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Tena Konjević

Free Movement of Workers within the EU: Western Solidarity or Dystopian Challenges for Central-East European Workers?

Abstract1

The article analyses the application of the principle of free movement of workers within the European Union, focusing on the challenges arising from implementing transitional arrangements that restricted this freedom for the Central and Eastern European (CEE) countries' nationals because of the concerns about mass migration and its potential impact on the labour market. The article aims to provide an overview of these reasons, scrutinising their proportionality and justification. Additionally, it examines the impacts of those transitional provisions, which have resulted in unequal EU citizenship rights and have stimulated the CEE workers' predominant occupation in low-wage sectors of the labour market. Furthermore, the emergence of prejudice based on cultural differences towards the CEE workers has influenced Western EU employers' preference for 'good workers' from the CEE countries, often attributed to the strong work ethic and willingness of the CEE workers to fill workforce gaps in less desirable jobs. To interrogate this matter and to determine whether the preference of the CEE workers arises from solidarity or some other interest, empirical research was conducted on a sample of Croatian nationals working in Germany. By its qualitative and quantitative approach, the article contributes to understanding the implications and dynamics surrounding the freedom of movement for workers within the EU, with a specific focus on the position of the CEE countries' nationals. It explores the motives behind the implementation of transitional

Master of Laws, Teaching Assistant at Chair of Labour and Social Security Law Sciences and Social Work, Faculty of Law Osijek, Josip Juraj Strossmayer University of Osijek, Croatia; PhD candidate at the Deák Ferenc Doctoral School of Law and a doctoral researcher at the Central European Academy in Budapest, Hungary.

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arrangements, examines their consequences for the EU labour market, and investigates the factors influencing Western employers' preferences toward the CEE mobile workers.

Key words

free movement of workers, transitional arrangements, CEE workers, EU labour market.

1. Introduction

The free movement of workers is one of the fundamental freedoms of EU citizens based on Article 45 of the Treaty on the Functioning of the European Union (TFEU)², applicable to the Member States' nationals outside their State's domestic sphere³. It prohibits the nationality discrimination of the other Member States' workers in employment, remuneration or other employment conditions. Also, it includes the right to accept employment offers in another EU Member State, to move within that State, to stay in it because of the employment and to remain there after the termination of the employment relationship, all followed by the possible limitations based on the public policy, security, or health and with the exclusion of the employment in public service.⁵

Nevertheless, the TFEU is not the first EU legislation regulating that freedom. The Treaty establishing the European Coal and Steel Community in 1951⁶ first introduced a free movement of workers, while the 1957 Treaty of Rome⁷ generally guaranteed the free movement of workers and services. However, during the first discussions on the Treaty of Rome, only two of the six original Member States—Belgium and Italy—supported the freedom of movement for workers as one of the pillars for creating a common market. Simultaneously, Germany, France, Luxembourg, and the Netherlands admitted only the freedom of movement of goods, capital, and services. Nonetheless, considering the large number of unemployed workers in the territory of Italy and the then probable victory of the Communist Party, the acceptance of the free movement of workers prevailed, and it was included in the 1957 Treaty of Rome.⁸

Consolidated version of the Treaty on the Functioning of the European Union (TFEU), Official Journal of the EU, C 326, 26 October 2012.

Judgment of the Court (Second Chamber) of 28 January 1992, Case C-332/90 Volker Steen v Deutsche Bundespost, ECLI:EU:C:1992:40, p. 341.

⁴ Blanpain, 2010, p. 276.

⁵ Barnard, 2000, p. 133; TFEU, Article 45.

Treaty Establishing the European Coal and Steel Community, ECSC Treaty, signed on 18 April 1951

Treaty Establishing the European Economic Community (The Treaty of Rome, or EEC Treaty), signed on 25 March 1957.

⁸ Toader, and Florea, 2012, pp. 68-69.

In the years that followed, the original Member States feared a massive migration of workers after the accession of the new Member States. This fear existed during the accession of the United Kingdom, Ireland, and Denmark in 1973, Greece in 1981, and Spain and Portugal in 1986 but increased during the accessions of the Central and Eastern (CEE) EU Members^{9,10} However, according to the pre-2001 data, the EU had been characterised by a low internal working migration rate between 1991 and 2001, which manifested in only 15 per cent of EU citizens being involved in EU cross-border employment.¹¹ Thus, despite initial concerns proving to be exaggerated due to the subsequent reverse migration of workers following the accession of nations, such as Greece, Portugal, and Spain¹², the accession of the Central and Eastern European countries into the EU spark a significant debate among some Member States on the challenges of controlling their borders. 13 Consequently, even though the prior intention of the 2004 eastward expansion of the EU was to provide all EU citizenship rights and freedoms to the new countries, it did not happen since labour market rights were subject to limitations in terms of transitional arrangements. 14 Therefore, before the accessions on 1 May 2004, the Accession Treaty, signed on 16 April 2003, introduced transitional arrangements that restricted the free movement of workers from and to the new Member States. 15 Finally, due to previous EU policy and numerous studies provided by the European Commission and other independent bodies demonstrating that the accession of new Member States would not cause an instant and significant influx or outflux of workers, the question arises if establishing the transitional arrangements was justified and restriction for the CEE workers necessary.

Henceforth, the freedom of labour mobility is a significant achievement of the EU, frequently utilised by citizens across all Member States. Nonetheless, critics assert that this freedom serves as a conduit for residents from economically disadvantaged Member States to exploit social benefits in host nations, similar to contentions surrounding the notion that the freedom of labour mobility allows foreign individuals to displace domestic workers, thereby exacerbating unemployment among the native populace, or that immigrants from countries with lower wages depress remuneration for low-skilled labour in the recipient country. Nevertheless, none of these theories has been substantiated by compelling evidence.¹⁶

This article adopts the term "CEE" countries to encompass the Member States of EU-8, EU-2, and the Republic of Croatia.

¹⁰ Tudor, 2017, p. 41.

¹¹ Kapural, 2005, p. 85.

¹² Ibid.

¹³ Tudor, 2017, p. 41.

¹⁴ Drnovšek and Debnár, 2021, p. 3.

