Labour mobility and recognition in the regulated professions
Labour mobility and recognition in the regulated professions

Abstract
This study analyses the impact on labour mobility and employment of the 2013 revision of the Professional Qualifications Directive (DIR 2005/36) and related EU initiatives. It analyses trends in mobility and recognition, focusing on the health sector and four country case studies - Germany, Italy, the Netherlands and Romania. It reports findings from consultations with stakeholders at EU and national level and highlights best practice.

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<tr>
<td>Active</td>
<td>Any person who is either employed or unemployed (EU Labour Force Survey (EU-LFS) definition)</td>
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<td>BIBB</td>
<td>Federal Institute for Vocational Education and Training <em>(Bundesinstitut für Berufsbildung)</em></td>
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<tr>
<td>BIG ACT</td>
<td>Act on Professions in Individual Healthcare <em>(Wet op de Beroepen in de Individuele Gezondheidszorg)</em></td>
</tr>
<tr>
<td>BMBF</td>
<td>Federal Ministry of Education and Research <em>(Bundesministerium für Bildung und Forschung)</em></td>
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<tr>
<td>BMWi</td>
<td>The Federal Ministry for Economic Affairs and Energy's <em>(Bundesministerium für Wirtschaft und Energie)</em></td>
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<tr>
<td>BQ Portal</td>
<td>Information portal for foreign professional qualifications</td>
</tr>
<tr>
<td>CBGV</td>
<td>Commission for Foreign Healthcare Graduates <em>(Commissie buitenslands gediplomeerden volksgezondheid)</em></td>
</tr>
<tr>
<td>CEFR</td>
<td>Common European Framework of Reference for Languages</td>
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<tr>
<td>CIBG</td>
<td>Central Point of Information Healthcare Professions</td>
</tr>
<tr>
<td>CNRED</td>
<td>National Council of Equivalence and Recognition of Diplomas <em>(Centrul Național de Recunoaștere și Echivalare a Diplomelor)</em></td>
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<tr>
<td>Employed</td>
<td>Any person who, during a reference week, worked for at least one hour, or had a job or business but was temporarily absent (EU-LFS definition)</td>
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<td>EPC</td>
<td>European Professional Card</td>
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<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EU-2</td>
<td>Bulgaria and Romania</td>
</tr>
<tr>
<td>EU-8</td>
<td>Poland, Czech Republic, Slovenia, Slovakia, Hungary, Lithuania, Latvia, Estonia</td>
</tr>
<tr>
<td>EU-28</td>
<td>This term refers to citizens of the 28 Member States of the European Union</td>
</tr>
<tr>
<td>EU-28</td>
<td>All current EU Member States</td>
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</tbody>
</table>
**IAK**  Integral Assessment Framework  
*Integraal Afwegingskader*

**IMI-system**  Internal Market Information System

**Inflows**  Inflows refers to the sum of all persons (of another nationality and/or previously living in another country) who moved to a certain country during a certain year

**INAPP**  Institute for the Development of Vocational Training for Workers

**KNMG**  Royal Dutch Medical Association  
*Koninklijke Nederlandsche Maatschappij tot bevordering der Geneeskunst*

**Mobility**  This term refers to migration of EU-28 citizens within the EU

**MIGEP**  National Federation of the Social and Health Professions

**NAP**  National Action Plan

**NUFFIC**  Dutch organisation for internationalisation in education

**OSS**  Health auxiliary professional  
*operatore socio-sanitario*

*Professional Qualifications Directive*

**PQL**  General Act on the Recognition of EU Professional Qualifications  
*Algemene wet erkenning EU-beroepskwalificaties*

**Stocks**  Stocks of mobile workers refers to the total number of EU citizens that live and work in an EU country other than their citizenship in a certain year; stocks of foreign-trained doctors and nurses refer to the total number of doctors or nurses working in a certain country in a certain year, who received training in another country. Stocks refer to a certain population at one specific date.
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EXECUTIVE SUMMARY

Background

Directive 2005/36/EC, or the Professional Qualifications Directive (PQD), establishes an EU system of recognition of professional qualifications to facilitate intra-EU mobility of professionals. It was designed to overcome problems linked to complicated, expensive and time-consuming national procedures for getting foreign qualifications recognised, which is an essential first step for a professional accessing employment in another EU Member State. The PQD was revised in 2013 (Directive 2013/55/EU) to further deregulate and simplify the EU recognition process in order to facilitate mobility of professionals within the EU.

Aim

This study aims to provide the Members of the European Parliament’s Employment and Social Affairs Committee with an up-to-date overview of how the EU system of recognition of professional qualifications works and what the effects are of the implementation of the revised PQD and related initiatives on labour mobility and employment within the EU. The study draws general lessons based on evidence of areas where there is need for further action, feeding into policy and research recommendations.

Findings

The main conclusion based on desk research, interviews with stakeholders and in-depth case studies on selected Member States (Germany, Italy, the Netherlands and Romania) is that the automatic recognition procedure, which is available for professions where the minimum training requirements are harmonised at EU level, works well. Stakeholders agree that this system has facilitated mobility of health professionals (doctors and nurses).

Concerns exist, however, in relation to the complexity and length of procedures under the general recognition process. Differences in the education and training requirements and issues with cooperation between competent authorities across the EU are the main obstacles to effective recognition of qualifications in contrast to the automatic system.

Evidence and data on the impacts of the revised PQD and related initiatives on labour mobility and employment within the EU, is limited. This is largely due to the relatively short period of time that has passed since January 2016 when Member States had to ensure full compliance with the amendments introduced by Directive 2013/55/EU. The available information suggests that the impacts are positive but limited:

- The European Professional Card (EPC) has not been widely used, but has benefited one profession for which it is available – mountain guides;
- The Internal Market Information IMI-system, which is used for issuing the EPC, exchange of information between Member State competent authorities and issuing of alerts, is considered one of the success stories of the European-wide recognition system as it substantially facilitates exchange of information;
- Partial access to professions has been granted in a limited number of cases;
- Temporary provision of services is still not significant enough to effectively add to mobility and employment within the EU, although the number of professionals using this regime is gradually increasing;
Labour mobility and recognition in the regulated professions

- To date only one common training framework (common training test for ski instructors) has been proposed to expand the automatic recognition of professional qualifications;
- Despite the introduction of Points of Single Contact, problems with regard to access to information still remain, and procedures cannot always be completed by electronic means;
- The aim of the mutual evaluation exercise was voluntary deregulation and removal of unnecessary professional restrictions, but on the whole this aim has not been achieved;
- With the introduction of the EU Regulated Professions Database, transparency of regulatory requirements across the EU has increased, but issues remain as information is at times incomplete or missing.

The trends in labour mobility suggest that the number of active EU-28 movers and of those working in the health sector has increased continually since 2008 when looking at the development of stocks. Decisions on recognition of qualifications also show a continuous increase between 2012 and 2016 in general, with a particularly strong increase during that time for nurses.

Trends in mobility are, to a large extent, shaped by economic and legal developments in sending and receiving countries. Half of all EU citizens move for employment reasons. Important pull factors are an increasing demand for labour in many countries, especially in the health sector, as well as higher salaries and better working conditions.

The continuously high share of positive decisions on recognition of qualifications (around 85% or higher since 2011) across all regulated professions, suggests that recognition should not constitute a key obstacle to mobility. Nevertheless, there are significant differences between professions and countries of origin in successful applications for recognition. The lack of recognition, or issues related to the recognition process, may constitute a barrier.

The main issues related to the recognition process itself include the complexity and fragmentation of the process, duration and costs, as well as lack of access to information on the recognition process (e.g. when it is only provided in the host country’s language). For professionals, the main barriers are the language proficiency requirement of the host state and the total time needed to access the labour market (which includes preparing the application for recognition and, after recognition, fulfilling additional requirements, such as passing language tests, registering with professional authorities, etc.).

**Recommendations**

The above findings have highlighted various obstacles to mobility within the EU. To tackle some of them, the study has identified the following policy recommendations:

- More widespread awareness-raising of existing EU tools (such as the EPC) is required to encourage professionals to use them;
- National recognition procedures need to become more transparent and guidance for professionals throughout these procedures needs to be improved. This process can be encouraged and supported by EU policymakers;
- In particular, the accuracy and completeness of information on regulatory requirements in the EU Regulated Professions Database, as well as in equivalent national websites, needs to be improved so professionals are well aware of the requirements they have to fulfil in the host Member State;
To make the IMI-system genuinely effective in reducing the time for recognition of professional qualifications, the functionality of the IMI-system needs to be improved; all competent authorities should be engaged in using the IMI-system and they should be provided with regular training;

To ensure that professionals with qualifications recently introduced in Member States can also benefit from the automatic recognition system, a more regular update of Annex V of the PDQ is required;

The accuracy and completeness of information and statistical data in the EU Regulated Professions Database needs to be improved to enable the evaluation of trends in the recognition of qualifications and the use of the different recognition regimes.

More data and transparency of information is required both at EU and national levels to understand and tackle the issues hindering the effective implementation of the PDQ in practice. To this end, the following research recommendations have been identified:

- Understanding the underlying reasons why Member States regulate professions in a specific way to facilitate harmonisation of professional requirements;
- Analysing how and why the types of decisions (automatic, general with or without conditions) differ between the countries of origin, in order to take targeted approaches to harmonisation or the facilitation of the recognition procedure; Analysing in detail the obstacles to the wider use of the EPC, especially for professions which are generally more mobile (e.g. general care nurses);
- Research into the difficulties Member States face when applying the partial access system in order to potentially provide them with guidance on how to address these difficulties.
1. **INTRODUCTION**

**Aim**

This study has been commissioned by the European Parliament’s Employment and Social Affairs Committee to provide its Members with an up-to-date overview of the EU system of recognition of professional qualifications, established under the Professional Qualifications Directive (PQD)\(^1\). The main objective of the PQD is to facilitate labour mobility, thus this study aims to understand the effects of the PQD and related initiatives on labour mobility and employment within the EU.

**Methodology**

The study seeks to address a set of research questions to understand the effects of the PQD and related initiatives by looking at three specific impact areas:

- How Member States regulate professions;
- How the system of recognition of foreign professional qualifications works;
- The conclusions that can be drawn from available data in relation to trends in recognition decisions and labour mobility in the EU.

Table 1 below describes in more detail the scope of the research per impact area and provides reference to the specific chapter of this study where the relevant assessment is provided.

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<td>highlighting differences between Member States;</td>
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<td></td>
<td>• Examines the effects of the PQD (mutual evaluation exercise) on</td>
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<td>Member States’ approaches to occupational regulation, in particular removal of unjustified regulatory barriers.</td>
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<tr>
<td>Recognition process</td>
<td>Chapter 4:</td>
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<tr>
<td></td>
<td>• Describes the key amendments made to the PQD in 2013;</td>
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<tr>
<td></td>
<td>• Examines the effects of these amendments on simplifying and improving recognition procedures and thereby facilitating mobility and employment in the EU.</td>
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<tr>
<td>Trends in recognition of qualifications and mobility</td>
<td>Chapter 5:</td>
</tr>
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<td></td>
<td>• Examines the trends in recognition of qualifications and labour mobility in the EU, highlights key drivers behind the trends and analyses the extent to which the recognition of qualifications and related issues could potentially hinder labour mobility.</td>
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The study is based on extensive desk research, complemented by stakeholder interviews. It covers both the horizontal and sectoral effects of the implementation of the PQD. Horizontal analysis looks at effects relevant for a wide range of professions covered by the PQD. Sectoral effects are analysed looking at a narrow range of professions, in this case health professionals.

To gain meaningful insight into the different national factors influencing recognition of qualifications, four Member States – Germany, Italy, the Netherlands and Romania - were selected as case studies. This selection balances countries with high numbers of recognition decisions, countries with high numbers of qualified professionals emigrating, and coverage of diverse regulatory systems. Such diversity includes differences in types of regulation, as well as the intensity of regulation. Other significant factors considered in the selection of the case studies included differences in the labour market situation (e.g. shortages of certain professionals, levels of remuneration), levels of government, the role of social partners in recognition of qualifications, and any recent reforms in the area of recognition of qualifications. Taking all these factors into account has facilitated an evaluation of the link between such reforms and the implementation of the PQD and related EU level initiatives.

The country case studies focus on health professionals, with professions in other sectors used for comparison where relevant. Findings from the case studies are referenced throughout this report, while the completed case studies are annexed to the study.

An analysis of statistical data complemented the study, for two primary purposes:

- To provide an overview of trends in labour mobility, and the mobility of health professionals, in particular;
- To analyse the extent to which the recognition of qualifications could potentially hinder labour mobility.

**Limitations**

There are a number of challenges associated with this study, such as the diversity of occupational regulation within the EU, the complexity and singularity of national contexts, the broad non-regulatory context, information and data gaps, as well as a limited timeframe. This study does not provide comprehensive findings about the implementation of the PQD, nor is it intended to. Rather, it draws attention to the need for further action, based on stakeholder opinions and desk research.

It should be noted that a relatively small number of stakeholders were contacted for the study, and their response rate varied greatly, especially among those Member States selected for the case studies. Italy, in particular, yielded few case study responses.

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2 The analysis used three types of data sources: EU Labour Force Survey (EU-LFS) data on EU citizens living and working in a EU country other than their citizenship ('EU-28 movers'); data on decisions on applications for recognition of qualifications from the Regulated Professionals Database, maintained by DG GROW; data on foreign-trained doctors and nurses from the OECD Health Workforce Migration Database.

3 Data were mainly retrieved from the EU-LFS and different Eurobarometers.
2. CONTEXT AND STATE OF PLAY

KEY FINDINGS

- It is a Member State competence to regulate access to, and pursuit of, regulated professions. The resulting absence of a unified EU approach makes it more difficult for professionals qualified in one Member State to exercise their profession in another.

- To minimise the difficulties faced by mobile professionals in getting their qualifications recognised abroad, the EU introduced the Professional Qualifications Directive (PQD), which was modernised in 2013. Member States were to ensure full compliance with the revised PQD by 18 January 2016. However, the infringement procedures initiated in 2018 and 2019 against (almost) all Member States indicate issues with the quality of the transposition measures. This is likely to affect proper implementation of the PQD in practice.

- The EU has put in place measures to prevent the adoption of disproportionate regulatory requirements. Directive (EU) 2018/958 sets out an analytical proportionality framework for Member States to use when reviewing existing or proposing new regulations of professions, to be transposed by 30 July 2020. It does not, however, require Member States to change existing regulation, which remains a national prerogative.

Based on the Regulated Professions Database, the total number of regulated professions in the EU currently exceeds 5,700\(^4\). These represent 800 different categories of regulated professions. The most highly regulated are the health and social services, business services, transport, public services and education sectors. It is estimated that at least 50 million people (some 22\%) of the labour force in the EU need some kind of prior authorisation to access and exercise their profession\(^5\). This number varies from 14\% in Denmark to 33\% of people in Germany\(^6\).

It is the competence of Member States to regulate a profession, if at all. There are therefore significant differences across Member States in the numbers of regulated professions, the bodies setting out the regulation (governments or representatives of a profession), and type and intensity of regulation, even within the framework of a single profession. In practical terms, this means that professionals qualified in one Member State might find it difficult to access and exercise their profession in another. Where they do not fully meet the requirements imposed by that other Member State, they might need to undergo costly and time-consuming procedures before gaining access to the labour market there\(^7\). Different regulatory regimes may thus affect the ability of EU citizens to fully benefit from the very freedoms that underpin the EU – the freedom of movement of workers and the freedom to provide services.

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In order to minimise these difficulties, the EU has put in place a system of recognition of professional qualifications from other Member States. Directive 2005/36/EC (the Professional Qualifications Directive, PQD) sets out the rules under which Member States recognise foreign qualifications so that professionals may provide their services across borders. The PQD describes rules for three systems of recognition:

- **Automatic recognition system** (for professions with harmonised minimum training requirements, such as nurses, doctors, dental practitioners, pharmacists, architects);
- **General recognition system** (for other regulated professions, such as teachers, translators and real estate agents);
- **Recognition on the basis of professional experience** (for certain professional activities, such as carpenters, upholsterers, beauticians).

Although this system has helped to facilitate labour mobility within the EU, the 2011 evaluation of the PQD revealed various obstacles to recognition of qualifications, chiefly due to insufficient access to information, and the complexity and length of procedures, in particular under the general system. Based on the Internal Market Scoreboard, through the years, recognition of professional qualifications has proved one of the main problem areas for EU citizens in other Member States.

The PQD was amended by Directive 2013/55/EU, with the main goal to simplify and further harmonise the recognition rules to make the recognition process faster, simpler, more accessible and more transparent. Key amendments include:

- the introduction of the **European Professional Card** (EPC), an electronic certificate allowing cardholders to obtain recognition of their qualifications in a simplified and accelerated manner;
- mandatory use of the Internal Market Information IMI-system to enhance exchange of information among Member State competent authorities, including sending of alerts or informing all other Member States of professionals suspended or prohibited from practising their professional activity (for selected professions, e.g. health professions, education of minors);
- **partial access** to a profession to practise part of that regulated profession’s activities in another Member State;
- better access to information and the recognition processes through Single Points of Contact.

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9 Minimum training requirements for automatic recognition of professionals are listed in Annex V. However, the Annex also includes a list of all qualifications that meet these requirements. Where the qualification is not listed in Annex V, it may be recognised under an acquired rights regime (number of years’ professional experience), or under the general recognition system, where the professional might be required to sit an aptitude test or complete an adaptation period (i.e. undertake compensation measures).
14 The EPC has been available since 18 January 2016 and is open to five professions (general nurses, physiotherapists, pharmacists, real estate agents and mountain guides).
Directive 2013/55/EU also introduced an amendment that is less directly linked to the improvement of the recognition process but which aims to understand the reasons behind the different regulatory regimes across the EU – the **mutual evaluation exercise**. Here, Member States screened their regulated professions to see if the requirements imposed on professionals achieve the intended results (e.g. protect a specific public interest, which is the rationale behind regulation) without creating unnecessary burdens.

To this end, Member States were required to submit their National Action Plans (NAPs) to the European Commission. The Commission’s analysis of those NAPs revealed **significant issues with how Member States approach occupational regulation**. It became apparent that in many cases the effects of regulation are not sufficiently analysed, leading to unnecessarily burdensome and outdated rules that can make it difficult for qualified candidates to access regulated professions\(^{15}\).

One of the measures adopted by the EU included **Directive (EU) 2018/958\(^{16}\)**, setting out an **analytical proportionality framework** for Member States to use when reviewing existing regulations of professions or when proposing new ones. The deadline for transposition of this Directive into Member State laws is 30 July 2020. However, this Directive will not apply to existing regulations, leaving as a national prerogative the implementation of any required reforms and or changes to the regulations of specific professions. To aid this process, the Commission has formulated specific **recommendations**, based on the comparative analysis of NAPs for seven professions (architects, civil engineers, accountants, lawyers, patent agents, real estate agents and tourist guides). Reform recommendations and the proportionality test aim to refine Member States’ approaches to regulation by ensuring better regulatory practices\(^{17}\).

Member States were required to ensure full compliance with the revised PQD **as of 18 January 2016**. However, on 19 July 2018, the Commission announced infringement decisions against all Member States (except Lithuania) for failure to comply with the PQD. Further letters of notice to all Member States (except Denmark and Lithuania) were sent on 24 January 2019. On 7 March 2019, the Commission took the next step and sent reasoned opinions to 24 Member States regarding:

- **Transparency and proportionality of regulatory obstacles**: Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK.

