

## DEBATE – Session 5

**Rainer Gröbel:** It is true that we need education for better integration, that one of the assets of the EU is a free labour market, a union without frontiers. But we must be a little bit more secure. The population, the workforce and the nations must also accept it. We have a lot of nations in Europe with weak unions. On the one hand, you can stimulate the economy. In Germany, in the industry we have good unions but in several other sectors we have also weaker unions. We recently adopted minimum wage. It's not our special interest from the industrial union. It's more from the other unions. But when you have more people who go on the labour markets who have no union rights, then you have a problem. We all have a problem. The EU must know this. We must slow down a little bit in extending the union movement because we have a lot of new members, and the moment it is enough. Take a look at the EU elections. In Germany at the moment, we have no big problem with right wing parties. We get perhaps one, it's a little bit between right wing and free from the political side, liberal I want to say. But look at France, Finland, Hungary, Austria, Belgium and many more. We must be careful. Who should make a policy for the workforce? In most countries, the government cannot make workforce policy. We, in the companies, make the policy, and also the unions make the policy. But when you don't strengthen union rights, then I fear you have a problem.

**Jackie Morin:** You are right. The debate around mobility crystalizes wider issues. Behind this debate around mobility, there are some fears or some difficulties that may not be linked to mobility but also to other problems that have to be dealt with at EU level. We have seen that a lot in the last period. We have seen some opposition against internal market where obviously there is interest for internal market, because maybe it was seen with a lack of governance of this internal market, or lack of capacity to influence or regulate it. On mobility, this was the issue that was raised in particular around access to some benefits for migrants in the recent period. There is certainly a need to explain this, to explain what the rules are, to explain that we are in a configuration where the benefits for all are much higher than the cost for some. All the analysis we have done has shown that in fact countries that receive mobility workers are beneficiaries. There was additional growth linked to mobility. But the perception from these countries is negative. So we should probably better explain that.

**Bernard Perry:** Well, in fact it was only to do with the slide on social security and insurance. It wasn't really related to this, but it was just again thinking through actions on mobility. When you have an employee who is sent abroad, who chooses to retire in that country, which is not their home country, and after they've retired maybe for twenty years, wishes to return to their home country, quite often in their 80s or 90s, there is very little support system to help them unravel the pension, the social security, the medical in the country in which they reside in to repatriate all those systems back home again. I suppose it's something you don't think about when you go on assignment. But if you go and you stay long-term, that can become quite a serious issue for elderly people who don't have necessarily the capacity to do it for themselves.

**Jackie Morin:** There was a lot of improvement in this field. It is still not perfect at this stage but it is better. Now, someone who retires can choose any place in Europe. In that case, the only institution that can deal with all the administrative files is the institution of residence. So if you go to retire in Spain, you go to the local pension institution and this institution will do all the administrative work

to ensure that the different pensions you may have subscribed during your life and this office organizes the different necessary documents. If the person decides to move again, it will be the same. This has been in place since 2010, with the reform of this coordination for regulation. But everything is not perfect because, as we have different bodies dealing with the pension for example, it can happen that the diverse bodies will ask a lot of administrative documents during the life of this person. They will not be satisfied with a document issued by another institution. They will ask for something directly. So maybe this person will face double or triple administrative work compared with a normal, non-migrant one.

**Jozef Niemiec:** I just want to raise one point in line with what Rainer stressed. For trade unions, in the situation of labour mobility, especially concerning the posting of workers, there is a real problem of equal treatment. Equal treatment on the spot where the different categories of workers are working. In fact, the existing directive does not provide a good enough framework to ensure the equal treatment of different categories of workers. And it's easy to abuse this, especially now, this question is one of the most problematic for trade unions. Our recent debate in Parliament about the enforcement of this directive led to some very heated debates. To avoid this in the future, we would like as European representatives of trade unions the improvement of the directive, which should provide more protection for mobile and posted workers against abuse and exploitation. I wanted to say that existing rules are not good enough for us.

