Abstract

Unlike the countries self-proclaimed as countries of destination for migrants, such as the USA, Canada, Australia and New Zealand (the so-called “New World”), Europe had a difficult time getting used to the fact that it has become a target for immigration flows and lucidly addressing this phenomenon.

Many companies in European countries have been deeply reluctant to accepting immigrants, especially those from non-OECD countries, who are perceived as having a significantly different cultural background and ethnicity. Anti-immigration feelings were expressed by public support for restrictive immigration and asylum policies, the negative presentation of immigrants and asylum seekers in the populist press, the discrimination of ethnic minority residents, or even racist or anti-immigrant manifestations, often leading to harassment and violence.

Keywords: policy, migration, debate, labour

1. Arguments for the acceptance of labour migration

Unlike the countries self-proclaimed as countries of destination for migrants, such as the USA, Canada, Australia and New Zealand (the so-called “New World”), Europe had a difficult time getting used to the fact that it has become a target for immigration flows and lucidly addressing this phenomenon.

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This hostility appears primarily as illogical, since European countries have benefited to a significant extent from immigration in the past four or five decades. Large-scale immigration, especially of the low-skilled, in the 1950s and 1960s, was an essential component of the post-war reconstruction effort and of the industrial boom in Western
Europe, and today, labour migration fills critical gaps in the sectors of IT, engineering, construction, agriculture and food processing, health care, education, catering and tourism, as well as home services.

The economic justification for the acceptance of labour migration is likely to become even stronger in the coming decades, for at least three reasons.

First, European governments tend increasingly towards a unanimous recognition of the importance of skills in generating productivity and economic growth. Human capital has become the most important determinant of productivity growth in an economy increasingly based on knowledge. Knowledge and the skills of highly-skilled workers are vital to innovation and productivity growth and, thus, to creating new jobs. A study on the impact of the Green Card on IT programmers, for example, estimated that each highly-qualified immigrant creates, on average, 2.5 new jobs in Germany¹. This has led many governments to reducing restrictions on immigration for employment, to encouraging the migration of skilled labour, intra-company transfers and the free movement of service providers in order to attract the best skills. Indeed, there are serious concerns in many countries about the fact that Europe is not as attractive for skilled workers as North America, the latter being a magnet for highly-skilled workers, including European scientists and researchers.

Secondly, despite the substantial structural unemployment in many European countries, European workers are often selective in choosing occupations and employers’ locations and are also more skilled than they were two to three decades ago. As a result, although the share of non-qualified and low-qualified workers is decreasing (due to new production and outsourcing techniques), there are significant shortages in certain occupations – especially in the agro-food industry, catering and home care services. There are also acute shortages in some areas of public services, mainly due to inadequate remuneration or the status perceived as marginal, such as healthcare or education – jobs that are increasingly occupied by migrant labour.

Thirdly, the aging of population in European countries implies a high dependency ratio, i.e. a high percentage of the population that is economically inactive, and this will lead to pressure on the social security and welfare systems, such as health and pensions, which are becoming increasingly expensive. The aging of population will also lead to changes in the consumption patterns, particularly an increasing demand for health care and leisure activities, which will generate, in turn, additional demand for labour in these sectors.

Thus, despite the persistence of unemployment, the problems of mismatch between supply and demand and the need to attract highly-skilled workers have created a labour shortage, which is often alarming. Because migrant labour is sensitive to political developments and decisions, it is rarely the first choice of governments to cover labour shortages. Generally, the first option was, and still is, to take measures in order to influence the labour supply models for the internal market – through education and

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professional training, by attracting more people into work, by extending the working age, or by encouraging birth rate. The EU has sought to stimulate the mobility of workers between Member States, including new members from Central and Eastern Europe, by removing (gradually and selectively) the restrictions on the free movement of labour. However, these measures are unlikely to precisely match the evolution of demand and, thus, the focus moves to finding the best solutions to attract workers with special professional skills, or workers qualified in fields sensitive for all European countries. As the shortage becomes more acute, we expect the measures for the liberalization of the labour market to become an instrument that governments will resort to more and more often, in order to fill, quickly and efficiently, the gaps in the internal labour market².

2. Anti-migration reactions

What are the real effects of immigration within the host states and, especially, how are they perceived by the local people?

