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PART A

Part A

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PO -CH /NL/0381



PART A

Chancellor's (Lawson) Papers

LABOUR MOBILITY IN
EUROPE

DD's: 25 Years

Davidson

6/12/95.

PO -CH /NL/0381

PART A

- Em*
1. SIR PETER MIDDLETON
 2. CHANCELLOR

FROM: MRS M E BROWN (EC1)
 DATE: 27 JUNE 1989
 x 4709

cc Chief Secretary
 Economic Secretary
 Mr Anson
 Mr Wicks
 Mr Monck
 Mr R I G Allen
 Mr H Evans
 Mr Spackman
 Mr Burr
 Mr Farthing
 Mr Melliss
 Mr McIntyre
 Mr Meyrick
 Mr N Knight
 Ms Symes
 Mr Tyrie

*Charles
 1 Apr 89 X*

LABOUR MOBILITY IN EUROPE

1. You asked for a study on the case for attracting labour from the less developed regions of the EC. This would cover the general likelihood of increased labour mobility within Europe and its consequences, and include an analysis of the social security implications.

2. I attach a paper, which has been prepared in consultation with EI, IF, IAE, HE and ST Divisions. I am particularly grateful to Mr Meyrick for his help.

3. The main conclusions of the paper are that labour mobility within the EC is increasing; but that recruiting EC workers is only one of a number of options for dealing with the adjustment problems which employers will face in the next 10 years as the composition of the work force changes. Employers who have traditionally recruited large numbers of school leavers for white collar jobs (the civil service, banks, building societies, etc.) are unlikely to find a solution to their problems in the EC labour market. Professional and skilled workers, on the other hand, will undoubtedly become more mobile. But the UK will be competing for

them with other countries which face similar demographic problems. If UK employers want such workers, they will have to offer competitive pay and conditions. And they will have to maintain pressure on the professional bodies to implement fully the new EEC directives on mutual recognition of professional qualifications.

X 4. Meanwhile, there is a continuing supply side case for working to reduce artificial barriers to the movement of workers both within the UK and within the EC labour market as a whole.

Mary Bowner.

MRS M E BROWN

LABOUR MOBILITY WITHIN EUROPE

1. This paper reviews the possibilities of meeting labour market shortages in the UK by attracting labour from the less developed regions of the EC.

Labour market projections : UK

2. Table 1 shows projections for the total UK labour force and for younger workers over the period to 2000. It shows that the UK is experiencing a decline in the number of school leavers, which is expected to continue until the mid 1990's. However, the work force as a whole is expected to grow over the period, largely because of rising numbers of women workers. An increasing proportion of school leavers is likely to enter higher education, with a proportionate drop in the numbers undertaking non-advanced further education.

3. It is difficult to pinpoint future areas of labour shortage. In general it can be assumed that the market economy will adjust to take advantages of the labour supplies and types which are available. Attempts to match labour demand projections for various parts of the work force against labour supply projections to arrive at measures of expected "shortages" ignore all those adjustment processes and have proved seriously faulty in the past. But while it does not make sense to think of shortages, some employers will nevertheless have to make particularly sharp adjustments in their established patterns of employment. In particular:

- i. some employers have become highly dependent on employing school leavers: for example the NHS, armed forces, police forces, the Civil Service, banks and building societies, local authorities;

ii. some professions and other occupations requiring high levels of qualification will begin to feel the demographic pinch later in the 1990's. This is despite the expectation that higher education will protect the rate of throughput by widening the proportion of school leavers which it caters for;

iii. some traditional problem areas of labour "shortages" and adjustment failures are likely to continue, for example in the service and transport industries in the South East. Engineers, electronics and IT specialists are also likely to continue to be in strong demand.

