more information on the EQF, see <http://ec.europa.eu/ploteus/en>.

the extended version of this program (“Erasmus+”) is actually not limited to students, its coverage for apprentices and other participants in education should be more well-known. Moreover, additional groups could benefit. For example, younger workers could also be included as potential effects could materialize over a longer period for this group.

Recent developments in Europe—such as a joint letter by ministers of four member states to the European Council emphasizing the threat of welfare migration, the referendum in Switzerland in favor of reintroducing immigration quotas, as well as the British government’s plans for a referendum about EU membership—are likely to conserve anti-immigration sentiments within Europe. These evolutions need to be taken seriously and taken into account when creating policy recommendations. For example, labor market policies and work-related migration regulations may influence natives’ opinions about immigrants and attitudes towards immigration. These attitudes and opinions may also be influenced in a more direct manner by evidence-based arguments that researchers and policymakers should actively promote in public debates.

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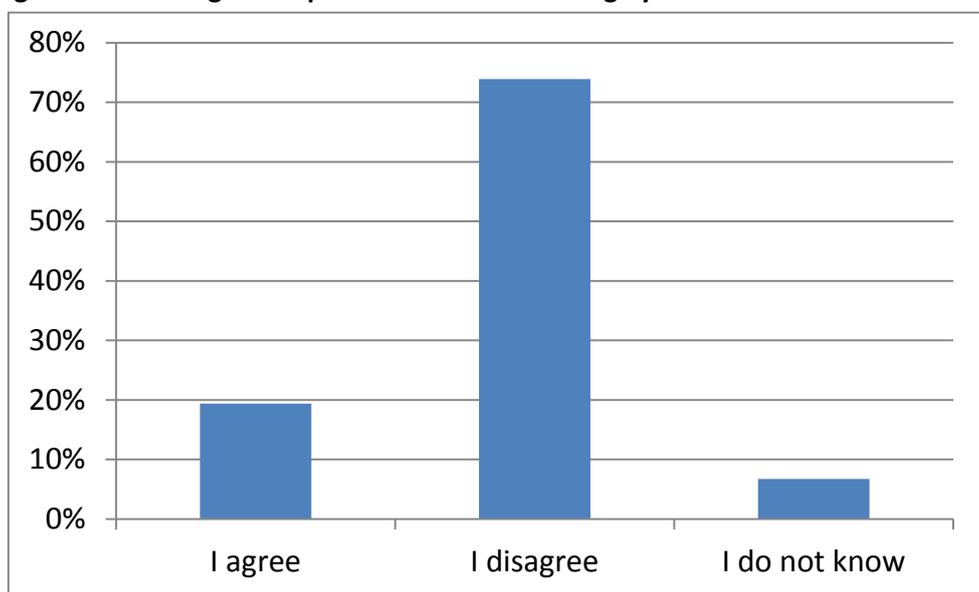
Table 1: Descriptive Statistics (Invited Individuals, Respondents, Non-Respondents)

| | (1) Invited | | (2) Respondents | | (3) Non-Respondents | | Δ Significance t test: (2) – (3) <i>p</i> -value |
|--------------------------------|----------------|--------|--------------------|---------|------------------------|--------|--|
| | # obs. | mean | # obs. | mean | # obs. | mean | |
| Female | 708 | 0.1992 | 299 | 0.2040 | 409 | 0.1956 | 0.7822 |
| IZA Research Fellow | 708 | 0.8404 | 299 | 0.8729 | 409 | 0.8166 | 0.0435 ** |
| IZA Policy Fellow | 708 | 0.1596 | 299 | 0.1271 | 409 | 0.1834 | 0.0435 ** |
| # IZA Discussion Paper | 708 | 9.7641 | 299 | 10.3579 | 409 | 9.3301 | 0.1736 |
| # IZA Policy Paper | 708 | 0.0960 | 299 | 0.1538 | 409 | 0.0538 | 0.0044 *** |
| # IZA Standpunkte | 708 | 0.0918 | 299 | 0.1672 | 409 | 0.0367 | 0.0693 * |
| IZA Program Area: Migration | 559 | 0.3596 | 252 | 0.3929 | 307 | 0.3322 | 0.1378 |
| IZA Program Area: Institutions | 559 | 0.6995 | 252 | 0.7579 | 307 | 0.6515 | 0.0062 *** |
| Residence: Eastern Europe | 708 | 0.0325 | 299 | 0.0435 | 409 | 0.0244 | 0.1588 |
| Residence: Crisis Country | 708 | 0.1469 | 299 | 0.2040 | 409 | 0.1051 | 0.0002 *** |
| Residence: Germany | 708 | 0.2613 | 299 | 0.2408 | 409 | 0.2763 | 0.2892 |
| Residence: United Kingdom | 708 | 0.2034 | 299 | 0.1572 | 409 | 0.2372 | 0.0090 *** |
| Residence: Scandinavia | 708 | 0.1059 | 299 | 0.1271 | 409 | 0.0905 | 0.1181 |
| Residence: Central Europe | 708 | 0.2401 | 299 | 0.2207 | 409 | 0.2543 | 0.3027 |

Source: IZA Expert Opinion Survey 2014.

