**IS THE SINGLE EU SUPRANATIONAL LABOR MARKET BEING QUESTIONED? THE CASE OF THE EUROPEAN UNION, THE UK AND SWITZERLAND**

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**INTRODUCTION**

It has been said time and again by many political economy experts that the creation of a Monetary Union in 1999 after the apparently successful completion of the Internal Market in the course of the 1990s was in fact premature, “ a bridge too far”. The European MU would be very far from being an Optimum Currency Area, it was said; hence it would be doomed to failure in the medium or long term. The degree of economic integration achieved among EU Member States (MS) by 1999 did not warrant the launching of the Monetary Union (MU), so went the argument. This author is among those lining with this way of thinking. Of course he is aware that the way back or out of the MU would be now too painful to contemplate and therefore that the MU must go on.

The contention of this paper is even more severe. It posits that maybe the application of the 4th freedom in the EU by tearing down remaining obstacles to the movement of workers among 31 very different labor markets so as to complete the Single Market was itself “a bridge too far” . 31 is the real number, not 28 because the 3 European Economic Area (EEA) members must be included. In fact for all purposes one must speak of 32 because Switzerland must be counted in. On this more later.

One important reminder and underlying issue addressed in this paper. The creation of Single Markets, conceived as the application of the so-called four freedoms (goods, services, capital and manpower) of movement over more than one sovereign state was in vogue in the late 1980s and the 1990s, particularly in Western Europe. What has happened to this dream? At the time not only the business communities of all Europe but also consumer associations, and even labor unions were all in favour of opening up their national economies to the winds of continental competition. Optimism prevailed in that it was thought that a SM is an engine of growth and a win-win proposition. In the mid 1980s the champions of this idea were of course the UK Prime Minister Margaret Thatcher but also the President of the European Commission, Jacques Delors, who made the main task of his new European Commission in 1985 to “complete the European Single Market by 1992”. Business elites everywhere including in the United Kingdom and Switzerland (the latter not a EU member state) were enthusiastic backers of the idea. While these two countries rejected any idea of further development of the European Integration process, they were all for their country being part of the Single Market at least. Three decades after, the national communities of these two European states, as well as other EU MS, seem to turn their backs to the free movement of people even among seemingly culturally similar national identities. The case of Eastern European immigrants settling for work in the UK comes to mind. But also the referendum in Switzerland won by those against free movement of people and obliging the Swiss Federal Council to find a solution in relation to EU citizens is another example. Even freedom of movement of short term service providers across the EU-28 is being questioned, as protests against the “Polish plumber” in France shows. The question to be addressed by the paper is how to explain this change of in the national mood in many EU member states ? Was the completion of the EU’s Single Labor Market a step too far? Or is it simply that no provisions were being made to compensate all those groups that would loose from the creation of the EU’s Single Market? In fact the much more controversial question is whether European citizens are prepared to accept the principle of a unified European labor market. This is because the purpose of freedom of movement (whether of goods, services, capital or labor) is to integrate, hence fuse separate markets by arbitrage into one Single Market. From Economics we deduct that fusion will have been accomplished when eventually one price will prevail across the geographical area covered by the 32 SM members (abstraction made of possible natural obstacles but not anymore artificial ones).

First a minor reminder. Until Delors’ “1992” there was no real Single Market for labor even if officially inscribed in the Treaty of Rome’s article 48. It is really the Completion of the Single Market by the end of last century that changed substantially the situation. It consisted in eliminating huge barriers to intra-EU labor movements, like mutual recognition of professional competence, making transferable social security rights, access to health services and so on However note that nobody mentioned nor were there included in the Maastricht Treaty provisions to compensate all those groups that would loose from the creation of the EU’s Single Market. It is that negligence or aloofness of governments that leads to think that given the inexistence of those provisions European citizens, if asked at that time by referendum, would not have accepted the principle of a unified European labor market. The latter would have implied as highly likely that the price of labor in the richest MS would be pressed downward. Of course we are still very far from that. Jacques Pelkmans in his well-known textbook on European Economic Integration[[1]](#footnote-1) states that there is no EU labor market to speak of. He reminds us that for instance there is no Union-wide access to social security. And that there are still many other disincentives to migrate from one MS to another. Never mind these objections, it is a well known fact now that in the last decade intra-EU migration flows have increased by leaps and bounds essentially for 2 reasons: 1) the 2004, 2007 and 2013 EU Enlargements and 2) the great recession of 2008, leading mainly to migrations flows from Southern Europe to Northern Europe. In sum, since 2004 East-West and South-North intra-EU migration flows have notably increased.