¹⁵ Blanpain, 2010, pp. 277–278.

¹⁶ Mulligan, 2017, pp. 254–255.

The following gives a more detailed overview of the transitional arrangements, emphasising the transitional process of CEE countries and questioning the differentiation of "two-tier citizens of the EU". Therefore, the CEE transitional arrangements are impugned to potentially elaborate its necessity for the candidate countries (Albania, Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, Serbia, Türkiye, and Ukraine)¹⁷ and potential candidates (Georgia and Kosovo),¹⁸ which also mainly belong to the post-socialist and economically less wealthy countries.

2. Transitional Arrangements

The Treaty of Accession of new Member States defines the scope of the EU measures toward the citizens of that State. Those restrictions concern only the freedom of movement of workers and, since they are not equalised, can depend on the accessing country. Transitional arrangements are discretionary, allowing each Member State to decide on implementation and derogate from Articles 1 to 6 of Regulation 1612/68. Ulegislation enabling these provisions are: TFEU as primary legislation and Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the EU and their family members to move and reside freely within the territory of the Member States²¹, Directive 96/71/EC of the European Parliament and the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services²², Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the

Joining the EU, history/joining-eu_en- (accessed 10 May 2023).

¹⁸ Ibid. Note: The indication of Kosovo is without prejudice to its status, and it is based on UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

¹⁹ Vinković and Dudaš, 2015, p. 141.

Consolidated text: Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the Union, Official Journal of the EU, L 141, 27 May 2011.

Consolidated text: Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States amending Regulation (EEC) No 1612/68 and repealing Directives 64/221/EEC, 68/360/EEC, 72/194/EEC, 73/148/EEC, 75/34/EEC, 75/35/EEC, 90/364/EEC, 90/365/EEC and 93/96/EEC, Official Journal of the EU, L 158, 30 April 2004.

Consolidated text: Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services, Official Journal of the EU, L 18, 21 January 1997.

EU²³, as secondary legislation. ²⁴ The accession acts signed on 16 April 2003 in Athens set conditions for the accession of the following countries: the Czech Republic, the Republic of Cyprus, the Republic of Estonia, the Republic of Hungary, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Republic of Poland, the Slovak Republic, and the Republic of Slovenia.²⁵ In some of those cases, measures were considered as needed due to the apprehension of the potential labour migrations from the new Member States, based on, for example, territorial accessibility, earning divergences, low employment rates, and "a culture of migration". 26 However, the citizens of Cyprus and Malta were not restricted by the transitional arrangements, so the 2004 accessions could be summarised under the "EU-8" notion. Furthermore, the 2005 Treaty of Accession of the Republic of Bulgaria and Romania, summarised under the notion of the "EU-2", also included restrictions to the free movement of workers since becoming the Member States from 1 January 2007 until 31 December 2013.²⁷ Therefore, the EU-15²⁸ Member States introduced transitional arrangements primarily before the accessions of 2004 to control the influx of workers primarily from the EU-8, then the EU-2 countries in 2007, Croatia in 2013, and all other upcoming Member States. However, those restrictions were not entirely innovative since rules existed when Greece, Spain, and Portugal joined the EU. Still, their population and economic status were almost immeasurably different, and the duration of those restrictions was much shorter than for the CEE countries.²⁹

Consequently, transnational arrangements since 2004, 2007 and 2013 restricted workers' freedom of movement and *de facto* enabled the opportunity to employ Central-Eastern EU citizens for up to seven years. Restrictions included complex application procedures in terms of working permit requirements, quotas, proven suitability, and other

Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the Union, Official Journal of the EU, L 141, 27 May 2011.

²⁴ Mulligan, 2017.

²⁵ Blanpain, 2010, p. 278. See more in: Treaty of Accession of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, Official Journal of the EU, L 236, 23 September 2003.

Consolidated text: Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the Union, Official Journal of the EU, L 141, 27 May 2011.

²⁷ See more in: Treaty of Accession of the Republic of Bulgaria and Romania, Official Journal of the EU, L 157, 21 June 2005.

[&]quot;EU-15" Member States included: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. However, even though the UK is no longer a Member State, the notion "EU-15" will be used as the representation of the EU system at the time of 2004, 2007 and 2013 accessions.

²⁹ Ulceluse and Kahanec, 2022, p. 721.

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national measures.³⁰ Therefore, to provide the gradual adjustment of the labour market between old and new Member States, transnational arrangements were constructed by the three-step process in the form of a 2+3+2 formula, which meant that the old Member States could impose the transnational measures for two years and extend them for three years if needed. The additional two years could be applied only exceptionally under the condition of evidencing the serious disruptions in their labour markets caused by the accession of the new Members States.³¹

Thus, for the first two years, the Member States were applying the national rules or the bilateral agreements rules meaning that workers from the new Member States still needed a work permit for the "old States" labour market.³² Before its expiry, every Member State using the transitional provisions should provide a report to the Commission and declare if they want to continue to apply national conditions and bilateral agreements or fully implement the EU legislation on the free movement of workers. According to it, the Council decides if continuing previous measures for an additional three years is necessary and justified.³³ After three additional years, the Member State must submit the report to the Commission again. If the Member State wants to prolong the transitional period for an additional two years, it has to prove the justification in terms of "serious disturbances" or a "threat of serious disturbances" to that Member States' labour market.³⁴ Once that transitional period expires, the host State can no longer restrict the free movement of workers from or to the new Member State, and all workers must be entitled to equal treatment as the nationals of the receiving State.³⁵ Additionally, there is a possibility for the Member States that chose not to implement the transitional measures but still experience a certain threat to their labour market, or their labour market has serious difficulties, to use the "safeguard clause", which allows that Member State to ask for the Commission's permission to introduce new measures. Also, a "standstill clause" forbade the EU-15 Member States to apply stricter rules during the transitional period than they applied before accessions, and they had to give a preference to the workers from the new Member States over the third countries' nationals.³⁶

However, despite all the previously mentioned transitional rules, 2004, 2007, and 2013 CEE accessions were followed by contradictory responses from the "old Member States". Only a few of them, including Ireland, the United Kingdom and Sweden, provided access to their respective labour markets to the EU-8 nationals straight away. Still,

³⁰ Ulceluse and Bender, 2022, p. 452.

