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

Christina Boswell, Meng-Hsuan Chou and Julie Smith

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for the Study of Industrial Society**

RECONCILING DEMAND FOR LABOUR MIGRATION

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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.

1 Introduction

Europe has traditionally been a continent of emigration not immigration. Only from the middle of the last century did Western European countries such as Germany and the UK begin to admit large numbers of immigrants. From 1946 onwards, hundreds of thousands of immigrants from Commonwealth countries came to reside in the UK; as British subjects, they were automatically entitled to citizenship. Germany was rather more cautious about permanent immigration, explicitly declaring itself '*kein Einwanderungsland*' ('not a country of immigration') and preferring to fill labour gaps with supposedly 'temporary' guest-workers from Mediterranean countries such as Italy, Greece, Spain, Tunisia and Turkey.

Immigration to the UK caused considerable tensions from the outset, with the issue being defined as a problem of 'race relations'. A series of laws starting in the late 1950s sought to limit Britain's expansionist, colonial era rules on access to citizenship. In Germany, on the other hand, it was only in the 1970s that labour migration began to be perceived as a problem. Rising unemployment and the increasing recognition that guest-workers were not, in fact, temporary both contributed to rising anti-immigrant views among the public and political elites alike. Since the 1970s, both the UK and Germany – in common with other West European host countries – have pursued essentially restrictive labour migration policies, trying to limit the number of those admitted for economic purposes.

Recently, however, governments in both countries have begun to rethink this restrictive approach to immigration and have introduced policies to permit specific groups of high-skilled workers to enter and work, as a way of tackling skills shortages. Moreover, most labour market analysts agree that, in the short to medium term, economic and demographic trends will generate significant gaps in labour supply in a number of occupations and skills (Boswell et al, 2004). While some of these gaps may be addressed through education, welfare or labour market reforms, governments are likely to turn increasingly to foreign labour as a relatively quick and cheap means of addressing acute shortages. This is true not only for the incumbent centre-left governments in both countries; such considerations would also put any future centre-right administrations under pressure to fill gaps that are impeding productivity or the delivery of key social services, and may lead them to consider the potential for active labour migration policies.

The SPD-Green coalition government in Germany has already faced problems in liberalising provisions on labour migration, as attempts to expand labour migration programmes generated substantial resistance from the voters and from other political parties. The centre-right opposition Union parties of the Christian Democrats (CDU) and their sister party, the Christian Social Union (CSU), attempted to tap public concerns about large-scale labour migration through their critique of the 2004 Immigration Law, and effectively blocked the government's efforts to liberalise high-skilled labour migration. This was despite near consensus among experts, employer groups and even trade unions on the need for additional skilled labour. In the UK, the expansion of provisions for recruiting foreign labour since 2000 has not been the subject of major party political debate. Nevertheless, public concerns about immigration have been evident in discussions surrounding the issue of EU enlargement and free movement of workers, as well as

ongoing concerns about illegal immigration and 'non-genuine' asylum seekers. There are profound anxieties in both countries about the economic, social and cultural impacts of immigration.

Concerns about immigration in the two countries differ in important respects. Simplifying somewhat, anti-immigrant sentiment in Germany tends to be focused on issues of sociocultural integration and employment. Compared to other EU countries, there is a relatively high acceptance of bona fide refugees, but less tolerance of immigrants seeking work in Germany, and quite serious concerns about the failure of immigrants, especially those from Turkey, to integrate. Party political debates and media coverage have focused in particular on the impact of immigration on criminality, education and social cohesion. This is in contrast to the UK, where there is greater acceptance of those productively employed than of asylum seekers, who are often dubbed 'bogus' and portrayed as abusing the asylum and welfare systems. As in Germany, though, concerns have surfaced, particularly since 11 September 2001, about the failure of ethnic minorities, especially the Muslim community, to integrate. Moreover, in the UK, there is a systematic failure to address the important differences between asylum seekers, refugees and economic migrants, rendering much of the debate visceral and ill-informed.

Public resistance to increased migration shows little sign of abating and will pose serious dilemmas for governments over the coming decades. Governments may wish to alleviate the acute labour shortages that are predicted via increased immigration. Yet, public concerns about immigration are unlikely to diminish. Many of the social and economic factors that seem to underlie anti-immigrant sentiment – such as concerns about job security and welfare reforms, insecurity about globalisation and structural economic change, and a decline in traditional categories of collective identification – are likely to increase in the coming years. Thus, if anything, public anxiety is likely to increase rather than decline unless governments undertake significant policy reforms, either to find alternatives to immigration or to persuade voters of the potential benefits of immigration.

Ensuring conditions for economic growth and productivity, and guaranteeing welfare and social provisions, are fundamental tasks of European liberal welfare states. In the short to medium term this entails creating the conditions for filling acute shortages in public services such as healthcare and teaching, or for ensuring productivity and growth in key industries and services. However, it is clear that governments also need to gain the confidence of their electorates in order to sustain their own legitimacy. In cases where immigration is highly politicised, this often means pursuing policies designed to reassure electorates that migration and refugee flows are being restricted. Under such conditions, governments have a difficult balance to strike: to ensure sound economic fundamentals that give their voters the economic prosperity they seek, while at the same time responding to concerns about immigration espoused by those same voters.

