

An Anglo-German Foundation Report

# **Reconciling demand for labour migration with public concerns about immigration: Germany and the UK**

*Christina Boswell, Meng-Hsuan Chou, Julie Smith*

## **Executive Summary**

Demographic and international economic trends will create serious gaps in labour supply across different sectors and skills in Europe in the 21st Century. Faced with such shortages, business and the public service sector are likely to place governments under considerable pressure to recruit additional labour from abroad. But how will Europe's citizens react to the prospect of increased labour migration?

In this paper, we look at the situation in two states that have already introduced immigration programmes for skilled workers, the UK and Germany. The two countries face similar labour shortages but have rather different socioeconomic conditions, and very different responses to labour migration. By analysing the discourse on immigration in the two countries, we assess what lessons they can learn from each other about reconciling the need for labour migration with public concerns, and whether there are lessons for other European states.

In principle, there are two routes for reconciling this tension: addressing labour shortages through alternative reforms; and allaying public concerns about immigration. This paper argues that domestic reforms targeting the labour market, education and welfare systems will remain the first line of attack against future labour shortages. However, they are unlikely to provide a sufficiently rapid and efficient tool to address acute, immediate labour shortages adequately. Thus, governments will almost certainly find themselves under pressure to recruit foreign labour at least in the short term.

More attention must therefore be given to allaying public concerns about the impacts of immigration. This requires a better understanding of the sources of concerns about immigration. The paper examines two rival theses about these sources: that they derive from a rational estimation of the costs of immigration; and that they are an issue for channelling more diffuse anxieties about welfare state and labour market reform, globalisation, and declining categories of collective identification and social cohesion. The comparison of anti-immigration sentiment in broadly comparable countries in very

different socioeconomic and political circumstances provides more empirical support for the second thesis. However, since governments have little prospect of influencing these root causes, measures must focus on the factors that encourage such concerns to be channelled into migration issues. In particular, we conclude that they should:

- reduce incentives for party political mobilisation on immigration issues;
- provide better public information on the economic and social implications of future labour gaps, and how labour immigration could address these;
- develop an effective media strategy for disseminating this information;
- in the UK, alleviate perceptions of welfare abuse by allowing asylum seekers to work from the outset; and
- in both countries, adopt concerted efforts towards addressing impediments to the socioeconomic integration of newcomers.

*For more information please contact:*

Annette Birkholz  
Anglo-German Foundation/Deutsch-Britische Stiftung  
Hackescher Markt 1, 10178 Berlin, Germany  
Tel +49 30 2063 4985, Fax +49 30 311 099 20  
E-mail [ab@agf.org.uk](mailto:ab@agf.org.uk), Website [www.agf.org.uk](http://www.agf.org.uk)

Dr Christina Boswell  
Migration Research Group, Hamburg Institute of International Economics  
Neuer Jungfernstieg 21 D, 20347 Hamburg  
Tel +49 40 428 34 357, E-mail [christina.boswell@hwwa.de](mailto:christina.boswell@hwwa.de)

Dr Julie Smith  
Deputy director, Centre of International Studies  
17 Mill Lane, Cambridge CB2 1RX  
Tel: +44 1223 767235, E-mail [jes42@cam.ac.uk](mailto:jes42@cam.ac.uk)

Meng-Hsuan Chou  
Centre of International Studies, University of Cambridge  
First Floor, 17 Mill Lane, Cambridge CB2 1RX  
E-mail [mhc28@cam.ac.uk](mailto:mhc28@cam.ac.uk)

### ***Notes to the editor:***

Anglo-German Foundation: For thirty years the Foundation has contributed to policy-making in Britain and Germany by funding bilateral research and discussion of economic and social issues which challenge both countries, and by making the results of this work available to decision-makers, practitioners and their advisers.

Review and reference copies of the report are available from the Anglo-German Foundation. You may also download the report free of charge from the Foundation's website at [www.agf.org.uk](http://www.agf.org.uk); hardcopies (ISBN 1-900834-57-X) can be ordered from bookshops or from the Foundation's distributor, YPS, tel: +44 (0)1904 431 213, fax: +44 (0)1904 430 868, price: £15.00

## RECONCILING DEMAND FOR LABOUR MIGRATION

The authors of the report are:

Dr Christina Boswell, Migration Research Group, Hamburg Institute of International Economics; Dr Julie Smith, Centre of International Studies, University of Cambridge and The Royal Institute of International Affairs; Meng-Hsuan Chou, Centre of International Studies, University of Cambridge.