Notes: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Eastern European countries include: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Ukraine, Slovakia, Slovenia, Turkey and (Ex-)Yugoslavia. Crisis countries include: Cyprus, Greece, Ireland, Italy, Portugal and Spain. Scandinavian countries include: Denmark, Finland, Norway and Sweden. Central European countries include: Austria, Belgium, France, Luxembourg, the Netherlands and Switzerland.

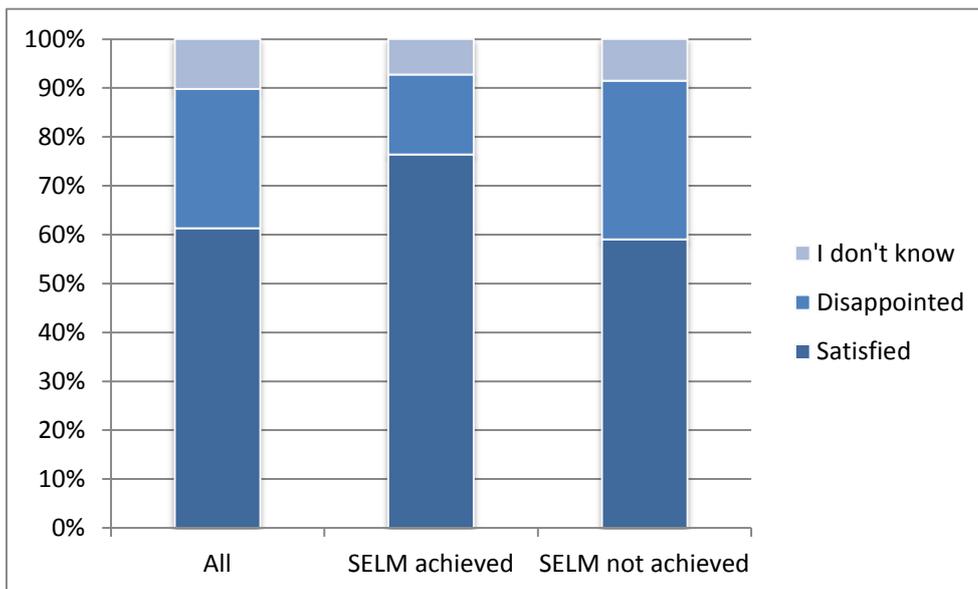
Figure 1: “The Single European Labor Market is largely achieved.”



Source: IZA Expert Opinion Survey 2014.

Note: Number of observations: 284.

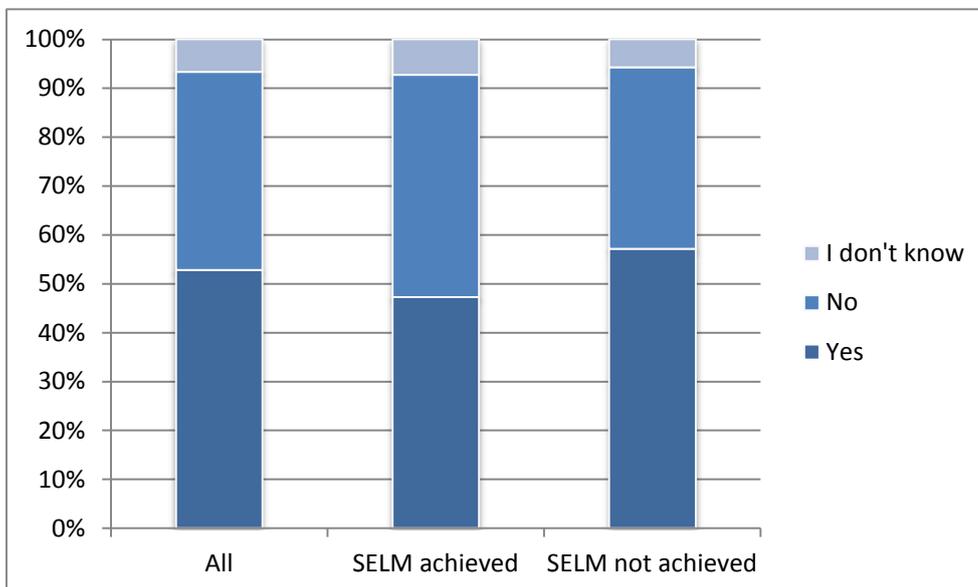
Figure 2: Satisfaction with the EU



Source: IZA Expert Opinion Survey 2014.

Note: SELM: Single European Labor Market. Number of observations: 284 (all); 55 (SELM achieved); 210 (SELM not achieved). 19 observations "I don't know" whether the SELM has been achieved.