The first approach is a demographic one, i.e. assessing the impact of immigration on the size and structure of the host country population. Migrants are younger and usually have larger families than the ordinary families of the host states’ population, but the current immigration levels are not even sufficient to prevent the aging population crisis that threatens many advanced industrial societies, especially in Europe and Japan³. Ethnic differences between migrants and the populations of host states have alarmed nationalists for decades, and historical statistics show that immigrants take at least two or three generations to be fully integrated in the host states, sometimes less, if there are local and national integration policies⁴.

The second approach to assessing the impact of immigration on host states focuses on the economic impact, measured in different ways. Although the views about the positive effects of international migration in countries of destination: on labour, support of the economic growth, etc., are known, there are economists who believe that these effects are fairly modest as compared to the overall size of the host country economies. For example, some researchers have estimated that, in the case of the U.S., immigration has contributed about $10 billion per year, i.e. 0.2% of U.S. GDP in 1997⁵, leaving a wide field for questions, more or less rhetorical, on the immediate usefulness on immigration in developed countries.

Much more heated political and electoral controversy focus on distribution issues, i.e. whether immigrants consume more public services than they pay in taxes. Considering the logic of progressive taxation, it can be assumed that immigrants will be net fiscal consumers, since the average earnings of immigrants are far below the average income of natives. Immigrants are likely to be a net tax burden for localities where they are

² Ibidem.
established, especially given that usually they have young families, with school age children, who require expensive social services such as education and health care. Regardless of their overall fiscal impact, there is no doubt that immigrants from EU represent a tax expense for municipalities with large immigrant communities, but are net contributors to the central treasury.

Finally, political and economic concerns bring into question the way the costs of migration (e.g., the pressure to lower wages, increased competition on employment) are distributed among different segments of the local population. The Heckscher-Ohlin model suggests that migration, equated with an international trade of abundant unskilled labour from the South (the generic name for the countries of origin of migrants) and skilled labour from the North, should bring about benefits both for the skilled workers in the host states and the unskilled workers from the countries of origin, and that low-skilled workers in the host states would be the losers, because their salaries are reduced\(^6\). However, these assumptions ignore the possibility of positive externalities of immigration, including job creation and economic diversification. Empirical studies have found a significant and substantial correlation between immigration to the U.S. and falling wages during 1890-1910\(^7\) and, more recently, between contemporary immigration and falling wages in Western European countries\(^8\).

The steps towards liberalizing the labour market were highly contested in the context of national politics.

An explanation, even if only partial, may lie in the wrong understanding and explaining of the economic impact of migration. Despite extensive studies on the gains that resulted from the use of migration, many of the national workers remain concerned about the possible effects of displacement (displacement effects), especially if there is already a high rate of unemployment\(^9\). There are also concerns about the socio-cultural impact of immigration, partly supported by the recognition that the integration of previous waves of immigration labour is far from complete. Here, one can discern a wide range of anxieties in the populist media, in posts by the nationalist parties or in the opinion polls. Europeans are concerned about the “ghettoization” of the ethnic minorities in poorer cities, the problems arising from inter-ethnic tensions and violence, poor education and apparently poor performance on the labour market of immigrants and ethnic minorities, crime and even terrorist activities by ethnic groups and, in a broader approach, the perception of the fragmentation of social solidarity and collective identity as a result of increasing cultural diversity.

These fears are exacerbated by the growing difficulties of migration control, given the extremely controversial and discouraging developments in the past three or four decades. Measures taken to mitigate labour migration in the early 1970s encouraged many people to try to enter Europe through the family reunification or asylum systems.

\(^6\) Borjas G. (1999), Heaven’s Gate: Immigration Policy and the American Economy, Princeton Univ. Press


\(^9\) Boswell, Ch., (2005), op. cit.
Attempts to restrict access through these “humanitarian routes” gave rise to new patterns of illegal migration and human trafficking. Irregular migration flows have emerged as a response to the demand for illegal labour in many sectors, especially in construction, textile and clothing industry, tourism and work at home. These forms of irregular movement fueled the alarmist tendencies of populist speech, which tried to strengthen the idea that Europe is inundated with migrants from the poorest regions and that the states are no longer able to control access to their resources and their national territories.

An explanation of the success of such positions comes from the fact that this anxiety is the result of larger socio-economic changes, rather than a rational response to the impact of immigration itself. One element of this change is the declining role of the state in ensuring social and economic security.