- **EPC**: Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Finland, France, Hungary, Italy, Portugal, Romania, Slovakia, Slovenia and Sweden.

- **Alert mechanism**: Austria, Belgium, Croatia, Denmark, Estonia, France, Germany, Latvia, Malta, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

- **Partial access to a professional activity**: Austria, Belgium, Croatia, Denmark, Estonia, France, Germany, Hungary, Latvia, Malta, Poland, Slovakia, Slovenia and Sweden.

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• **Proportionality of language requirements:** Belgium, Bulgaria, Croatia, Germany, Poland, Romania and Slovakia.

• **Setting up assistance centres:** France, Hungary, Italy and Portugal\(^\text{18}\).

This indicates that there are issues with the quality of the transposition, which may also affect its implementation in practice. This study, therefore, aims to understand how the revised PQD functions in practice and to identify outstanding issues from the perspective of facilitating labour mobility and employment within the EU.

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3. OCCUPATIONAL REGULATION IN THE EU

KEY FINDINGS

- There are significant differences between Member States in how they regulate access to, and pursuit of, professions. The type and intensity of regulation differs even within the framework of a single profession. The reasons for these differences are not always clear, nor even objectively explained, as demonstrated by the mutual evaluation exercise.

- Even necessary and well-justified regulation has economic implications. The mutual evaluation exercise pinpointed cases where Member States did not appropriately assess the effects of regulation, leading to disproportionate and unnecessary regulation and negatively affecting Member States’ economies, fragmenting the EU Single Market and hindering highly skilled workers’ access to their professions.

- The primary reasons for the insufficient quality evaluation of regulation include Member States’ lack of a clear analysis framework to assess the regulation, and insufficient transparency and inclusiveness of the process. Involvement of stakeholders varies considerably: it may be obligatory or voluntary, and may involve some but not all of the relevant stakeholders (often only those members of the profession in question).

- The effects of the mutual evaluation exercise on Member States’ approaches to occupational regulation are mixed. Member States that are known to support Single Market developments have a greater interest in deregulation and removal of unjustified restrictions. Other Member States, for various reasons (including the lack of political will / insufficient resources) are less concerned. Overall, this exercise did not deliver the expected results.

3.1. Rationale for occupational regulation

The term ‘occupational regulation’ refers to regulatory requirements that govern entry into occupations and subsequent conduct within them. Regulation is imposed by governments (national, regional or even local level) or, where self-regulation is allowed, by representatives of a profession or an industry.

Occupational regulation can take various forms, most often a combination of specific qualification requirements (minimum degree, requirements to pass exams, mandatory traineeships), together with other restrictions on practice, such as registration with a professional organisation or insurance requirements.

Occupational regulation has both advantages and disadvantages: while necessary to protect vulnerable consumers and assure quality of services, it can also limit competition and prevent innovation. Restrictions in competition often lead to higher prices and more limited choice and variety of services. Some studies have also shown that regulation may even have the effect of lowering quality overall.

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Table 2 below presents the most common advantages and disadvantages of occupational regulation. A more detailed discussion of the economic impacts of occupational regulation (based on review of literature) is provided in Chapter 3.3.

### Table 2: Common advantages and disadvantages of occupational regulation

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting the <strong>proper functioning of an economy</strong> by protecting consumers, the public good (e.g. cultural heritage), third parties or society as a whole</td>
<td><strong>Lower competition</strong> among professionals, potentially leading to higher prices, less consumer choice, lower quality of services and fewer incentives for innovation</td>
</tr>
<tr>
<td><strong>Increased consumer certainty regarding quality</strong> of service (when consumers cannot evaluate the quality of such services themselves, e.g. provided by electricians)</td>
<td><strong>Decrease in mobility</strong> of professionals (e.g. shortages in labour market cannot be sufficiently addressed as mobility is hampered by regulation)</td>
</tr>
<tr>
<td><strong>Higher wages</strong> for those practising regulated professions</td>
<td><strong>Wage inequality</strong> (in particular in cases of strict regulation, such as licensing)</td>
</tr>
</tbody>
</table>

The main reason for regulating a profession is to prevent serious harm to **public interests**. With every type of service provision there is a risk that ‘execution will be substandard, that persons or goods could sustain damage, or that rights will be infringed’

Where the risk is high, government intervention in the form of regulatory requirements could be a justified response. However, the costs and benefits of any regulatory intervention need to be carefully weighed, as even justified regulation has economic implications.

Member States typically invoke **public interests** such as protection of public policy, security and health, consumers, recipients of services or third parties, environment, public good (cultural heritage), safety and even public trust. Other, less common public interest justifications are the goal of raising the prestige of the occupation in question and creating a professional reputation. Such justifications can be observed in Lithuania, for example, which has put in place entry requirements for some occupations.

The **risk to public interest** in relation to many professions is obvious. For instance, surgeons must have the required surgical skills to conduct safe operations, thus regulating access to this profession is justified by public health interests. However, at times, Member States identify risks differently. For example, some Member States regulate tourist guides to protect consumers, while others argue that there is no overriding reason to regulate this profession. The regulation of tourist guides is usually based on considerations of cultural, historical, archaeological and artistic heritage and its proper

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appreciation. However, consumer behaviour has evolved, with knowledge relating to cultural and heritage sites more readily available through other means, including digital information sources.\(^\text{28}\)

It could be expected that all things being equal, the same public interests would be at stake in all Member States. However, this is clearly not the case, raising questions about the underlying reasons for such differences.

### 3.2. Differences in Member States’ approaches to regulation

Generally, the ways in which Member States regulate a profession stem from a number of factors, such as:

- the importance that society attaches to protecting specific general interest objectives;\(^\text{29}\)
- the efficiency of different administrative and judicial supervisory arrangements (other than regulation);\(^\text{30}\)
- economic and labour market situations;
- the relative economic importance of the sector for the country in question;
- the strength of vested interests.\(^\text{31,32}\)

The four case studies show that Member States’ political preferences and traditions also play a significant role. Most notably, Member States with more liberal views (e.g. the Netherlands) will argue for less regulation and thus will find fewer reasons to intervene. By contrast, Germany favours more regulation, as it is perceived as an indication of quality. This is due to the importance Germany has historically attributed to its *Meisterbrief* (master craftsman’s certificate) as the foundation of quality.

Differences between Member States’ approaches to regulation are also likely to be due to the impact of regulation (or no regulation) not always being appropriately assessed. The mutual evaluation exercise revealed that Member States often note the general interest protected by regulation but fail to identify any specific risks. Even where the specific risk was identified, in many cases there was insufficient analysis of how the given measure was intended to tackle these risks.\(^\text{33}\)

One reason for insufficient assessment of regulatory impacts is the lack of a clear framework established by Member States for this purpose.\(^\text{34}\) Directive (EU) 2018/958 on a proportionality test -


\(^{29}\) External incidents can lead to stricter regulation, such as the financial crisis leading to calls for a tighter regulation of financial services in several countries (e.g. the Netherlands).

\(^{30}\) The second factor may be further clarified by the example of the profession of architect, which is not regulated in three Member States (Sweden, Denmark and Finland). These countries provide for alternative mechanisms to regulation to protect the objective of general interest. For instance, in Denmark, the Danish Building Act regulates much of the construction process in terms of safety and standards criteria, and it is the Danish municipal authorities who exercise oversight of this, largely through the building permit application process; Mutual evaluation of regulated professions, Overview of the regulatory framework in the construction/craft sector by using the profession of electricians as example; Report based on information transmitted by Member States and on the meeting of 24 November 2014, GROW/E-5, 27 October 2015.

\(^{31}\) In relation to the strength of vested interests, economists have commonly argued that discrepancies between approaches to regulation may stem from the ability of professional bodies to influence government policy through lobbying, and it can also serve some government interests (e.g. as an ‘insurance policy’ against professional malpractice cases); Koumenta, M. and Pagliero, M., Measuring Prevalence and Labour Market Impacts of Occupational Regulation in the EU, 2016, p. 14.


\(^{34}\) ibid, pp. 21-24.
with which Member States will have to comply from July 2020 - may address this issue. However, it is up to the Member States to extend the use of the analytical framework of this Directive to existing regulation. As explained in Chapter 2, the Directive will only apply to new regulation or changes to existing systems.

Another reason for insufficient assessment of regulatory impacts is insufficient transparency and inclusion of relevant stakeholders in the assessment process. It appears that in some Member States, consultation with stakeholders is not always required. In addition, Member States tend to consult exclusively with professional organisations (which represent the interests of their members) and do not involve consumers or competitors who could challenge disproportionate regulation. The case studies conducted for this study illustrate considerable differences between Member States in this regard (see Table 3).

Table 3: Examples of stakeholder involvement in developing regulation in selected Member States

<table>
<thead>
<tr>
<th>Member State</th>
<th>Involvement of stakeholders in design and evaluation of regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>The Netherlands has a deep-rooted culture of social dialogue which entails obligatory consultation with stakeholders. In the health sector, for instance, the stakeholders, involved in the process of assessing regulation are the professional organisations. Giving full visibility to the stakeholders' contributions is good practice for highlighting the transparency of the process. When setting out new professional regulations, the government must include a round of public consultation, open to the general public, including consumers.</td>
</tr>
<tr>
<td>Romania</td>
<td>Stakeholders, including the chambers, trade unions and professional associations, are involved in the design of occupational regulation through Sectoral Committees, which participate in legislative processes. Stakeholders may also contribute through the Social Dialogue Commissions, which are created within each Ministry. In addition, an online consultation procedure is activated to allow all people to contribute to the design of legislation. Despite the various forms of stakeholder engagement, however, their voice and influence on policy development is not strong enough. This may be due in part to a lack of sufficient time for consultation, as well as the internal weaknesses (insufficient resources, for example) of social partners.</td>
</tr>
</tbody>
</table>

3.2.1. Type and intensity of regulation

Description of regulatory differences

Member States use various methods and models to regulate similar professions. For professionals, this means that they may face different regulatory regimes, qualification requirements, and other entry and exercise requirements, depending on the Member State in question. Most regulated professions are regulated by reserved activities (72%), sometimes in addition to title protection (15%). These are the most stringent forms of regulation, compared to cases where title alone is protected (11%)37.

Table 4 below outlines and briefly explains the most common types of regulation in the EU. Examples are provided with reference to health professions, illustrating how regulation usually becomes stricter with growing risk to protected interests. However, the ways in which Member States qualify risk vary, thus the same profession can be regulated by rules that are more or less strict in different Member States.

35 ibid, pp. 28-29, 70.
36 ibid.
States. Luxembourg, for instance, regulates 137 of 236 regulated professions by both reserved activities and protected titles, thereby applying the strictest form of regulation to professions ranging from bookbinders to electricians\(^{38}\). By contrast, the UK and Germany typically use simply the protection of title, a less strict regulation. In the UK, this applies to around 80 professions, including several in construction, engineering, finance and insurance\(^{39}\).

Table 4: Most common types of regulation in the EU\(^{40}\)

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protected title(^{41})</td>
<td>Title protection is appropriate if there is a risk that the interests of the client would be insufficiently protected without it. A protected professional title is a signal to consumers and employers that the holder meets the particular qualification requirements, although they remain free to hire professionals who do not hold the title. The use of professional titles is protected by law. Often, professionals must register with competent authorities or organisations to use a particular title. An example of professions falling in this category is psychologist, which is regulated through protected title (without reserve of activities) in eight Member States(^{42}).</td>
</tr>
<tr>
<td>Reserved activity(^{43})</td>
<td>Reserved activities refer to professions where certain activities are reserved to the holders of a specific professional qualification. This means that only those who can demonstrate the required level of competence may perform these activities. It is illegal to practice without a licence. If third parties were to suffer significant negative effects from insufficient execution by a professional and those risks are not sufficiently covered in the agreement between the client and the professional, it would generally be proportional to reserve the activity. There should be a clear connection between the scope of activities covered by a profession or reserved to it and the professional qualification required. Examples of professions falling within this category are veterinary surgeon, which is regulated through reserve of activities in 12 Member States, and pharmacist and dental practitioner, both regulated through reserve of activities in nine Member States(^{44}).</td>
</tr>
<tr>
<td>Protected title + reserved activity</td>
<td>Regulation by way of reserved activities and protected professional title should be considered where the measures aim to prevent a risk of serious harm to public interest objectives, such as public health. This is the most restrictive type of regulation. Examples of professions falling into this category are surgeons and neurologists, both regulated through reserve of activities and protected title in nine Member States(^{45}).</td>
</tr>
</tbody>
</table>


\(^{40}\) This table incorporates information from various sources: Communication on Evaluating national regulations on access to professions, (COM/2013/0676 final); Directive (EU) 2018/958 on a proportionality test; the Action Plan of the Netherlands (NAP).

\(^{41}\) ‘Protected professional title’ is a form of regulating a profession where the use of the title in a professional activity or group of professional activities is subject, directly or indirectly, by virtue of legislative, regulatory or administrative provisions, to the possession of a specific professional qualification, and where the improper use of that title is subject to sanctions (Article 3(a) of the Directive (EU) 2018/958 on a proportionality test).


\(^{43}\) ‘Reserved activities’ is a form of regulating a profession where access to a professional activity or group of professional activities is reserved, directly or indirectly, by virtue of legislative, regulatory or administrative provisions, to members of a regulated profession holding a specific professional qualification, including where the activity is shared with other regulated professions (Article 3(b) of the Directive (EU) 2018/958 on a proportionality test).

\(^{44}\) Regulated Professions Database.

\(^{45}\) ibid.
Mandatory certification

Access to professional activities which require specific knowledge of technical rules or processes may be subject to mandatory certification. The main difference between this approach and the reserves of activity is that the qualification requirement is not exclusively linked to one profession. In some cases, the requirement of mandatory certification originates from EU directives (e.g. road transport).

Examples of professions falling into this category are transport operators (Directive 96/26/EC) and professionals handling toxic products (Directive 74/557/EEC, Directive 74/556/EEC).

Voluntary certification

Voluntary certification is often used by professions which are not regulated by law. Its main objective is to demonstrate professional competence, guarantee quality of services and inform consumers, in the absence of regulation.

This is the case, for example, in the Netherlands, where there are many private branch organisations in the electrical engineering sector and an educational programme must be completed before joining (e.g. technical engineering or electronics vocational secondary education). Another example is Finland, where voluntary certification has been taken up by 10% of professionals in electrical design.

Exercise requirements

Requirements that relate to the exercise of the profession include professional independence, professional ethics, supervision, liability, legal form requirements (such as shareholding). Such restrictions can only be justified to protect public interests where such protection is not possible by other means.

For instance, to provide accountancy and tax related services, a qualifying percentage of shares in the company should be held by the professionals.

Regulatory differences in the framework of a single profession

Differences can be best observed looking at one example of a profession across Member States. According to the Regulated Professions Database, nursing is the second most mobile profession (general and specialist nurses). The qualifications of general nurses can be recognised automatically because the minimum training requirements for this profession are harmonised at EU level. Despite this, professionals may still need to fulfil other requirements, which vary from country to country (see Table 5 below).

As Table 5 shows, three Member States (Italy, the Netherlands and Romania) regulate the profession of general care nursing by title protection and reserves of activities. Germany imposes only title protection, which is considered a less strict regulation. However, other requirements (e.g. territorial validity of licence) may make the regulation stricter. Stakeholders in Germany and Romania noted that an employment offer, while not required by law, is often requested by authorities in the recognition process or to register with the relevant professional association.

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46 Annex I of the Communication on Evaluating national regulations on access to professions, (COM/2013/0676 final).
48 Annex I of the Communication on Evaluating national regulations on access to professions, (COM/2013/0676 final).
49 Mutual evaluation of regulated professions, Overview of the regulatory framework in the construction/craft sector by using the profession of electricians as example, report based on information transmitted by Member States and on the meeting of 24 November 2014, GROW/E-5, 27 October 2015.
The Netherlands applies less strict rules by ensuring that some activities reserved for nurses can be shared with other medical professions. It also requires a relatively lower level of language proficiency (B1: CEFR). Given that the lack of sufficient language skills presents one of the main barriers to intra-EU mobility\(^5\), this approach can have a positive impact on a professional’s choice to practice in the Netherlands.

Table 5 below was compiled based on the EU Regulated Professions Database, which specifies professional access requirements across the EU. However, in relation to some Member States and professions (e.g. doctors and physiotherapists in Romania), information was often missing or incomplete. In the case of Romania, the situation is exacerbated, as the equivalent national websites also do not offer clear guidance (and information is often only in Romanian).

**Table 5: Comparison of regulatory requirements for general nurses in Germany, Italy, the Netherlands and Romania\(^5\)**

<table>
<thead>
<tr>
<th>Requirements(^3) for the profession of nurses</th>
<th>Germany</th>
<th>Italy</th>
<th>Netherlands</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exclusive reserved activities</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Protection of the title</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Shared reserved activities (i.e. activities not limited to one profession)</td>
<td>N/A (see above)</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Years of education and training</td>
<td>Three</td>
<td>Three</td>
<td>Three</td>
<td>Three</td>
</tr>
<tr>
<td>Number of ways to obtain qualifications</td>
<td>One</td>
<td>One</td>
<td>One</td>
<td>Two</td>
</tr>
<tr>
<td>Mandatory traineeship</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Obligation to have professional experience</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Mandatory state exam</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Continuous professional development obligations (mandatory)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Compulsory membership or registration with professional body</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Limitation of licences (quantity restrictions)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Territorial validity of a licence</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

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\(^5\) Based on information in the Regulated Professions Database and verified by national sources. In some instances, information in the Database was missing or inaccurate compared to national sources.

From the point of view of professionals, however, the more additional requirements imposed by a host country, the more difficult it can be for them to secure a job (i.e. time-consuming and costly). It may push qualified professionals to apply for jobs below their qualification level in order to ensure they have an income during the lengthy administrative procedures. While the PQD sets out deadlines for the recognition proceedings (up to five months\textsuperscript{54}), the whole process of obtaining access to the labour market may take much longer.

It should be noted that for general nurses, the automatic recognition procedure has been a great success, with some 75\% of recognition decisions now automatic\textsuperscript{55}. However, there is no information on how many professionals actually secure employment in their profession upon recognition of their qualifications. This is largely because data on recognition decisions and EU-LFS data on the actual numbers of employed healthcare workers refer to different categories: the EU-LFS allows for the identification of a person as a ‘mover’ based on their nationality or country of birth. The data also refer to ISCO categories, which may not always correspond to the definitions in the PQD. Assessing the country in which the training was received together with the EU-LFS data for individual occupations is difficult, due to low figures. Therefore, comparing the number of employed and the number of positive decisions in a certain occupation is very imprecise.

3.2.2. Impact of the Professional Qualifications Directive on Member States’ approaches

The mutual evaluation exercise was the key amendment of the PQD, with the potential to facilitate change and assist \textit{voluntary harmonisation} of Member States’ approaches to occupational regulation. This process invited Member States to evaluate the various barriers in place limiting access to certain professions\textsuperscript{56}. It was expected that comprehensive analysis of national regulation and dialogue with other Member States, in particular those applying less restrictive regulation, would lead to deregulation of some professions and removal of unnecessary professional requirements. However, this exercise did not deliver the reform expected\textsuperscript{57}.