See more in: Holland et al., 2011.

³² Blanpain, 2010, pp. 278–279.

Vinković and Dudaš, 2015, p. 142.

³⁴ Ibid.

³⁵ Currie, 2016a, p. 17.

³⁶ Blanpain, 2010, p. 279.

both Ireland and the United Kingdom limited access to social benefits by restricting social assistance and introducing Habitual Residence Conditions.³⁷ Also, the United Kingdom introduced a special registration procedure to monitor the migration's influence on its labour market. On the other hand, 15 out of 25 Member States applied transitional restrictions to Romania and Bulgaria after their accession. However, although Cyprus, Finland, and Slovenia were within the list of the countries that did not restrict free movement for the EU-2 nationals, they applied similar measures of the special registration procedure as the United Kingdom for the new Member States during the previous accessions.³⁸ After the accession of Croatia in 2013, 13 out of 27 Member States applied transitional arrangements for the Croatian nationals, including, for example, previously mentioned Slovenia and Cyprus, as ones that did not use that possibility during the previous EU-2 accessions.³⁹

In the following section, the reasons for most of the "old Member States" pre-accession concerns will be analysed to determine their justification.

2.1. The Role of EU-15 Concerns as Foundational Elements in the Implementation of Transnational Arrangements in CEE Countries

One of the prior intentions of the enlargement to the CEE countries was a conclusion of the "East/West division of the continent" and the same mobility rights for their citizens. However, that ideal was left away soon, and the reality has proven to have a different outcome by introducing the transnational arrangements that represented the restrictions to the CEE workers for a defined period after their accession. Onsequently, the free movement of workers was one of the most controversial discussions before signing the first Treaty of Accession in 2003 due to the unpopular general public's opinion on the potential influx of workers from the new Member States to the "old ones". Member States were concerned about the impact of the "less-privileged" citizens' migration to their respective labour markets. Accordingly, the question arose if the transitional arrangements which provided restricted rights to the new Member States' workers were contrary to the EU's primary intentions of encouraging inter-state fluctuation. Regarding the European Commission's Social Rights Action Plan from March 2021, "Europeans value this unique social and economic model and expect it to

³⁷ Szelewa and Polakowski, 2022, pp. 242–243.

³⁸ Vinković and Dudaš, 2015, p. 143.

³⁹ *Ibid.*, p. 144.

⁴⁰ Favell, 2008, p. 264.

Farkas and Rymkevitch, 2004, p. 369.

See more in: Dougan, 2004.

⁴³ Currie, 2016a, pp. 11–12.

bring opportunities for all," 44 but it is disputable if transitional arrangements represent the opposite approach.

To clarify that doubt, the reasons for the EU-15's concerns will be presented below, emphasising the short quantitative empirical research on the justification of one of the reasons. The presumption is that the *ratio* behind the EU-15's enlargement hierarchy was nationality as the factor crucial for detecting the economic background of each acceding country's citizen. Therefore, the alleged reason for introducing those restrictions by the EU-15 countries was that CEE countries were less wealthy, primarily due to unemployment, low income and limited job opportunities.⁴⁵ To verify one of the mentioned reasons, the following hypothesis has been set: low income in the CEE countries was a justified concern of the EU-15 countries to introduce the transitional arrangements before their accessions. To prove or reject the proposed hypotheses, we provide an overview of the minimum wages of the CEE countries (the EU-8, the EU-2 and Croatia) just before their full membership in the EU. Depending on the available data, several EU-15 countries' minimum wages are selected as the basis for the comparison.

Table 1: The monthly minimum wages in selected EU-15 countries in euros in 2004, 2007 and 2013, depending on the date of the CEE's full membership in the EU (the EU-8 on 1 May 2004, the EU-2 on 1 January 2007, and Croatia on 1 July 2013)

Selected EU-15 countries	The monthly minimum wages in the first semester of 2004	The monthly minimum wages in the second semester of 2006	The monthly minimum wage in the first semester of 2013
Belgium	EUR 1,186.31	EUR 1,234.00	EUR 1,501.82
Ireland	EUR 1,073.15	EUR 1,292.85	EUR 1,461.85
France	EUR 1,215.11	EUR 1,254.28	EUR 1,430.22
Luxembourg	EUR 1,402.96	EUR 1,503.42	EUR 1,874.19
The Netherlands	EUR 1,264.80	EUR 1,284.60	EUR 1,469.40
The United Kingdom	EUR 1,054.20	EUR 1,200.69	EUR 1,249.85

Source: Author's comparison based on the data available at: https://ec.europa.eu/eurostat/databrowser/view/EARN_MW_CUR__custom_6295261/default/table?lang=en (accessed on 20 May 2023).

European Commission, 2021, p. 5.

⁴⁵ Kvist, 2004, p. 305.

Table 2: The monthly minimum wages in the CEE countries in euros in 2004, 2007 and 2013, depending on the date of their full membership in the EU (the EU-8 on 1 May 2004, the EU-2 on 1 January 2007, and Croatia on 1 July 2013⁴⁶)

CEE countries	The monthly minimum wages in the first semester of 2004	The monthly minimum wages in the second semester of 2006	The minimum monthly wages in the first semester of 2013
EU-8			
Czechia	EUR 206.73	EUR 279.19	EUR 318.08
Estonia	EUR 158.50	EUR 191.73	EUR 320.00
Hungary	EUR 201.90	EUR 220.58	EUR 335.27
Latvia	EUR 118.96	EUR 129.29	EUR 286.66
Lithuania	EUR 130.34	EUR 173.77	EUR 289.62
Poland	EUR 175.25	EUR 221.72	EUR 392.73
Slovakia	EUR 147.68	EUR 179.92	EUR 337.70
Slovenia	EUR 470.99	EUR 511.62	EUR 783.66
EU-2			
Bulgaria	EUR 61.36	EUR 81.81	EUR 158.50
Romania	EUR 68.03	EUR 92.43	EUR 157.50
EU-1			
Croatia	-	-	EUR 372.35

Source: Author's comparison based on the data available at: https://ec.europa.eu/eurostat/databrowser/view/EARN_MW_CUR__custom_6295261/default/table?lang=en (accessed on: 20 May 2023).