EC Labour Market Projections

4. Table 2 shows projections of the population of working age to the year 2000. In Northern Europe the population of working age is expected to hold broadly steady (falling in Germany, Belgium, Luxembourg, flat or rising gradually in the UK, Italy, France, Netherlands and Denmark). On the other hand the population of working age is projected to continue growing strongly in Spain, Portugal and especially Ireland. The young working population (where adjustment challenges are most likely to arise) is expected to fall most sharply in Germany (-40 per cent). In the UK, Netherlands, Belgium, Denmark and Italy the fall is likely to be in the range -20 per cent to - 30 per cent. In France, Spain, Portugal and Greece the young work force is likely to be flat or slightly falling while in Ireland it is expected to rise by 15 per cent.

5. In practice the ability of the UK to recruit from other countries will not just depend on their particular demographic patterns. It will also (and perhaps more importantly) depend on rates of youth unemployment, levels of relative wages, availability of accommodation, language and established patterns of migration. Recruiting in Southern Europe will also require considerable adjustment by employers in the UK, who have traditionally regarded themselves as recruiters of the elite parts of the work force.

6. Table 3 includes for the sake of completeness details of population projections and young work force projections for Turkey, Hong Kong, Australia and India. The latter three countries plus Ireland are probably the most readily available source of workers for the UK because of established connections and common language.

Patterns of migration in the EC

7. Table 4 shows the number of foreign workers in each EC country, including the split between those from other EC countries and those from the rest of the world.

8. Belgium, France, Luxembourg and Germany have the highest proportions of third country nationals. In the UK where 4.8 per cent of the work force are third country nationals, around 1.7 per cent are from other EC countries, including Ireland.

9. Migration flows in the EC since 1950 have reflected the economic cycle, and have been mainly from south to north. Emigration from Italy reached a peak in the early 1960s. Emigration from Spain, Portugal and Greece peaked around 1970. Since then, flows have been mainly from outside the EC: particularly from Turkey but also from Algeria, Morocco and Tunisia. There was also a considerable amount of emigration from Yugoslavia to EC countries in the late 1960s and early 1970s.

10. There has been sustained demand for skilled workers (for instance, more than 50 per cent of industrial workers recently emigrating to Germany from Yugoslavia were skilled). In the service sector, however, foreigners have tended, at least initially, to take low skilled jobs, for instance in hotels, catering and public health. There has recently been a significant increase in the flow of managerial staff and technicians.

Migration between the UK and other EC countries

11. Table 5 shows labour movements (in and out) between the UK, the EC and the rest of the world since 1978. Mobility between the UK and other EC states is increasing both in absolute terms and as a proportion of total movements. However, it should be noted that the total inflow from the EC in 1987 was still only 55,000. That is less than 2 per cent of annual labour turnover in the UK (3 million people changed their jobs in 1987). It should also be noted that numbers leaving the UK for other EC countries have been rising. In 1987, when 59,000 workers left for the EC, the UK was a net exporter of labour to Europe.

Implications of 1992

12. There is already free movement of workers within the European Community. Nationals of all EC member states except Spain and Portugal have the right to work in any other member state provided they meet the normal requirements of the job and are able to speak the language necessary to do the job. All EC countries, including the UK, control the movement of workers from non-EC countries through work permit systems. Under transitional arrangements, Spanish and Portuguese nationals will continue to be subject to other member states' work permit restrictions until 1 January 1993.

13. However, certain barriers do remain in practice within the EC, particularly where job qualifications are required. A number of these are being tackled under the 1992 Single Market programme.

14. At the professional level, the Community has agreed "sectoral directives" covering doctors, general nurses, midwives, dentists, architects, pharmacists and veterinary surgeons. Some of these have already come into force. They lay down the conditions on which a qualified person from one member state may practice in another member state. Provided the conditions are complied with (eg. additional training or experience in the importing state) there is no barrier to movement. In 1987, EC nationals given authority to practise in the UK under these new sectoral

directives included nearly 1000 doctors (300 of whom came from Ireland), 80 dentists (50 from Ireland), 80 vets, 1000 general nurses (900 from Ireland), 60 midwives (40 from Ireland) and 40 pharmacists.