**Jackie Morin:** The rule at the moment is that equal treatment applies where you have your work contract. So if you have a work contract in another country, you have equal treatment with the people there. If you have a work contract in your country of origin and you work for a period in another country in the context of service provision, then it's correct. It's not equal treatment but it's not the full provision of the country of origin either. This is a mix by this directive, which imposes some minimum conditions linked to the country of activity. This is a huge debate, we know, at the moment, which was solved. An agreement was reached some months ago. We will have a new, revised enforcement directive. But it's a key question, because if we go for full equal treatment for posted workers, that means that we have the obligation to have a work contract in the country where the activity is done. It's what that means. So we lose certain flexibility somewhere. So it's a real debate.

**Yves Barou:** So far, we've mostly talked about movement within Europe, and I would like to talk about the other movement, namely movement from the rest of the world into the European Union. First, I don't really understand the link between national immigration policies and the European free movement policy. I also wonder why the European Union couldn't introduce, like Australia did, a talent pre-selection phase to create a pool in which businesses could search.

**Jackie Morin:** Unlike the free movement of workers, the arrival of third-country nationals in the European Union is not included in the European right to mobility. For third-country nationals, national laws apply. So there are two different legal frameworks, but nothing keeps the Member States from developing procedures for better access to skills. Policies face certain defiance and nationalism, which jeopardizes advancing cooperation.

**Philippe Vivien:** I just want to clarify two numbers you gave us. The 0.2% of the European citizens who will leave or move from a country to another each year, and the 2.4% for the United States of

America, because apparently it would seem that American citizens are 12 times more mobile, and I'm not quite sure... it's not so clear to me. So is it the same perimeter? Is it within the United States, or is it USA vs. overseas as they would say?

**Jackie Morin:** The two figures are not exactly comparable because there is no language barrier in the US. 2.4 is the mobility between the 50 US states and 0.2 is the mobility between the 28 EU Member States. We have to consider that the context is not the same. But if we look at the figures – it's an OECD figure, from a report published in 2013 – and we have also the figures for Canada, between French and English regions, where the mobility rate is 0.9, much better than Europe.

**Steve Jefferys:** On this, I remember data from about 12 years ago comparing the number of times Europeans move during their lifetime: it's about 8 or 9 times. In the United States, it's about 18 to 20 times. The difference is not just economic, it's also cultural and we mustn't assume that the American model is a good one. Pressing for mobility does not necessarily produce benefit.

**Cornelia Hulla:** What are the normal communication channels when it comes to those programs that are prepared right now like “Your First European Job” that are going to be evaluated by the year-end? How is communication? Directly to companies, to corporations so they may want to benefit from such EU programs. So how do you inform everybody? Everybody needs to go onto the website? That's the way of communicating. Is there a push or pull approach?

**Jackie Morin:** Of course one possibility is to look at the EU website but it's not so easy to do that way. Our main channel is the public employment services. We go through the Member States' public services, which also make the promotion of the information around, for example apprenticeship, around this “Your First European Job” and so it's that way. But you are right; we are not high performers in terms of communication.

**Claude Mathieu:** I pick up the same figures as Philippe, about this 0.2 migrant per year in Europe. The figure that really struck me is the 20% of European people have already moved or are willing to move. We, as HR people around the table, spend lots of time, energy, and money, to get people who don't want to move to actually move. We do very costly expatriation contracts and so on, and for sure we don't take full advantage, or at least not enough, of people who are ready to move, because of their personal circumstances, or because of their willingness to have international experience. Last September, I visited the EU organization to explore the existing programs we do not always know very well as companies in order to support international movement within EU. To be more specific, especially for young people, because we would like to take advantage of one of the greatest successes within the EU, namely the Erasmus program. It has been very successful and we all know people who have experienced Erasmus and taken full advantage of it. In fact, when they enter working life, international mobility becomes very difficult because of social affairs and of the costs associated with this kind of mobility. What I would like to do this afternoon is share with you for once a French initiative that has been very successful on social matters in terms of simplification and in terms of cost effectiveness, which is the VIE program (volunteer for international experience). We have some figures and a description of the VIE program on the table, but I would like to go through very quickly. To see how we could take advantage of this program, which has been in place in France since 1983, so it's been more than 30 years and we now have good visibility about this program. How we could progress in different countries in order to have reciprocity because, every year, we