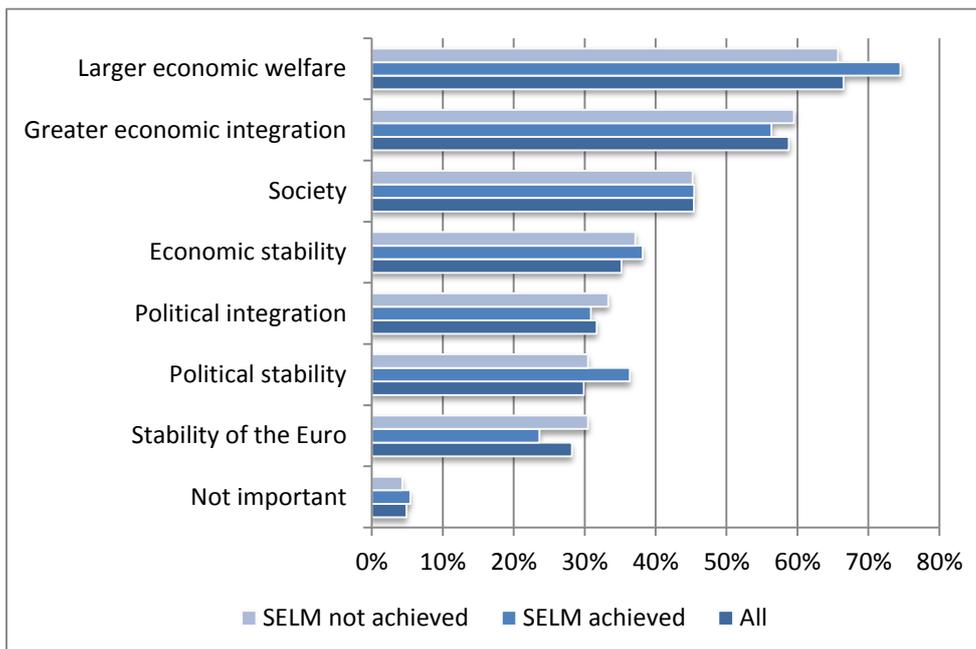
Figure 3: "Satisfaction with the EU is affected by the state of the integration of European Labor Markets."



Source: IZA Expert Opinion Survey 2014.

Note: Number of observations: 284 (all).

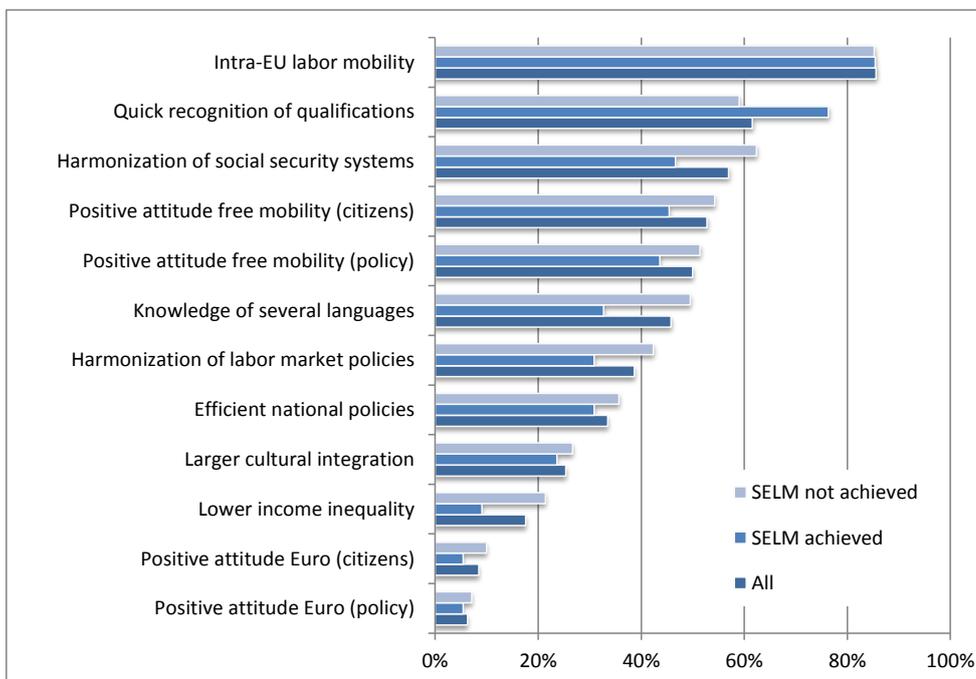
Figure 4: Importance of a Single European Labor Market for...



Source: IZA Expert Opinion Survey 2014.

Notes: Number of observations: 284 (all). 14 observations refer to "I don't know" and "Other, please specify". Multiple answers were possible.

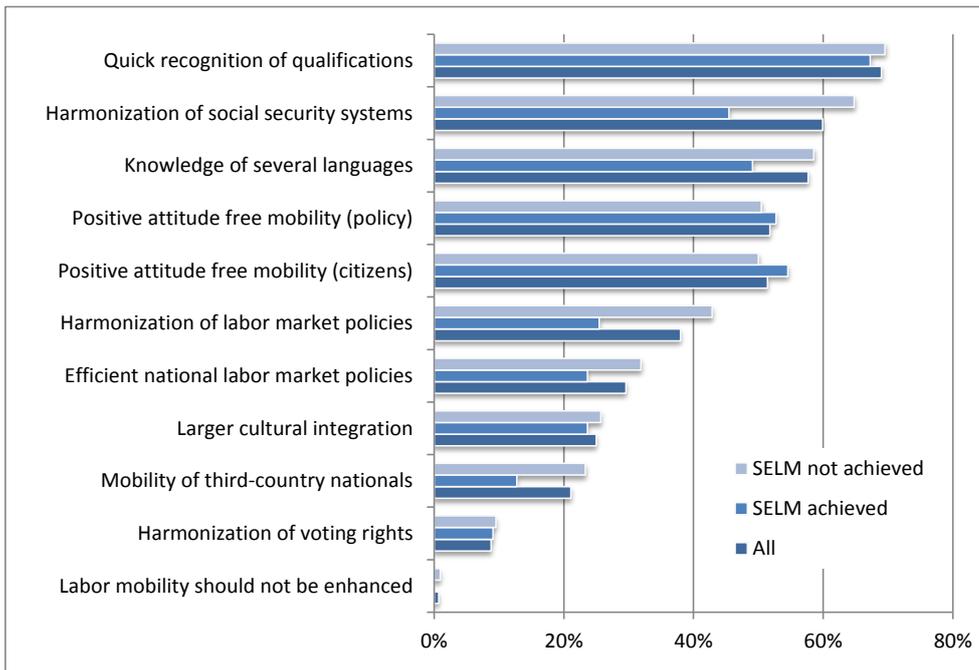
Figure 5: Essential Factors for a Single European Labor Market