15. A general directive covering all other professionals who need at least three years' training (including lawyers, accountants, surveyors and teachers) was adopted in December 1988. It requires member states to recognise professional qualifications gained elsewhere in the Community, provided a candidate's qualifications are "equivalent" to those the host country requires of its own nationals. The host country may require him to gain extra experience and or take an aptitude test in order to acquire "equivalence".

16. This general directive comes into force in January 1991. Responsibility for implementing it in the UK will be shared between the Government and the relevant professional bodies. DTI will introduce framework legislation, which will provide the basis for regulations applying to each profession and an appeal structure. DTI will also be working to raise awareness in the professions, starting with a major conference this autumn. The professional bodies will each be responsible for deciding specific procedures and requirements to apply to EC applicants for jobs in their profession. We understand from DTI that degrees of enthusiasm vary. But DTI believe that many professions are realising that it is in their members' interests to move ahead with implementation in the UK, in order to secure reciprocal access to jobs in other EC countries. The accountants and lawyers are furthest ahead with their planning.

17. At the manual (including skilled manual) level the EC is attempting to assist employers to assess the relevance of vocational qualifications acquired in other member states. Under a Directive adopted in 1985, EC working groups are producing lists of equivalent training in each member state for trades such as catering, motor vehicle maintenance and construction. This is a slow moving exercise, which DEM consider of some - but limited - value. More general barriers to movement arise in the

manual area in the form of trade customs, union practices and housing supply. The Government's deregulatory policies (for instance in the area of trade union law, pay and the market for rented accommodation) are helping to tackle these wider problems.

18. The most difficult barriers to movement probably remain in the white collar, sub-professional, occupations where language and social skills are essential. In some areas of the public services such as the civil service and armed forces, there may also be formal nationality criteria. Formal action at the Community level is unlikely to do much to ease movement in these areas. But increased mobility of professional and manual workers and their families, especially after 1992, may increase the supply of suitable white collar workers. Community initiatives such as the Lingua programme are designed to reinforce this process.

Implications for the UK

19. The statistics described above indicate that the supply of labour (including younger workers) in the "southern" EC states in the 1990s will be relatively more plentiful than in the "northern" states. But there are unlikely to be large exportable surpluses, especially of the professional or other white collar workers of whom the UK will be most in need. Moreover, other "northern" states will have as much - or more - need for such workers. There will be competition for labour amongst these states, many of which offer a higher standard of living than the UK. The UK is likely to face the prospect of losing some of its own nationals to other EC states.

20. The possibility of attracting EC workers is thus likely to be only one of a range of options open to UK employers. Alternative responses will be:

(i) more flexible recruitment policies within the UK: especially switching from school leavers to married women, older workers generally and the unemployed. In time, this may be the best solution, but there are still likely to be adjustment problems;

(ii) offering more attractive terms and conditions in the shortage areas. Again, this will be a longer-term solution and one which may eat into profits and investment in the areas concerned;

(iii) lowering or changing job qualifications. This carries a risk to levels of efficiency and profitability;

(iv) moving operations (especially manufacturing) to the countries where there is a better - and cheaper - supply of labour;

(v) recruiting from non-EC countries such as Turkey, India and Hong Kong. Since work permit schemes can be relaxed as far as is necessary to meet labour supply needs in the importing country, there is not in principle significantly more difficulty in recruiting non-EC workers than EC workers, although political difficulties may arise if the numbers of entrants become too large. The UK is currently reviewing conditions of entry for most workers.

21. It will be primarily for individual employers to respond to shortages in the way which best meets their requirements.

22. However, the Government will be able to help by:

(i) encouraging speedy and effective implementation of the professional qualifications directive (paragraphs 15-16 above). DTI will need to keep a close eye on the progress made by the professional bodies, where protectionist instincts are bound to be in conflict with the more open-minded elements;

(ii) ensuring that employees generally are aware of the possibility of employing workers from other EC countries without the need for work permits; and know of the information available within the Community on equivalent vocational training in a number of skills and trades (paragraph 17);

(iii) maintaining progress with supply side policies, to ensure that movement within the labour market by both UK and non-UK workers can be as free and flexible as possible.