The level of ambition in the NAPs submitted (i.e. the reports prepared by Member States, reflecting their evaluation) was very different\textsuperscript{58}. Some Member States carried out a detailed review and indicated plans for reform in some professions. Others referred to past reforms without ruling out further

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
\textbf{Requirements\textsuperscript{23} for the profession of nurses} & \textbf{Germany} & \textbf{Italy} & \textbf{Netherlands} & \textbf{Romania} \\
\hline
Knowledge of language (if yes, the level required) & Yes (B2) & Yes (level not clear) & Yes (B1) & Yes (level not clear) \\
Other & Indemnity insurance & N/A & N/A & Indemnity insurance \\
\hline
\end{tabular}
\end{table}

\textsuperscript{54} The authority must acknowledge application within one month and ask for missing documents to process the application, assess qualifications, and decide whether to grant application within three months (or four months for certain complicated cases in the area of non-automatic recognition), available at: http://ec.europa.eu/growth/single-market/services/free-movement-professionals/qualifications-recognition/automatic.nl.

\textsuperscript{55} Calculated based on data in the Regulated Professions Database (accessed 27 February 2019).


\textsuperscript{58} Annex to discussion note on regulated professions for the High Level Group on Competitiveness meeting on 3 May 2016, available at: https://www.parlament.gv.at/PAKT/EU/XXV/EU/10/15/EU_101569/imfname_10625396.pdf.
Labour mobility and recognition in the regulated professions

improvements. In other cases, ‘there seems to be a lack of political will to engage in a serious and open review of the current situation’59.

This was also illustrated by the findings of the four case studies on Germany, Italy, the Netherlands and Romania. Neither the NAPs prepared by Member States (available on the Commission’s website60) nor the stakeholder consultation identified any major changes in Member States’ approaches to regulation. In relation to Germany and the Netherlands, this may be because both countries are considered to have a clear analytical framework in place to assess regulation, and reforms were previously carried out. For Italy and Romania, it was not possible to identify either the analytical framework in place or any major changes in the approach to regulation due to participation in the mutual evaluation exercise. Transparency was lacking here.

It is worth noting that the NAPs of the Netherlands and Romania referred to the fact that regulation of many professions (aviation, shipping and land transport) are the result of agreements at the European level or international treaties. The Netherlands called on the Commission to review whether the existing regulations remain proportional and appropriate, and whether further harmonisation of educational requirements is necessary.

3.3. Review of literature on economic impacts

Studies analysing the economic impacts of regulating professions in the EU are few and limited in scope. Studies focus on a specific type of regulation (mainly licensing), occupation or specific Member States, thus cannot be applied to reach general conclusions applicable to the EU as a whole or to all professions. The existing evidence on the topic is heavily dominated by US studies. The chapter below provides an overview of empirical evidence (mainly from the US and the EU) on the impacts of regulation on different areas of the economy and the labour market. Annex 1 provides an overview of the literature reviewed, the methods used and the key findings.

3.3.1. Impact on competition

The 2007 Study on the Conveyancing Services Market for the European Commission noted a reduction in the prices of services following the deregulation of the UK’s real estate market. However, other sectoral factors, such as the transformational impact of the internet and house price trends, were found to have had a more significant impact on the fees paid by consumers for real estate services than the fact that the profession had been deregulated. It is therefore difficult to establish a clear empirical relationship between the price of services and the presence of occupational regulation.

Another study on deregulation reform61 that took place in Germany in 2004 and included the removal of certification requirements for the establishment of businesses in the craft sector found that while the number of new businesses in the deregulated occupations increased considerably, the new actors on the market did not constitute serious competition to the incumbent businesses. The lack of competition was reportedly attributed to the fact that customers in Germany valued master craftsman

61 The German Trade and Crafts Code from 2004 removed the requirement of certification to establish a business in 52 of 93 craft occupations in Germany.
certificates (which had become voluntary for the deregulated occupations) as a symbol of quality and that the goods and services provided by the new firms were not seen as ‘perfect substitutes’.

This confirms findings from a UK study outlining that recognition of the regulatory scheme by the public is important for regulation to have an impact on competition and prices. This is especially the case for voluntary schemes, such as certification, since consumers have the choice between services from certified service providers or those from non-certified ones. Scheme recognition is also important to attract potential members, so as to sustain the scheme.

3.3.2. Impact on skills

Evidence from different UK studies has found that regulation (both voluntary and mandatory schemes) increased the uptake of job-related training, the skill levels of workers and the demand for skills.

These studies, together with an independent EU-wide study from 2017, showed that the upskilling effect depends largely on the level of the entry requirements and the strength of the regulation (obligatory vs. voluntary). The EU-wide study suggests that the upskilling effect of licensing seems to kick in only when educational requirements are set above upper secondary education level, meaning at least 13 years of education. This is based on the finding that most workers in licensed occupations that only require elementary (five years) or lower secondary (eight years) education have completed a larger number of years (11 or more) of education anyway. This is reportedly also due to eight-nine years of compulsory education in most EU Member States. Thus, licensing requirements that would only be set at this level (elementary or lower secondary), would not have any upskilling effect, other than for ‘selected groups of workers, older workers or immigrants workers who were not subject to the same compulsory education requirements as the average European worker’.

The literature points out that upskilling may be a short-term effect and that if licensing regimes did not require regular updating of skills, there would be no assurance of long-term higher skills among licensed workers. Thus, re-licensing procedures might be useful to ensure regular updating of skills, as has been argued in the case of physicians, for example.

Over-regulation of skill requirements risks basing training solely on these formal requirements, thus employers would not be encouraged to provide training to or encourage employees to undertake...
additional training based on their actual gaps and needs\textsuperscript{70}.

3.3.3. Impact on the quality of services

Some of the economic literature has highlighted the potential effect of regulation on improving the quality of services by providing incentives for workers to acquire the skills necessary for the occupation in order to be ‘shielded’ against being replaced by workers with lower qualifications\textsuperscript{71}.

Nevertheless, while licensing is likely to lead to an upgrade of skills of workers in the occupation (see chapter above), such a skills upgrade may not have a direct effect on quality. Evidence on the effect of (regulated) skills (in the form of an exam) on quality of services is rare\textsuperscript{72}. One such study, a large survey in several EU Member States\textsuperscript{73} concerned nurses and found that the higher the ratio of nurses with a Bachelor’s degree, the lower the likelihood of mortality among patients and the lower the effects of poor nurse staffing, such as work left undone\textsuperscript{74}.

An article discussing these issues in the US points out that there is little evidence of the effect of licensing on service quality, as there were no studies on the relationship between a person’s successful completion of an exam and the quality of services provided\textsuperscript{75}.

Another aspect is that the positive effect of regulation on quality may not always be linked to an increase in skills. A UK study\textsuperscript{76} found that in the case of security guards, the quality of services increased after the introduction of licensing, although no upskilling as such was observed. The increase in quality was explained, at least in part, by the fact that different types of people were attracted. The licensing scheme introduced a criminal record check requirement, which reduced criminality in the sector and increased the quality.

Licensing may also have a boomerang effect on quality in the long-term, as other studies suggest\textsuperscript{77}. As high quality service providers are ‘shielded’ against competition from low-quality service providers, employers and employees in licensed occupations may not have any incentive to regularly upgrade their skills over time. In addition, higher skills requirements in regulated occupations could possibly lead to a decrease in the supply of services (as service providers would need to acquire a licence or pass exams to obtain certain certificates), and an increase in prices, which could cause consumers to opt for lower quality services (similar to those that are regulated), or ‘do-it-yourself’ options, go to parallel


\textsuperscript{71} Arrow K., Essays in the Theory of Risk-Bearing, Chicago, Illinois, Markham Publishing Co., 1971; See also Shapiro, C., ‘Investment, Moral Hazard and Occupational Licensing’, Review of Economic Studies, 53, 1986, pp. 843-862, arguing that while regulation can help to alleviate the moral hazard problems related to the quality of services, the benefits might accrue to consumers that value quality at a higher level.


\textsuperscript{73} The study RN4CAST included a survey conducted among 33,659 medical-surgical nurses working in 488 hospitals across 12 countries; patient-experience data from 11,549 patients in 217 hospitals in eight countries.


markets (unlicensed providers of services) or even decide not to consume a service, all of which would have a negative impact on consumer welfare. 

3.3.4. Impact on inequality

Effects like the lack of access to affordable quality services are likely to impact low-income consumers more than high-income ones, possibly aggravating existing inequalities. Empirical studies from the US and the EU have found that occupational licensing in the US may increase wage dispersion, for example by pushing workers who cannot obtain a licence (due to financial or other constraints) into more accessible, non-licensed occupations with lower salaries.

On the other hand, it was observed in the US that licensing of low-income occupations could raise earnings in the long-term. Evidence from the EU seems to confirm this, as it shows larger positive wage differences (also called wage premia) through licensing in low and medium-skilled occupations than in other professional groups: accordingly, wage premia were highest in crafts (+19%), elementary occupations (+10%) and service and sales (+9%) and lower for professional groups (6%).

3.3.5. Impact on employment

Theory suggests that regulation narrows the entry into an occupation and can therefore negatively affect employment in this occupation. The evidence reviewed largely confirms this assumption, although the extent of the impact depends on a set of factors, especially the stringency and level of skills required by the regulation, grandfathering rights (exemptions that are granted to incumbent workers when a new law is created) and external factors, such as the general demand for services provided by the occupation.

The largest evidence base from the EU suggests that ‘licensing can be associated with a substantial loss in employment (up to 700,000 jobs in the EU). Depending on the occupation, there could be between 3-9% more people working in a given profession should access requirements be made less.

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78 See CEDEFOP, 2013, op. cit., p. 33, citing Carroll, S.L.; Gaston, R.J., ‘Occupational restrictions and the quality of service received: some evidence.’ Southern Economic Journal, Vol. 47, No 4, 1981, pp. 959-976, which showed that stricter regulation for electricians in some US states led to lower availability of services and was associated with an increase in deaths due to accidental electrocution.


83 ibid.

84 According to the International Standard Classification of Occupations Professionals, the group of occupations subsumed in the category ‘professionals’ are defined as the following: they increase the existing stock of knowledge; apply scientific or artistic concepts and theories; teach about the foregoing in a systematic manner; or engage in any combination of these activities. Competent performance in most occupations in this major group requires skills at highest ISCO skill level (tertiary education or higher). The more specific occupations in this group include professionals from different sectors, such as health, teaching, business, information and communication. Source: ILO, International Standard Classification of Occupations, ISCO-08 Structure, Group definitions, available at: https://www.ilo.org/public/english/bureau/stat/isco/isco08/index.htm.


86 ibid, p. 59.

87 ibid.
stringent\textsuperscript{88}. Access to a profession may also be rendered more difficult precisely for the purpose of limiting the number of professionals on the market (and not only to increase quality). According to a US study on lawyers, the level of difficulty of entrance exams increases alongside the number of candidates, showing the power of professional markets to restrict access\textsuperscript{89}.

By contrast, the broad evidence from the LFS from the UK did not find any clear effect of regulation on employment that held true across different occupations\textsuperscript{90}, although this effect could be found in individual occupations (such as nursery workers)\textsuperscript{91}. The example of Italy shows that occupational mobility is considerably lower in regulated than in non-regulated occupations – the impact is especially noticeable concerning job-to-job mobility, but also in non-employment-to-job mobility. Over half of the lack of mobility can be attributed to regulation\textsuperscript{92}. Similar effects, namely reduced employment opportunities in licensed occupations, were found in the US\textsuperscript{93}.

However, deregulation does not necessarily result in an increase in employment, as the German case of the Trade and Crafts Code from 2004 shows. Although the number of businesses increased considerably in deregulated occupations, these new businesses were very small and not competitive and thus did not create an overall increase in employment (see also chapter on competition)\textsuperscript{94}.

### 3.3.6. Impact on wages

Economic theory predicts that these impacts of regulation on employment lead to a reduction of supply and competition, and, in turn, increasing prices and wages.

Evidence from the literature reviewed confirms – almost unanimously – the positive impact of regulation on wages. Again, however, the strength of the effect depends on the strictness and level of entry requirements under the regulation scheme.

A broad EU study from 2018 (based on the first EU Survey of Regulated Occupations (EU-SOR), which included a representative sample covering the labour force in the 28 Member States) found an average positive wage difference of around +4 % for workers in licensed occupations, which is lower than US estimates\textsuperscript{95}. They attributed around one-third of the wage difference to entry restrictions and the rest to the symbolic effect of licensing. They also estimated that licensing distorts wages differentially by occupation, possibly reflecting the degree to which different occupations are able to extract monopoly rents within the market. Average higher earnings among workers in regulated occupations were also found in Italy (comparing wages in all regulated to all unregulated occupations), the difference being around +8 %\textsuperscript{96}. In the UK, an overall positive wage effect was identified across the professional and associate professional occupations\textsuperscript{97}, while another UK study found a 9-19 % positive wage effect for

\textsuperscript{88} ibid.


\textsuperscript{96} Mocetti, S., Rizzica, L. and Roma, G., ‘Regulated occupations in Italy: Extent and labour market effects’, Bank of Italy, 2018, p. 8 cf.

dentists, pharmacists, accountants, architects, security guards, teachers and plumbers. Finally, the study on deregulating trade craft occupations in Germany found a negative wage effect of approximately -2.3% on wages of workers in occupations that were deregulated.

In the US, several cross-sectional studies have used population census data to analyse the impact of state licensing on wages. For instance, a 2006 study used the National Longitudinal Survey of Youth (NLSY) from 1984 to 2000 and found a 17% increase in wages among workers changing from unlicensed to licensed occupations. However, the effect ranged from 0-40%, depending on the occupational category. Another study based on large national surveys estimated a much lower premium wage of around 7.5% for the US. Other studies on specific occupations also confirmed positive wage effects from regulation.

The impact on wages does not necessarily depend on the workers' actual education and skills. As found in the US studies, persons working in licensed occupations have, on average, higher hourly earnings than non-licensed persons with similar education and skills. The effect on wages seems to be related to the stringency of licensing requirements, like in the US but also visible in Italy, where the wage premium was twice as high (+16%) for those working in strictly regulated occupations than for those in other regulated occupations (+8%).

Contradicting evidence was also found. In the case of the introduction of a licensing regime for nursery workers in the UK, there was a negative effect on wages. One possible reason is that 'more experienced, high earners' at the upper end of their career might have moved out of the occupation because they saw this as being more favourable than investing in obtaining a licence. Finally, a recent study used a large historical dataset across 50 states in the US and found no aggregate wage premium.

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98 Koumenta et al., 2014.
105 ibid.
106 Professioni ordinaristiche, which require enrolment in a professional association.
4. EFFECTS OF THE REVISED PROFESSIONAL QUALIFICATIONS DIRECTIVE

KEY FINDINGS

Given that only three years have passed since the deadline for Member States to transpose the revised PQD, there is little information from which to draw comprehensive conclusions on the impact of these amendments on mobility and employment in the EU. Nevertheless, the available data and examples of stakeholder experience provide some insight into how the revised Directive has functioned in practice to date:

- The most visible impacts from the 2013 amendments stem from the introduction of the EPC and the mandatory information exchange through the IMI-system.

- Compared to traditional recognition procedure, the EPC has not been widely used. This can be explained by the novelty of the instrument, together with factors such as insufficient awareness of the EPC, insufficient digital skills of professionals, and issues with the functioning of the online platform.

- The IMI-system, which is used for the EPC and the exchange of information between competent authorities (including issuing alerts) is considered one of the success stories of the European-wide recognition system. Areas of improvement include ensuring better training on the use of the IMI-system, engaging all Member State competent authorities in the use of the IMI-system to maximise its effectiveness, and issuing guidelines on the use of alerts, distinguishing between serious and less serious notifications.

- The partial access regime has been used in few cases, mainly in relation to the teaching profession. Not many applications for partial access were filed, leading to the conclusion that professionals may not be aware of this option. However, the high proportion of rejections indicate that authorities may also have difficulties in assessing how to ‘objectively separate’ activities of a profession to grant partial access.

- The impact of rules clarifying the provision of temporary services could not be determined either from data (which do not set out clear trends) or from stakeholder interviews. However, there is an overall positive upward trend in the number of professionals using this regime, which tripled between 2009 and 2017.

- The impact of the sectoral amendments (clarified training requirements, new routes for recognition, clarified language rules) are unclear. Some examples point to positive effects (e.g. new routes under acquired rights regime), while others suggest negative outcomes (e.g. disproportionate language rules).

- According to publicly available information, one common training framework has been established by Member States to extend the automatic recognition regime to more professions, in this case – ski instructors.

This chapter describes the key PQD amendments of 2013 and examines their practical effects on simplifying and improving recognition procedures in the EU as a means of facilitating mobility and employment in the EU.
4.1. Reasons for modernising the PQD

The revised PQD aims to simplify, clarify and further develop the rules established under the 2005 Directive, as well as to introduce new features, such as the use of modern technologies to facilitate recognition\textsuperscript{110}. Fast, simple and reliable recognition procedures are essential to support the mobility of professionals, which can help to minimise the adverse effects of evolving EU labour market challenges, such as shortages of skilled labour\textsuperscript{111}.

The PQD sets out rules that must be observed by EU Member States when recognising professional qualifications. It specifies different paths by which qualifications may be recognised. It determines, among other things, the documents that may be requested by Member States, the deadlines for examining applications from professionals, and the conditions under which Member States can impose so-called compensation measures (aptitude tests and adaptation periods) on applicants.

The automatic recognition system applies to professions with harmonised minimum training conditions, such as nurses, midwives, doctors, dental practitioners, pharmacists, architects and veterinary surgeons. The minimum training requirements are listed in Annex V. However, the Annex also includes a list of all qualifications that meet these requirements. Where the qualification is not listed in Annex V, it may be automatically recognised under an acquired rights regime (based on a number of years’ professional experience) or under the general recognition system, where the professional might be required to sit an aptitude test or complete an adaptation period. The more up-to-date Annex V is, the less need for the general system and, by extension, compensation measures\textsuperscript{112}.

The general recognition system applies to those professions where the minimum training requirements are not harmonised by the EU (such as teachers, translators and real estate agents), or where they are harmonised but the professional qualification is not listed in Annex V (addressed in the paragraph above). This is a case-by-case assessment of the professional qualifications, thus the greater the differences between the qualification requirements imposed by home\textsuperscript{113} and host Member States, the more extensive and resource-intensive the general recognition procedure becomes.

Recognition on the basis of professional experience is established for certain professional activities. In particular, professionals working in the craft, commerce or industry sectors may qualify for the recognition of professional qualification in another EU country\textsuperscript{114}. If the authorities of the host Member State find significant differences between the training acquired in the home Member State, compensation measures may be imposed.

It is important to note that for the provision of temporary or occasional services, professionals do not need to undergo a recognition process, unless the profession has public health or safety implications. Member States may require a prior notice (declaration) before the provision of services, but this is


\textsuperscript{113} Home Member State refers to the Member State where the professional obtained his or her qualification. It does not necessarily coincide with their country of origin.

optional and can therefore vary between Member States and regulated professions\textsuperscript{115}.