Source: IZA Expert Opinion Survey 2014.

Notes: Number of observations: 284 (all). 19 observations refer to "Other, please specify". Multiple answers were possible.

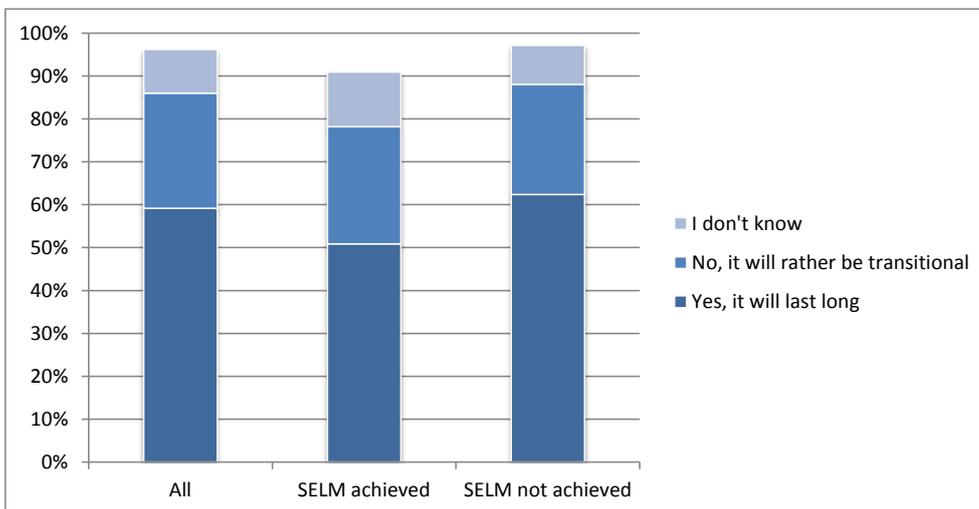
Figure 6: Factors to Enhance Labor Mobility across Europe



Source: IZA Expert Opinion Survey 2014.

Notes: Number of observations: 284 (all). 11 observations refer to "I don't know" and "Other, please specify". Multiple answers were possible.

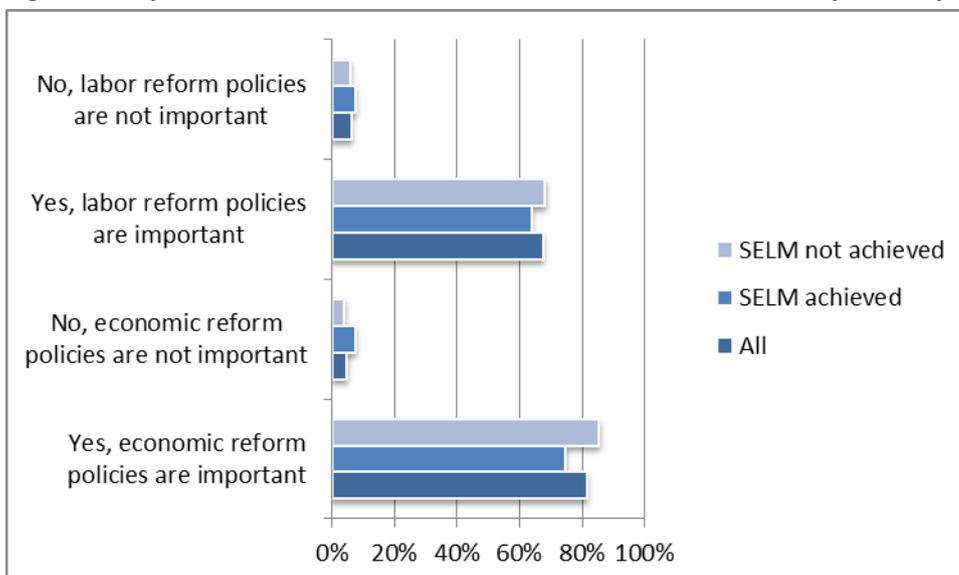
Figure 7: Long-lasting Divergence after the Crisis?



Source: IZA Expert Opinion Survey 2014.

Note: Number of observations: 284 (all). 11 observations refer to "Other, please specify".