have more than 10 to 20 thousand young French who take advantage of this program and it's very difficult to attract some young professionals from the UK, Poland, Germany in order to feed also French organizations with international young professionals. So just a short description about the VIE and why it is successful. As I told you, it was created in 1983. At that time, military service was compulsory in France. It was a way to escape, to some extent, military service or to take advantage for young graduates and for companies of graduate young people to develop exportation. Since the end of military service, we have kept this program year after year. Now, it is open to men and women, and to all young European people. That's one of the key characteristics. In terms of cost, if you want to send a young French below 28, the average cost is about €30,000 including pension, social care, medical care, everything. If you compare that figure with what we may have in mind with expatriation, it is, I would say, half price. Secondly, it is a plug and play type of program because Ubifrance, an organization under the Ministry of Economic Affairs and the Ministry of external affairs, manages the contract. The company simply has to send in the job description and who could be considered for this position. Once the company and the individual agree, all the contractual activities are under the Ubifrance responsibility. You don't need to have any expertise or competencies to do so. The third characteristic is that it is very flexible. You can send somebody from 6 months to 24 months, which is the maximum, and you can also adjust this timeframe during the VIE. The fourth one is that it provides young professionals with international experience, which could be unexpected if we think about the cost it could represent for a company and the competency this kind of people can demonstrate in a company. Most of the time, when we expatriate professionals in companies, we require a higher degree of competencies, which mean they are in their 30s or mid-30s. At that time, people are far less mobile because they have a mortgage, a partner, two kids, puppies, everything. We don't take advantage at a very specific time in our life, between 20 and 28, when people are far more mobile due to personal circumstances. This is clearly a win-win in the fact that we take advantage at a time when people are mobile to propose and present this kind of opportunities. We could also make a comment about the fact that 90% of expatriates are male. In fact for VIE, because we are in the early 20s, it's almost 50-50. It's 40% female, 60% male. So it is also a good answer in terms of diversity and opportunity provided to the female workforce in terms of international exposure. I won't go into the details of program. You've got the description. I am happy to discuss it further. What I would like to emphasize now is how we could, as our circle, develop this kind of initiatives. As a company, Safran, we have signed a European agreement to develop youth integration and we have put this international mobility within Europe as part of our key initiatives, including lobby at European level to say how we could develop a kind of Erasmus for young professional type of program. It seems that to develop the kind of program for 28 countries, it's very difficult, very complex and it can't be done as a whole. But as Yves mentioned, the crying baby always gets more milk. I'm sure if we can ask specifically for countries – for example in Germany lander by lander, or in the UK, with professional organization by professional organization, in Poland where there are some specific organizations – we may develop some pilot project in order to ease this change and this reciprocity in a type of VIE program. This is what I wanted to share with you this afternoon: for once, in France, we have something like a standard in terms of a program to ease mobility at a time when people are more mobile. It is cost effective. It is very flexible and, in my view, it is a good way to improve the exposure of our managers – because most of these young graduates will have some managerial activities and managerial responsibilities – a good way for companies to become more and more European.