The 2011 evaluation of the PDQ adopted in 2005 found that legislation on the recognition of professional qualifications was \textbf{effective in facilitating labour mobility} within the EU\textsuperscript{116}, in particular for those benefiting from \textbf{automatic recognition}, such as health professionals. In fact, nurses and doctors are two of the most mobile regulated professions\textsuperscript{117}. However, the \textbf{objective of establishing transparent, uniform and quick recognition procedures has not been achieved}. The findings of the evaluation showed that concerns remain about access to information and the complexity and length of procedures, in particular under the general system\textsuperscript{118}.

Against this background, a number of amendments were introduced to the 2005 PQD. The key amendments selected for analysis in this study are listed in Figure 1 below.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{The key PQD amendments of 2013}
\end{figure}

\begin{itemize}
\item Horizontal amendments
  \begin{itemize}
  \item European Professional Card (EPC)
  \item Exchange of information and the alert mechanism (IMI system)
  \item Partial access to professional activities
  \item Improved temporary service provisions
  \item Common training principles in order to extend the system of automatic recognition
  \item Improved access to the recognition processes through Single Points of Contact
  \end{itemize}
\item Sectoral amendments
  \begin{itemize}
  \item Updated minimum training requirements
  \item New language rules
  \end{itemize}
\end{itemize}

\subsection{4.2. European Professional Card (EPC)}

\subsection{4.2.1. Background}

The EPC is an electronic certificate issued via the IMI-system. As a standardised online procedure, it allows EU citizens to obtain recognition of their qualifications in a simpler and faster manner. From 18 January 2016, the EPC is available for five professions (general nurses, physiotherapists, pharmacists, mountain guides and real estate agents). The EPC does not replace the ‘traditional’ recognition

\textsuperscript{115} Article 7 PQD.

\textsuperscript{116} Confirmed recently also by Koumenta, M. and Pagliero, M., Measuring Prevalence and Labour Market Impacts of Occupational Regulation in the EU, 2016, p. 88.


procedures, but, for these five professions, it offers a faster and less burdensome way of recognising qualifications\textsuperscript{119}.

The concept of professional cards was first introduced in the 2005 PPD but was very limited. The benefits and rights associated with the card were not specified and the concrete added value for professionals remained unclear\textsuperscript{120}. As a result, the European Parliament Resolution of 2009 on the creation of a European professional card for service providers called on the Commission to examine the initiative to assess whether the card could, in addition to other measures, achieve the following objectives:

- contribute to the security of citizens in the event of contact with a provider of cross-border services, as citizens can check the identity and qualifications of the service provider by means of the professional card;
- lead to administrative simplification and cost reductions and, in the long term, replace paper-based files and increase transparency;
- stimulate the provision of temporary services;
- stimulate the provision of appropriate services of a high standard in the EU and third countries;
- serve as means of communication of appropriate information to recipients of services in order to increase consumer health and safety;
- serve as means of communication of appropriate information to employers (in the public and private sectors) in order to facilitate cross-border recruitment\textsuperscript{121}.

The 2011 Green Paper on modernising the PPD proposed a renewed concept of the professional card built around \textit{communication technologies} to enable fast-track recognition for cardholders\textsuperscript{122}. The results of a steering group set up by the Commission in January 2011 confirmed that ‘a European professional card could help to promote cross-border mobility in the EU, in particular by speeding up and simplifying recognition procedures, giving more certainty to professionals and enhancing trust among national authorities’\textsuperscript{123}. In this context, it was also pointed out that although difficult to calculate, the potential savings for citizens and businesses would be concrete. Among other examples, the obsolescence of the certificates of conformity was cited, which would save up to EUR 80 for each professional, without considering the decrease of the translation costs which would also have been beneficial for citizens\textsuperscript{124}.

\textsuperscript{119} European Commission, Assessment of stakeholders’ experience with the European Professional Card and the Alert Mechanism procedures, SWD(2018) 90 final.

\textsuperscript{120} Recital 32 of the 2005 Professional Qualifications Directive.


4.2.2. Impacts on mobility and employment

According to the Commission, the statistics on the usage of the EPC confirm that ‘the initiative meets the policy needs well, enhances further safe professional mobility, and provides added value compared to the “traditional” recognition processes’125. The number of EPCs issued in the EU in 2016 and 2017126, however, suggest that the use of the EPC is relatively limited compared to the traditional recognition procedure (see Table 6), varying greatly across the five professions and also between Member States (see Table 6 and Table 7). In total, 2,100 applications were submitted in 2016 and 2,308 in 2017, with 743 and 1,107 EPCs issued in 2016 and 2017, respectively127.

There is a significant difference between the numbers of applications submitted and EPCs issued. However, as explained by the Commission in its assessment of stakeholders’ experiences of the EPC, only 11% of applications were rejected or refused, while in other cases they were ‘either withdrawn by the professional or closed by the system when the professional did not pursue the application and did not react to the authorities’ queries about missing documentation or fees’128.

Table 6: Comparison of EPCs issued against the overall number of positive decisions in the EU (2016 and 2017) – establishment and temporary services

<table>
<thead>
<tr>
<th></th>
<th>Mountain guides</th>
<th>General nurses</th>
<th>Pharmacists</th>
<th>Physiotherapists</th>
<th>Real estate agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPC129</td>
<td>655</td>
<td>391</td>
<td>165</td>
<td>573</td>
<td>66</td>
</tr>
<tr>
<td>Overall number of</td>
<td>437</td>
<td>29,109</td>
<td>1,339</td>
<td>2,782</td>
<td>47</td>
</tr>
<tr>
<td>positive decisions130</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The use of the EPC varies between professions. Based on the available data, it could be argued that the EPC has benefited mountain guides and real estate agents considerably, but nurses, pharmacists and physiotherapists significantly less so.

It is somewhat of a surprise that the EPC has not been more widely used by nurses, the second most mobile profession in the EU. Compared to the overall number of positive recognition decisions, nurses seem to have preferred the ‘traditional’ recognition procedures over the EPC, while the opposite is true for mountain guides and real estate agents (although in relation to the latter, the difference is small).

In explaining the low numbers, the stakeholders consulted referred to the lack of information on the

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129 European Commission (2018), Assessment of stakeholders’ experience with the European Professional Card and the Alert Mechanism procedures.
130 Includes data on establishment and temporary mobility. Data obtained from the Regulated Professions Database (accessed in February 2019).
EPC and the lack of sufficient digital skills to complete the procedure (e.g. scanning and uploading documents)\textsuperscript{131}.

The success of the EPC for mountain guides could be explained by the fact that, by its very nature, the profession is mobile. Awareness of the EPC could have been higher for mountain guides, a smaller and more organised group of professionals, than nurses, for instance.

The case studies on the selected Member States (Germany, Italy, the Netherlands and Romania) also showed \textbf{considerable variation between Member States}. Italy experienced the largest number of EPCs, which can be explained by the popularity of temporary and occasional provision of services by mountain guides in the Italian Alps. Other differences can be explained by the general characteristics of the countries in terms of labour mobility. For instance, Germany is a country of destination for most of the professions, while Romania is a country of origin. It should also be noted that the professions of mountain guides and real estate agents are not regulated in the Netherlands, thus no EPCs are issued by the Netherlands in the role of host Member State. The Netherlands has, however, issued two EPCs for the provision of temporary services of real estate agents as a home Member State, in line with the rules, which state that home Member States can issue EPCs for temporary services unless they concern professions with health and safety implications.

\textbf{Table 7: Comparison of EPCs issued in selected Member States}\textsuperscript{132} (2016 and 2017)

\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|c|c|}
\hline
 & Germany & Italy & Netherlands & Romania \\
\hline
Mountain guides & 175 & 303 & No data & 4 \\
\hline
General nurses & 41 & 51 & 33 & 24 \\
\hline
Pharmacists & 35 & 49 & 6 & 9 \\
\hline
Physiotherapists & 66 & 74 & 34 & 13 \\
\hline
Real estate agents & 10 & 30 & 2 & 1 \\
\hline
\end{tabular}
\end{table}

The data include issued EPCs in the respective country as home country AND host country.

\textbf{4.2.3. Obstacles to effective use of the European Professional Card}

The EPC has a positive impact for those professionals who choose to use it, by creating a simpler, faster and more transparent recognition of their qualifications. It also lessens the burden for the competent authorities of host Member States, as the assessment is largely carried out by the home Member State.

Nevertheless, the following obstacles to the effective use of the EPC were identified, based on literature\textsuperscript{133} and stakeholder feedback:

- insufficient awareness of the EPC;

\textsuperscript{131} Information obtained in stakeholder consultation with professional organisation (February 2019).

\textsuperscript{132} European Commission’s data available at: \url{http://ec.europa.eu/internal_market/imi-net/docs/statistics/2017/12/epc-applications-issued.pdf}.

\textsuperscript{133} European Commission, Assessment of stakeholders’ experience with the European Professional Card and the Alert Mechanism procedures, 2018.
• insufficient digital proficiency of applicants;
• difficulties linked with the use of the EPC platform;
• insufficiently reliable information on procedural fees and document requirements;
• high fees and administrative costs in some Member States.

The most likely reason for the rather limited use of the EPC is that it has only recently become available (since 18 January 2016), and professionals may yet be unaware of its existence.

Insufficient digital proficiency might explain why applicants prefer the traditional recognition procedure. According to the European Commission, around 40 % of the EU population has an insufficient level of digital skills, with 22 % having none at all. For example, Romania is a significant source country for nurses in the EU, but nearly three-quarters of the adult population can be considered as lacking basic digital skills.

Difficulties in using the EPC online platform can also stem from factors other than applicants’ software skills. For instance, the online platform requires applicants to select the applicable recognition regime (automatic or not), as well as the purpose of recognition (establishment or temporary services), which requires a good knowledge of the complex legal requirements.

The insufficient transparency of documentation requirements is linked to the following issues. As the national document requirements differ between Member States, a so-called repository solution was implemented in the IMI-system, whereby host countries can specify their document and fee requirements. By April 2018, this repository had not been completed by all Member States or for all relevant professions. Professional organisations also reported that competent authorities imposed heavier document requirements than those indicated on the EPC website.

Based on the information notified by the Member States via the IMI EPC repository, fees charged for EPC procedures vary between Member States, depending on the profession, the purpose (establishment or temporary service provision), and the regime of recognition (automatic or general). Most of the Member States that impose fees have notified fixed fees, while others have a range. Germany, for example, has a fee range from EUR 0-300 for real estate agents, and from EUR 10-400 for all other professions. However, this does not provide certainty for professionals in respect to the specific level of fees to acquire the EPC. In addition, fees can be applied by both home and host Member State. A nurse trained in Germany who cannot benefit from automatic recognition in Ireland as the host country, for example, is advised of up to EUR 750 possible total fees.

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135 ibid.
137 ibid, p. 27.
Example 1: Simulator to Check the EPC formalities

As the level of fixed fees varies greatly (from less than EUR 10 to EUR 500+) in the Member States, the savings for a professional applying for the EPC instead of using traditional recognitions will similarly vary. For instance, in Germany, the traditional recognition process is also rather expensive (e.g. Cologne district authorities charge general nurses a fee of EUR 410). Authorities have acknowledged this problem and established some funding instruments for those applying for recognition in Germany.

In particular, the investigations carried out in Germany as part of the BIBB Recognition Monitoring Project showed that recognition costs may constitute an obstacle for individuals. This is identified as one of the reasons that people do not apply for recognition (other reasons include inadequate knowledge of German, commencement of employment, and seeking to pursue an alternative procedure). In order to reduce these burdens, financing opportunities have been further developed. The federal government and the federal states of Baden-Württemberg and Berlin instigated new funding instruments in the year 2016, which are specifically aimed at persons ‘excluded from receipt of benefits under the German Social Security Code’.

4.3. Exchange of information and the alert mechanism (IMI-system)

4.3.1. Background

The amended PQD requires competent authorities to use the IMI-system to exchange information with other Member States. This is intended to streamline and simplify communication between authorities. The exchange of information between the host and home competent authorities is necessary to understand a qualification issued in another Member State and to verify that the applicant

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139 German report on recognition act, 2017, Section 5 ‘Costs and financing’.
140 Article 50 PQD.
meets the conditions set out in the PQD for obtaining the recognition of his/her qualification. It also requires competent authorities to notify authorities in all other Member States of professionals that are prohibited from exercising their professional activity (even if only temporarily) or who have used false documents.

4.3.2. Impacts on mobility and employment

Better communication between competent authorities through the IMI-system can increase trust between Member States, improve cooperation in the recognition of qualifications and thus reduce the time taken by the recognition process. Similarly, the effective use of alert mechanisms can increase trust between Member States and reduce risks for consumers. However, it is unlikely that these amendments will have significant direct impacts on mobility and employment in the EU. Nevertheless, the stakeholders consulted stressed that this system is one of the success stories of the European-wide recognition system. It is judged to be a real breakthrough, and one which substantially facilitates the exchange of information. One negative mentioned is that the user interface is somewhat complicated and difficult to grasp for someone who is new or uses the system only sporadically. Similarly, there is a lack of training for those who actually use the system, or, where such training exists, information about the training is not communicated effectively.

4.4. Partial access to professional activities

4.4.1. Background

The Court of Justice of the European Union (CJEU) laid down the principle of partial access to a profession – excluding professions with public health implications to duly consider patient safety – as an alternative to full access to a profession. This was intended to prevent unnecessary barriers to the mobility of workers within the EU in cases where the differences between qualification requirements imposed by Member States are too significant. In particular, it relates to cases where compensation measures may not balance the significant differences in qualification requirements and the professional would therefore be required to undergo new training.

The revised PQD has now established specific rules on partial access, under which the competent authority of the host Member State must grant partial access without imposing compensation measures, on a case-by-case basis, to a professional activity, where certain conditions are fulfilled:

- when imposing compensation measures would be disproportionate;
- the specific activities can be objectively separated from other activities falling under the regulated profession in the Member State.

Partial access does not cover professions where the training requirements are harmonised at EU level.

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142 Information obtained in stakeholder consultations (competent authority for doctors) in February 2019.
143 Case C-330/03 of 19 January 2006, European Court reports, 2006, pp. 1-801.
145 Article 4f PQD.
4.4.2. Impacts on mobility and employment

The available data in the Regulated Professions Database show that partial access is granted in very few cases where decisions are taken for establishment (see Table 8). Thus, the potential impact on mobility and employment in the EU is limited. Before 2016, partial access was possible, in principle, based on the case law of the CJEU.

In most cases, partial access was granted to secondary school teachers (38 in 2016 and 91 in 2017)\textsuperscript{146}. This can be explained by the fact that to grant partial access, ‘activities can be objectively separated from other activities falling under the regulated profession in the Member State’, which is likely the case for teachers specialising in specific subjects.

Table 8: Partial access to a profession in the EU, decisions on establishment

<table>
<thead>
<tr>
<th>Year</th>
<th>Positive partial access</th>
<th>Negative partial access</th>
<th>Total positive decisions</th>
<th>Total negative decisions</th>
<th>Share of positive decisions</th>
<th>Share of negative decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3</td>
<td>2</td>
<td>35,832</td>
<td>2,407</td>
<td>0.0 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>2014</td>
<td>3</td>
<td>1</td>
<td>40,614</td>
<td>2,021</td>
<td>0.0 %</td>
<td>0.1 %</td>
</tr>
<tr>
<td>2015</td>
<td>3</td>
<td>1</td>
<td>44,833</td>
<td>2,846</td>
<td>0.0 %</td>
<td>0.0 %</td>
</tr>
<tr>
<td>2016</td>
<td>69</td>
<td>12</td>
<td>49,211</td>
<td>3,161</td>
<td>0.1 %</td>
<td>0.4 %</td>
</tr>
<tr>
<td>2017</td>
<td>227</td>
<td>151</td>
<td>31,089</td>
<td>3,157</td>
<td>0.7 %</td>
<td>4.8 %</td>
</tr>
</tbody>
</table>

Source: DG GROW, Regulated Professions Database, Overall Statistics – Establishment (extracted in March 2019).

The numbers of cases granted partial access in decisions for temporary services are also rather low, although, as a share the total number of decisions, slightly higher than for establishment. Partial access decisions for temporary services were only registered for 2016 and 2017 (see table 9 below).

All decisions on partial access (positive and negative) have been taken for fork lift (truck) operators, almost all of them with the Netherlands as the host country\textsuperscript{147}.

Table 9: Partial access to a profession in the EU, decisions on temporary mobility

<table>
<thead>
<tr>
<th>Year</th>
<th>Positive partial access</th>
<th>Negative partial access</th>
<th>Total positive decisions</th>
<th>Total negative decisions</th>
<th>Share of positive decisions</th>
<th>Share of negative decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>84</td>
<td>3</td>
<td>3,404</td>
<td>2,5 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>130</td>
<td>15</td>
<td>4,828</td>
<td>1,223</td>
<td>2.7 %</td>
<td>1.2 %</td>
</tr>
</tbody>
</table>

Source: DG GROW, Regulated Professions Database, Overall Statistics – Temporary mobility (extracted in March 2019).

\textsuperscript{146} Data retrieved from the Regulated Professions Database (accessed in February 2019).

\textsuperscript{147} Source: DG GROW, Regulated Professions Database, Overall statistics – temporary mobility (accessed 28 March 2019). Note that the regulated profession is called fork lift truck operator, but the data on partial access refers to fork lift operators.
4.4.3. Obstacles to the effective use of partial access

Much like the EPC, the limited use of partial access is likely due to insufficient awareness of this option. The clear increase in decisions granting or refusing partial access shows a positive trend in the number of applications submitted. However, the large proportion of negative decisions indicates that Member States find it difficult to ‘objectively separate’ activities of a profession, which hinders the use of partial access. Of the Member States analysed in the case studies, the largest number of partial access in 2016 and 2017 was granted by the Netherlands (over 100), followed by Germany (around 30), Italy (11) and Romania (one). Most concerned teachers, ski instructors and mountain guides.

4.5. Temporary service provision

4.5.1. Background

Under the PQD, professionals can work on a temporary basis in other Member States. In principle, the original 2005 Directive allowed professionals to do this without any prior check of their qualifications. The amended PQD, however, introduced a number of small amendments, such as:

- the requirement that recognising a qualification on a temporary basis entitles the professional to practice in the whole of the Member State’s territory;
- clarified document requirements and procedural steps;
- removing some requirements for temporary service provision for professionals who come from a Member State which does not regulate the profession;
- reducing the years’ professional experience required under the original PQD from two to one year.

4.5.2. Impacts on mobility and employment

It is not possible to tell from the data in the Regulated Professions Database whether the amendments to the rules on the provision of temporary services have had any impact on the number of positive recognition decisions. This makes it difficult to quantify the impact of this amendment on mobility and employment in the EU, although both professionals and Member States could benefit from clearer rules and administrative procedures. However, there is an overall positive upward trend in the number of professionals using this regime, which tripled between 2009 and 2017 (from 2,592 declarations/decisions in 2009 to 8,405 in 2017). The latest data on temporary mobility is provided in Figure 2. It shows that the top five countries where mobile professionals provide services on a temporary and occasional basis are Austria, Italy, Denmark, Switzerland and the UK.

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148 Articles 5 to 7 PQD.
149 Data taken from the Regulated Professions Database (consulted in March 2019).
None of the stakeholders consulted for this study had anything further to add in relation to the specific amendments.