**THE MODERN THEORY OF FREE TRADE**

This paper is focused around one of the so-called “four freedoms” available to the more than 500 million inhabitants of the EU. These freedoms are part of the ACQUIS COMMUNAUTAIRE. I am referring to the freedom of movement of labor or if you wish workers, which is as central for any political supporter of the EU as much as the other three freedoms, namely freedom of movement of goods, services and capital.

Freedom of movement of goods is assimilated to the old concept of Free Trade dating back to the XVIII century. Although It relates only to goods it is frequently extended to services (but not Adam Smith nor Marx, both of whom denied any utility or added value to services). Observe that Classics would never speak of free trade in factors of production because for them they were immobile. In fact in their models there was only one production factor, namely labor. Capital was frozen labor, hence proportional to labor; therefore it could be neglected for example by Ricardo when positing the famous theory of comparative advantage. As well known , Classics (Smith, Ricardo and Stuart Mille) proved that FT in goods (and services) was a win-win for both (all ) trade partners in this game called trade, provided that workers adjusted (at least in the long run) to the move to FT. They argued this In the sense that FT would be good for all the citizens as consumers (in any case) and probably as producers (as well).Why would producers win according to the Classics ? They thought quite cogently that by specializing people would gain in productivity.

However when two Swedish economists in the 1930s (H-O) enlarged the model to make it more realistic to include two production factors (capital and labor) but which were present in various proportions in the prospective trade partners, results were slightly less clear-cut. They proved that FT was still good for both countries as a whole and for each person as consumer. They did not pronounce themselves about the fate of the two factors of production with the advent of FT. However in 1941 Samuelson in a famous article called “Protection and Real Wages” showed already then that the relative scarce production factor in and of each country would lose absolutely as a result of the specialization in goods using intensively the other factor, namely the abundant one. So more concretely workers in capital-rich countries (e.g. the US) would lose and capitalists in labor-abundant countries (e.g.India) would lose as well. This were very bad news indeed which by the way many economists chose to ignore until around the year 2000, sixty years later.

But one should remind here for the sake of fairness to Samuelson thet he himself as well as Kaldor and other modern economists asserted that the bad news for the scarce factor were no big deal because the winners in each country could always compensate entirely the losers and still be better of. Samuelson and other neoclassical economists were obviously referring to fiscal transfers from the winners to the losers (e.g. corporate taxes and tax exemptions for low-paid workers). You had not even have to be a social democrat to be for FT. You could simply be for progressive taxation like the one prevailing already in the US at the time of Roosevelt, who was not a social democrat. In other words the fiscal system would take care of the bad news for the scarce factor when moving to Free Trade. You could be a neoliberal Anglo-saxon economist and yet be for Free Trade (e.g. Samuelson)

And if that was not enough it was suggested that:

1. The introduction of social democratic policies in some countries of the West had made of workers also capitalists by obliging them to save by law for their health and future pensions. So in rich countries, the losers from moving to Free Trade (namely the workers) would gain as capitalists.
2. In rich countries most workers could be retrained and educated so as to cumulate human capital and become human-capital rich.
3. In modern economies there was a non-tradable sector (mainly devoted to services such as health, education, distribution, public service) not suffering from international competition to which losers could be directed to.