**Philippe Vivien:** We know, as executives in companies, that we need to have more people with broader exposure than their own national and local exposure. At the same time, in an election period, no political party – even the pro-European parties – promotes international European mobility. It is very important to keep in mind that this goal which is ours also has to fight with major push back from I would say some political ‘bad words’. The role of the companies is probably much more than generating growth, it’s also generating a blended culture for Europe as a whole. As HR managers, HR executives, CEOs, COOs, we have to keep that in mind. Probably it’s also something that is very important to us. This being said, it’s quite clear that those two megatrends, this appetite, if I may say, for European mobility from our side, and this negative trend from political will fight with each other. In companies, we have the responsibility to continue and enhance this trend. I would like to raise a few questions. How can we define this mobility? Because it’s very interesting when we are listening to ourselves, that European mobility means expatriation in most of cases. We are very far right now, talking about European mobility means very often talking about the way the people lived mobility 20 years ago. I go to work, stay out of my home country, and stay out of my own base. So this is very different right now and the first definition could be mobility across nations. Just to give you a flavour: last week I went to Barcelona and I talked to some fresh graduates from the University of Barcelona. And what do they call mobility? They call mobility within region, and mostly in Catalonia. In Catalonia, they have a Spanish passport, a Catalonian language, and the labour market they refer to goes from Montpellier to Toulouse and Barcelona. Where is Madrid? No, it’s not what they look for. What I mean is we also have to keep in mind that whatever our policies are, the way we design them, our objectives, the way the people, the new generation aspire to mobility is quite different from what we are used to do. That it’s very important for us to redefine the way we talk about mobility. Jackie talked about some numbers regarding mobility. Well, in my previous job, I’ve always considered integrating a workforce of 50,000 people more or less highly educated. I thought that 5% of this total would have, or would manage, alone or with our support, an international career. Probably 20% would manage, accept, promote, or desire a national career. I mean from North of France to South of France, from Nuremberg to Hamburg. And probably 70 to 75% of this workforce, regardless of the country of Europe, would prefer continuing with a local career. So the point we also have to understand, that’s what you were saying, Steve, is that we really need to manage these three kinds of mobility. And mobility when you stay in the city where you were born, doesn’t mean that you are not going to be mobile. If, as you were saying, Paul, you can organize the company to get those people who work outside to think differently. It’s very important to keep this in mind. So thinking about this, I was reviewing some surveys we are conducting right now. People talk about four kinds of mobility, the mobility of citizens. In Europe, it is quite easy. I completely agree with Jackie even though there is no administrative constraint, there will be a before and an after September 11, because people think differently. Even though within the European perimeter, it doesn’t change. Mobility of employees, and employees and their family, that’s what we’re talking a lot about. Mobility of students, and it’s exactly what Claude was saying, that will be the future and there’s only one thing that we all have to keep in mind, it’s the Erasmus program which is a real breakthrough for Europe. The last one, and it is sort of a taboo, is recruiting foreigners. Because when we are talking about mobility, we are also always talking about insiders. Why don’t we talk about recruiting foreigners? It’s very difficult to do because it’s hard to manage, not only for people who are already in the company, but people who have never lived in the country where they are going. This is very important for the human resource function but also to think about. How can I do it? What does it mean for me to recruit foreigners? How can I be attractive for those people too? So, what is very difficult is that the companies, and the HR function, is to deal with those four kinds of

mobility at the same time and as we cannot do it the same way, it's too easy to say "but your policy is wrong". No, the policy is not wrong. But the big domain that we have to deal is very difficult to tackle. Once again, there is something that is very interesting. When you ask people why should you be mobile, what's the driver? It's very difficult to define a driver. Is there a period of time when the unemployment rate is high and is going to generate mobility? Quite often, the answer is no. Because unemployment in my area is high, but the risk I'm going to take to discover a new world is probably higher than in the country or in the area where I am. And just the opposite, when the unemployment rate is low, why should I go somewhere else? If everything is cool where I am. So something that we must understand as HR managers, is that mobility has a direct link to trust and to a positive vision of the future. And everything we can do, I would say within the companies, to establish this trust and establish the fact that it's positive for the person who is going to be mobile will make mobility easier. That's the first thing I wanted to highlight. The second: I want to be much more specific. We are conducting right now a large survey about international mobility and European mobility with 50 companies, not only French ones, with more than €1 billion in revenue. Honestly, maybe this is a choice of people who are working well, but when I'm reading about international mobility, I confer that it's a great job. So, let's not blame ourselves. I would say the age of function made the job, the way it's written, the way it's supposed to be operated sounds good. No doubt about that. Something that happens nevertheless, or seems to be important, is that care is as important as cash. People understand right now that the way they're going to be treated by the company is probably not as generous as it was in the past. This being said, that's not enough and what is very important is to try to understand what really works. With you reviewing these policies and talking with a lot of people, there are four major drivers that, in the end, enhance or not the process of this European mobility. The first one, and it's very interesting because it's the one we have started with today, is mobility works when mobility is a tool, a part of a diversity toolbox. It is very interesting to see that it's not only for a few people. It's not only for a few high potentials but it's really part of the drivers that the company wants to put in place in order to, I would say, transform the company itself. It is very interesting that, within these companies, the things have dramatically changed. Remember what Paul was saying this morning about Schneider; Jean-Pascal Tricoire asked his chief HR officer to come close to him. It is very interesting to see that Karen is located in Hong Kong, with her boss, while the finance and some other guys have stayed in Europe in particular. The second, and it's the kind of initiatives that have been launched in recent years, the companies where it seems to work well are companies where there's a sort of management of the community, of those international people. Once again, not only the expats. It could be the expats, it could be the ones who have been expat or it could be the people who are used to deal with the global world of the company. More and more we see communities of people who are used to deal with this international man sight. The third point we could see as initiative is maintaining or developing international mentoring. It's very hard to organize mentoring on a local basis and from time to time, if it happened, even if it sounds like a paradox, it's easier to make it happen on a more global scale because people know that it's very important. And the last point, and once again Jackie gave a lot of answers, I would say let's not be afraid of local regulations, with all those technical aspects that could make us say it's not possible and we cannot put it in place. Remember 15 years ago, we all started to make what I would call benefits pooling and I remember that when we did it, everybody asked why we were doing this, because it was going to be very difficult to implement. There is a new step that can be very fruitful and helpful. It's all about the expansion of the DC plans. More and more we can see defined benefits plan in Europe, which are not the same ones that would seem to converge and it's very interesting that there are some initiatives to put in place some pooling of DC plans to make this European mobility easier.