According to the data above, the average minimum wage in the EU-8 countries before their full membership in 2004 was EUR 201.29, while in the same period, the average minimum wage in the selected EU-15 countries was EUR 1,199.42. Therefore, the EU-8 countries had six times lower average minimum wages in the first semester of 2004 than the selected Western countries. Furthermore, before the accession of the EU-2

⁴⁶ For this purpose, Croatia's accession is declared as "EU-1".

countries in the second semester of 2006, their average minimum wage was EUR 87.12, while the selected EU-15's average minimum wage was EUR 1,294.97, almost 15 times higher than Bulgaria's and Romania's. Finally, the average minimum wage in the selected EU-15 countries in the first semester of 2013 was EUR 1,497.88, four times higher than the Croatian minimum wage at its accession. Therefore, the previously mentioned hypothesis on low income as the reason for the EU-15's concern for the potential CEE worker's massive migration after their accessions could be justified due to the statistical data analysed above. Nevertheless, the transitional arrangements cannot be deemed as adequately safeguarding the labour market in proportion to the limitations imposed on the EU's fundamental freedoms based solely on the analysed concern.

Therefore, concerns arose in the EU-15 countries on the potential interruptions of the labour market, reduction of wages and uncertain impact on the unemployment rate.⁴⁷ Further possible issues were social dumping, unfair benefits for businesses establishing their offices in the CEE countries to lower their costs using cheaper labour force and premises and social tourism in the form of migrations for more generous social benefits and low contributions. 48 Significantly, the Court of Justice's broad interpretation of the term "worker" contributed to the last concern since the Court included, for example, individuals who worked part-time or received remuneration which was less than the minimum means of substance⁴⁹ or if the received remuneration was lower than the regulated minimum wage^{50,51} However, according to the proportionality principle, the question was whether all the reasons mentioned were enough to restrict the freedom of movement to post-communist countries' citizens.⁵² For a measure to be deemed proportionate, it must undergo scrutiny through a legitimacy assessment, a suitability evaluation, and a necessity examination, and ultimately, it must adhere to the stricto sensu proportionality requirement, entailing a balancing stage. Hence, in the context of transitional arrangements, it is customary to inquire whether a harmonious equilibrium has been achieved between market freedoms and non-economic interests.⁵³

That question specifically arose in 2007 when Malta and Cyprus were deemed sufficiently aligned with the established EU Member States to promptly attain full EU membership rights. Concurrently, the CEE countries were precluded from enjoying complete

⁴⁷ Jileva, 2002, p. 694.

⁴⁸ Kvist, 2004, pp. 305–306.

Judgment of the Court of 14 December 1995, C-317/93 Inge Nolte v Landesversicherungsanstalt Hannover, ECLI:EU:C:1995:438, p. 4656.

Judgment of the Court (First Chamber) of 26 March 2015, C-316/13 Gérard Fenoll v Centre d'aide par le travail "La Jouvene" and Association de parents et d'amis de personnes handicapées mentales (APEI) d'Avignon, ECLI:EU:C:2015:200, p. 7.

⁵¹ Currie, 2016a, p. 13.

⁵² Currie, 2016b, p. 159.

⁵³ Marzal, 2017, p. 630.

mobility rights upon accession, thereby categorising them as "second-class members". As a result, excluding only these two chosen countries further intensified the perception of discrimination towards the CEE countries and exacerbated the differentiation between the EU-15 and the newly admitted Member States.⁵⁴ Additionally, analysing the previous accessions of Greece, Spain, and Portugal in 1981 and 1986, which also had lower incomes than the "old Member States", it is essential to note that they were subject to transitional restrictions, too. This approach indicates contrasting historical nation-building experiences, particularly when comparing the original six founders of the EU with these Southern states that emerged from post-dictatorship eras and the CEE states that transitioned from the post-communist regimes.⁵⁵

These divergent experiences resulted in notable disparities in economic development, geo-strategic interests and normative power. However, the income divergence of Greece, Spain, and Portugal was not as significant as the one previously analysed from the CEE countries. Also, despite the initially envisaged duration of six years for Greece and seven years for Spain and Portugal, their transitional agreements were ultimately shortened, owing to the absence of significant worker migration during that period. In the years ahead, their accession and the rate of movement from those three countries even decreased, which proved the concerns of "old Member States" had been unfounded.

According to the aforementioned transitional provisions, one might initially presume that the nationals of CEE countries were in similar position to those from Southern EU countries⁵⁹. However, scholarly discourse varied considerably regarding the need to compare the transitional restrictions of the CEE countries with those of Greece, Spain, and Portugal. On one side, some scholars argued that the accession of Greece, Spain, and Portugal could be a template for projecting the migration flow of the CEE countries' nationals due to economic correlations and despite cultural and social deviations. Due to that, one would expect that the EU-15 concerns on after-accession migrations from the CEE nations were unfounded.⁶⁰ On the other hand, some scholars argued that the southern countries' situation could not be a model for the CEE countries for several reasons. Firstly, the economic situation of the CEE countries lagged way behind the southern countries at the time of their accession. Secondly, the EU-8 and the EU-2

⁵⁴ Currie, 2016b, p. 159.

 $^{^{55}\,\,}$ Dyson and Sepos, 2010, p. 23.

Ulceluse and Bender, 2022, p. 450.

⁵⁷ Tamans and Münz, 2006.

Vaughan-Whitehead, 2003, p. 413.

⁵⁹ Currie, 2016b, p. 160.

⁶⁰ Kaczmarczyk, 2004, p. 71.

accessions included almost double the number of new EU citizens than Greece, Spain, and Portugal's accessions.⁶¹

Consequently, besides all the previously mentioned reasons and academic arguments, the EU-15's concerns regarding potential migrations were significantly influenced by the political and cultural discrepancies of the CEE countries, particularly their post-communist status. Therefore, it can be concluded that the crucial (latent) reason for the EU-15 countries to introduce the transitional arrangements was potentially prompting negative public opinion on the massive instant influx from the CEE countries rather than any previously mentioned economic, labour market or welfare reasons. 62 That approach was a pillar for implementing prejudicial practices and establishing the "second-class citizens". Unequal treatment has shaped the economic and social hierarchy in the EU while dividing citizens into "two tiers". To analyse the mentioned issue, the following section provides the process and shortcomings that caused labelling the CEE countries' nationals as unequal.