However observe already that this third important solution to possible unemployment of manufactures’ workers unraveled (albeit partially) with the extension of FT to services in the 1990s when the GATS was created. The revolution in communication technology allows for provision of services between two partners that are geographically distant; not in the same place. Until then service providers were protected by geography, sometimes extremely so, as when a hairdresser needs his client to be in his immediate proximity to deliver the service. More graphically, suppose a textile worker in an Italian factory lost his job when his factory closed in 2000 as a result of new competition from China and was retrained to become an X-ray technician. Now with computerized medical diagnosis being exchanged across borders, he might lose his new job again, because Indian X-ray technicians provide the same service to Italian hospitals for much less money.

To sum up, developed countries’ governments relied on the above analytical arguments, to make further trade liberalization in goods and by extension services over time (inside the EU but also at the WTO) palatable if not acceptable to the electorates. In particular trade unions in the richest countries of the EU appeared to accept the idea of implementing intra-EU free trade in goods and services. Actually it has been shown, both theoretically and empirically, that free trade in goods led to some convergence of wages among the six original EC member countries, but that this took place without wages in Germany and the Netherlands being pulled downwards[[2]](#footnote-2).

**THE INCREDIBLE AUDACITY OF THE TREATY OF ROME**

What was really quite revolutionary in the 1957 Treaty of Rome creating the EEC was that one of the goals of the Treaty was to have one labor market across the 6 original MS (but for national civil service jobs). This is what article 48 of the Treaty of Rome was contemplating when it approved the freedom of movement of workers. In fact the common objective was not only to create a Customs Union for goods and a FTA for services leading to one single market for goods and services , but also the creation of a so-called Common Market leading to the unification of the 6 labor and capital markets. Counting on the fact that the EU was widely enlarged over time and the EEA was created , the unification is not of 6, but of 32 labor and capital markets. If all goes smoothly the end game should be one single hourly wage rate for a given job or task across the 32 member states of the SM , namely the 28 , 3 non members of the EU which are part of the EEA and Switzerland.

It is obvious that the unification of labor markets is bound to leave many more people on the side of losers than in the case of having only FT in goods and services. This was obviously not well thought through at the time the Treaty of Rome was being discussed (1955-56). Probably the founders of the EEC thought really that people in the Six were not very eager to move. They assumed people did not have the instruments for successful migration to another MS: the right age, right education, right knowledge of language, and so on. At the time as well, migration was a family decision, very far from being an individual decision, as more likely today. Not to speak about time and money to commute or to communicate back home. Emigration for most would be a dangerous proposition; a kind of adventure. No need to tell that maybe they were right in the mid-50s to think so; of course not now, more than six decades after.

At this stage it is worthwhile to remind here that in 1992 when the Swiss people organized a referendum to decide if they wanted to accept the proposal made by the Swiss government to enter the EEA, the resulting vote of the people was against mainly because the EEA contemplated the free movement of people between the EU and Switzerland. In fact, at the time more than 15% of the resident population in Switzerland were foreigners, mainly hailing from the EU. People spoke about Ueberfremdung, “over-foreignization”, an excess of foreigners. That was the time of the so-called “Schwarzenbach Initiative” (1970)

**THE PROBLEM WITH THE 4TH FREEDOM**

Was the 4th freedom accepted democratically in 1955-57? Surely not. It was imposed from above. This author contends that it should have been submitted to much more to scrutiny in national parliaments in view of the possibility that the Treaty of Rome contemplated already in article 235 that the EEC could legally be expanded beyond 6 members to all European countries (in fact all the members of the Council of Europe including Turkey!). To put it graphically was, e.g., Paul Henry Spaak, one of the architects of the Treaty of Rome, contemplating really the possibility of having a single labor market including Turkey?