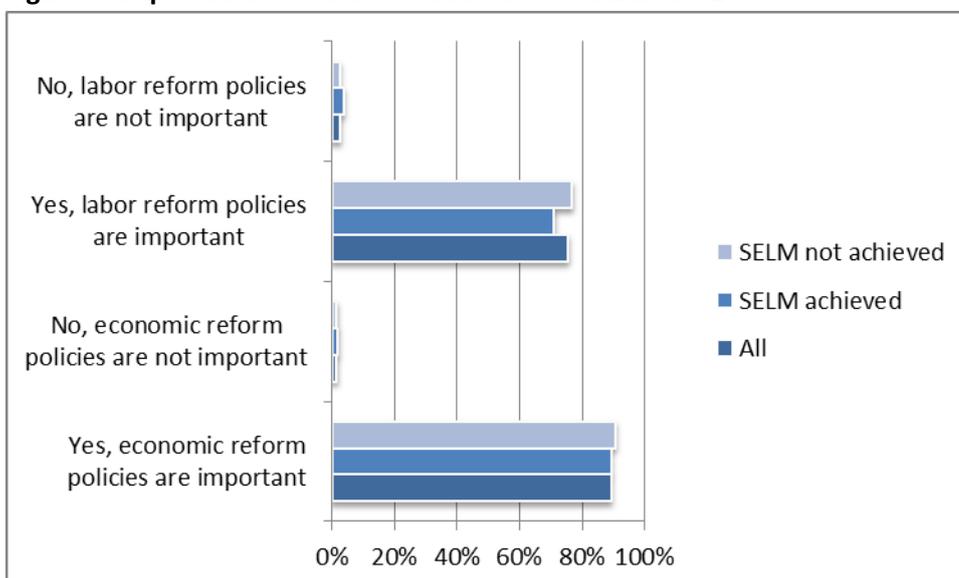
Figure 8: Importance of Reform Policies to Deal with the Crisis—in my Country



Source: IZA Expert Opinion Survey 2014.

Note: Number of observations: 284 (all). 23 observations refer to "I don't know" and "Other, please specify".

Figure 9: Importance of Reform Policies—in General in the EU



Source: IZA Expert Opinion Survey 2014.

Note: Number of observations: 284 (all). 21 observations refer to "I don't know" and "Other, please specify".

Table 2: Probit Regressions I

| | (1) Satisfaction with the EU ^a | (2) SELM achieved ^b | (3) Divergence long- lasting phenomenon ^d |
|--|---|-----------------------------------|--|
| Origin: High UE rate ^e | -0.127 (0.059)** | -0.213 (0.050)*** | 0.011 (0.063) |
| # obs. | 201 | 209 | 224 |
| Origin: Net receiver ^f | -0.077 (0.067) | 0.026 (0.058) | 0.050 (0.066) |
| # obs. | 201 | 209 | 224 |
| Origin: Crisis Country ^g | -0.112 (0.072) | -0.169 (0.070)** | 0.088 (0.073) |
| # obs. | 202 | 209 | 225 |
| Residence: High UE rate ^h | -0.073 (0.060) | -0.194 (0.051)*** | -0.021 (0.061) |
| # obs. | 206 | 213 | 229 |
| Residence: Net receiver ⁱ | -0.090 (0.065) | 0.076 (0.059) | 0.077 (0.064) |
| # obs. | 206 | 213 | 229 |
| Residence: Crisis Country ^j | -0.019 (0.080) | -0.153 (0.076)** | 0.071 (0.077) |
| # obs. | 206 | 213 | 229 |

Source: IZA Expert Opinion Survey 2014. Unemployment (UE) rate data (average 1st quarter 2014) are from Eurostat (except for Switzerland: Bundesamt für Statistik; Russia, Australia, South Africa: OECD; Ukraine, India, Ethiopia: World Bank [here annual average 2013]). Net migration rates (5 year estimate, 2010-2014) are from the World Bank.

Notes: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Average marginal effects are from probit regressions. Robust standard errors are in parentheses. Each coefficient displays the result from a separate regression. Further control variables in all regressions are: Female, Lives outside home country, PhD studies not in home country, At least 1 paper in A/A+ journal (defined by the *Handelsblatt* ranking 2011), Top author in Europe (defined by the *RePEc* ranking of top 12.5% of authors in Europe from February 2014), Top level institution (defined by the *RePEc* ranking of top 12.5% of institutions in Europe from February 2014), Migration research interest, and Divergence long-lasting phenomenon (except column [3]).

^a The dependent variable is equal to 1 if the respondent said he or she is satisfied with the EU and 0 if the respondent is disappointed.

^b The dependent variable is equal to 1 if the respondent agrees with the statement that the Single European Labor Market is largely achieved.

^c The dependent variable is equal to 1 if the respondent's satisfaction/disappointment with the EU is affected by the state of the Single European Labor Market.

^d The dependent variable is equal to 1 if the respondent believes that the economic divergence after the crisis is a long-lasting rather than a transitional phenomenon.

^e The variable Origin: High UE rate is equal to 1 if the UE rate is higher than or equal to the median UE rate of the origin countries in the sample and includes: Belgium, Bulgaria, Finland, France, Greece, Hungary, Ireland, Italy, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovakia, South Africa, Spain, Sweden and Turkey.

^f The variable Origin: Net receiver is equal to 1 if the net migration rate is higher than or equal to the median net migration rate of the origin countries in the sample and includes: Australia, Germany, France, Italy, the UK, USA and Spain.