There is a specific directive to make it happen. To conclude, I want to ask: are there some specific or new initiatives? I don't think so. Are these fantastic practices? I would say yes. And the point is, at the end of the day, the way it really works depends, but that's not only for this particular process or approach, it really depends on the role model and the trust that the people can have within the leadership team.

**Isabelle Seneterre:** I have the feeling that people are moving because they are forced to move, in some countries at least. They don't have jobs in their countries, so they go find a job somewhere else, or because they feel an interest. Or, they want to feel safe. We see that for a company going from expatriation programs to international mobility like everybody, getting rid of the colonialist vision of sending the head from the head office in another country. And also because it is a reality now of having the right person for the competence and it's not only the boss, it's all of the people moving from the different countries. So that's the reality we are faced with. It is not only a question of cost as we are discussing. When we discuss that, it means not being about expatriate, we are faced with this confidence of safe where I see, in fact, three points. The first one, which is not very important for me and we are used to that, is the negotiation of the package. So it's not more really than being in the centre having a big house. So we are used to this negotiation of packages. The second one, and I will join what you said about benefits of retirement, is about retirement. It is a very difficult subject because there is a lot of uncertainty. It's not only a question that we can put very rationally, that's what you have, that's what you will get. You will keep something after in terms of retirement plus we will have the plan that we have. But we are, at this stage, not really able to give the clear picture of what it means not to be on the French retirement system. Is it better or not? And at the end, we pay more or the person feels that they will get less. Here in terms of safety and being comfortable, it's important. The other one is being safe, ok, I will go there, but what's next? Will I be able to go back? Are we happy to go there? I am not an expat, but if I want to go back to France or another country, I'm not sure that will be in my life. It's also a question of confidence, with what you do, are you ready for the country or what we do in your company when we are big company considering that we manage career development, career management, not only in our country but really globally as a global market. It's a big subject for us to be able to have everybody feeling confident. Then, I have maybe one more point that was very surprising for me when I started to look at this expatriate package. You do with what the person has in the pocket and what they will have in the country. The first time I saw that, I said it's really strange in a way and it faces to one of the big questions for HR: what do we pay for. Do we pay for the job? So we look what the person is doing and we give the money for what the person is doing. Having very different fiscal situations both in terms of charge for the companies and in terms of fiscal situation for the people, especially in France when you have a lot of charges, there is a very big difference with for instance Great-Britain where everybody is at about 40% tax. So it brings us, when you do that situation, where at the end if you go with that, you don't pay according to what people are doing. And if you do it, then you're not fair in your scale of remuneration in the country.

**Jean-Christophe Dumont:** The quick reaction is that both, particularly the Erasmus program which has been mentioned several times, and to some extent the VIE program as well, put us in a situation where you expect a person to be mobile, where you expect basically the worker or the potential worker to come to you, to come to the destination country, to come to your company and knock on your door. But I would like to reverse the question. What do you do, in your recruitment processes, to reach out to potential workers in other new countries? Obviously we know the system is a good

tool but it's not perfect, far from that. We know only a fraction of job offers go through the national employment agencies. So what do you do when you have a position to fill? Do you try to identify candidates? To make that job offer visible to your candidates?