4.6. Common training principles

4.6.1. Background

Common training principles were introduced under the revised PQD in order to contribute to the automatic recognition of professional qualifications. The idea of such platforms was included in the 2005 PQD as a way to compensate for differences in training programmes but did not extend to automatic recognition. The 2013 PQD amendments saw automatic recognition replace the individual assessment of qualifications in cases where one-third of Member States agree to establish ‘common training frameworks’. Such frameworks would be based on a common set of knowledge, skills and competences necessary to pursue a profession. The Commission may introduce such frameworks by delegated acts.

4.6.2. Impacts on mobility and employment

The common training frameworks are expected to enable more professionals to move across Member States. To date, one such framework has been identified. The Commission proposed a delegated regulation establishing a common training test for ski instructors in March 2019. It introduces

150 ibid.
151 Article 49a PQD.
automatic recognition of qualifications of ski instructors who have passed the test. This regulation will apply to 11 EU countries (Austria, Belgium, Czech Republic, Denmark, France, Germany, Italy, Romania, Slovenia, Spain and United Kingdom)\textsuperscript{156}. Ski instructors not covered by the test will still benefit from the general system for mutual recognition of qualifications under the revised PQD.

4.6.3. Obstacles to the establishment of common training principles

The provisions on common training principles were simplified by the revised PQD to improve the chances of establishing frameworks for those professions that showed interest (especially psychotherapists, engineers, real estate agents, specialists in clinical chemistry and laboratory medicine)\textsuperscript{157}. However, the main barrier is the differences in regulation of professions between Member States, which makes it difficult and time-consuming to come to a common set of requirements. This mirrors the situation at the time of the introduction of common training platforms by the 2005 Directive and is probably the main reason why very little use has been made of this possibility.

4.7. Single Points of Contact

4.7.1. Background

The modernised PQD aims to facilitate access to information and e-government services through the use of Single Points of Contact. Information on procedures and formalities for obtaining recognition of professional qualifications in another EU country must be available from the Single Point of Contact, and professionals should be able to submit their applications online\textsuperscript{158}.

Before these requirements were introduced, information on recognition procedures was already provided but in a highly fragmented manner (competent authorities, National Contact Points, Single Points of Contact, Your Europe portal). As a result, professionals faced difficulties in identifying the competent authority, the applicable procedure and the documents to be submitted in order to obtain recognition of their qualifications. In addition, the recognition procedures were made more difficult by the limited use of electronic means for submitting recognition requests, which appears to still be the case today (Table 10 below)\textsuperscript{159}.

4.7.2. Impacts on mobility and employment

Recognition of professional qualifications is a complex procedure, with requirements and procedures that vary between Member States. Access to clear and comprehensive information, as well as the use of electronic means to complete the procedure, would have a positive effect on mobility and employment in the EU. However, the obstacles described in Chapter below indicate that this objective of the PQD has not been fully achieved and is therefore unlikely to have encouraged a large number of applicants to apply for recognition and move to work in another EU Member State.

\textsuperscript{156} ibid.
\textsuperscript{158} Articles 57 and 57a PQD.
4.7.3. Obstacles to effective access to information

Access to information

Findings from the case studies on selected Member States (Germany, Italy, the Netherlands and Romania) provide mixed results. The Single Points of Contact are established in all Member States, but the information provided varies in clarity and comprehensiveness, as does its accessibility in foreign languages (see Table 10). Comparatively, Germany and the Netherlands ensure better access to information, while in Italy and Romania, information is provided in a less user-friendly way and is limited in foreign languages.

Table 10: Overview of compliance with provisions on the Single Point of Contact for selected Member States

<table>
<thead>
<tr>
<th>Selected requirements for Single Points of Contact</th>
<th>Germany</th>
<th>Italy</th>
<th>Netherlands</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information on all regulated professions and contact details of competent authorities</td>
<td>Clear and complete</td>
<td>Clear and complete</td>
<td>Clear and complete</td>
<td>Partially clear and complete</td>
</tr>
<tr>
<td>Information on requirements and procedures</td>
<td>General (it links to competent authorities in the Länder, which can be less detailed or clear)</td>
<td>Partially clear and complete</td>
<td>Mostly clear and complete (links to competent authorities)</td>
<td>Not provided (available on the websites of the competent authorities)</td>
</tr>
<tr>
<td>Information on fees and other costs</td>
<td>Not clear (a broad range provided)</td>
<td>Not clear</td>
<td>Clear</td>
<td>As above</td>
</tr>
<tr>
<td>Availability of information in other official languages</td>
<td>German, English</td>
<td>Mainly Italian</td>
<td>Dutch, English, French</td>
<td>Romanian, English, French (however, the websites of the competent authorities are mostly in Romanian)</td>
</tr>
</tbody>
</table>

Online recognition procedures

The case studies showed that it is not always possible to complete applications for recognition of professional qualifications remotely and by electronic means. The availability of such procedures varies between Member States and across professions.

Three of the countries selected for the case studies (Germany, Italy and Romania) do not offer the option to complete procedures for recognition of qualifications online. In the Netherlands, the recognition of certain professional qualifications (e.g. architects, accountants, lawyers, interpreters and
translators) is possible through an online tool\textsuperscript{160}. The Message Box is a secure email system that enables users to exchange digital messages with Dutch government agencies. The applicant needs to have an e-Identity token that complies with at least assurance level 2+. For the health professions, an online application procedure is provided by the BIG register\textsuperscript{161}. Professionals must complete an online application form. However, the application for recognition is not fully electronic, as the application form and required documents must then be sent by post.

4.8. Sectoral amendments (health professions)

The revised PQD updated the minimum training requirements for health professions and clarified language rules.

4.8.1. Background

Updated minimum training requirements

Professions benefiting from automatic recognition are those for which the minimum training conditions have been harmonised at EU level (i.e. doctors, general nurses). The revised Directive made a number of relatively small changes in relation to these professions. For instance, training for doctors is now five years and at least 5,500 hours (previously six years or 5,500 hours). Similarly, the minimum length of training has been clarified for nurses. Some new entry routes were also added (e.g. based on acquired rights of professionals trained in Italy in a specific period).

Clarified language rules

The amended Directive states that ‘professionals benefiting from the recognition of professional qualifications shall have a knowledge of languages necessary for practising the profession in the host Member State’\textsuperscript{162}. It clarifies that verifying the language knowledge of a professional should take place only after the host Member State has recognised the qualification, and that any language control must be limited to the knowledge of one of the official languages of the Member State, chosen by the person concerned, and must be proportionate to the activity to be pursued.

4.8.2. Impacts on mobility and employment

Updated minimum training requirements

According to the stakeholders\textsuperscript{163} consulted for this study, the updated training requirements have had a positive effect. However, a higher impact on mobility and employment would be achieved by regularly updating Annex V, which contains all of the qualifications that fulfil the minimum training requirements in Member States. As explained earlier, the more up-to-date the Annex, the less need for the general system, and, by extension, compensation measures.


\textsuperscript{161} ‘Inloggen voor het aanvragen van uw BIG-registratie’, CIBG website, available at: https://mijn.bigregister.nl/.\textsuperscript{(last accessed March 2019)}.

\textsuperscript{162} Article 53 PQD.

\textsuperscript{163} Information obtained in stakeholder consultation with professional organisation (February 2019).
Clarified language rules

The revised PQD clarified language rules, while placing a clear obligation on Member States to ensure that professionals benefiting from the recognition of professional qualifications have the necessary knowledge of languages to practice the profession. Some Member States that had no specific language requirements and controls in place (in particular for professionals with patient safety implications) introduced them on foot of these revisions. Good language skills are essential where miscommunication can have potentially life-threatening consequences, but language requirements need to be proportionate to the activity pursued.

The case studies on Italy and Romania revealed that information on the required language proficiency for health professionals generally is not publicly available. While professionals should have knowledge of the host Member State language, it is also important that they know the required level. Uncertainty in this regard can lead to professionals deciding not to undergo the recognition process at all.

Where information on the required level of language proficiency is known, it varies among Member States and even within a single profession. For instance, in the Netherlands, general nurses are required to have Dutch at level B1 (CEFR), while in the UK it is equivalent to C1 (CEFR) (score 7 in the IELTS test). The level of language skills in the UK was considered too high, negatively impacting labour mobility and employment in the sector (see Box 1).

Box 1: Impact of language requirements on employment of nurses in the UK

As required by the revised PQD, the UK introduced checks of language skills for nurses originating from other EU Member States. Previously, such checks were imposed on nurses only from outside the EU. Nurses from other EU Member States are required to demonstrate language proficiency equal to score 7 in IELTS test (C1: CEFR). According to recruiters, the required level of language skills is too high, as even native English speakers from Australia are failing to pass these tests. This, along with the upcoming Brexit, has had a negative effect on the NHS’ ability to attract nurses, and recruiters worry that this will exacerbate existing nurse shortages across the UK. Some argue that the IELTS is a controversial choice, as it is an academic English exam which does not test the English specific to nursing or healthcare.

Following criticism, the competent UK authority slightly reduced the required level of English skills. Nurses are still required to demonstrate the minimum overall level of 7 in the IELTS test, but a level 6.5 is now accepted in the written test.

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5. POTENTIAL IMPACTS ON LABOUR MOBILITY OF DIRECTIVE 2013/55/EU AND OTHER EU LEVEL INITIATIVES TO FACILITATE RECOGNITION

KEY FINDINGS

- In 2017, there were 9.5 million active EU-28 movers in the EU, including employed and job-seekers, to whom the right to free movement primarily applies. The main countries of destination are Germany and the UK, followed by Spain, Italy and France. The principal countries of origin in 2017 were Romania, Poland, Italy, Portugal and Bulgaria.

- Health professionals, health associate professionals and personal care workers in the health sector represent around 7% of all employed EU-28 movers, highlighting the importance of the sector for mobile citizens. The main countries of destination are Germany and the UK (for health professionals) and Italy (for personal care workers). The main countries of origin (in total numbers) are Romania, Poland and Italy, but in terms of shares of their national populations, Ireland, Croatia and Romania rank highest.

- Looking at the development of stocks (total number of EU citizens that live and work in an EU country other than their citizenship), the numbers of active EU-28 movers and those working in the health sector has increased continuously since 2008. Decisions on recognition of qualifications also show a continuous increase between 2012 and 2016 in general, with a particularly strong increase during that time for nurses.

- Trends in mobility are, to a large extent, shaped by economic and legal developments in sending and receiving countries. Half of all EU citizens move for employment reasons. Important pull factors are an increasing demand for labour in many countries, especially in the health sector, as well as higher salaries and better working conditions.

- The continuously high share of positive decisions on recognition of qualifications (around 85% or higher since 2011) across all regulated professions suggests that recognition should not constitute a key obstacle to mobility. Nevertheless, there are strong differences between professions and countries of origin in successful applications for recognition. Eurobarometer data suggest that obstacles related to the recognition of qualifications hindered persons from working in another country in one-third of cases. Non-recognition of qualifications is an important reason for overqualification in some Member States.

- The recognition of qualifications does not seem to constitute a key driver of mobility, especially between countries with large differences in salary levels, living conditions and employment prospects, but it facilitates mobility and constitutes a factor in the choice of host country. The lack of recognition or issues related to the recognition process may constitute a barrier.

- The main issues related to the recognition process itself include the complexity and fragmentation of the process, duration and costs. For professionals, the main barriers are the language proficiency requirement of the host state and the total time needed to access to labour market (which includes preparing the application for recognition and, after recognition, fulfilling additional requirements, such as passing language tests, registering with professional authorities, etc.).
The primary aim of the EU legislation on the recognition of qualifications is to foster EU citizens’ right to free movement and to work in another EU Member State. This chapter looks at the development of labour mobility over the past decade, key drivers and barriers behind existing trends, and, ultimately, the role of recognition of qualifications in facilitating labour mobility.

Chapter 5.1. highlights the labour mobility trends, beginning with EU citizens and then focusing on the health sector. This focus was chosen for two reasons: firstly, it is one of the largest sectors in the EU (8% of all jobs) and an important sector of employment for mobile EU citizens (‘human health and social work’ is the sixth largest sector of employment of mobile EU citizens); secondly, occupations in this sector are highly regulated and several (doctors, dentists, pharmacists, nurses and midwives) are subject to automatic recognition of qualifications based on established minimum harmonisation of education and training requirements. Trends are analysed based on numbers on stocks of mobile workers and on numbers of decisions and applications for recognition of qualifications.

Chapter 5.2. briefly discusses the role of national initiatives for labour mobility, especially in the health sector.

Chapter 5.3. presents the impacts of recognition of qualifications (or the lack thereof) on labour mobility in the context of key drivers and barriers.

5.1. Trends in labour mobility and mobility of health professionals

5.1.1. General mobility trends

In 2017, there were around 9.5 million economically active EU citizens residing in an EU country other than their country of citizenship (‘EU-28 movers’). The number of active EU-28 movers has increased continuously since 2008. In 2017, there was a 3% increase in the number of EU-28 movers compared to 2016. This was the smallest year-on-year increase since 2010, when the year-on-year increase dropped to 1%.

The main countries of destination for labour mobility are Germany and the UK, which together host around half of all active EU-28 movers. Other countries with large stocks of movers include France, Spain and Italy. Figure 3 shows the evolution in the number of active movers residing in the five principal countries of destination over the 2007 to 2017 period. The number of active EU-28 movers in the UK has continued to grow during this period, accelerating between 2013 and 2016 before slowing in the latest figures, the first released since the Brexit referendum. Numbers in Germany saw a slight decline around 2009, coinciding with the financial crisis, but since then have resumed their increase and Germany remains the most important country of destination for movers. Since 2010 there has been a slowing of growth of numbers in Italy and a slight decline in Spain, potentially linked to employment problems faced by these countries during the economic crisis.

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171 Stocks of mobile workers refers to the total number of EU citizens that live and work in an EU country other than their citizenship in a certain year. Stocks include all citizens who ever moved to that country and are still residing there in that year.

172 Defined as someone who is employed or registered as unemployed and looking for employment.


In recent years, as the relative economic strength and weakness of different Member States have changed, flows of movers have developed towards other countries, transforming them into important destination countries. This is the case for Belgium and Austria, the sixth and seventh most important countries of destination for active movers. For example, between 2014 and 2017, the number of EU-28 movers in Austria increased by 25% and in Belgium by 14%. In Spain they decreased by 4% during this period, while in Italy and France they stagnated (3% increase and no change, respectively).

Figure 3: Member States with highest numbers of active EU-28 movers, 2007-2017, in millions of persons


The principal countries of origin in 2017 were Romania, Poland, Italy, Portugal and Bulgaria. This has evolved little from 2013, when the principal countries of origin were Romania, Poland, Italy, Portugal and Germany. Figure 4 shows the development of the numbers of movers from the principal countries of origin from 2008 to 2017. Numbers for Romania, Poland, Italy, Portugal and Bulgaria show an increase during the period, with Germany the only country to remain stable. The most significant increase is visible for Romania, with stocks of Romanian nationals in other EU Member States increasing steadily throughout the period. Romanians remained the most numerous nationals residing in other EU Member States for the entire period. The numbers of Polish citizens residing in other EU Member States also increased throughout the period, but a more pronounced increase was observed between 2013 and 2014, similar to that noted for Italians and Portuguese. There is a noticeable increase in Bulgarian movers after 2014, coinciding with the opening of labour markets. In 2017, Bulgarians overtook Germans in terms of numbers of movers for the first time.
5.1.2. Trends in mobility of health professionals

The health sector is an important sector of employment for mobile EU citizens. In 2016, health professionals\textsuperscript{176}, health associate professionals\textsuperscript{177} and personal care workers\textsuperscript{178} in the health sector represented around 7% of all employed EU-28 movers. Most worked as personal care workers, the health occupation requiring the lowest skill level. Of EU movers working as health professionals and health associate professionals, nurses constitute the most important group (40%), with doctors making up 20%. Across the EU, EU-28 movers made up 3% of all health professionals and associate health professionals (compared to 4% across all occupations), and 3% of nurses and 4% of doctors, specifically. Reliance (the share of foreign employed in a certain occupation) on EU-28 movers in health professions varied between 1% (in Spain and France) and 7% (in Austria), with Luxembourg an outlier, with reliance at 36%. Reliance on personal care workers from other EU Member States was higher (5% at EU level), being particularly high in Cyprus (19%), Italy (17%) and Luxembourg (16%)\textsuperscript{179}. Figure 5 shows the reliance on different types of health professionals from other EU Member States in the main countries of destination.

\textsuperscript{176} ISCO-2D code 220; this includes: medical doctors, nursing and midwifery professionals, traditional and complementary medicine professionals, paramedical practitioners, veterinarians, other health professionals.

\textsuperscript{177} ISCO-2D code 320; this includes: medical and pharmaceutical technicians, nursing and midwifery associate professionals, traditional and complementary medicine associate professionals, veterinary technicians and assistants, other health associate professionals.

\textsuperscript{178} ISCO-3D code 532: Personal care workers in health services provide personal care and assistance with mobility and activities of daily living to patients and elderly, convalescent and disabled people in healthcare and residential settings.

\textsuperscript{179} Fries-Tersch, E., Tugran, T., Rossi, L. and Bradley, H., 2017 annual report on intra-EU labour mobility, 2017, p. 120.
The five categories of workers in the health sector are based on the ISCO at different levels, including two more general groups:

**Health professionals** (ISCO 2D = 220): this includes: medical doctors, nursing and midwifery professionals, traditional and complementary medicine professionals, paramedical practitioners, veterinarians, other health professionals.

**Health associate professionals** (ISCO 2D = 320): this includes: medical and pharmaceutical technicians, nursing and midwifery associate professionals, traditional and complementary medicine associate professionals, veterinary technicians and assistants, other health associate professionals.

And three more specific groups:

**Doctors** (ISCO 3D = 221) including generalist medical practitioners and specialist medical practitioners; definition: medical doctors (physicians) study, diagnose, treat and prevent illness, disease, injury and other physical and mental impairments in humans through the application of the principles and procedures of modern medicine. They plan, supervise and evaluate the implementation of care and treatment plans by other healthcare providers, and conduct medical education and research activities.

**Nurses** including: nursing and midwifery professionals; ISCO 3D = 222 and nursing and midwifery associate professionals; ISCO 3D = 322 whereas the distinctions between nursing and midwifery professionals and associate professionals should be made on the basis of the nature of the work performed in relation to the tasks specified in this definition and in the relevant unit group definitions. The qualifications held by individuals or that predominate in the country are not the main factor in making this distinction, as training arrangements for nurses and midwives vary widely between countries and have varied over time within countries.

**Personal care workers in health services** (ISCO 3D = 532), including healthcare assistants, home-based personal care workers and personal care workers in health services not elsewhere classified.

The two main countries of destination of mobile health professionals and health associate professionals are Germany (hosting 31% in 2016) and the UK (hosting 22% in 2016). Other important countries of destination (Italy, Austria, France and Spain) hosted much lower shares (around 3% each)\(^{180}\). Mobile personal care workers are concentrated to a very large extent in Italy: in 2016, 44% of all mobile personal care workers in the EU were living and working in Italy, while other important destination countries of personal care workers are the UK (23%) and Germany (7%)\(^{181}\).

The main countries of origin of mobile health professionals and health associate professionals are Romania (14%), Poland (12%) and Italy (9%). For personal care workers, Romania is the most important country of origin, constituting 48% of all mobile personal care workers.