Quite interestingly, there was no questioning of the 4th freedom until the Eastern Enlargement in 2004. The main reason was that there had not been a migration crisis as an outcome of the Southern Enlargement (1981-86). Maybe that explains as well why the 4th freedom was re-conducted in the Maastricht Treaty without raising objections when it was ratified in 1991-92. Take note, however, that until 2000, there were no social media. Nowadays the question of migration can be easily politicized. For instance anybody could argue over the Internet that the Fourth Freedom both in the Treaty of Rome and in the Maastricht Treaty was imposed by elites and academia and he would be not totally wrong. Of course at the time the Internet was unavailable. Note as well that low-cost air carriers such as Easy Jet, Ryanair and Wizz Air, developed only after the Maastricht Treaty was adopted and that took place paradoxically as one of the successful outcomes of the creation of a Single Market in air transport services.

There is a doctrinal element here that is not well understood. Economic Liberalism involves among others equality of opportunity; but this is only reserved to nationals of that state , i.e. citizens. When one says there is equality of opportunity in , say, Greece, he means for all Greek citizens. If the nation-state extends it to non-citizens (e.g. of other EU MS) it is extending a right without many corresponding obligations (e.g. Greek obligatory military service).

The burden of national defense lies entirely on its citizens. Note that there are already big controversies in Israel as a result of the fact that not all its citizens are called to serve for political reasons (namely Orthodox Jews and Arab Israelis). Imagine now that to those two categories another one would be added, namely legal migrants. That would exacerbate the controversy.

More generally, can there be free movement of labor between two or more countries if there is no common demos? After all, laws on social security, taxation of labor (income tax), military service and so on are decided democratically in a democratic Parliament.

One can question the 4th Freedom also from an another angle. Free labor movements in the EU, leading to a convergence of labor costs, will be for the overall benefit of member countries (i.e. a simple application of Smith and Ricardo’s theory of free trade to labor markets). However as in the theory of free trade in goods, there will be negative consequences for some of the actors involved, namely the labor force in the well-off countries of the EU. Kaldor or Samuelson would argue then that to convince trade unions in those countries to be for the 4th freedom, there should be a mechanism of compensation from the less well-off countries to the well-off ones. But clearly neither in theory is anybody requesting such compensation, nor is the EU equipped with a huge common budget to cope with this. Moreover there is no apparent intra-EU solidarity between the trade unions of the different member countries. Can one imagine that Polish trade unions would gladly recognize that the free movement of Polish workers to Germany and the UK has contributed to the rise of the wage rate in Poland? And that as a result of this, they would ask the Finance Minister of Poland to transfer some funds to the UK or Germany to compensate those British or German workers having lost their jobs or seen their wages reduced?

The truth of the matter is that there is no compelling necessity to include this 4th freedom to make sustainable a SM based only on the other 3 freedoms. This is what a group of experts of Brueghel, a Brussels think tank argue in a recent report. Actually the 4th freedom per se seems to be much more critical for those in charge of the Eurozone which want to make the MU sustainable (following Robert Mundell’s logic) then for those who argue that the 4th freedom is a condition to make the SM sustainable.

**CLARIFICATION NEEDED: THE 4TH FREEDOM, SHENGEN AND THE TEMPORARY MOVEMENT OF WORKERS**

There is much confusion and amalgamation being made among a wide spectrum of public opinion regarding these three concepts. Shengen relates (domestically) to the passport-free area that covers 21 EU MS and 5 non EU ones. It does not cover Bulgaria, Romania, Cyprus, Croatia , Ireland and the UK. It means “only” that inside this 26 country space anyone including non-residents, non nationals of countries not in the Shengen area can move without being controlled at borders. For many of the latter an entry visa to the area must be obtained previously (e.g. Tunisia) but not for others (e.g. Bulgaria, Israel). In short Shengen is there to facilitate short term movement for tourism and business visits. However for non nationals not legally residents in the Shengen area it is limited to 3 months. Shengen is also all important when it comes to asylum but note that it is irrelevant when referring to the 4th Freedom as shown now. The latetr implies total freedom to any national of 32 MS inside the Single Market to migrate for work purposes in that large geographical area. This includes the right to move to search for a job with no time limitation, not necessarily to have a job before moving. Of course the principle excludes public service jobs (e.g. the Army).

