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.

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Notes to the editor:
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