The highest rates of health (associate) professionals working in another EU Member State, compared to those working in the country of origin, were highest by far among Irish (22%), Croatian (22%) and Romanian workers (18%)\(^{182}\). The rate of personal care workers working in another country is extremely high among Romanians, with the number of those working in another EU country being higher (140%) than those (Romanian) personal care workers working in Romania. It is also quite high among Polish (around 65%) and Lithuanian workers (around 55%)\(^{183}\).

The main countries of origin vary by destination country. Figure 6 (for health professionals and health associate professionals) and Figure 7 (for personal care workers) show the main countries of origin for important destination countries. Figure 8 also shows the share of doctors trained in another EU Member State, by country of training.

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\(^{181}\) ibid.

\(^{182}\) ibid., p. 131.

\(^{183}\) ibid., p. 132.
Health (associate) professionals is based on the ISCO at different levels, including two more general groups:

**Health professionals** (ISCO 2D = 220): this includes: medical doctors, nursing and midwifery professionals, traditional and complementary medicine professionals, paramedical practitioners, veterinarians, other health professionals.

**Health associate professionals** (ISCO 2D = 320) this includes: medical and pharmaceutical technicians, nursing and midwifery associate professionals, traditional and complementary medicine associate professionals, veterinary technicians and assistants, other health associate professionals.

Figure 7: EU-28 mobile personal care workers (20-64 yrs) in main destination countries, by country of citizenship, 2016

Personal care workers in health services is based on the ISCO: (ISCO 3D = 532), including healthcare assistants, home-based personal care workers and personal care workers in health services not elsewhere classified.


Figure 8: Foreign-trained doctors in main countries of destination, by country of training, 2015


Trend analysis shows that the **stocks of mobile health professionals, associate health professionals and care workers increased steadily between 2011 and 2016**. The strongest increases were in 2014, 2015 and 2016. Looking at individual health occupations, it is clear that the stocks of mobile *doctors* remained at a similar level between 2011 and 2016 (around 60,000-70,000). However, there was a dip in 2012, which, on closer inspection, is largely related to a decrease of Irish doctors in the UK. After 2012, however, stocks increased again to 2011 levels. The stocks of nurses\(^{184}\), on the other hand, increased strongly between 2011 (around 100,000) and 2016 (around 150,000), with a particularly large increase between 2013 and 2014, and an even larger increase between 2014 and 2015 (+23%).

**Figure 9**: Evolution of stocks of different groups of mobile health professionals (20-64 yrs) across the EU-28, 2011-2016 (in thousands)

The five categories of workers in the health sector are based on the ISCO at different levels, including two more general groups: **Health professionals** (ISCO 2D = 220): this includes: medical doctors, nursing and midwifery professionals, traditional and complementary medicine professionals, paramedical practitioners, veterinarians, other health professionals.

**Health associate professionals** (ISCO 2D = 320) this includes: medical and pharmaceutical technicians, nursing and midwifery associate professionals, traditional and complementary medicine associate professionals, veterinary technicians and assistants, other health associate professionals.

And three more specific groups:

**Doctors** (ISCO 3D = 221) including generalist medical practitioners and specialist medical practitioners; definition: medical doctors (physicians) study, diagnose, treat and prevent illness, disease, injury and other physical and mental impairments in humans through the application of the principles and procedures of modern medicine. They plan, supervise and evaluate the implementation of care and treatment plans by other healthcare providers, and conduct medical education and research activities.

**Nurses** including: nursing and midwifery professionals; ISCO 3D = 222 and nursing and midwifery associate professionals; ISCO 3D = 322 whereas the distinctions between nursing and midwifery professionals and associate professionals should be made on the basis of the nature of the work performed in relation to the tasks specified in this definition and in the relevant unit group definitions. The qualifications held by individuals or that predominate in the country are not the main factor in making this distinction, as training arrangements for nurses and midwives vary widely between countries and have varied over time within countries.


\(^{184}\) This category includes nursing and midwifery professionals and nursing and midwifery associate professionals.
5.1.3. Trends in recognition rates of professional qualifications: perspectives of host and home countries (establishment and temporary services)

The number of decisions made by EU Member States on recognition of professional qualifications of EU citizens from other Member States seeking permanent establishment has increased continuously since 2012. During this period, the percentage of positive decisions has remained in the mid to high eighties. Nearly all positive decisions are taken either through the automatic recognition regime based on the harmonisation of minimum training requirements, the automatic recognition system based on professional experience (for crafts, trade and industry) or through the general system, but without any further conditions (automatic general system).

Figure 10: Recognition of professional qualifications for permanent establishment*, all professions

Source: DG GROW, Regulated professions database (extracted in January 2019).
*Share of automatic decisions (orange line) includes all positive decisions that did not include any compensation measures as a condition; it includes the categories ‘positive automatic sectoral professions’186, ‘automatic recognition of professional experience (‘crafts’)187’ and ‘positive automatic general system (no compensation measures imposed)’188.

185 2017 is discounted from this statement because overall figures from the most recent year are often revised upwards.
186 This type of decision applies to the seven sectoral professions (doctors, nurses, dentists, midwives, pharmacists, veterinary surgeons, architects) covered by a system of automatic recognition based on the harmonisation of minimum training requirements.
187 This type of decision (positive decision) applies to professions in the areas of craft, trade and industry (Annex IV of Directive 2005/36/EC) covered by a system of automatic recognition based on professional experience.
188 This type of decision covers cases where recognition is granted under the general system without compensation measures (professions falling under the general system or applications not eligible for automatic recognition).
A similar trend can be observed in **individual professions** over this same period. Several professions were selected for comparison to represent the three regulated health professions that are the focus of this study (doctors, nurses and physiotherapists), as well as examples of professions from other sectors that are recognised frequently either under the automatic recognition regime (architects) or the general system of recognition (secondary school teachers). In this assessment, architect is the only automatically recognised profession not from the health sector. Secondary school teaching is a highly regulated profession in many countries, but is not recognised under the automatic system provided for in the PQD. It was selected due to its high degree of regulation and since, similar to health professions, it constitutes a service profession requiring a high level of interactive skills and client orientation. Figure 11 shows the evolution of decisions made by EU Member States on recognition of these five different professions. The number of decisions for doctors and secondary school teachers fell in the year 2013 and then continuously increased to 2016. The same pattern occurred with architects and nurses, except that the increase began earlier, in 2012 in the case of nurses and 2011 for architects. Most notable is the **strong decline in recognition decisions for nurses in 2017**. This is possibly related to the Brexit vote in 2016, given that the UK is such an important destination country. UK figures on newly registered nurses show an exceptionally strong decline for nurses from the EU in 2017/2018, with a smaller decline in 2016/2017. Prior to that, the figures had risen since 2003/2004. Indeed, when looking at the data presented in figure 11 for some host countries separately, one can see that the number of decisions for nurses in the UK as host country dropped sharply between 2016 and 2017 (from 9,700 to 1,900). Given its weight in the EU figure (in 2016, decisions from the UK as host country made up 58% of all decisions on nurses, and those from Germany 19%), this is likely to explain the sharp drop of the overall trend. However, data on recognitions submitted to DG GROW is subject to frequent retrospective updates, especially for the most recent years. Therefore, the 2017 results should be interpreted with caution. For example, the number of decisions on doctors decreased a lot, too; but when looking at individual main destination countries (UK, DE, IT, IE), only a slight decrease for the UK and IE can be noted; furthermore, data for DE is not yet available, which may partly explain the lower overall number in 2017.

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189 In 2015 there was a significant rise in the number of decisions on architects, with the number doubling compared to 2014. Data for this year shows that a far larger than usual number of decisions concerned Belgian, German, and Dutch EU citizens.

190 The Health Foundation, No country is an island. UK and international health workforce mobility, Figure 2, 11 March 2019, available at: [https://www.health.org.uk/news-and-comment/blogs/no-country-is-an-island](https://www.health.org.uk/news-and-comment/blogs/no-country-is-an-island).
In terms of the share of positive decisions out of all decisions taken, more differences are visible between the different professions.
Figure 12 shows the trend in the share of positive decisions made by Member States for five different professions. It is notable that while architects, doctors and nurses remained very high for the whole period 2011 to 2017, the share of positive decisions for physiotherapists and secondary school teachers was lower.

A similar divide can be seen for the share of automatic decisions made within the positive decisions, particularly at the beginning of the period 2011-2017. Again, decisions about doctors, nurses and architects were almost all made under the automatic recognition regime. Physiotherapists had a lower share of automatic decisions at the start of this period, but it increased by 2015 to over 95%.

On the use of the automatic recognition for decisions, some differences are discernible, depending on the country where the qualification was obtained. For nurses, Figure 13 shows the share of positive decisions taken under the automatic recognition regime and under the general regime, without and with conditions (decisions under the general system, where compensation measures were imposed, such as an aptitude test or an adaptation period) taken by EU countries in 2016 on recognition of nurses for selected Member States of origin. For Italy and Spain, two of the most important countries of qualification in terms of decisions taken, almost all decisions were taken under the automatic (sectoral) system of recognition. At the other end of the scale, nurses from Croatia, Bulgaria and Poland were more likely to be given a conditional positive decision under the general system with conditional positive decisions in 26%, 17% and 13% of cases, respectively.

Figure 13: Share of positive recognition decisions for nurses (2016), by Member State where qualification was obtained, under automatic recognition regime and general regime (automatic and conditional decisions*)


*Share of conditional positive decisions includes decisions under the general system where compensation measures were imposed, such as an aptitude test or an aptitude period.
For those EU citizens seeking temporary establishment, there were far fewer decisions. In 2015, the number of decisions on permanent establishment was 52,984, compared to 8,003 for temporary establishment. During 2011-2017, there was a less obvious trend for temporary moving compared to establishment. While there was an increase in the number of decisions made in most years since 2012, there was a significant drop in decisions in 2016. The previous growth in decisions seems to have been re-established in the latest figures from 2017. The most noticeable difference compared to decisions on permanent establishment is the share of positive decisions. While the share of positive decisions was high for permanent establishment, for temporary establishment it tended to hover between 45-65%. On the other hand, the share of automatic decisions within those positive decisions was very high, at above 95% for all years except 2015.

Figure 14: Recognition of professional qualifications for temporary establishment, all professions


Orange line: share of automatic decisions includes all positive decisions that did not include any compensation measures as a condition; it includes the categories ‘positive automatic sectoral professions’\(^{191}\), ‘automatic recognition of professional experience (‘crafts’)\(^{192}\) and ‘positive automatic general system (no compensation measures imposed)’\(^{193}\).

5.2. National initiatives to facilitate mobility and retention of health professionals

While free movement is a fundamental right of EU citizens and opens up opportunities and freedoms, labour mobility also has macroeconomic impacts, i.e. it increases or decreases the labour force in certain occupations in different countries. In order to manage their workforce, Member States may

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\(^{191}\) This type of decision applies to the seven sectoral professions (doctors, nurses, dentists, midwives, pharmacists, veterinary surgeons, architects) covered by a system of automatic recognition based on the harmonisation of minimum training requirements.

\(^{192}\) This type of decision (positive decisions) applies to professions in the areas of craft, trade and industry (Annex IV of Directive 2005/36/EC) covered by a system of automatic recognition based on professional experience.

\(^{193}\) This type of decision covers cases where recognition is granted under the general system without compensation measures (professions falling under the general system or applications not eligible for automatic recognition).
therefore adopt measures to retain their own workers or to attract workers from other countries. This is especially evident in the health sector, where demographic (ageing population) and socioeconomic (e.g. decrease of home care carried out by female family members) factors have led to labour shortages (increased demand which cannot be met by available labour force) on the one hand, and to an oversupply of qualified workers on the other (e.g. due to reduced public spending on the health system and thus vacancies in this sector). Policy initiatives may encourage or reduce mobility, depending on the larger goal. Policy initiatives that aim to increase mobility may, at the same time, foster the harmonisation and recognition of qualifications.

Several Member States that had both the resources and a shortage of health professionals (such as the UK and Germany) adopted measures to attract workers from other EU countries. In Germany, for example, there was a transnational cooperation project for nursing vocational and educational training institutions between Poland and Germany, intended to address the shortage of skilled workers in the sector of care for the elderly. The vocational and educational training institutes in both countries developed curricula together and exchanged personnel and students\(^{194}\).

Another example is the UK, where the NHS Trusts have, in recent years, actively recruited nurses from other EU/EEA countries, mainly Italy, Spain and Portugal, which is likely to have contributed to an increase in mobility to the UK from these countries, e.g. the number of Portuguese nurses working in the UK grew by a factor of five between 2010 and 2013\(^{195}\).

On the other hand, countries that saw high outflows of health professionals have adopted measures to retain their own qualified workers. In Italy, for example, reforms in nursing education programmes and the skill-mix changes implemented within the health workforce have aimed to enhance the attractiveness of these professions for the domestic workforce\(^{196}\). Romania, on the other hand, has reportedly not yet implemented a human resources strategy in the health sector, but has instead made efforts to retain medical doctors by continuously increasing wages in recent years\(^{197}\).

A study from 2015 reviewed 34 recruitment and retention measures from 20 European countries and found ‘a consistent lack of evidence about the effectiveness’ of those measures\(^{198}\). This might be due to the fact that labour mobility from the countries concerned is driven by multiple factors, which cannot be addressed simply by such measures. For example, the increasing mobility to the UK from Spain, Italy and Portugal was most likely primarily related to the economic crisis and serious reductions in public spending (and thus, jobs) in the health sector. In the case of Romania, the stakeholders consulted for this study unanimously agreed that an increase in wages was not sufficient to prevent Romanian doctors from leaving the country, since other circumstances (such as poor health infrastructure, lack of professional development opportunities, the quality of health management and poor living conditions) had a huge impact on mobility decisions.

Furthermore, policy initiatives to retain or attract workers in the health sector are often addressed to third country nationals, as is the case in Germany\(^{199}\) and Romania\(^{200}\). This is because there is a belief that labour shortages cannot be filled by EU movers alone, and also because mobility of EU citizens is

\(^{194}\) European Commission, Study on the movement of skilled labour (Final report), Annex 3 – Case Study: Germany, 2018, p. 169.
\(^{195}\) Leone, C. et al., p. 8.
\(^{196}\) Case study on Italy.
\(^{197}\) Case study on Romania.
\(^{198}\) Kroezen, M. et al., Recruitment and retention of health professionals across Europe: A literature review and multiple case study research.
\(^{199}\) Case study on Germany.
\(^{200}\) Case study on Romania.
already facilitated by diverse regulations, including legal guarantees to ensure the free movement of workers, such as rules on the recognition of qualifications.

5.3. Main regulatory and administrative obstacles to labour mobility

This chapter provides an overview of the main drivers and barriers of labour mobility within the EU and examines the role of regulatory and administrative obstacles in general, and the recognition of qualifications, in particular, in workers’ decision to move to another country.

It also presents some key figures on the relationship between lack of recognition of qualifications and overqualification.

Key drivers of labour mobility

Simply put, European citizens move to another EU country either for family reasons (joining a family member who is moving or joining relatives abroad) or because they expect better career opportunities. Of the EU citizens who live in an EU Member State other than their citizenship, 40% cited family reasons, while 51% noted employment reasons. Interestingly, among those who moved for employment reasons, two-thirds had not found a job before moving but, rather, moved with the intention of finding a job abroad. While the decision to move of course highly depends on individual choices, macroeconomic and political developments create incentives and barriers for people to move.

In the health sector, so-called pull factors (attracting migrants) were the increasing demand for care workers, for example, the increasing dependence on foreign care workers in informal care arrangements in Germany, for demographic, socioeconomic and political reasons. Important push factors (that encourage people to leave) were, as mentioned above, the living conditions and employment chances in the home country. For example, among health migrants from the new Member States to Germany, it was observed that key drivers of mobility were the precarious living and working conditions, the low pay and heavy workload in the origin countries.

Economic opportunities thus seem to be the key driver for many movers across Europe. This is emphasised by large salary differences between EU Member States for similar jobs or better pay for lower-skilled jobs in another country. Stakeholders explained that, for example, nurses from Bulgaria would accept doing a job below their skill level (healthcare assistant) in Sweden, because even in this lower skilled position their salary would be five times as much as that in their country of origin.

Another key driver is legal access to residence and employment. Trends in general mobility and in the mobility of healthcare professionals clearly show that trends increased after the EU accession rounds (especially the Eastern enlargement), and again after the complete opening of the labour markets in many important destination countries for EU-8 and EU-2 citizens, in 2011 and 2014, respectively. This is particularly true for nurses (which showed a large increase in stocks between 2013 and 2015) and for personal care workers. The strongest increase was seen in Spain (stocks doubled between 2013 and 2014), the UK, Belgium and Austria, for different groups of health professionals and

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201 Fries-Tersch, E., Tugran, T., Markowska, A. and Jones, M., Annual report on intra-EU Labour Mobility, 2018, p. 92.
202 Information obtained in stakeholder consultation with the European Ageing Network (February 2019).
204 Information obtained in stakeholder consultation with European Federation of Nurses (February 2019).
personal care workers\textsuperscript{205}. In Germany, stocks of health professionals increased most strongly in 2012 (possibly reflecting the opening of the labour market to EU-8 citizens), while for personal care workers the increase was strongest in 2012 and 2014\textsuperscript{206}.

The \textbf{economic crisis} also played a role in increasing intra-European mobility of healthcare professionals, as shown, for example, by an increase in the share of foreign nurses coming from within the EU/EEA (mainly Italy, Spain and Portugal) compared to those coming from outside the EU/EEA in recent years\textsuperscript{207}.

For movers in general, \textbf{geographical proximity and the same or similar language} are important factors facilitating migration: ‘For health professionals (doctors) trained in another EU country, there are well-established links between neighbouring countries that speak the same language; for example, Ireland is an important country of training for doctors practising in the UK, Denmark and Sweden for doctors [practising] in Norway, France for doctors practising in Belgium’\textsuperscript{208}.

\textbf{The role of recognition of qualifications and reduction of administrative barriers}

\textbf{Recognition of qualifications is not considered a key driver of mobility}, at least from the country of origin perspective\textsuperscript{209}. However, \textbf{it may work as a facilitator or barrier} to labour mobility.

Eurobarometer studies offer some idea of perceptions of \textbf{obstacles to labour mobility}. In 2014, a special edition looked in detail at perceptions of skills and qualifications in the EEA\textsuperscript{210}. The study found that 4 % of EU citizens surveyed had unsuccessfully tried to work or study in another Member State.

\textbf{Figure 15} shows the percentage of nationals from the four countries featured in the case studies who have successfully and unsuccessfully tried to work in another EU Member State. While Germans and Italians are below the EU average in terms of the numbers of people who were unable to find work in another EU Member State (4 %), the Dutch are slightly above (at 5 %) and Romanians significantly higher (at 7 %). The outer circle shows the percentages of nationals who were successful in their migration ambition and worked in another EU Member State. While this number is, on average across the EU, three times that of people who were unable to work or study in another Member State, there is a much smaller difference among those Romanians who successfully found work and those who were unsuccessful.

\begin{flushleft}
\textsuperscript{205} Fries-Tersch, E., Tugran, T., Rossi, L. and Bradley, H., 2017 annual report on intra-EU labour mobility, 2017, p. 117.
\textsuperscript{206} ibid.
\textsuperscript{209} Case Study on Romania; information obtained in stakeholder consultation with OAMR (The Order of General Practitioners, Midwives and Nurses in Romania), Romanian member of European Federation of Public Service Unions (February 2019).
\end{flushleft}
Figure 15: Percentage of EU citizens who successfully and unsuccessfully tried to work in another EU Member State

Source: Eurobarometer 2014, ‘European area of skills and qualifications’.