2.2. Challenges in Acquiring the EU) Citizenship: The Impact of Transitional Arrangements

Freedom of movement of workers has two key objectives: economic and social-political. The economic objective, as the dominant one, is realised through benefits, not only for workers but also for the Member States (especially the "host countries") and the EU in general.⁶³ It aims to give workers the possibility to enhance their lives and employment conditions, all while contributing to the satisfaction of the Member States' economic requirements.⁶⁴ Besides it, as the motive of the economic policy of the monetary union, the free movement of workers enables the balancing of asymmetrical shocks, including events that affect the economy of one Member State significantly more than another. However, even though that freedom has contributed to the West EU countries, the EU in general and mobility workers, it negatively affected the CEE countries regarding labour force outflow, especially qualified workers, consequently slowing down convergence with "the old Member States". 65 On the other hand, when it comes to the political objectives of the free movement of workers, it is the factor that contributes to European integration and community. But the reality has shown that due to cultural and linguistic differences, just like the strong national identity, the EU citizens have not practised that freedom on a large scale until citizens of the economically less wealthy Member States got the opportunity to use it for working in the Western Member States.

⁶¹ Henderson, 2000, p. 1.

⁶² Currie, 2016a, p. 15.

⁶³ Goldner Lang, 2021, p. 78.

⁶⁴ Tudor, 2017, p. 41.

⁶⁵ Goldner Lang and Lang, 2019, p. 89.

Additionally, in practice, the freedom of movement has, instead of community feeling, stimulated negative public opinion of nationals of "host States". For example, the "Polish plumber" stereotype has been used in the Western EU to mark the cheap labour force from the CEE countries. 66 Some theorists have concluded that certain States are, from a legal standpoint, unhesitatingly selecting "desirable" categories of foreigners without even probing the moral dimension. Consequently, they find themselves teetering on the precipice of straddling the line between preferential treatment and discrimination.⁶⁷ That approach can be contrary to the EU legislation elaborating on the equal treatment of other Member State workers and contrary to the Court of Justice's case law that emphasised the importance of equal treatment of workers for the integration of workers and their family members into the host State and for the accomplishment of the main aims of the freedom of movement within the EU.68 Therefore, every national legislation or practice limiting the employment of other Member States' citizens that does not apply to their nationals is null and void.⁶⁹ According to Regulation No. 492/2011, the principle of non-discrimination should be interpreted as an equal priority in employment for all EU nationals, just as domestic workers enjoy.⁷⁰ Furthermore, although Advocate General Jacobs expressed the view on 19 March 199871 that every EU citizen residing in another Member State, regardless of their economic activity, possessed the right to be free from discrimination under ex Article 12 TEC (today's Article 18 TFEU⁷²), the notion of EU citizenship as a separate concept was initially introduced through the 1992 Maastricht Treaty⁷³ and subsequently expanded by the 1997 Treaty of Amsterdam. Before the Maastricht Treaty, the Treaties of the European Communities provided protections for the free movement of economically active individuals, such as workers, but not generally for other categories of individuals.⁷⁴ Therefore, EU citizenship aimed to integrate EU na-

⁶⁶ Goldner Lang, 2021, p. 78.

⁶⁷ Pécoud and Guchteneire, 2007, p. 9.

⁶⁸ See more in: Judgment of the Court of 11 July 1985, C-137/84 Ministère public v Mutsch, ECLI:EU:C:1985:335.

⁶⁹ Blanpain, 2010, p. 280.

Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the Union, Official Journal of the EU, L 141, (7).

Opinion of Advocate General Jacobs from 19 March 1998 in Case C-274/96 *Bickel and Franz*, para. 19.

TFEU, Article 18: "Within the scope of application of the Treaties, and without prejudice to any special provisions contained therein, any discrimination on grounds of nationality shall be prohibited. The European Parliament and the Council, acting in accordance with the ordinary legislative procedure, may adopt rules designed to prohibit such discrimination."

⁷³ Consolidated Version of the Treaty on European Union, Official Journal of the EU, C-202/1, 7 June 2016.

⁷⁴ Toader and Florea, 2012, p. 21.

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tionals outside their domestic country and foster a closer relationship between "Europe" and its citizens. Also, that notion, which still causes debates, pertains to belonging to and engaging with a community. The constitutionalising of the EU citizenship strongly corresponds with the concept of free movement, as the majority of the rights associated with it, except Article 18 TFEU itself, can only be exercised when a cross-border movement is involved. Hence, given the interrelation between cross-border mobility and EU citizenship, there was uncertainty regarding the impact of transitional arrangements on the citizenship status of individuals from the CEE countries, especially workers. Consequently, this matter will be critically examined below.

It is imperative to underscore that during the transitional period, citizens from the CEE countries were granted the privilege to travel and establish residency within the EU-15 nations, but they encountered prevailing constraints when attempting to access the labour markets in these respective countries.⁷⁸ Therefore, upon accession, individuals from the acceding country immediately obtain the EU citizenship within and are granted the right to move and reside freely in other Member States for any reason other than employment.⁷⁹ However, self-employed individuals were exempt from the transitional arrangements and enjoyed unrestricted entry into the labour markets of all Member States. As a result, self-employment became a tactic used by the CEE nationals and their employers to circumvent the imposed restrictions. These individuals operated as de facto employees while officially registered as self-employed.⁸⁰ Numerous studies have undertaken a targeted examination of the impact resulting from the implementation of transitional arrangements on the proportion of individuals engaged in self-employment. The findings of these studies have provided compelling evidence that the implementation of transitional restrictions led to an elevation in the prevalence of self-employment. In contrast, the subsequent removal of these restrictions resulted in a decline in the self-employment rate.⁸¹ The deficiencies observed in the previous transitional systems⁸² highlight the importance for policymakers to adopt a comprehensive perspective regarding the potential repercussions of such restrictions for future enlargements.