Social Security implications

23. The social security arrangements offered in the UK to migrant workers from the Community are broadly similar to those available in other EC countries, and do not appear to pose any unreasonable barrier to movement. Migrant workers and their families are entitled to the benefits paid for ordinary nationals of the countries concerned. Entitlement to benefit is linked to right of residence. This, in turn, depends on having a job in the UK. So it is not possible for migrants to come here without a job and claim benefits. Immigrants to the UK from EC countries who subsequently become unemployed are entitled to unemployment benefit if they satisfy the normal criteria. They may also be entitled to child benefit, family credit and housing benefit on the same basis as ordinary UK nationals. Right of residence ends when unemployment benefit entitlement ceases (maximum 12 months). While working in the UK people from other EC countries pay national insurance contributions in the normal way and clock up entitlement to contributory benefits, including the basic pension and State Earnings Related Pension.

24. The effects on public expenditure of attracting workers from other EC countries to the UK can be considered in two main ways. First, provided they stay in work, migrant workers represent no cost to the system, except to the extent that they displace UK workers who then claim unemployment and other benefits. Secondly, migrant workers who become unemployed have a right of residence for only 12 months. The direct impact of extra migrant workers on benefit expenditure therefore seems unlikely to be significant.

Conclusions

25. This note concludes that:

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(i) there will be adjustment problems amongst traditional employers of white collar and professional workers in the next 10 years as numbers of school leavers decline. But the labour force as a whole will continue to grow;

(ii) there will be relatively more young workers in certain southern EC states plus Ireland;

(iii) other (northern) EC countries face similar - or worse - adjustment problems to the UK, and will be competing for suitable workers; many can offer a higher standard of living than the UK;

(iv) although labour mobility within the Community is growing, it represents a small proportion of total labour turnover;

(v) it is unlikely that EC workers will help to meet adjustment problems in the areas traditionally employing large numbers of school-leavers, such as the Civil Service, banks and building societies;

(vi) migrant workers from southern EC states (but also from non-EC low-wage countries) will continue to be a source of unskilled or semiskilled labour;

(vii) the greatest increase in mobility is likely to be amongst professional and other highly skilled workers. UK employers and professional bodies will need to work actively to attract such workers, since competition is likely to be fierce;

(viii) there is a continuing supply side case for working to reduce artificial barriers to the movement of workers both within the UK and within the EC labour market as a whole (probably implying movement both into and out of the UK).

EC1 Division

June 1989

Table 1

Estimates and projections⁽¹⁾ of the civilian labour force⁽²⁾ in Great Britain

	(Thousands)			
	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>
<u>Men</u>				
16-19	1,353	1,233	1,036	1,119
20-24	1,999	1,943	1,662	1,433
Total of working age (3)	15,339	15,698	15,713	15,757
<u>Women</u>				
16-19	1,235	1,120	952	1,052
20-24	1,574	1,564	1,371	1,223
Total of working age (4)	10,722	11,654	12,000	12,289
<u>All</u>				
16-19	2,588	2,353	1,988	2,171
20-24	3,573	3,507	3,033	2,656
Total of working age (3) (4)	26,061	27,352	27,714	28,046

- (1) Activity rates are predicted assuming unchanging unemployment
 (2) People in employment (excluding the armed forces) and those identified censuses and surveys as unemployed (16/OECD definition)
 (3) Men aged 16-64 years
 (4) Women aged 16-59 years

Source: Department of Employment

POPULATION PROJECTIONS (EC COUNTRIES)