Of the 4 % of Europeans who said that they had unsuccessfully tried to find work in another Member State, 17 % cited **not having enough information on whether their qualifications would be recognised in another EU Member State**. A further 12 % said that **their qualifications were not accepted by a prospective employer**. The pool of data is unfortunately too small to divide this into reliable results for individual countries of origin.

More specific barriers in the recognition procedure observed by stakeholders were: **incorrect or imprecise information in social networks**; and **financial support to applicants**, as process costs can be an obstacle.

Another source is the European Court of Auditors report from 2018, which assessed key European Commission tools to ensure free movement of workers, their effectiveness and outstanding barriers. The following types of obstacles were assessed: lack of information on legal rights to freedom of movement for workers; lack of sufficient information about job opportunities; differences in social security; and recognition of professional and academic diplomas. Lack of information on legal rights was the only obstacle considered to have been effectively addressed. On the recognition of professional and academic diplomas, the assessment was that obstacles to the recognition of qualifications in regulated professions were effectively addressed, among others through the database on regulated professions in the Member States and a website indicating the competent authorities to

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211 Eurobarometer, European area of skills and qualifications, 2014.
212 Information obtained in stakeholder consultation with Federation of Regional Employers’ Associations (Vereinigung der kommunalen Arbeitgeberverbände; VKA) February 2019.
consult. The Court of Auditors found that recognition for regulated diplomas works well and that an indication of the success is the high share of positive recognition decisions. However, recognition of (non-regulated) professional qualifications was considered an outstanding obstacle.

Specific barriers related to the recognition process (non-regulatory factors) have been identified in the Italian case study:

- Information about the recognition procedure, for example, on the website of the Single Point of Contact, the Assistance Centre or online guides is only available in the language of the host country;
- Costs of the recognition procedure, for example to call and ask for information;
- Difficulties in completing administrative procedures online, as most host Member States do not support electronic administration of applications.

A good practice to shorten the length of procedure is the existence of parallel administrative processes for the recognition of professional qualifications and the registration of professionals in the relevant professional registers, e.g. in the Netherlands. According to the stakeholders, the creation of a central authority for the assessment of equivalence is also considered good practice. In Germany, for example, the existence of such a centre is seen to unify the assessment and support the competent authorities in their work.

Other administrative barriers identified in a European Parliament report on obstacles to the right of free movement214 were bureaucratic procedures, access to social benefits and, in particular, barriers to the mobility of third country national family members215. Social security coordination was also noted as a barrier in relation to care workers. Such movers may encounter difficulties in accessing their pension rights when returning to their country of origin, especially if the work carried out abroad was short-term or of low income216.

While non-recognition might become a barrier to mobility, evidence shows that recognition of qualifications has facilitated such mobility. Evidence suggests that the harmonisation of qualifications has simplified the recruitment procedures of EU healthcare workers, especially compared to the recruitment of third country nationals (recruitment trends of skilled workers in German nursing homes)217.

Analysis of the implementation of the PQD in Germany showed that improved recognition of medical professions brought more professional freedoms to such workers, such as access to further education and security (e.g. employment security, private life planning, residence status), because of reduced dependency on a specific employer to access those rights218.

In the case of nurses, the PQD is considered very important in facilitating mobility, by regulating the profession and allowing education and training from the new Member States to be recognised219.

215 ibid.
217 Rada, A., Migration of health-care workers from the new EU Member States to Germany, 2016, Observatory for Sociopolitical Developments in Europe, p. 25.
218 Information obtained in stakeholder consultation with Federation of Regional Employers’ Associations (Vereinigung der kommunalen Arbeitgeberverbände, VKA) February 2019.
219 Information obtained in stakeholder consultation with the European Federation of Nurses February 2019.
The case studies showed that recognition of qualifications was considered an important factor influencing final decisions to move to a certain country. A study from Germany showed that ‘for more than 80 % of the individuals who requested recognition of their occupational qualification from abroad, recognition was a decisive factor in their decision to move to Germany’\(^\text{220}\). According to stakeholders from Romania, recognition of qualifications enables mobility of healthcare professionals, as it facilitates the practice of the profession abroad. However, stakeholders do not consider it among the primary drivers for emigration in the sector\(^\text{221}\), being outstripped in importance by income and living conditions and other socioeconomic drivers.

**Recognition of qualifications and overqualification**

Around 30 % of EU citizens working in another EU country feel that they are overqualified for the job they are doing, compared to around 20 % among EU citizens working in their country of origin\(^\text{222}\). Perceived overqualification is particularly high in some medium-skilled occupations (services and sales, clerks, plant and machine operators) and in low-skilled (elementary) occupations. In all of these occupations, overqualification also exists among citizens who work in their own country, but the shares are markedly higher among movers\(^\text{223}\).

Overqualification is much less frequent among movers working as health professionals and health associate professionals, with just 10 % feeling overqualified for the job they are carrying out. However, a large share (40 %) of movers working as personal care workers believe they are not doing a job appropriate to their skill level. These results seem logical, since occupations of health professionals and associate health professionals require quite a high education level (tertiary education or training), whereas tasks carried out by personal care workers typically only require lower or upper secondary education. Figures show that 17 % of movers who work as personal care workers actually completed tertiary education\(^\text{224}\). Self-reported overqualification therefore seems to be quite a bit higher than if measured objectively, which is most likely related to the specific tasks that workers carry out in their jobs (something that is not captured by these rather broad statistics).

There may be several reasons for overqualification. The EU-LFS asks respondents for the main obstacles to getting a suitable job. Unfortunately, the answer options are not very detailed and include: lack of host country language skills, lack of recognition of qualifications, citizenship or residence permit, origin, religion or social background, no particular barrier, other barriers, no response.

The non-response rate is quite high in several countries (over 50 % in Finland, Germany and France). In many countries, the lack of language skills is mentioned most frequently as the main obstacle for getting a suitable job (Finland, Belgium, Luxembourg, the UK, Switzerland, Greece, Czech Republic, Cyprus, Spain). EU stakeholders do not consider lack of recognition an important reason for overqualification\(^\text{225}\). In some countries, however, the lack of recognition of movers’ qualifications does seem to be a frequent key obstacle, with movers to Austria (28 %), Italy (22 %) and the UK (15 %)

\(^{220}\) European Commission, Study on the movement of skilled labour (Final report), Annex 3 – Case Study: Germany, 2018, p. 174.

\(^{221}\) Romanian case study.

\(^{222}\) Fries-Tersch, E., Tugran, T., Markowska, A. and Jones, M., Annual report on intra-EU Labour Mobility, 2018, p. 89.

\(^{223}\) ibid.

\(^{224}\) ibid., p. 147.

\(^{225}\) Information obtained in stakeholder consultation with Dutch Hospital Association (Nederlandse Vereniging van Ziekenhuizen, NVZ) February 2019.
mentioning this as the main obstacle particularly often. Although less visible, it is nevertheless
mentioned in Belgium (12 %), Switzerland (6 %), Spain (5 %) and Cyprus (4 %) as well226.

There are some indications that the recognition of qualifications and the changes brought by the
PQD might have led to an upgrading of skills among certain mobile health professionals. The
recognition of qualifications procedure might alleviate overqualification through the mechanism of
compensation/adaptation measures, because it gives the applicant the chance to gain additional
skills if their qualification is not recognised directly. As pointed out by the European Public Service
Union, the ‘length of the compensation measures has to be seen in relation to the length of the
professional training in case of both full-time or part-time compensation measures/courses’227. For
nursing, the PQD seems to have had an effect of upskilling in the nursing profession, chiefly by
incentivising certain Member States (e.g. Czech Republic and Croatia) to make nursing education
an academic degree and undertaking educational reforms to raise its quality228. Recognition puts
foreign-trained nurses in a stronger position to access qualified jobs and equal pay, thereby alleviating
the need to work in a lower-skilled position or to receive less pay229.

Easier and quicker recognition processes were considered as providing a strong incentive for foreign
professionals to upgrade their skills by a key stakeholder from Romania230.

226 Fries-Tersch, E., Tugran, T., Markowska, A. and Jones, M., Annual report on intra-EU Labour Mobility, 2018, p. 89; Data refer to foreign-born
employed EU-28 movers who feel they are overqualified for their job.

227 Information obtained in stakeholder consultation with European Federation of Public Service Unions, February 2019.

228 Information obtained in stakeholder consultation with the European Federation of Nurses, February 2019.

229 ibid.

230 Information obtained in stakeholder consultation with the Ordinul Asistenţilor Medicali Generalişti, Moaşelor şi Asistenţilor Medicali din
România OAMR, Romanian member of European Federation of Public Service Unions, February 2019.
6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

This study aims to provide an up-to-date overview of how the EU system of recognition of professional qualifications works and what the effects are of the implementation of the revised PQD and related initiatives on labour mobility and employment within the EU. Evidence and data have been obtained through desk research, interviews with stakeholders and the in-depth case studies on selected Member States (Germany, Italy, the Netherlands and Romania). The findings below follow the structure of the report.

Occupational regulation in Member States

The study has shown great differences in Member States’ approach to occupational regulation. It is up to the Member States to regulate a profession, if at all. Hence, the number of regulated professions, the bodies setting out the regulation (governments or representatives of a profession), the type and intensity of regulation, even within the framework of a single profession, vary significantly across Member States. The resulting absence of a unified EU approach makes it more difficult for professionals qualified in one Member State to exercise their profession in another.

Generally, the main reason for regulating a profession is to prevent serious harm to public interests. The importance that society attaches to such interests is one factor behind regulation. Other factors include:

- the efficiency of different administrative and judicial supervisory arrangements other than regulation (e.g. the profession of architect is not regulated in a number of Member States as alternative supervisory measures there achieve the same result);
- economic and labour market situations (e.g. Member States may use regulation to attract or retain labour force);
- the relative economic importance of the sector for the country in question (stricter regulation limiting competition in tourism industry in Italy);
- the strength of vested interests (usually those of the associations representing members of the specific profession).

However, the reasons for differences across Member States are not always clear, nor even objectively explained, as was demonstrated by the mutual evaluation exercise.

The fact that differences in the national contexts affect Member State’s approach to regulation was also shown in the case studies on the four selected Member States. The Netherlands strives to impose as few barriers as possible to professionals to attract labour force. For instance, since the knowledge of language is a major obstacle to mobility, the required language proficiency for nurses is relatively low – B1 (CEFR). Romania on the other hand has introduced a great variation of specialisations for doctors. While this is intended to raise the profile of a profession and thereby give professionals a reason to stay, it can also make it more burdensome to have qualifications recognised abroad thus discouraging professionals from leaving Romania.

Economic implications of occupational regulation

Occupational regulation has both advantages and disadvantages: while necessary to protect vulnerable consumers and assure quality of services, it can also limit competition and prevent
innovation. Restrictions in competition often lead to higher prices and more limited choice and variety of services. On the other hand, evidence shows that regulation can lead to an uptake of training and an increase in skill levels of workers and thus, eventually, to an increase in quality of services. However, this is only the case when skill requirements (such as certain levels of degrees) are clearly linked with the quality of services. Some studies have also shown that regulation may even have the effect of lowering quality overall, precisely due to the limited competition. Furthermore, across Europe, occupational regulation has in general been linked to a decrease in employment. Occupational regulation is also likely to increase wage dispersion, but licensing of low-income occupations may raise earnings in these occupations in the long-term, as it has a positive effect on wages in general.

Because these impacts vary a lot depending on the stringency and the type of regulation, as well as the general labour market, it is important that Member States assess the impacts of their regulation in order to strike a better balance between securing the public interest and maintaining quality of service on the one hand and ensuring more competition and greater choice for consumers on the other. It was expected that the mutual evaluation exercise would prompt Member States to evaluate and remove unnecessary barriers limiting access to certain professions, but that did not necessarily happen. The level of ambition in the National Action Plans submitted to the European Commission (i.e. the reports prepared by Member States, reflecting their evaluation) varied greatly. Some Member States carried out a detailed review and indicated plans for reform in some professions, while others referred to past reforms and left the question of further improvements open. Other Member States seemed to lack the political will to engage in a serious and open review of the status quo.

Directive (EU) 2018/958 on a proportionality test – which Member States will have to comply with by July 2020 – may address the issue of insufficient impact assessment of regulation as it sets out a specific analytical framework for this. However, it is up to the Member States to extend the use of the framework of this Directive to existing regulation as the Directive will only apply to new regulation or changes to existing regulation.

**Functioning of the system of recognition of qualifications in practice**

Different regulatory regimes may affect the ability of EU citizens to provide their services across borders. Where professionals do not fully meet the requirements imposed by another Member State, they may need to undergo costly and time-consuming procedures before gaining access to the labour market there. To minimise these difficulties, the PQD sets out the rules under which Member States recognise qualifications from other Member States.

The literature reviewed and the stakeholders consulted have confirmed the findings of the 2011 evaluation of Directive 2005/36/EC which were that the system of automatic recognition works well and as such has contributed in particular to the mobility of health professionals within the EU. Improvement is considered necessary in relation to updating the minimum training requirements and Annex V, which lists all the qualifications that comply with the minimum requirements. Since this is the basis for the automatic recognition, more professionals will benefit from the automatic recognition if the annex is regularly updated.

Most of the concerns raised have been about the complicated and lengthy procedures of the general recognition system, which applies to professions where the training requirements are not harmonised at EU level. The main obstacles to the effective recognition of qualifications in the general system as opposed to the automatic system are precisely those differences in education and training requirements and also national recognition practices across the EU, some of which are more fragmented and/or less transparent than others.
The case studies confirmed that often barriers to smooth recognition process are inherent in the Member State’s institutional framework. Member States have taken some initiatives to make the process more transparent, homogenous and less time-consuming. The Netherlands, for instance, has introduced a one-stop procedure for health professionals who benefit from automatic recognition. Together with recognition of their qualifications these professionals are simultaneously registered in the BIG register (which is a precondition for accessing the labour market in the Netherlands). In Germany, to address non-homogenous approaches by the different Länder a central authority for the assessment of equivalence (Gutachtenstelle für Gesundheitsberufe – GfG), was established. Research in Germany also showed that recognition costs may constitute an obstacle for individuals. To address this, the federal government and the federal states of Baden-Württemberg and Berlin instigated new funding instruments in 2016.

Impacts from the recent EU reforms and initiatives

The available information and stakeholder views at this point in time suggest positive but limited impacts of the revised PQD and related initiatives on labour mobility and employment within the EU.

- The European Professional Card (EPC) has not been widely used, but it has clearly benefited one profession for which it is available – mountain guides. The potential reasons hindering wider use of the EPC are: the insufficient awareness of the EPC; insufficient digital proficiency of applicants, difficulties linked to the use of the EPC platform; insufficiently reliable information on procedural fees and document requirements; as well as high fees and administrative costs in some Member States.

- The online Internal Market Information IMI-system, which is used for issuing the EPC, for exchange of information between Member State competent authorities and the issuing of alerts, is considered one of the success stories of the European wide recognition system as it substantially facilitates exchange of information. However, stakeholders mentioned that for the tool to be fully effective all competent authorities of Member States should use the system, which is currently not the case. In addition, the user interface is somewhat complicated and difficult to use for those who do not use the system often and there is insufficient training provided.

- Partial access to professions has been granted in limited cases. The number of applications for partial access is low, suggesting that applicants are not well aware of this option. At the same time, the share of rejected requests is relatively high, which implies that competent authorities may have difficulties in separating professional activities that can be carried out by a professional without full access to the profession.

- It was not possible to tell from the data available whether the amendments to the rules on the provision of temporary services have had any impact on the number of positive recognition decisions. In 2016, the number of decisions on temporary service provisions was around 10 % of that of decisions on establishment. Overall, temporary provision of services therefore is still not significant enough to effectively add to mobility and employment within the EU, but the number of professionals using this regime is gradually increasing (it has doubled since 2011).

- To date only one common training framework (a common training test for ski instructors) has been proposed to expand the automatic recognition of professional qualifications. It appears that the main barriers are the differences in regulation of professions between Member States and the fact that the process of agreeing on a common set of requirements is difficult and time-consuming.
• Despite the introduction of Points of Single Contact in each of the EU Member States, problems with regard to access to information still remain. Not all Member States provide clear and comprehensive information for users (also not in languages other than the official language of the country), and procedures often cannot be completed by electronic means.

• As mentioned previously, the aim of the mutual evaluation exercise was voluntary deregulation and removal of unnecessary professional restrictions, but overall this aim has not been achieved. The analysis of the four Member States selected for the case studies also revealed insufficient transparency as regards how the impacts of regulation are assessed, making it difficult to understand the underlying reasons for regulation in a Member State. Moreover, information on the professional access requirements across the EU in the EU Regulated Professions Database was at times missing or incomplete, and equivalent national websites did not provide more guidance, often also because the information was available exclusively in the State’s official language.

• Evidence and data on the impacts of the revised PQD are limited, largely due to the relatively short period of time that has passed since January 2016 when Member States had to ensure full compliance with the amendments introduced by Directive 2013/55/EU. However, the case studies on Germany, Italy, the Netherlands and Romania revealed that access to information is generally a considerable issue. Equally, information on why Member States regulate professions and the steps taken to assess the impact of regulation, including evaluation of less strict alternative measures, is often not accessible.

**Trends in recognition decisions and labour mobility in the EU**

• In 2017, there were 9.5 million active EU-28 movers in the EU, including employed and job-seekers, to whom the right to free movement primarily applies. The main countries of destination were Germany and the UK (together hosting around half of all active movers), followed by Spain, Italy and France. The principal countries of origin were Romania, Poland, Italy, Portugal and Bulgaria.

• Health professionals, health associate professionals and personal care workers in the health sector represent around 7% of all employed EU-28 movers, highlighting the importance of the sector for mobile citizens. The main countries of destination are also Germany and the UK (for health (associate) professionals) and Italy (for personal care workers). The main countries of origin (in total numbers) are Romania, Poland and Italy, but in terms of shares of their national populations, Ireland, Croatia and Romania rank highest.

• The number of active EU movers has continuously increased since 2008, with particularly large increases in Germany and the UK. Numbers of mobile health professionals, associate health professionals and care workers overall also increased steadily between 2011 and 2016. Data on doctors and nurses separately show that the number of movers working as doctors remained similar during that period, whereas that of movers working as nurses increased a lot. The same trends for doctors and nurses can be seen when looking at the numbers of recognition decisions. Trends in mobility are, to a large extent, shaped by economic and legal developments in sending and receiving countries. Half of all EU citizens move for employment reasons. In general, one could observe that over the past decade certain push factors in countries of origin and pull factors in countries of destination have coincided, laying the foundations for an increase in mobility. Those push factors include much lower salaries, poor working and living conditions and a fragile health system in certain countries of origin (e.g. Romania), as well as lack of employment due to cuts in public spending during the economic crisis in others (e.g. Spain and Portugal). At the same time, important destination countries, such as Germany, saw an increasing demand for
healthcare workers due to an aging population and the decline of in-family care-taking, combined with the budget to pay comparatively high salaries. Mobility has been further facilitated by legal access to the labour market which has shown its effects in the trends in 2011 and 2014 (end of transitional arrangements for EU-8 and EU-2 citizens, respectively), for example in the case of nurses. In light of these important drivers, recognition of qualifications may not be seen as pushing someone to move, but more as a facilitator or barrier (non-recognition or burdensome recognition process).