^g The variable Origin: Crisis Country is equal to 1 if the home country is Greece, Ireland, Italy, Portugal or Spain.

^h The variable Residence: High UE rate is equal to 1 if the UE rate is higher than or equal to the median UE rate of the residence countries in the sample and includes: Belgium, Denmark, Finland, France, Greece, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Slovenia, Spain, Sweden and Turkey.

ⁱ The variable Residence: Net receiver is equal to 1 if the net migration rate is higher than or equal to the median net migration rate of the origin countries in the sample and includes: France, Germany, Italy, Spain and the UK.

^j The variable Residence: Crisis Country is equal to 1 if the residence country is Cyprus, Greece, Ireland, Italy, Portugal or Spain.

Table 3: Probit Regressions II (Importance of a Single European Labor Market for...)

| | (1) Society | (2) Political Stability | (3) Political Integration | (4) Larger economic welfare | (5) Greater economic integration | (6) Economic stability | (7) Stability of the Euro | (8) Not important |
|---------------------------|-------------------|-------------------------------|---------------------------------|-----------------------------------|---|------------------------------|---------------------------------|----------------------|
| Origin: High UE rate | -0.098 (0.066) | -0.048 (0.064) | -0.051 (0.063) | -0.161 (0.059)*** | -0.090 (0.066) | -0.075 (0.064) | 0.058 (0.060) | 0.016 (0.023) |
| # obs. | 224 | 223 | 223 | 224 | 224 | 223 | 223 | 223 |
| Origin: Net receiver | 0.047 (0.070) | -0.019 (0.065) | -0.038 (0.066) | -0.068 (0.065) | 0.058 (0.069) | -0.015 (0.068) | -0.061 (0.063) | 0.029 (0.031) |
| # obs. | 224 | 223 | 223 | 224 | 224 | 223 | 223 | 223 |
| Origin: Crisis Country | -0.060 (0.079) | 0.010 (0.075) | 0.005 (0.073) | -0.106 (0.068) | -0.089 (0.076) | -0.034 (0.077) | 0.084 (0.068) | 0.043 (0.029) |
| # obs. | 225 | 224 | 224 | 225 | 225 | 224 | 224 | 224 |
| Residence: High UE rate | -0.080 (0.065) | 0.004 (0.062) | -0.012 (0.062) | -0.198 (0.056)*** | -0.101 (0.064) | -0.045 (0.064) | 0.049 (0.060) | 0.014 (0.025) |
| # obs. | 229 | 228 | 228 | 229 | 229 | 228 | 228 | 228 |
| Residence: Net receiver | -0.041 (0.069) | -0.107 (0.063)* | -0.045 (0.065) | 0.015 (0.064) | -0.010 (0.069) | -0.120 (0.065)* | -0.047 (0.062) | 0.016 (0.029) |
| # obs. | 229 | 228 | 228 | 229 | 229 | 228 | 228 | 228 |
| Residence: Crisis Country | 0.020 (0.083) | 0.036 (0.077) | -0.022 (0.078) | -0.095 (0.071) | -0.140 (0.080)* | 0.013 (0.082) | -0.011 (0.076) | 0.009 (0.031) |
| # obs. | 229 | 228 | 228 | 229 | 229 | 228 | 228 | 228 |

Source: IZA Expert Opinion Survey 2014. Unemployment (UE) rate data (average 1st quarter 2014) are from Eurostat (except for Switzerland: Bundesamt für Statistik; Russia, Australia, South Africa: OECD; Ukraine, India, Ethiopia: World Bank [here annual average 2013]). Net migration rates (5 year estimate, 2010-2014) are from the World Bank.

Notes: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Average marginal effects are from probit regressions. Robust standard errors are in parentheses. Each coefficient displays the result from a separate regression, which are: Female, Lives outside home country, PhD studies not in home country, At least 1 paper in A/A+ journal (defined by the *Handelsblatt* ranking 2011), Top author in Europe (defined by the *RePEc* ranking of top 12.5% of authors in Europe from February 2014), Top level institution (defined by the *RePEc* ranking of top 12.5% of institutions in Europe from February 2014), Migration research interest, and Divergence long-lasting phenomenon.

For definitions of the explanatory variables of interest, please refer to Table 2's notes.

Table 4: Probit Regressions III (Essential Factors for a Single European Labor Market)