TABLE 2

	Aged 15-24				Aged 15-64			
	1985	1990	1995	2000	1985	1990	1995	2000
Persons (,000s)								
United Kingdom	9144	8481	7375	6933	36714	36918	36895	37120
West Germany	10029	8444	6480	6044	42949	42409	41341	40408
Italy	8906	8646	7714	7055	37961	38559	38345	38249
France	8483	8295	7723	7261	36427	37197	37461	37788
Spain	6498	6570	6392	6276	25083	26199	26995	27748
Netherlands	2487	2286	1937	1714	10017	10304	10416	10451
Portugal	1743	1675	1637	1647	6522	6768	7002	7249
Greece	1512	1486	1410	1453	6433	6577	6612	6682
Belgium	1524	1388	1256	1189	6719	6723	6683	6650
Denmark	790	759	689	616	3414	3469	3505	3515
Republic of Ireland	630	706	732	726	2106	2305	2507	2708
Luxembourg	55	50	45	40	252	253	252	245
(Index 1985=100)								
United Kingdom	100.0	92.7	80.7	75.8	100.0	100.6	100.5	101.1
West Germany	100.0	84.2	64.6	60.3	100.0	98.7	96.3	94.1
Italy	100.0	97.1	86.6	79.2	100.0	101.6	101.0	100.8
France	100.0	97.8	91.0	85.6	100.0	102.1	102.8	103.7
Spain	100.0	101.1	98.4	96.6	100.0	104.4	107.6	110.6
Netherlands	100.0	91.9	77.9	68.9	100.0	102.9	104.0	104.3
Portugal	100.0	96.1	93.9	94.5	100.0	103.8	107.4	111.1
Greece	100.0	98.3	93.3	96.1	100.0	102.2	102.8	103.9
Belgium	100.0	91.1	82.4	78.0	100.0	100.1	99.5	99.0
Denmark	100.0	96.1	87.2	78.0	100.0	101.6	102.7	103.0
Republic of Ireland	100.0	112.1	116.2	115.2	100.0	109.4	119.0	128.6
Luxembourg	100.0	90.9	81.8	72.7	100.0	100.4	100.0	97.2

Source: United Nations World Population Prospects as assessed in 1982

TABLE 3

POPULATION PROJECTIONS (SELECTED NON-EC COUNTRIES)

	Aged 15-24				Aged 15-64			
	1985	1990	1995	2000	1985	1990	1995	2000
Persons (,000s)								
Turkey	10215	11163	11454	12480	29308	33500	37111	41663
Hong Kong	1079	975	951	999	3846	4190	4466	4755
Australia	2668	2723	2700	2688	10386	11127	11779	12514
India	155078	166708	176743	185703	450530	506585	563140	620475
(Index 1985=100)								
Turkey	100.0	109.3	112.1	122.2	100.0	114.3	126.6	142.2
Hong Kong	100.0	90.4	88.1	92.6	100.0	108.9	116.1	123.6
Australia	100.0	102.1	101.2	100.7	100.0	107.1	113.4	120.5
India	100.0	107.5	114.0	119.7	100.0	112.4	125.0	137.7

Source: United Nations World Population Prospects as assessed in 1982

LABOUR FORCE BY NATIONALITY 1985

	Total	Other EC	Other Countries	EEC %	Other Country %	<u>000's</u> Total Non National %
GERMANY	25,866	683	1,550	2.6	6.0	8.6
FRANCE	22,085	197	1,452	0.9	6.6	7.5
ITALY	na	na	na	na	na	na
NETHERLANDS	5,512	60	153	1.0	2.8	3.9
BELGIUM	3,691	179	91	4.8	2.5	7.3
LUXEMBOURG	104	25	22	24.0	21.1	45.2
UK	26,002	444	805	1.7	3.1	4.8
IRELAND	1,267	28	6	2.2	0.5	2.7
DENMARK	2,707	14	32	0.5	1.2	3.6
GREECE	3,865	6	22	0.1	0.6	0.7
EC 10 (exc Italy)	91,099	1637	4,133	1.8	4.5	6.3

Source: EC Labour Force Survey 1985

TABLE 2.4 International migration:
Foreign country of last or next residence, 1978 to 1987