- The continuously high share of positive decisions on recognition of qualifications (around 85% or higher since 2011) across all regulated professions suggests that recognition should not constitute a key obstacle to mobility. Nevertheless, there are significant differences between professions and countries of origin in successful applications for recognition. For example, nurses from Croatia, Bulgaria and Poland applying for recognition of their qualifications in another EU Member State were much more likely to receive a positive decision including a condition (aptitude test, adaptation period) than nurses from Italy and Spain, who were more likely to receive a decision under the automatic system or under the general system without conditions.

- Eurobarometer data suggest that obstacles related to the recognition of qualifications was an obstacle to working in another country in one-third of cases. Non-recognition of qualifications is an important reason for overqualification in some Member States.

- The recognition of qualifications does not seem to constitute a key driver of mobility, especially between countries with large differences in salary levels, living conditions and employment prospects, but it facilitates mobility and constitutes a factor in the choice of host country. The lack of recognition or issues related to the recognition process may constitute a barrier.

- The main issues related to the recognition process itself include the complexity and fragmentation of the process, duration and costs. For professionals, the main barriers are the language proficiency requirement of the host state and the total time needed to access the labour market (which includes preparing the application for recognition and, after recognition, fulfilling additional requirements, such as passing language tests, registering with professional authorities, etc.).

- Nonetheless, EU mobility may not be sufficient to fill vacancies in shortage occupations even for Member States with better working conditions. Therefore, some Member States are increasingly seeking workers from third countries. Recognition of third country qualifications is not within the scope of the PQD. The EU has facilitated migration rules for highly skilled professionals (Directive 2009/50/EC) but the recognition of third country qualifications is a national competence.

### 6.2 Recommendations

The above findings have highlighted various obstacles to mobility within the EU. To tackle some of them, the study has identified the following **policy recommendations**:

- More widespread awareness-raising of existing EU tools (such as the EPC) to encourage professionals to use them;

- National recognition procedures need to become more transparent and the guidance for professionals throughout these procedures needs to be improved. EU policymakers can encourage and support this process;
• In particular, the accuracy and completeness of information on regulatory requirements in the EU Regulated Professions Database, as well as in equivalent national websites, needs to be improved so that professionals are fully aware of the requirements they have to fulfil in the host Member State;

• To make the IMI-system genuinely effective in reducing the time for recognition of professional qualifications, the functionality of the system needs to be improved; all competent authorities should be engaged in using the IMI-system and they should be provided with regular training;

• To ensure that professionals with qualifications recently introduced in Member States can also benefit from the automatic recognition system, a more regular update of Annex V of the PDQ is required;

• The information and statistical data in the EU Regulated Professions Database needs to be improved to enable better evaluation of trends in the recognition of qualifications and the use of the different recognition regimes.

More data and transparency of information is required both at EU and national levels to understand and tackle the issues hindering the effective implementation of the PDQ in practice. To this end, the following research recommendations have been identified:

• Understanding the underlying reasons why Member States regulate professions in a specific way to facilitate harmonisation of professional requirements; stakeholders have acknowledged this as both possible and desirable;

• Analysing how and why the types of decisions (automatic, general with or without conditions) differ between the countries of origin, in order to develop targeted approaches to aligning and streamlining recognition procedures;

• Examining in detail the obstacles to the wider use of the EPC, especially for professions which are generally more mobile (e.g. general care nurses), given the confirmed potential of the EPC to facilitate mobility within the EU;

• Research into the difficulties Member States face when applying partial access in order to potentially provide them with guidance on how to address these difficulties.
REFERENCES


## ANNEX A

**Selected empirical studies on economic impacts of the regulation of professions**

<table>
<thead>
<tr>
<th>Author(s), Year</th>
<th>Title</th>
<th>Geographical scope</th>
<th>Type of economic impact examined</th>
<th>Methodology</th>
<th>Conclusion/Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anderson et al., 2000 (only abstract)</td>
<td>Regulatory Barriers to entry in the healthcare industry: the case of alternative medicine</td>
<td>US</td>
<td>Wages</td>
<td></td>
<td>Physicians have been more able to increase wages</td>
</tr>
<tr>
<td>Carroll, S. and Gaston R., 1981</td>
<td>Occupational Restrictions and the Quality of Service Received: Some Evidence</td>
<td>US</td>
<td>Quality</td>
<td>Considers available empirical evidence and uses a model to examine the different effects of licensing on quality of services delivered and quality received</td>
<td>See CEDEFOP 2013, op. cit., p. 33 citing Carroll, S.L.; Gaston, R.J. (1981) Occupational restrictions and the quality of service received: some evidence. Southern economic journal, 1981, Vol. 47, No 4, pp. 959-976, which showed that stricter regulation for electricians in some US states lead to lower availability of services and was associated with an increase in deaths due to accidental electrocution</td>
</tr>
<tr>
<td>Forth, B. et al, 2011</td>
<td>A Review of Occupational Regulation and its Impact</td>
<td>UK</td>
<td>Skills/ training, wages</td>
<td>Qualification levels, training receipt and wages among groups of employees who are subject to different forms of occupational regulation (including those in occupations which are unregulated) were compared using data from the QLFS</td>
<td>Inconsistency across occupational groups (ISCO 1-D); most consistent results identified a positive association between licensing and qualifications, job related training and wages within professionals and associate professional occupations; effects of occupational regulation can be expected to be stronger when the entry requirements are either higher or are more extensively applied</td>
</tr>
<tr>
<td>Reference</td>
<td>Title</td>
<td>Country</td>
<td>Field</td>
<td>Description</td>
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<tr>
<td>Frederiksen, K., 2018</td>
<td>Does occupational licensing impact incomes? – The German crafts case</td>
<td>DE</td>
<td>Wages, Employment, Quality, Competition</td>
<td>Assesses the labour market consequences of the German Trade and Crafts Code from 2004, which removed the requirement of certification to establish a business in 52 out of 93 craft occupations; Uses longitudinal social security and German microcensus data to compare labour market outcomes of the same incumbent worker before and after the reform in deregulated (treatment group) and regulated (comparison group) occupations. Negative effect (-2.3%) on earnings of workers in occupations that were deregulated; negative effect on employment: unemployment increased by 0.7 p.p. more in deregulated occupations; new businesses (after deregulation) did not constitute real competition to incumbent ones; possibly due to lower quality or perception of consumers (signaling effect of certificate important)</td>
<td></td>
</tr>
<tr>
<td>Glittleman and Kleiner, 2016</td>
<td>Wage effects of unionization and occupational licensing coverage in the United States</td>
<td>US</td>
<td>Wages</td>
<td>Large scale national surveys</td>
<td>Wage premium 7.5%</td>
</tr>
<tr>
<td>Gospel, H. and Thompson, M., 2003</td>
<td>The role and impact of the statutory framework for training in the social care sector</td>
<td>UK</td>
<td>Training and skills</td>
<td>Interviews with employees and managers in social care providers</td>
<td>Positive effect of training requirements; however, the risk is that the minimum becomes a maximum and that employers would not have further incentives to go beyond the requirements</td>
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<tr>
<td>Kleiner and Krueger, 2009</td>
<td>Analyzing the Extent and Influence of Occupational Licensing on the Labor Market</td>
<td>US</td>
<td>Wages</td>
<td>Westat survey</td>
<td>Wage premium ranging from 0-40% according to occupational categories</td>
</tr>
<tr>
<td>Kleiner and Krueger, 2013</td>
<td>Analyzing the extent and influence of occupational licensing on the labor market</td>
<td>US</td>
<td>Wages/Wage dispersion</td>
<td>National Labor Force survey</td>
<td>Wage associated with a wage premium of 18%. Licensing does not have a wage dispersion effect (as unions have)</td>
</tr>
<tr>
<td>Kleiner, 2006</td>
<td></td>
<td>US</td>
<td>Employment</td>
<td>Census data? Or national longitudinal survey of youth?</td>
<td>States without regulation had a 20% faster growth rate than states with regulation for librarians, respiratory therapists, and dieticians and nutritionists</td>
</tr>
<tr>
<td>Reference</td>
<td>Title</td>
<td>Country</td>
<td>Outcome Variables</td>
<td>Methodology</td>
<td>Summary</td>
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</tr>
<tr>
<td>Kleiner, M.M., 2017</td>
<td>The influence of occupational licensing and regulation</td>
<td>US/EU</td>
<td>Wages, employment, prices/quality, inequality, competition</td>
<td>Literature review - mostly articles from the US, a few from EU (e.g.</td>
<td>Licensing increases wages (although not necessarily due to higher skill level/quality); licensing might increase wages in low-skilled occupations in the long term; licensing may decrease employment; licensing raises prices with no clear demonstrated benefit in quality; licensing may increase income inequality by steering low-skilled or low-income workers into even lower-paying but more accessible jobs that do not require a license</td>
</tr>
<tr>
<td>Koumenta, M., Pagliero, M., 2017</td>
<td>Measuring Prevalence and Labour Market Impacts of Occupational Regulation in the EU</td>
<td>EU</td>
<td>Wages, inequality, employment, skills</td>
<td>Creation of a new data set: survey on occupational regulation in the EU; covers 28 MS; sample of 26,640 workers in licensed, certified and unregulated professions</td>
<td>Loss in employment of around 700,000 jobs in the EU; upskilling effect (when educational requirements set above upper secondary level); wage premia were highest in crafts (+19 %), elementary occupations (+10 %) and service and sales (+9 %) and lower for professional groups (6 %);</td>
</tr>
<tr>
<td>Koumenta, M., Pagliero, M., 2018</td>
<td>Occupational regulation in the European Union: coverage and wage effects</td>
<td>EU</td>
<td>Wages</td>
<td>Creation of a new data set: survey on occupational regulation in the EU; covers 28 MS; sample of 26,640 workers in licensed, certified and unregulated professions</td>
<td>Aggregate wage premium of around 4 % of regulation</td>
</tr>
<tr>
<td>Authors</td>
<td>Title</td>
<td>Location</td>
<td>Focus</td>
<td>Summary</td>
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<tr>
<td>Merkur, S. et al., 2008</td>
<td>Do lifelong learning and revalidation ensure that physicians are fit to practice?, presentation at the WHO European Ministerial Conference on Health Systems</td>
<td>EU</td>
<td>Skills</td>
<td>A systematic review of the relationship between experience and the quality of care found that 32 out of 62 studies (52 %) reported an association between decreasing performance and increasing years in practice for all outcomes assessed</td>
<td></td>
</tr>
<tr>
<td>Mocetti, S., Rizzica, L., Roma, G., 2018</td>
<td>Regulated occupations in Italy: Extent and labor market effects</td>
<td>IT</td>
<td>Occupational mobility/employment, wages</td>
<td>Compares all regulated to non-regulated occupations by combining two data sets: Italian LFS (information on workers) and a newly constructed data set with information on regulation criteria in each year over the past two decades</td>
<td></td>
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<tr>
<td>Muzondo, T. and Pazderka, B., 1980</td>
<td>Occupational licensing and professional incomes in Canada</td>
<td>Canada</td>
<td>Wages</td>
<td>A premium wage of around 32 % for individuals working on professions with restricted advertising</td>
<td></td>
</tr>
<tr>
<td>Pagliero, 2007</td>
<td>The impact of potential labor supply on licensing exam difficulty in the US market for lawyers</td>
<td>US</td>
<td>Skills</td>
<td>&quot;Increases in quality and number of candidates significantly increase exam difficulty&quot;. This &quot;suggests that professional markets are largely sheltered from the impact of policies increasing potential supply&quot;</td>
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<tr>
<td>Author(s)</td>
<td>Title</td>
<td>Country</td>
<td>Focus</td>
<td>Description</td>
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<tr>
<td>Redbird, B., 2017</td>
<td>The New Closed Shop? The Economic and Structural Effects of Occupational Licensure</td>
<td>US</td>
<td>Competition, wages</td>
<td>Occupational dataset covering 30 years and finds that licensure (regulation) creates an institutional mechanism that enhances entry into occupation, in particular for disadvantaged groups and does not increase wages</td>
<td></td>
</tr>
<tr>
<td>Tamkin, P., Miller, L., Williams, J., 2013</td>
<td>Understanding Occupational Regulation, UK Commission for Employment and Skill</td>
<td>UK</td>
<td>Skills, productivity, image of the occupation, customer safety and confidence</td>
<td>Case studies of a broad variety of occupational regulation scheme types: four mandatory schemes (Pharmacy Technicians, Retail Investment Advisors, Gas Engineers, Domestic Energy Assessors) and six voluntary schemes (Youth Workers, Painters and Decorators, Chartered IT Professionals, Chartered Dyers and Colourists, Electricians, Travel Professionals); in each scheme a range of qualitative and quantitative data gathering methods were used, including desk research, face-to-face and telephone interviews, reviews of documentation and surveys of individuals and employers (online surveys, 439 responses) who are engaged with such schemes</td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td>Regulation (voluntary or mandatory) increases skill levels and the demand for skills; employee productivity had increased due to regulatory scheme; regulatory scheme has improved image of the organisation and job; regulatory scheme has improved customer safety and confidence</td>
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</tr>
<tr>
<td>Source</td>
<td>Study Title</td>
<td>Country</td>
<td>Category</td>
<td>Description</td>
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<tr>
<td>Thornton and Timmons, 2013</td>
<td>Licensing one of the world's oldest professions: Massage. The Journal of Law and Economics</td>
<td>US</td>
<td>Wages</td>
<td>A wage premium of 16.2 % for massage therapists; some evidence that regulation reduces the number of massage therapists</td>
<td></td>
</tr>
<tr>
<td>Timmons and Thornton, 2008</td>
<td>The effects of licensing on the wages of radiologic technologists. Journal of Labor Research</td>
<td>US</td>
<td>Wages</td>
<td>A wage premium of 6.8 % for radiologic technologists</td>
<td></td>
</tr>
<tr>
<td>Zander, B. et al., 2016</td>
<td>The state of nursing in the European Union</td>
<td>EU</td>
<td>skills/quality</td>
<td>Having a better educated nurse workforce (that is, every 10 % increase in nurses with Bachelor degrees) reduced the likelihood of mortality by 7 %; the effect of poorer nurse staffing on more care left undone diminishes with an increasing proportion of university-educated nurses</td>
<td></td>
</tr>
</tbody>
</table>

Based on the RN4CAST (2009-2011), survey conducted among 33,659 medical-surgical nurses working in 488 hospitals across 12 countries; patient-experience data from 11,549 patients in 217 hospitals in 8 countries.
ANNEX B

List of stakeholders consulted

Table 11: Stakeholders consulted at EU level

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Federation of Public Service Union (EPSU)</td>
<td>European trade Union</td>
</tr>
<tr>
<td>European Hospital and Healthcare Employers Association</td>
<td>European employer organisation (health)</td>
</tr>
<tr>
<td>European Federation of Nurses</td>
<td>European professional organisation (nurses)</td>
</tr>
<tr>
<td>European Association for Directors and Providers of long-term care services</td>
<td>European professional organisation (long-term care for the elderly)</td>
</tr>
</tbody>
</table>

Table 12: Stakeholders consulted for Case Study on the Netherlands

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIBG (Ministry of Health)</td>
<td>Competent Authority (health)</td>
</tr>
<tr>
<td>CBGV (Ministry of Health)</td>
<td>Commission responsible for assessing professional qualifications (health)</td>
</tr>
<tr>
<td>Royal Dutch Medical Association (KNMG)</td>
<td>Professional organisation (doctors in medicine)</td>
</tr>
<tr>
<td>Nurses and Care Workers Association</td>
<td>Professional organisation (nurses and long-term carers)</td>
</tr>
<tr>
<td>Academic</td>
<td>Academic (research experience in the topic of integration of foreign doctors in the Netherlands)</td>
</tr>
</tbody>
</table>

Table 13: Stakeholders consulted for Case Study on Germany

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Level</td>
<td></td>
</tr>
<tr>
<td>Bundesärztekammer</td>
<td>Professional organisation (doctors)</td>
</tr>
<tr>
<td>Deutscher Verband für Physiotherapie</td>
<td>Professional organisation (physiotherapists)</td>
</tr>
<tr>
<td>Federal Level</td>
<td></td>
</tr>
<tr>
<td>Academic</td>
<td>Academic (research in transnational service provision in long-term care between Western and Eastern Europe)</td>
</tr>
<tr>
<td>Federal Level</td>
<td></td>
</tr>
<tr>
<td>Academic</td>
<td>Academic (research on mobility in the health sector)</td>
</tr>
<tr>
<td>Baden-Württemberg (state level)</td>
<td></td>
</tr>
<tr>
<td>Service Portal</td>
<td>Point of Single Contact</td>
</tr>
<tr>
<td>Hessen (state level)</td>
<td>Hessisches Landesprüfungs- und Untersuchungsamt im Gesundheitswesen</td>
</tr>
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<td>---------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Hessen (state level)</td>
<td>Regierungspräsidium Darmstadt</td>
</tr>
</tbody>
</table>

**Table 14: Stakeholders consulted for Case Study on Italy**

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direzione generale delle professioni sanitarie e delle risorse umane del Servizio Sanitario Nazionale</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>Direzione generale delle professioni sanitarie e delle risorse umane del Servizio Sanitario Nazionale Ufficio 2 - Riconoscimento titoli delle professionalità sanitarie e delle lauree specialistiche e magistrali</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>Federazione Nazionale delle Professioni Sanitarie e Sociosanitarie (MIGEP)</td>
<td>Professional Organisation (Health and Social Professions)</td>
</tr>
<tr>
<td>Federazione Nazionale degli Ordini dei medici</td>
<td>Professional Organisation (Doctors)</td>
</tr>
<tr>
<td>Associazione Nazionale Operatori Socio Sanitari (OSS 2.0)</td>
<td>Professional Organisation (Health and Social Professions)</td>
</tr>
<tr>
<td>Italian Assistance Centre for professional qualifications of the Department for European Policies</td>
<td>Competent authority (Presidency of the Council of Ministers, Department for European Policies)</td>
</tr>
</tbody>
</table>

**Table 15: Stakeholders consulted for Case Study on Romania**

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romanian College of Physicians</td>
<td>Professional organisation (doctors)</td>
</tr>
<tr>
<td>Order of the Nurses of general care, nurses and midwives in Romania</td>
<td>Professional organisation (nurses of general care, medical nurses)</td>
</tr>
<tr>
<td>Health Management and Policy Center</td>
<td>Nonprofit organisation</td>
</tr>
<tr>
<td>Romanian Health Observatory</td>
<td>Non-governmental organisation</td>
</tr>
<tr>
<td>National Centre for the Recognition of Diplomas, Ministry of Education – Single Contact Point</td>
<td>Romanian Single Contact Point</td>
</tr>
</tbody>
</table>
This study analyses the impact on labour mobility and employment of the 2013 revision of the Professional Qualifications Directive (DIR 2005/36) and related EU initiatives. It analyses trends in mobility and recognition, focusing on the health sector and four country case studies - Germany, Italy, the Netherlands and Romania. It reports findings from consultations with stakeholders at EU and national level and highlights best practice. This document was provided by Policy Department A at the request of the European Parliament’s Employment and Social Affairs Committee.