The limitation of 3 months, all important for Shengen, does not apply to the states that are part of the SM without being members of the Shengen area, namely the UK, Bulgaria, Romania, Cyprus, Croatia, Norway, Iceland and Liechtenstein. Add Switzerland to that (number 32).All the citizens of the 32 states (residents or non-residents in the area) have the right to work and hence automatically live and establish themselves in all the 32 states mentioned. Therefore any citizen of one of the 32 MS can legally migrate for work to any of the other 31 states mentioned. This is by sheer application of the 4th Freedom. In passing, this astounding right is what explains the rush of many Israeli citizens, residing in Israel to try to obtain a passport from one of the European states from where their family members originated (e.g. Poland). Of course , when doing the application, they have no intention to join the labor market of the country in question (e.g. the Polish one) but the 32 Supranational European labor market.

Finally free trade in services includes as one of the modes of cross-border delivery the temporary movement of the service-provider across the border. It is the 4th mode of delivery using GATS jargon. Note that it does not mean that the service-provider can change his residence nor live in one of the other 32 states. What is temporary? One benchmark could be the definition of the UN of what a migrant is: a person living for more than one year in a country other than that of its birth. So free trade in services is definitively not migration. The “Polish plumber” in France is not a Polish migrant in France. Note also that there are other forms of delivery of labor services across borders not involving migration, hence not involving a change of residence, nor in the medium term a family reunification. Two examples come to mind: “frontaliers”(cross-border inhabitants of one state working daily in the neighboring one) and seasonal work.

Finally one hears frequently that the Shengen agreement has been violated by many MS recently; one is told that Germany and Netherlands have won in the ECJ when they claimed they wanted to deny immediate welfare benefits to Eastern European migrants. But this has nothing to do with Shengen. It has to do with the 4th Freedom.

**THE DIFFERENCE BETWEEN THE 4TH FREEDOM AND FREE TRADE IN GOODS AND SERVICES**

Goods and services do not have a soul. Goods are not alive but for some exceptions (animals). That makes all the difference. Migrants are humans. Importing workers on a permanent basis means not only providing them with public services (including health and education) but also housing; all this in order for them to be able to work. It can also mean importing the migrants’ problems. In other words the degree of involvement of local indigenous populations must be much larger than with goods. The amount of friction and contact between locals and newcomers is also much higher than when speaking about temporary delivery of services. Local populations might see housing prices go up; neighborhoods over packed; public services deteriorate; schools not being able to cope with the mixture of students of different origins. Whereas temporary movement might involve unfair competition with local workers if not well regulated, hence creating an economic problem, there are no social consequences. The Polish plumber coming for a weekend to work in Paris is not a social problem and does not question French collective identity The emergence of a new Romanian-inhabited neighborhood in the periphery of Nice might.

**NATIONALISM AND FOREIGNERS**

What is a “foreigner”, commonly speaking, if not a stranger? Being foreign is being strange; not typical; hence not normal; sometimes the word foreign is assimilated to unknown and not conforming. Hence the attitude of the local towards the foreigner or newcomer ranges from prudence to precaution, maybe to apprehension and even hostility; it is the so-called “the other”

Contrast the term “foreigner” with “national”. The latter has his own hymn, flag, culture, folklore, ceremonies, kitchen/dishes, holy days, sports, language, literature, humor and music. Add to that in many cases common defense (including sometimes compulsory military service as in Greece) and common institutions of authority (public function). In some rare cases for present-day Europe even religion.