| | (1) Intra-EU labor mobility | (2) Larger cultural inte- gration | (3) Know- ledge of several languages | (4) Harmoni- zation of soc. sec. systems | (5) Harmoni- zation of LMP | (6) Efficient nation- nal LMP | (7) Lower income inequa- lity | (8) Quick recog- nition qualific. | (9) Pos. attitude free mob. (policy) | (10) Pos. attitude free mob. (citizens) | (11) Pos. attitude Euro (policy) | (12) Pos. attitude Euro (citizens) |
|---------------------------|--------------------------------------|---|--|--|-------------------------------------|--|---|---|--|---|--|--|
| Origin: High UE rate | -0.068 (0.045) | 0.074 (0.060) | 0.048 (0.066) | 0.029 (0.065) | 0.061 (0.064) | -0.054 (0.062) | 0.111 (0.047)* * | -0.070 (0.065) | -0.114 (0.066)* | -0.126 (0.065)* | -0.002 (0.034) | 0.008 (0.039) |
| # obs. | 224 | 224 | 224 | 224 | 223 | 223 | 223 | 224 | 224 | 224 | 223 | 223 |
| Origin: Net receiver | -0.060 (0.046) | -0.018 (0.063) | 0.062 (0.069) | 0.019 (0.068) | 0.062 (0.065) | -0.065 (0.065) | -0.055 (0.049) | -0.014 (0.068) | -0.092 (0.070) | -0.027 (0.070) | 0.001 (0.031) | 0.028 (0.038) |
| # obs. | 224 | 224 | 224 | 224 | 223 | 223 | 223 | 224 | 224 | 224 | 223 | 223 |
| Origin: Crisis Country | 0.017 (0.048) | 0.175 (0.065)*** | 0.071 (0.077) | 0.016 (0.076) | 0.133 (0.073)* | -0.026 (0.073) | 0.061 (0.050) | -0.095 (0.074) | -0.221 (0.072)*** | -0.119 (0.077) | -0.006 (0.040) | 0.022 (0.046) |
| # obs. | 225 | 225 | 225 | 225 | 224 | 224 | 224 | 225 | 225 | 225 | 224 | 224 |
| Residence: High UE rate | -0.044 (0.045) | 0.067 (0.058) | 0.096 (0.064) | 0.088 (0.063) | 0.095 (0.061) | -0.097 (0.061) | 0.122 (0.045)* ** | -0.106 (0.063)* | -0.172 (0.062)*** | -0.141 (0.064)** | 0.015 (0.030) | 0.011 (0.037) |
| # obs. | 229 | 229 | 229 | 229 | 228 | 228 | 228 | 229 | 229 | 229 | 228 | 228 |
| Residence: Net receiver | -0.067 (0.047) | -0.077 (0.061) | 0.008 (0.068) | -0.060 (0.067) | -0.029 (0.065) | -0.036 (0.066) | -0.043 (0.049) | -0.022 (0.068) | -0.045 (0.070) | -0.005 (0.070) | -0.021 (0.031) | -0.001 (0.037) |
| # obs. | 229 | 229 | 229 | 229 | 228 | 228 | 228 | 229 | 229 | 229 | 228 | 228 |
| Residence: Crisis Country | -0.012 (0.050) | 0.063 (0.073) | 0.104 (0.081) | 0.078 (0.083) | 0.165 (0.077)* * | -0.120 (0.079) | 0.085 (0.055) | -0.164 (0.077)** | -0.344 (0.073)*** | -0.291 (0.075)*** | -0.012 (0.044) | 0.023 (0.048) |
| # obs. | 229 | 229 | 229 | 229 | 228 | 228 | 228 | 229 | 229 | 229 | 228 | 228 |

Source: IZA Expert Opinion Survey 2014. Unemployment (UE) rate data (average 1st quarter 2014) are from Eurostat (except for Switzerland: Bundesamt für Statistik; Russia, Australia, South Africa: OECD; Ukraine, India, Ethiopia: World Bank [here annual average 2013]). Net migration rates (5 year estimate, 2010-2014) are from the World Bank.

Notes: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Average marginal effects are from probit regressions. Robust standard errors are in parentheses. Each coefficient displays the result from a separate regression, which are: Female, Lives outside home country, PhD studies not in home country, At least 1 paper in A/A+ journal (defined by the *Handelsblatt* ranking 2011), Top author in Europe (defined by the *RePEc* ranking of top 12.5% of authors in Europe from February 2014), Top level institution (defined by the *RePEc* ranking of top 12.5% of institutions in Europe from February 2014), Migration research interest, and Divergence long-lasting phenomenon.

For definitions of the explanatory variables of interest, please refer to Table 2's notes.

Table 5: Probit Regressions IV (Factors to Enhance Labor Mobility across Europe)