United Kingdom, England and Wales

Year	All foreign countries	European Community	Rest of Europe	United States of America	Rest of America	Republic of South Africa	Pakistan	Middle East	Other foreign	thousands
										Europe (EC+Rest) as a percentage of all foreign countries
UNITED KINGDOM										
Inflow										
1978	103.2	23.7	9.6	15.2	3.2	11.6	18.6	13.0	8.3	32
1979	102.9	22.6	11.4	13.4	2.8	11.1	14.4	14.3	12.8	33
1980	102.4	23.1	15.5	16.8	4.8	3.9	11.5	13.1	13.9	38
1981	85.8	22.8	6.9	16.6	3.4	2.9	9.3	11.5	12.3	35
1982	133.8	53.8	11.8	19.0	3.8	8.5	10.9	10.9	15.1	49
1983	116.6	30.8	9.5	25.5	1.8	6.5	11.8	13.1	17.6	35
1984	126.6	37.1	12.9	23.6	2.7	8.8	10.4	17.1	14.0	39
1985	153.6	53.0	16.8	23.5	2.3	17.8	9.2	14.9	16.1	45
1986	170.4	68.9	11.0	26.1	4.0	18.0	9.8	15.3	17.4	47
1987	138.2	54.8	6.9	27.8	2.2	6.7	10.1	17.8	11.9	45
Outflow										
1978	116.8	31.7	14.6	25.0	3.7	4.4	1.3	26.2	10.0	40
1979	112.4	28.8	12.2	26.3	4.2	6.1	1.7	23.3	9.8	36
1980	129.7	33.7	14.5	28.6	7.3	11.5	1.6	23.7	9.0	37
1981	125.9	28.5	11.0	24.7	5.7	23.3	1.1	23.2	8.5	31
1982	145.5	37.2	8.9	29.5	3.1	26.7	1.9	27.6	10.5	32
1983	111.7	29.3	12.3	31.7	1.0	8.6	1.1	20.3	7.4	37
1984	104.6	26.4	11.6	28.5	1.6	8.5	2.3	19.4	6.4	36
1985	108.9	29.4	17.6	24.0	4.1	5.2	2.3	17.9	8.3	43
1986	136.8	58.3	11.9	33.8	3.2	1.7	1.7	15.7	10.5	51
1987	130.0	59.1	7.1	33.6	1.6	3.0	1.5	13.6	10.6	51
Balance										
1978	- 13.7	- 8.0	- 5.1	- 9.8	-0.6	+ 7.3	+17.4	- 13.2	- 1.7	
1979	- 9.6	- 6.3	- 0.8	-12.8	-1.4	+ 5.0	+12.7	- 9.0	- 3.0	
1980	- 27.3	- 10.6	+ 1.0	-11.8	-2.5	- 7.6	+ 9.9	- 10.6	- 4.9	
1981	- 40.2	- 5.6	- 4.1	- 8.1	-2.3	-20.3	+ 8.2	- 11.7	+ 3.8	
1982	- 11.7	+16.6	+ 2.9	-10.5	+0.6	- 18.2	+ 9.0	- 16.7	+ 4.6	
1983	+ 5.0	+ 1.5	- 2.8	- 6.2	+0.8	- 2.1	+10.6	- 7.1	+10.3	
1984	+22.0	+10.8	+ 1.3	- 4.8	+1.1	+ 0.2	+ 8.1	- 2.2	+ 7.6	
1985	+44.7	+22.5	- 0.2	- 0.6	-1.8	+12.6	+ 6.9	- 3.0	+ 7.8	
1986	+33.6	+10.6	- 0.9	- 7.7	+0.8	+16.3	+ 8.2	- 0.4	+ 6.9	
1987	+ 8.3	- 4.3	- 0.1	- 5.8	+0.6	+ 3.6	+ 8.6	+ 4.2	+ 1.3	
ENGLAND AND WALES										
Inflow										
1978	97.6	22.2	9.4	13.0	3.0	10.7	18.6	12.6	8.1	32
1979	95.6	20.1	10.7	11.5	2.7	10.5	14.2	13.5	12.4	32
1980	97.1	22.9	15.5	15.1	4.1	3.7	11.1	11.8	12.8	40