Since the 1970s, mass unemployment, the deregulation of labour markets and the reduction of state support for the social welfare systems have raised questions about the state's ability to provide effective social-economic protection for its own citizens. Secondly, sociological studies have shown a decline in the traditional categories of collective identification – social class, church, nation, profession or family. However, there is significant pressure on individuals to fulfill their lives through personal achievements in education, career, family life, housing and so on.

These changes have generated anxiety about social status and identity and about access on the labour market or to a certain level of welfare. Although these concerns have been noticed in other democratic countries outside Europe, it was found however that the European public has shown a special tendency to channel these anxieties on migration issues. However, trying to reassure voters by (re) asserting control capacity is not a simple task and here is one of the central paradoxes of the liberal democratic welfare states. On one hand, there are the attempts to limit migration, on the other, the economic benefits, respectively, regulatory and institutional constraints. Ruling democratic and welfare states, governments are responsible for the state of their citizens and voters, who expect a privileged level of protection – not only as regards personal security and civil liberties, but also welfare and social services, as well as labour employment.

At the same time, the democratic, liberal, welfare principles, underlying these systems are based on a logic of equality and nondiscrimination. The historical development of legislations in Europe shows that the national provisions on civil rights and access to welfare were limited to a state’s own citizens, while principles such as that of equal rights surpassed national boundaries, establishing themselves as fundamental principles, that became part of national constitutions and judicial practices, as well as European and international conventions. Thus, for example, international refugee law and the European Convention on Human Rights made it difficult for developed countries to ignore the rules of international protection, even at the peak of the “asylum seekers crisis” in the '90s. The extension of citizen rights to non-nationals was also promoted by the European welfare state government, on basis of a logic of equality of treatment with the residents.

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10 Boswell, Ch., (2005), op. cit.
Even if the real effects of immigration on the receiving countries are usually manageable, many citizens of the receiving states perceive migration by its negative economic and noneconomic consequences, which leads them to favouring more restrictive immigration policies. Numerous studies examine public responses to immigration, characterized in the entire industrialized world by opposition to the existing immigration levels and quite negative feelings towards the “recent waves” of migrants\(^\text{12}\). Partly, as a response to the “concomitance” of phenomena occurred after 1970, i.e. migration resurgence, the global macroeconomic shocks and an increasing concern about the sustainability of a welfare state, the following decades were marked by the emergence of new parties and anti-immigrant movements across Europe and in parts of the United States.

New security challenges arising from the superposition of phenomena such as globalization and fragmentation, add to the classic forms of risks and vulnerabilities. Unlike the migration phenomenon from ancient times that was a way of balancing and improving the livelihoods of people, illegal migration has become a destabilizing factor\(^\text{13}\).

Extremist anti-immigration parties have seldom enjoyed consistent electoral success (there are exceptions such as the National Front in France and Freedom Party of Austria), but they were successful in influencing larger parties to adopt more restrictive immigration policy. “Stubborn politicians, despite the repeated failure of anti-immigrant policies at the ballot box, still think this issue has the potential to mobilize voters”\(^\text{14}\).

What explains, in fact, the popular sympathy for anti-immigration measures? Analysts have focused mainly on two competing hypotheses: on the one hand, explanations based on economic arguments (threats), which draw their sources from Marxist thought (“the industrial reserve army”) and, respectively, sociological explanations based on threats to cultural identity\(^\text{15}\).

In this sense, the migration policy dilemma reflects more than a tension between the economic rationale and political considerations. It reveals a basic ambiguity in the logic of the liberal democratic welfare states, trying, on the one hand, to support an impressive project for promoting equal rights, and, on the other hand, to establish a well-defined protection of a specific group, defined within its borders.

**Conclusions**

The economic justification for the acceptance of labour migration is likely to become even stronger in the coming decades, because European governments tend increasingly towards a unanimous recognition of the importance of skills in generating productivity and economic growth.

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European workers are often selective in choosing occupations and employers’ locations and are also more skilled than they were two to three decades ago.

The aging of population in European countries implies a high dependency ratio, i.e. a high percentage of the population that is economically inactive.

There is a growing pressure on the social security and welfare systems, such as health and pensions, which are becoming increasingly expensive.

Migrants are younger and usually have larger families than the ordinary families of the host states’ population.

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