**Paul Mayer:** Since 1999, we publish all positions in one central job advertisement except the top-level positions. They are open to anyone, and anyone can apply to a job, even a thousand kilometres away. If they have the competence, they have the possibility of competing and maybe of being recruited.

**Claude Mathieu:** To build on Paul's observation, many companies made progress in terms of employer branding. The fact that our communication is more professional in the way we want to sell the company and the jobs we've got, and for transnational companies, we insist on the advantage of having an international profile to make a successful career path within our company. That's the first one. The second is that with new technologies, especially the Internet, websites and so on, access to information is really much easier. It is easier for us to communicate – for example, at Safran, we have a talent pool of about 8,000-10,000 and we send some newsletters on a regular basis in order to feed our talent pool, saying perhaps you don't have the job you were expecting today but we open about 2,000-3,000 jobs a year for graduates, so you may find the right job in the coming months. That's the second one. And the third one, through apprenticeships, training periods, we may appeal to foreign trainees on a temporary basis, which is also a good first step in our organization, even if it's not in the native country. So that's the three breakthroughs we can witness in our company.

**Jackie Morin:** First, to say that when the provisions for free movement were introduced in the Treaty for the EU, the rationale was political and not economic. The idea was to create something that could benefit people directly. With the Maastricht Treaty, 20 years ago, it was expanded to citizens and this introduction of the is that the EU citizen is at home everywhere in Europe. Of course there has been some conflict with the fact that we still continue to have national schemes, national employment services, national social security systems... This is where we find and continue to find some conflicts. You mentioned the fact that we are addressing the obstacles, but why are we doing that? It's because our aim is free movement, our aim is to make this freedom reality. The EU has no objective in terms of mobility. Except that we see that we have some imbalance in terms of employment and demography and so on. But nowhere you will find a figure saying we should reach this level of mobility. So it's very difficult because how to make sure that freedom is a reality, that every citizen can move, and at the same time, we have all these separate systems – especially in the Euro area. And we are reflecting very much on what are the implications in terms of further steps to be taken in particular on employment schemes or taxation. The second comment you raised was the issue of return immigration. This is something we have not investigated much. There are some studies but it is quite interesting. We see from some Member States that there is a real concern with the real cost of mobility for them and the fact that mobility is not always a positive thing. We have a lot of over qualification from mobile workers and when they come back they are not in a better situation than before. It is not the situation in your companies where you organize career development, but at macroeconomic level, it can happen. This is an issue we also have. How to make mobility more successful, maybe better prepared and this is where we need to invest more, in the support actions. The work that was presented on voluntary international experience could certainly link to the alliance for apprenticeship or with an extension of this alliance. It is interesting to explore this, and maybe there are some opportunities for new ideas, when we have a new parliament and a

new Commission. It's always a good time to spread new ideas with a chance of follow-up. We try to work on transparency in order to support more labour market transparency at EU level, and it is correct that if we have better transparency, both on skills and possibilities for people to look for vacancies and for companies to look for CVs, maybe it will diminish mobility because it will have an impact and it will not be necessary anymore to move but maybe to use the resources where they are. This is also an element of action. I mention it because it's clear that we are not acting around an objective of mobility, but around an objective of better functioning of the labour market.

**Claude Mathieu:** I would just like to come back to the voluntary international experience, which we certainly need to investigate, how to accompany this. But maybe I have a question here: is it more focused on training or on working? Because this will completely change the scope of it. This is a key question. Because we sit just in the middle of two organizations, including in the European Committee but also in countries between employment market and training organization. So specifically the VIE is clearly in the working market. It is not linked with a training organization. It's after the training phase. So this is not something like apprenticeship. We have apprenticeship programs. But this is when it is over and you are in a working contract. That is what makes it more complex because you are directly into the working regulations. There is clearly a lead and now we need to understand and to identify what could be the best way for make it happen.

**Isabelle Seneterre:** I fully support. I have 15 French VIEs and I would take 50 Europeans if you build the program.

**Claude Mathieu:** I can order for Safran, we have 150 VIEs and we can like this order about 50 to 70 European VIE coming to France.