| | (1) Harmoni- zation of soc. sec. systems | (2) Harmoni- zation of LMP | (3) Larger cultural integration | (4) Knowledge of several languages | (5) Harmoni- zation of voting rights | (6) Mobility of third- country nationals | (7) Efficient national LMP | (8) Quick recog- nition qualific. | (9) Pos. attitude free mob. (policy) | (10) Pos. attitude free mob. (citizens) |
|---------------------------|--|-------------------------------------|--|---|---|--|-------------------------------------|--|--|---|
| Origin: High UE rate | 0.050 (0.064) | 0.001 (0.065) | 0.108 (0.057)* | 0.064 (0.065) | 0.027 (0.045) | -0.047 (0.055) | -0.050 (0.058) | -0.001 (0.063) | -0.135 (0.065)** | 0.001 (0.067) |
| # obs. | 224 | 223 | 223 | 224 | 167 | 223 | 223 | 224 | 224 | 224 |
| Origin: Net receiver | 0.046 (0.067) | -0.021 (0.066) | -0.012 (0.062) | 0.127 (0.067)* | -0.024 (0.041) | -0.029 (0.056) | 0.024 (0.060) | -0.053 (0.065) | -0.042 (0.070) | 0.002 (0.069) |
| # obs. | 224 | 223 | 223 | 224 | 167 | 223 | 223 | 224 | 224 | 224 |
| Origin: Crisis Country | 0.058 (0.074) | -0.019 (0.076) | 0.175 (0.059)*** | 0.145 (0.075)* | -0.015 (0.047) | -0.049 (0.066) | 0.011 (0.068) | -0.099 (0.070) | -0.172 (0.073)** | 0.053 (0.078) |
| # obs. | 225 | 224 | 224 | 225 | 167 | 224 | 224 | 225 | 225 | 225 |
| Residence: High UE rate | 0.033 (0.063) | -0.030 (0.063) | 0.083 (0.056) | 0.080 (0.063) | 0.002 (0.045) | -0.028 (0.054) | -0.059 (0.058) | -0.009 (0.061) | -0.165 (0.062)*** | 0.005 (0.066) |
| # obs. | 229 | 228 | 228 | 229 | 171 | 228 | 228 | 229 | 229 | 229 |
| Residence: Net receiver | 0.001 (0.067) | -0.022 (0.066) | -0.067 (0.061) | 0.060 (0.068) | -0.002 (0.044) | 0.036 (0.057) | 0.014 (0.061) | -0.062 (0.064) | -0.025 (0.070) | 0.003 (0.069) |
| # obs. | 229 | 228 | 228 | 229 | 171 | 228 | 228 | 229 | 229 | 229 |
| Residence: Crisis Country | 0.091 (0.080) | 0.045 (0.081) | 0.111 (0.068) | 0.124 (0.080) | -0.011 (0.048) | -0.048 (0.070) | -0.061 (0.078) | -0.066 (0.077) | -0.263 (0.077)*** | 0.013 (0.084) |
| # obs. | 229 | 228 | 228 | 229 | 171 | 228 | 228 | 229 | 229 | 229 |

Source: IZA Expert Opinion Survey 2014. Unemployment (UE) rate data (average 1st quarter 2014) are from Eurostat (except for Switzerland: Bundesamt für Statistik; Russia, Australia, South Africa: OECD; Ukraine, India, Ethiopia: World Bank [here annual average 2013]). Net migration rates (5 year estimate, 2010-2014) are from the World Bank.

Notes: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Average marginal effects are from probit regressions. Robust standard errors are in parentheses. Each coefficient displays the result from a separate regression, which are: Female, Lives outside home country, PhD studies not in home country, At least 1 paper in A/A+ journal (defined by the *Handelsblatt* ranking 2011), Top author in Europe (defined by the *RePEc* ranking of top 12.5% of authors in Europe from February 2014), Top level institution (defined by the *RePEc* ranking of top 12.5% of institutions in Europe from February 2014), Migration research interest, and Divergence long-lasting phenomenon.

For definitions of the explanatory variables of interest, please refer to Table 2's notes.

Table 6: Probit Regressions V (Importance of Reform Policies to Deal with the Crisis)

| | (1) Economic reforms important in my country | (2) Labor reforms important in my country | (3) Economic reforms important in the EU | (4) Labor reforms important in the EU |
|--|--|--|--|--|
| Origin: High UE rate ^e | 0.163 (0.049)*** | 0.087 (0.063) | 0.015 (0.038) | -0.015 (0.054) |
| # obs. | 223 | 223 | 223 | 261 |
| Origin: Net receiver ^f | -0.034 (0.053) | -0.118 (0.065)* | -0.003 (0.037) | -0.051 (0.055) |
| # obs. | 223 | 223 | 223 | 261 |
| Origin: Crisis Country ^g | 0.272 (0.076)*** | -0.008 (0.073) | 0.111 (0.053)** | -0.030 (0.064) |
| # obs. | 224 | 224 | 224 | 262 |
| Residence: High UE rate ^h | 0.190 (0.048)*** | 0.176 (0.058)*** | 0.033 (0.037) | 0.055 (0.052) |
| # obs. | 228 | 228 | 228 | 267 |
| Residence: Net receiver ⁱ | 0.041 (0.050) | -0.098 (0.064) | 0.005 (0.038) | 0.008 (0.055) |
| # obs. | 228 | 228 | 228 | 267 |
| Residence: Crisis Country ^j | 0.321 (0.097)*** | 0.075 (0.080) | 0.100 (0.053)* | -0.015 (0.069) |
| # obs. | 228 | 228 | 228 | 267 |

Source: IZA Expert Opinion Survey 2014. Unemployment (UE) rate data (average 1st quarter 2014) are from Eurostat (except for Switzerland: Bundesamt für Statistik; Russia, Australia, South Africa: OECD; Ukraine, India, Ethiopia: World Bank [here annual average 2013]). Net migration rates (5 year estimate, 2010-2014) are from the World Bank.

Notes: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$. Average marginal effects are from probit regressions. Robust standard errors are in parentheses. Each coefficient displays the result from a separate regression. Further control variables in all regressions are: Female, Lives outside home country, PhD studies not in home country, At least 1 paper in A/A+ journal (defined by the *Handelsblatt* ranking 2011), Top author in Europe (defined by the *RePEc* ranking of top 12.5% of authors in Europe from February 2014), Top level institution (defined by the *RePEc* ranking of top 12.5% of institutions in Europe from February 2014), Migration research interest, and Divergence long-lasting phenomenon.

For definitions of the explanatory variables of interest, please refer to Table 2's notes.