

Outside the Box: Cross-Border Dependency of Labour Market Issues in Luxembourg

Besides specific preconditions such as small territorial size and a high proportion of non-nationals, a main characteristic of the Luxembourgish labour market is its interdependency with its neighbours: 42% (2012) of the labour force in Luxembourg are commuters from the bordering countries Germany, France and Belgium. One out of two commuters is living in France, whereas Belgian and German residents both represent $\frac{1}{4}$.

The loose network of Luxembourg and its surrounding regions is called “Greater Region” (GR) and covers Wallonia in Belgium, the German Bundesländer Saarland and Rheinland-Pfalz as well as Lorraine in France – comprising more than 11 million people living in this centre of Europe, with the strong Luxembourgish labour market in its middle.

Unemployment Rate (%), 15 +, Eurostat, 24/04/2013, Ifst_r_lfu3rt		
	2009	2011
Luxembourg	5.1	4.9
Wallonie, Belgium	11.4	9.5
Rheinland-Pfalz, Germany	5.5	4.8
Saarland, Germany	7.0	6.0
Lorraine, France	11.6	10.4

Cross-Border Commuters in the Greater Region by country of work, 2009, own calculation using LFS microdata		
	Total	%
Luxembourg	130 000	67.7
Belgium	2 000	1.0
Germany	48 000	25.0
France	12 000	6.3

Why using LFS-Data?

So as to conduct a labour market study in this international (as well as regional context) of the “Greater Region”, one need internationally comparable data – The Labour Force Survey (LFS) provides this kind of data. Moreover, the LFS also provides in principle large enough samples to conduct analyses on a regional level.

Sample size: Commuters by region of origin, 2009, own calculation using LFS microdata	
Luxembourg	84
Wallonie, Belgium	1261
Rheinland-Pfalz, Germany	414
Saarland, Germany	163
Lorraine, France	667

The aim of this study was to depict the characteristics and determinants of professional mobility in the Greater Region. Complementary to data from national sources such as social security, LFS provides the opportunity to study individual characteristics, e.g. level of education.

As LFS data is limited to national boundaries, an exhausting study needs to loop over the resident concept and to include the commuters from the neighbour countries.

The structure and findings of the study

Generally, findings are shown for the different groups of commuters, defined by the region of residence, and their counterparts, people working and living in the same region.

The first section of the study deals with a descriptive extraction of selected variables with the aim to illuminate differences in certain characteristics of commuters. Selected variables are on three levels: person's characteristics as well as variables describing the employment situation and on firm level.

Selected variables	
Person's characteristics	sex age hatlevel national
Employment situation	temp wishmore ftpt isco
Firm level	sizefirm nace

In the second part the joint influence of certain characteristics on the likelihood to commute is studied via logistic regression models, referring to the region of origin. It shows different patterns for the different regions. To cite an example, we take a quick look to the group of foreigners amongst the commuters - 19% of all commuters do not have the nationality of their country of Residence.

The characteristic "Nationality other than country of residence, but within EU-15" augments the probability to commute between 11% (both German Bundesländer) and 83% (Lorraine, France), compared to the reference category "Other Nationality".

For all regions, this finding shows that the group of non-nationals is far from being homogenous as there are strong differences between the two groups of non-nationals. Moreover, the findings show that there are strong regional disparities for this characteristic on the likelihood to commute.

Lessons learned

The first challenge consisted in accessing microdata from all countries: The Luxembourgish, Belgian and French datasets were extracted from the official release CD, but German data was missing. German microdata are only accessible on German territory or by treating the data directly within Eurostat's premises. Therefore, this study about professional mobility requires mobility of the researcher as well. Followed by a drawn-out procedure to access data as a "guest researcher" in a protected Research Data Centre (Forschungsdatenzentrum) in Germany, the access to German LFS data was given. Nonetheless, pooling of the required international microdata to one dataset was still not possible due to legal restrictions. Regrettably, this fact renders other important topics impossible, such as a comparison of all commuters to Luxembourg with the national labour force.

Another critical remark concerns the weighting of the data. National LFS - datasets contain thoroughly computed weights on national level. One might doubt if the targeted subgroups are appropriately weighted in a cross-border perspective, especially if research requires pooling the data. A response to this question was not elaborated in this context, but this concern should be taken into consideration for any further research.

One general remark about the timely aspects of this data treatment- The latest data available were treated in October 2011, so displayed results were referring to 2009.

The cooperation of Luxembourg's national statistical office (STATEC) with the two German "Landsämter für Statistik" Saarland and Rheinland-Pfalz, Belgian IWEPS and the French Insee Lorraine dates back to the 1970th, aiming to provide harmonized statistics for the Greater Region.

This paper refers to a study about commuters in the Greater Region that was released in 2011 the context of an Interreg funded project. The aim of the Interreg programme is to stimulate cooperation between regions in the European Union, financed under the European Regional Development Fund (ERDF).

„Wer sind die Grenzgänger der Großregion ? Charakteristiken und Determinanten der beruflichen Mobilität / Qui sont les travailleurs frontaliers de la Grande Région? Caractéristiques et déterminants de la mobilité professionnelle“, 2011, Statistische Ämter der Großregion/Offices statistiques de la Grande Région.

http://grande-region.lu/eportal/pages/HomeTemplate.aspx?view=template&id=HTML_PUBLICATIONS