1981	78.2	21.4	6.6	14.5	3.2	2.5	8.9	10.2	10.8	36
1982	125.2	49.5	11.8	17.2	3.4	7.7	10.6	10.3	14.6	49
1983	107.6	27.1	9.0	23.9	1.8	5.4	11.2	12.1	17.2	34
1984	116.3	32.9	11.9	21.3	1.9	8.3	9.8	16.7	13.5	38
1985	143.0	48.1	16.1	21.9	2.3	15.9	9.0	14.4	15.4	45
1986	156.5	65.2	10.8	23.2	3.8	14.9	9.4	12.8	16.4	49
1987	131.1	54.6	6.5	24.7	1.8	6.2	9.3	16.5	11.5	47
Outflow										
1978	103.5	27.9	14.2	22.4	3.1	3.5	0.7	23.1	8.6	41
1979	103.0	27.5	10.2	24.3	3.8	5.4	1.6	21.0	9.2	37
1980	114.4	29.1	14.1	24.8	6.2	9.8	1.5	21.3	7.6	38
1981	114.7	27.1	10.6	22.1	5.2	19.4	1.1	21.3	8.0	33
1982	128.0	32.8	8.7	25.8	2.9	21.4	1.9	25.0	9.6	32
1983	96.1	26.1	11.2	25.1	1.0	7.5	0.8	17.9	6.5	39
1984	97.0	25.0	11.1	25.7	1.5	7.1	2.3	18.4	5.8	37
1985	95.1	26.0	14.5	21.8	3.9	4.8	2.1	15.0	7.0	43
1986	119.4	52.3	8.2	30.8	3.2	1.5	1.7	13.4	8.3	51
1987	117.8	55.9	6.7	29.5	1.4	2.6	1.4	11.2	9.1	53
Balance										
1978	- 5.9	- 5.6	- 4.8	- 9.4	-0.1	+ 7.2	+17.9	- 10.5	- 0.6	
1979	- 7.4	- 7.4	+ 0.6	-12.7	-1.2	+ 5.1	+12.6	- 7.6	+ 3.3	
1980	- 17.3	- 6.2	+ 1.4	- 9.7	-2.1	- 6.1	+ 9.7	- 9.4	+ 5.2	
1981	- 36.5	- 5.8	- 3.9	- 7.5	-1.9	- 16.9	+ 7.8	- 11.1	+ 2.8	
1982	- 2.8	+16.7	+ 3.1	- 8.6	+0.6	- 13.6	+ 8.7	- 14.6	+ 5.0	
1983	+11.6	+ 1.1	- 2.3	- 1.2	+0.8	- 2.1	+10.4	- 5.8	+10.7	
1984	+19.3	+ 8.0	+ 0.8	- 4.4	+0.4	+ 1.2	+ 7.5	- 1.8	+ 7.7	
1985	+47.9	+22.1	+ 1.6	+ 0.1	-1.6	+11.1	+ 6.9	- 0.6	+ 8.3	
1986	+37.0	+12.9	+ 2.6	- 7.6	+0.6	+13.4	+ 7.7	- 0.7	+ 8.0	
1987	+13.3	- 1.3	- 0.2	- 4.8	+0.5	+ 3.6	+ 7.8	+ 5.3	+ 2.3	



FROM: D I SPARKES
DATE: 3 JULY 1989

MRS BROWN (EC1)

cc PS/Chief Secretary
PS/Economic Secretary
Sir P Middleton
Mr Anson
Mr Wicks
Mr Monck
Mr R I G Allen
Mr H P Evans
Mr Spackman
Mr Burr
Mr Farthing
Mr Melliss
Mr McIntyre
Mr Meyrick
Mr N Knight
Ms Symes
Mr Tyrie

mp

LABOUR MOBILITY IN EUROPE

The Chancellor was grateful for your minute of 27 June on the case for attracting labour from the less developed regions of the EC. He read the paper attached to your minute with interest and agrees with your comment that there is a continuing supply side case for working to reduce artificial barriers to the movement of workers both within the UK and within the EC labour market as a whole.

D.I.

DUNCAN SPARKES