Where is the rub when confronting the concept of “National“ with the 4th freedom? Simply that “National” is assimilated to “citizenship”; “nationals” are “citizens”; in spite of what the Maastricht Treaty of 1992 postulated, European citizenship has not penetrated in national consciences of the different MS, even not with the delivery of same-format European passports. Non national citizens living in a particular MS are considered still “foreigners”, not “fellow Europeans”. A couple of examples will suffice. When the current Prime Minister of the Netherlands , who is otherwise a liberal, said in a recent electoral campaign that foreigners should “behave normally or go away” he was including all other Europeans, not only Arabs or Africans. When the current PM of Britain Theresa May qualifies migrants as “citizens of nowhere” he includes other Europeans. More extreme politicians will openly say what more moderate ones wont dare to say, namely they fear a contagion by “foreigners”. A leader of an extreme-right party in the Netherlands with 2 parliamentarians in the Chamber said recently that migration leads to a watering-down of Dutch culture. Clearly he includes among foreigners also non-Dutch Europeans. Simply stated what remains national, as perceived by politicians and individual European citizens alike, is what is not shared and not to be shared with citizens of other MS and not only non EU MS. When Victor Orban says that “Hungary will never become a country of migrants” he is not attacking the Shengen Agreement but the 4th Freedom.

The rise of identity politics and Euro-populism contrary to what is thought has been going on since the1980s in Europe and accelerated after 2000. The vote going to populist parties has tripled on average from 2000 (8%) to 24% in 2017, according to a recent issue of The Economist. Identity politics in Europe rejects multiculturalism, otherwise considered a failure where it has been tried. What is striking for this author is that it implies by the same token rejecting the emergence of a new culture away from the strictly national one, e.g. a European culture.

**THE ROLE OF SOCIAL MEDIA**

Globalization has exacerbated nationalism. On the one hand it has led to cosmopolitanism cherished by some social classes (the jet set; IO staff; academics; media figures including artists). The latter are looked with jalousie, but also irritation, spite and even hate by other citizens, either because the latter don’t have the instruments of cosmopolitanism (passport, language, income) or because they reject it, openly seeing, globalization as a danger.

What is well accepted now is that the emergence of social media has led to polarization between the two groups mentioned and in fact research shows that those individuals in the anti-globalization camp tend to communicate more among themselves than with the rest of the world. In other words many people are becoming more local, not more global.

**WHAT CAN WE LEARN FROM THE EXAMPLE OF BREXIT?**

It will be remembered here that PM Tony Blair thought, quite daringly as it were, that the UK would not submit citizens of countries becoming EU members in 2004 to the 7-year transition period provided for in the Treaties of Accession (and which e.g. was applied by Germany). Apparently the UK government overlooked that the Polish unemployment rate reached 19% in 2003, at a time British trade unions were totally disorganized.[[3]](#footnote-3) It is a fact that one result of this decision was that a substantial amount of Eastern Europeans (mainly Polish citizens) settled down in the UK over a short time span. The phenomena took some time to sink down in the minds of both UK politicians and the electorate. Was it an error of calculation by Mr. Blair? This author clearly thinks so. He was misled by the forecasts made previously by the European Commission. It backfired against re-election of Gordon Brown, the successor of Blair. Surely the Great Recession played a rol in the reversal of attitudes on intra-EU migration in the UK as well. All together it led some time later a new PM Cameron to ask for some EU concessions from Brussels on the 4th freedom to no avail.

Fast forward, we know now that the primary concern of the Leave voters in the 2016 referendum was immigration, but lead politicians of the Leave campaign preferred to speak about sovereignty: “taking back control of borders”. Observe how confusing this argument is as those spelling it knew perfectly that the UK was not in Shengen.

Another quite bewildering research finding is that actually regions in the UK where the relative number of EU inward migration was low voted for Leave; the contrary happened with London. Hence contention of this author is that It is not always real friction between locals and migrants that leads to rejection of migrants but rather it is the perceived or imagined friction that counts which in the UK is conveyed by the yellow press and by social networks.(In passing much of the same happens in Swiss referendums).