Finally, concerning the general effects of the enlargement, it is noteworthy that the Commission determined that the migration flows following the enlargement engendered favourable consequences for the economies of the pre-existing EU-15 Member States,

⁷⁵ Ackers and Dwyer, 2002, pp. 16–18.

⁷⁶ Faist, 2001, p. 40.

⁷⁷ Currie, 2016b, p. 148.

⁷⁸ Ulceluse and Bender, 2022, p. 452.

⁷⁹ Guild, 2014, p 105.

⁸⁰ Ulceluse and Kahanec, 2023, p. 720.

⁸¹ *Ibid.*, pp. 722–723.

Palmer and Pytliková, 2015, p. 145.

much more than for the sending countries. These accessions have actively contributed to the general labour market performance, facilitated sustained economic growth, and improved public finances.⁸³ Moreover, according to the Centre of Migration's Research, removing transitional arrangements would have resulted in even more significant gains in terms of aggregate output. Existing empirical evidence highlights that those countries that delayed the liberalisation of their labour markets experienced a disproportionate loss of skilled and young migrants, who instead chose countries, such as Ireland and the UK.⁸⁴ Also, implementing transitional arrangements to safeguard domestic labour markets had unintended side consequences, such as social dumping, self-employment misuse, and worker posting. Consequently, these transitional periods, stemming from political rather than market mechanisms, were not optimal choices in terms of maximising the benefits of mobility for both host economies and migrants themselves. Instead, they entailed significant socio-economic costs.⁸⁵

According to Zielonka, whether previous enlargements prompted the EU to adopt an imperialistic approach towards its new neighbouring countries remains a matter of inquiry. The inclusion of nations such as, for example, Turkey, Serbia, and Ukraine would undeniably pose even greater challenges, considering the significant interests involved. However, the last waves of enlargement have demonstrated the EU's adeptness and resolve in safeguarding its most vital interests.⁸⁶

3. (In)equality of Workers from the Central and Eastern EU Countries: A Critical Examination

The term "return to Europe" was used to describe the CEE countries' accessions to the EU since the freedom of movement, undoubtedly, served as a remarkable contrast to the intrastate and interstate mobility restrictions experienced under the communist regime.⁸⁷ From the perspective of the established Member States, the CEE enlargements were predominantly viewed as a "missionary crusade" to impart superior Western practices of conducting business and engaging in politics to the comparatively less developed countries.⁸⁸ Given the symbolic significance of freedom of movement for the CEE countries, which were physically and ideologically separated from the Western part by the Iron Curtain⁸⁹, it becomes a valid inquiry to examine whether the seven-year transitional

⁸³ Goldner Lang, 2007, p. 270.

⁸⁴ Fihel et al., 2015, p. 79.

⁸⁵ Ibid.

⁸⁶ Zielonka, 2006, p. 64.

⁸⁷ Petev, 1998, p. 83.

⁸⁸ Zielonka, 2006, p. 69.

⁸⁹ Currie, 2016, p. 1.

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arrangements were congruent with the concept of a post-communist formation of a larger Europe. ⁹⁰ Those transitional restrictions have not only downgraded the status of the CEE countries' nationals and aggravated "a common political, geographical, social and civil identity" of the EU citizens, ⁹¹ but they also *de facto* permitted discrimination based on nationality in the scope of employment. ⁹² Consequently, the transitional arrangements, which allowed the "old Member States" to refuse and postpone labour market access to citizens from the CEE countries, had made the legal status and the EU concept of "worker" inapplicable to many new EU citizens. ⁹³ We concur with the viewpoint by certain scholars ⁹⁴ who contend that the (mis) treatment of the CEE mobile workers during (and after) the transitional period exposed the presence of a dual-tier EU citizenship. The imposition of temporary limitations on the rights of the CEE mobile workers served as a catalyst and validation for the effective adoption of discriminatory practices.

While certain parallels can be drawn between European integration and state-building endeavours, it is essential to note that the EU does not resemble a Westphalian superstate. Instead, Zielonka emphasises that the emerging polity takes on the characteristics of a neo-medieval empire, featuring a polycentric governance system, overlapping jurisdictions, remarkable cultural and economic diversity, ambiguous borders, and divided sovereignty.95 The CEE countries generally exhibit limited participation in the "knowledge culture" prevailing in Brussels, and their political influence remains comparatively modest since Western states predominantly seek policy input from among themselves, rarely reaching out to the CEE countries. Paradoxically, despite professing a commitment to fostering solidarity with the CEE Member States, the Western EU countries occasionally entertain the notion of a "multi-speed Europe". 96 Therefore, the facilitation of unrestricted intra-EU mobility should have played a pivotal role in effectively resolving the longstanding division between the East and the West, 97 but the expansions did not promptly grant equal rights to the CEE's mobile workers compared to the Western EU citizens. 98 The presence of economic factors, the positions adopted by other Member States, and the unique socio-economic context and demand for migrant workforce collectively influenced the divergent approaches taken in implementing tran-

⁹⁰ Reich, 2004, p. 21.

⁹¹ Stalford, 2003, p. 11.

⁹² Currie, 2016b, p. 162.

⁹³ See more in: Judgment of the Court of 3 July 1986, C-66/85 Deborah Lawrie-Blum v Land Baden-Württemberg, ECLI:EU:C:1986:284.

⁹⁴ See more in: Ulceluse and Bender, 2022.

⁹⁵ Zielonka, 2006, p. 43.

⁹⁶ Anghel, 2020, p. 200.

⁹⁷ Favell, 2008, p. 701.

⁹⁸ Drnovšek and Debnár, 2021, p. 3.

sitional arrangements during each round of enlargement.⁹⁹ Ultimately, the contemporary mistreatment of workers from the CEE countries is not directly linked only to the divergent rights established by transitional arrangements. However, these arrangements have played a role in forming a "second-class citizenship" and have perpetuated the perception of the CEE nationals as workers of lesser value.

