

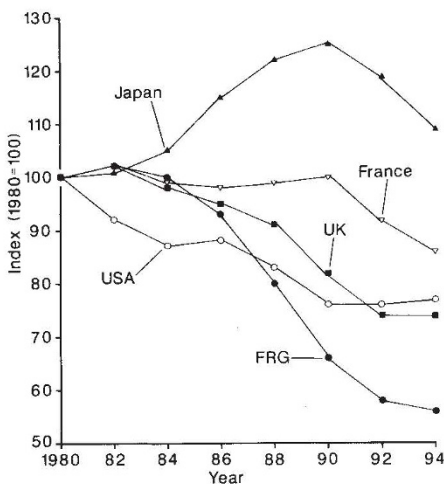
The impact of Europe's 1992

Richard Pearson

Business links between Europe and the United Kingdom are increasing and barriers to mobility of labour are coming down. There are new opportunities for both employers and individuals.

As the date for closer European integration draws near, increasing attention is being paid to the possible effects it may have on UK and other European labour markets. International companies are developing management teams which can work across international boundaries. Others are moving into overseas markets for the first time and having to build up a knowledge of local employment conditions and styles of operating. Yet other companies are expanding their recruitment market across national borders.

Individuals are also increasingly moving across borders as horizons of opportunity are broadened from the traditional North American and Commonwealth job markets (*Nature* 319, 84; 1986). For example, we have recently seen a significant inflow of veterinarians into the United Kingdom from Italy and other parts of Europe impacting on the job opportunities of UK graduates. Even those organizations operating solely within the United Kingdom, for example the universities, polytechnics and research institutes, are being affected as European recruiters target the UK labour market. Already Siemens,



Index of populations of 16-18-year-olds, taking 1980 as the baseline (index 100). Source: *International Science and Technology Update* (NSF, Washington, 1986).

Thompson and Philips are among the regular recruiters in the United Kingdom.

In the United Kingdom skill shortages are going to get worse, because the downturn in the number of young people entering the labour market over the next five years will be even more disruptive if the planned economic growth continues. So are things easier in Europe? The first point is that the demographic downturn is

a near-universal phenomenon, hitting for example France, Italy, the Netherlands and West Germany alike; in the latter case the downturn is as high as 45 per cent over a decade (see figure), with only Ireland having an expanding youth labour force. We see also a convergence across labour markets with common growth occupations at high skill levels and in the services sector, and declining opportunities for the unskilled and manual workers.

Because of differences in structure and content, comparisons of the numbers graduating have to be made with care. For example, while fewer students in the United Kingdom are enrolled in higher education pro rata to population size, the numbers graduating compare more favourably because of the lower drop-out rates, and although the United Kingdom does not compare so well in terms of engineering it does rather better in the sciences. In terms of the balance between supply and demand we see a segmented market in many countries with high levels of graduate unemployment in the Netherlands, Spain, West Germany, Italy and Ireland coexisting with shortages of engineers, information technology specialists, and business studies graduates.

So how easy will it be to recruit in Europe? The free mobility of labour in the Community means work permits are no longer a problem, although Portugal and Spain will not be included until 1993. Another change about to make itself felt is the mutual recognition of qualifications. Mutual recognition for pharmacists has recently been achieved, but only after 16 years of negotiations, and that for architects after 17 years. A more specific problem will be knowing where to go to recruit and being able to make judgements about the European graduates. For example, while in the United Kingdom the careers services actively help recruiters by 'selling' their graduates, in many parts of Europe such services are rare and in some cases direct recruitment is banned on campuses. In these cases use has to be made of more general national employment services. Recruitment is more usually carried out through personal links with academics, student work placements and direct advertising in the national newspapers and professional journals. Speculative applications from students are also much more common. In Italy, family and personal contacts are also important, factors reinforced by the much greater tendency of students to live at home and go to local

universities, a practice which is common in continental Europe. Living away from home seems to be peculiar to Britain and to students attending national, prestigious institutions in Europe. A further complication for the outside recruiter is the problem of judging the relative merits and qualities of institutions, for example, comparing Louvain with Berlin and Barcelona.

New employment strategies will also be required for the European graduate, who will typically be 4-5 years older than the UK equivalent and will have come from a broader-based, although still specialist, degree course. Different selection tests may be needed, certainly less reliance can be placed on extracurricular activities, which are far less common, and on academic references, which are not normally available on the continent. As most European graduates will be aged 26-28, because of their longer degree courses and national service, they are likely to be more mature and capable than the 21-year-old UK graduate. Initial jobs are therefore likely to be at a higher level in an organization. Induction and initial training needs are therefore also likely to be different, as will the starting salary. In part these differences help explain the discrepancies that are quoted between UK and European graduate starting salaries.

Many challenges face the British recruiter looking to Europe as a new recruitment source. At the same time European recruiters are starting to target the United Kingdom so we will not have exclusive use of the home market. Competition is likely to be greatest in the case of the extended engineering degrees, some of the applied sciences and business courses, particularly where students have a foreign language. Few European recruiters are interested in the generalist graduate. A dilemma for our careers services will be whether, in the interests of serving their prime customers, the students, they encourage and welcome European recruiters on to the campuses.

This increasing internationalization of business and labour markets will increase mobility both into and out of the United Kingdom. European recruitment is not, however, going to be an easy solution to UK shortages. The challenge for the 1990s will be to ensure that European integration offers new opportunities for individuals and employers and does not just mean a new brain drain. □

Richard Pearson is at the Institute of Manpower Studies, Mantell Building, University of Sussex, Falmer, Brighton, BN1 9RF, UK.