In a show of unity mixed with feelings of revenge but also fear, the other 27 MS but even more so the Commission have asserted until now that the 4th freedom is sacrosanct, in other words part of the *acquis communautaire*. It is believed in Brussels that any concession in the negotiations on Brexit with the UK on the 4th freedom, would have led other MS to ask as well for a revision of the current system (e.g. the Netherlands). When some experts have evoked since 2016 the possibility of offering a Swiss solution to the UK they have been systematically turned down by the Brussels institutions. They have been told that the Swiss formula of having separate bilateral agreements between the EU and Switzerland was an error allowing Switzerland to do too much cherry-picking. They say this was the error. They reject the idea that the 4th freedom should not be an integral part of the *acquis communautaire.*

**SOME FINAL THOUGHTS AND POLICY CONCLUSIONS ON THE SUSTAINABILITY OF THE SINGLE MARKET**

From the example of Brexit a lesson can be drawn and that is that when the income gap between old MS and new MS is large the length of the transition period for the adoption of the 4th freedom should be modulated in a way that the number of net annual migrants from the new MS is not too visible to the electorate.

To make the fourth freedom acceptable to those citizens bound to lose economically fiscal transfers and retraining should be seriously considered . President Kennedy for example after deciding to liberalize manufactured trade in the context of the so-called Kennedy Round of the GATT launched a program explicitly called Trade Adjustment Assistance, directly linked to the liberalization made before. Other US presidents proceeded in the same way later on.

It goes without saying that nothing of the sort has been tried in the context of the 2004 Enlargement neither in the UK nor elsewhere. For the EU the unification of European labor markets to become in the end a single one stands on its own. The only thing Brussels is sensitive to is that a level playing field should be established between the different 32 labor markets, something that can be praised. But it is clearly not enough when taking in to account the huge gap between hourly wage rates in Luxembourg and in Romania, for instance.

More practically some EU MS have in a discrete way worked to restrain the free movement of workers as the only solution they see. Liechtenstein has obtained from the ECJ an exemption in view of the exiguity of its labor market. It can limit the entry of EU-originating workers to given amounts. After the Swiss referendum against free movement, the Swiss government has negotiated an amendment to the pre-existing bilateral agreement on labor movements whereby Switzerland is authorized to advertise jobs for Swiss first. In the EEA agreement, countries like Norway can invoke articles 112 and 113 to apply an emergency brake to migration from the EU if needed. Germany and the Netherlands have been studying the possibility of limiting free inward migration from the rest of the EU to those people who have a job before migrating. That could be done by a system of a priori registration. It has been also suggested that EU migrants that would not be able to find a job in 6 months could be deported back to their origin countries. Another indirect deterrent to the free movement of people suggested has been to impose limitations to the purchase of properties freely, as the rules of the SM oblige to at present.

In the view of this author, the ground is slowly eroding under the feet of those adamant in clinging to the free movement of people as part of the *acquis*. Not only socially speaking it is being questioned because it pulls down wages too quickly in many sectors affecting negatively the incumbent local populations. It is also questioned by politicians practicing identity politics, e.g. the Interior Minister of Italy Salvini when he charges against Roma, thinking mainly about those hailing from other EU countries. He in fact acknowledges explicitly that he cannot do anything about Italian Roma. The same attitude towards Roma prevails in France.

One could easily imagine a scenario to develop until next December whereby, the EU at 27 legislates to introduce amendments to the 4th freedom principle which would allow a new UK government to remain in the Single Market and maybe even to remain in the EU. Of course life would be more difficult for the UK if such reform would come after December 31 2019 because after that date the UK would have either to ask to be an EEA member or to re-entry the EU itself…….

1. Pelkmans, J.(1997), European Integration, Methods and Economic Analysis, Netherlands Open University, p.140. [↑](#footnote-ref-1)
2. Tovias A. (1982), Factor Price Equalization in the EEC, Journal of Common Market Studies, 20/3‑4: 375‑88. [↑](#footnote-ref-2)
3. This contrasts with the Swedish case, where the trade unions quite discreetly worked in cooperation with business interests to limit in the early years of Enlargement immigration from the new entrants. The author wishes to thank Dr. Orny Livni for her remark on Sweden. [↑](#footnote-ref-3)