Therefore, the legitimisation of an unequal approach during the transitional period resulted in the transformation of second-class citizens into workers primarily occupying the lowest sectors of the labour market in the post-transition period. This transformation was accompanied by extensively documented practices, including underemployment, inadequate compensation, excessive working hours, substandard living conditions, and exploitative housing charges. 100 The CEE workers also encounter precarious working conditions, diminished bargaining power, and frequent hostility from the domestic population due to being perceived as a threat to their labour market. 101 The emerging manifestation of new "cultural" racism towards the CEE workers arises from their distinct way of life, language challenges, and the common underlying resentment harboured by the local population. 102 However, certain studies have indicated that Western employers prefer mobile workers from the CEE countries primarily due to their strong work ethic and readiness to undertake additional tasks for comparatively lower wages. Additionally, these workers are perceived as easily replaceable by other individuals from the same parts of the EU.¹⁰³ Undoubtedly, the recent crises that affected the EU have brought renewed attention to disparities within the European labour market, specifically with regard to the worker's country of origin. 104 These events indicated that when Western countries demand additional labour, foreign workers pose no concerns. However, during times of crisis, the migration rate suddenly becomes an unbearable challenge for them. 105 Despite the potential alignment of economic theory in favour of such an approach, wherein migrant workers are presumed to alleviate workforce shortages, the social capital accumulation model fails to corroborate this contention. 106 Notable instances that serve as evidence supporting this theory are the analysed transitional periods, the Brexit phenomenon, and the Covid-19 pandemic.

Brexit served as a wake-up call for numerous EU citizens who experienced first-hand that their previously taken-for-granted freedom of movement had been curtailed. 107 The

⁹⁹ Ulceluse and Kahanec, 2023, p. 721.

¹⁰⁰ Ulceluse and Bender, 2022, p. 452.

Szelewa and Polakowski, 2022, p. 240.

¹⁰² Garner, 2012, p. 445.

Friber and Midtbøen, 2018, p. 1472; Szelewa and Polakowski, 2022, p. 240.

¹⁰⁴ Bruzelius, 2018, p. 72.

¹⁰⁵ Mulligan, 2017, p. 255.

¹⁰⁶ Ihid

¹⁰⁷ See more in: Sypris, 2022, pp. 808–814.

next period that changed the perspective on the freedom of movement of the CEE workers was the Covid-19 crisis. Due to the complete or substantial restriction on cross-border movement, Western EU nations, notably Germany, encountered a significant lack of labour force in the primarily agricultural and food production sectors. This shortage pertained specifically to roles demanding physical strength, endurance, and agility amidst prolonged working hours, diminished remuneration, and demanding working conditions. Considering the inability of these countries to procure labour from their domestic population, this circumstance served as an additional catalyst in highlighting the significance and preference of workers from the CEE countries, who typically occupied positions not deemed appealing or sought-after by the local population. ¹⁰⁸ Finally, according to the abovementioned, the concept of the "good worker" designation often poses a potential pitfall as it gives rise to anticipations among employers that individuals from CEE exhibit heightened diligence, manifesting in a proclivity for extended working hours and a readiness to undertake more challenging assignments. ¹⁰⁹

To substantiate the claims above and examine the issue of the CEE workers' employment in Western EU countries, we conducted empirical research focusing on Croatian citizens employed in Germany. The findings of this research, which will be analysed in the subsequent sections, aim to provide evidence and insights into the topic at hand.¹¹⁰

4. Assessing Perceptions of German Employers Towards Croatian Workers: An Empirical Study

As previously mentioned, the employment of the CEE workers has become increasingly prevalent in many European countries, including Germany. This study aimed to investigate the underlying reasons for this phenomenon by examining the perspectives of Croatian workers..

Therefore, this section presents the findings of an empirical research study to explore why German employers hire Croatian workers. The study was conducted using an anonymous online poll distributed among Croatian workers residing and working in Germany. The sample comprised of 184 participants, primarily recruited through Croatian Catholic communities in Germany and social media groups for Croatian immigrants in Germany. Participants were presented with 13 answer choices and could select multiple options based on their perceptions. The objective was to gain insights into the perceived factors influencing the preference of German employers for Croatian

¹⁰⁸ Szelewa and Polakowski, 2022, pp. 245 and 252; See more in: Koinova et al., 2023, pp. 242–257.

¹⁰⁹ Baxter-Reid, 2016, p. 337.

¹¹⁰ The empirical research conducted for this article is an integral part of the author's doctoral research. Due to the comprehensive nature of the research, only a subset of the results is presented here.

workers as a form of a representative group of the CEE workers: Western solidarity or a dystopia for Croatian workers.

4.1. Hypothesis and Methods

The research hypothesis suggests that German employers favour employing Croatian workers, demonstrating Western EU employers' preference for mobile workers from the CEE countries. This preference is primarily attributed to the CEE workers' perceived strong work ethic and willingness to undertake jobs undesirable by the local populace that may involve additional tasks, all at comparatively lower wages.

The research included an empirical approach, utilising an anonymous online poll as the primary data collection method. The target population consisted of Croatian workers currently residing and working in Germany. The survey was distributed through two main channels between December 2022 and April 2023: Croatian Catholic communities in Germany and social media groups for Croatian immigrants in Germany. The sample consisted of 184 participants, of which 69,9 per cent were women and 30,4 per cent were men.

Among the 26 questions in the poll, this article focuses exclusively on presenting the results related to one question: "What are the reasons for the German solidarity toward the Croatian workers?". Participants were given 13 answer choices and could select multiple options based on their perceptions. The analysis of the responses provides valuable insights into the reasons behind German employers' employment preference towards Croatian workers.

4.2. Results

The results of this study offer insights into how Croatian workers perceive the motivation of German employers regarding their willingness to hire Croatian workers. The subsequent section presents an analysis of the results, organised according to the order in which they were received by the respondents.

- 1. 52.7 per cent of Croatian respondents believe that German employers gladly employ Croatian workers because they undertake jobs deemed undesirable and attractive by the domestic workers. Therefore, Croatian mobile workers are perceived as a compensational workforce for the secondary sectors.
- 2. 16.8 per cent of Croatian respondents indicated that Croatians are willing to engage in seasonal work, making them desirable and suitable for seasonal employment needs.
- 3. 49.5 per cent of respondents observe that the reason for the employment of Croatian workers is their openness to working outside their professional domain, potentially addressing labour shortages in various sectors of the German labour market.

- 4. 45.1 per cent of respondents noted that German employers gladly hire Croatians because they are undertaking a position where there is a workforce shortage.
- 5. 31 per cent of respondents think that the reason for employing Croatian workers is that they demonstrate readiness to work for lower wages than domestic workers. It suggests that Croatian workers are perceived as more cost-effective for German employers, contributing to their employment appeal.
- 6. 40.2 per cent of respondents think that the reason is that Croatian workers tend to work overtime, indicating their dedication and commitment to their work and potentially increasing their attractiveness to German employers.
- 7. 47.3 per cent of respondents indicated Croatian workers' readiness to take on more challenging tasks as the reason for their preferences by the employers.
- 8. 39.1 per cent of respondents noted that it is because Croatian workers refrain from lodging complaints regarding workload, marking them as adaptable, resilient, and willing to tackle their assigned tasks without grievance.
- 9. 17.4 per cent of respondents believe that German employers' preference lies behind the more susceptible manipulation of Croatian workers than local ones.
- 10. 19.6 per cent of respondents marked the Croatian workers' willingness to engage in informal employment ("black market") as the reason for their preference by employers.
- 11. 58.7 per cent of respondents perceive previous positive experiences with Croatian workers as the reason for preferences by German employers.
- 12. 46.7 per cent of respondents consider that the reason is better productiveness than the local workers, which makes them viewed as highly efficient and capable of delivering high-quality work.
- 13. 2.2 per cent of respondents indicated that none of the above reasons apply because they believe German employers do not gladly welcome and employ Croatian citizens.

The research results reflect various perceived factors contributing to German employers' willingness to employ Croatian workers. These mainly include their skills in undertaking less-desirable jobs and filling workforce shortages, cost-effectiveness, dedication, adaptability, and positive past experiences. However, the results indicated potential concerns about the vulnerability and exploitation of Croatian workers. Also, it can indicate discussions on labour mobility in general, employment patterns, and potential areas for improvement in cross-border employment.

Therefore, understanding of analysed perceptions of Croatian workers can contribute to a better understanding of the dynamics between the CEE workers and employers from the Western EU countries. Further research is encouraged to explore these perceptions in greater depth and to validate these findings in a broader sense.

In conclusion, the research findings confirm the hypothesis, as most respondents (97.8 per cent) claimed that German employers willingly employ Croatian workers. However, the reasons for it are mostly masked under the notion of being a "good worker", which encompasses undertaking undesirable jobs and addressing the labour shortage while exhibiting higher efficiency for lower remunerations compared to domestic workers. Therefore, while the Western EU countries demonstrate solidarity by offering employment opportunities to the CEE countries' workers, it is overshadowed by the underlying need for a more cost-efficient labour force which compensates for the workforce shortage in the less desirable job positions.

5. Conclusion

The freedom of movement of workers—a fundamental freedom granted to all EU citizens—primarily pertains to the mobility of individuals from the Central and Eastern EU regions who relocate to the Western EU countries to seek potentially improved employment prospects. Therefore, the transitional arrangements were a project for the EU-15 countries that should have fulfilled the aim of protecting their labour markets from "disruption" and "benefiting tourism". Despite that, the concerns surrounding liberalising labour markets for citizens from the CEE Member States were largely baseless and could not be equated with the substantial economic and social advantages derived from the principle of free movement of workers within the EU. Despite the "unity" policy, emphasised as the reason for the enlargement, the "old Member States" managed to tailor the process according to their economic interests, followed by the "cherry-picking" of certain professions that could have fulfilled their workforce's deficiencies.

The successive enlargements of the CEE countries in 2004, 2007, and 2013 further solidified the existing internal hierarchies, significantly impacting the perception of power dynamics, influence, and leverage between the long-standing Member States and the more recent additions. Therefore, the prior intention of "returning to Europe" of the post-communist countries, which were on the opposite side during the Cold War, was left behind the transitional restrictions that legitimised discrimination based on nationality by providing an unequal approach to new citizens but excluding the "welcomed" citizens from Malta and Cyprus. However, not even formal equalisation has not erased the West EU's perception of the CEE countries' workers as "second-class citizens" trapped in the secondary, low-skilled labour market. Therefore, legitimising an unequal approach during the transitional period led to converting individuals considered second-class citizens into workers predominantly concentrated in the lowest sectors of the labour market in the post-transition period. The provided empirical research indicates that Western employers demonstrate a preference for mobile workers from the CEE countries, primarily driven by factors, such as their readiness to undertake less-desirable jobs, flexibility

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in working conditions, cost-effectiveness, dedication, and adaptability but expertly disguised behind the facade of solidarity.

Therefore, even though cultural prejudices still follow the CEE workers in Western countries after the expiration of transitional periods, it does not mean that transitional arrangements did not inflame existing economic divisions in the "unified" European society. However, it appears improbable that the long-standing tradition of transitional phases will not persist for the candidate states, which are also classified as less wealthy and, consequently, less warmly received members. Nevertheless, even in the case of maintaining the arguably justifiable transitional period, the EU must effectuate substantial modifications to mitigate the potential bewilderment among citizens of the newly acceded Member States. This necessitates the comprehensive dissemination of pertinent information on the relevant legal framework, thereby ensuring clarity and understanding among the affected individuals. Moreover, the EU should explore alternative measures for safeguarding labour markets, such as implementing immigration quotas. This approach could potentially mitigate criticism regarding the perceived differentiation of nationalities into distinct classes.

Furthermore, considering the significantly influential role of the Western European nations, it arises as a matter of inquiry whether the CEE countries will be afforded a chance to actively participate in shaping overall transformation or mitigate the impact of the future transitional phases. It is worth noting that the effectiveness and justification of transitional arrangements, which entail exclusion from the freedom of movement of workers—one of the fundamental principles of the EU—are contingent only upon successfully passing the proportionality test. Moreover, whether the CEE EU countries will align with the restrictive approach adopted by Western countries or demonstrate solidarity towards the future Member States is yet to be determined. Regarding Croatia, the most recent Member State to join the EU, and its current labour market situation, introducing a transitional period for new Members would potentially create more disadvantages than benefits, just as has happened to several "old Member States".

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