This report considers some of the challenges facing governments in Western Europe in terms of demographic change and skills shortages, and the issues associated with using migrant labour to solve the ensuing problems. We draw on the experiences of two states, Germany and the UK, to see what lessons they might offer each other and other European states. The challenges in the two countries are in many ways comparable. Both countries face similar demographic and international economic pressures that will render labour and skills shortages more acute. Both have extensive experience with immigration since the end of the Second World War. And, in both cases, significant sections of the

electorate have expressed concerns about immigration – concerns which some members of the political elite and popular media appear willing and able to mobilise. Both have already introduced programmes for skilled migrant workers and are likely to require additional (skilled) labour in the future.

However, Germany and the UK also differ in important ways: their socioeconomic conditions differ quite substantially, as does public opinion. In recent years, Germany has been teetering on the brink of recession. Since unification, Germany has suffered from historically high levels of unemployment, which topped 5 million, or 12.6% of the population of working age, in early 2005 (BBC News, 2005), with the new *Länder* in the East (the former German Democratic Republic) particularly badly affected.¹ By contrast, the UK has enjoyed a long period of growth, albeit at a low level, and there was a steep rise in employment in the UK in the 1990s as the job market expanded. In the three months to May 2005, unemployment was 4.7% or 1.4 million and there were over 600,000 job vacancies (ONS, 2005). Their respective economic conditions present the two governments with quite different challenges and provide a useful contrast in considering policy lessons that they might learn from each other or teach other European states. In terms of public opinion, Germans tend to be more concerned about economic migrants than about asylum seekers and refugees; the reverse is true of the UK.²

There is a considerable body of literature that can help explain the causes and divergent patterns of anti-immigration sentiment in the two countries.³ Broadly speaking, we can divide theories of anti-immigrant sentiment into two main categories: 'rationalist' and 'non-rationalist'. Rationalist accounts posit that anti-immigrant sentiment is a reaction to the real or perceived costs of migration (Fetzer, 2000; Freeman, 1995, Stein et al, 2000). They locate the causes of anti-immigrant sentiment in the impact of migration on employment, welfare and social services, criminality, and other social and economic 'costs', which generate concerns on the part of host societies and especially those social groups affected. By contrast, what one could term 'non-rationalist' or 'visceral' theories see anti-immigrant sentiment as a function of other sorts of anxieties generated by socioeconomic or political changes which may have little to do with migration per se (see Huysmans, 1995; Lahav, 2004). These insecurities are often channelled into concerns about immigration, which is an easy target for attributing blame for these changes.

This theoretical distinction is important for our analysis: insofar as anti-immigrant sentiment is a more or less rational response to the costs of migration, one could expect that, where perceptions of the costs of immigration are correct, changes in migration

¹ In February 2005, unemployment reached 5.2 million but dropped below the 5 million mark again in April. Such levels had not been seen since the 1930s.

² Or at least for England and Wales; the situation in Scotland is somewhat different, at least at the elite level. Scotland has significant out-migration and a declining population, which is not in line with the trends in England and Wales, and which means the Scottish First Minister is willing to be far more outspoken in favour of immigration than are his colleagues south of the border.

³ Immigration refers to the entry, with intention of residing there, of non-nationals to the host country. Immigrants, strictly speaking, denote first generation foreign-born nationals. However, this strict definition is often not adhered to in public debates, with the term 'immigrants' often used to denote second or third generation immigrants, or host country nationals belonging to different ethnic minority groups. Since we are most interested in how the term is constructed in public discourse, our use of the term 'immigrants' and 'anti-immigrant sentiment' encompasses this broader definition where relevant.

flows or the behaviour of migrants could affect anti-immigrant sentiment. By contrast, where anti-immigrant sentiment is a reflection of broader socioeconomic or political processes, or if perceptions are inaccurate, then changes in the scale or nature of migration flows or the behaviour of immigrants will not necessarily have any impact on these concerns. In such cases, measures to prevent the further channelling of such concerns into anti-immigrant sentiment by correcting perceptions will be far more relevant for reducing anti-immigrant sentiment.

If anti-immigrant sentiment is based on (perceptions of) the costs of immigration, as rationalist theories hold, we would expect patterns of discourse to closely reflect this. For example, if resistance to immigration is a product of the perceived welfare burden of non-economically productive immigrants, we would expect anti-immigrant discourse to articulate this concern. Moreover, we would also expect the target of anti-immigrant sentiment to be categories of immigrants or refugees who are (considered to be) non-economically productive. However, there is one caveat to this straightforward link. Rationalist theories do not necessarily assume that beliefs about the costs of immigration are well founded: they could be based on misinformation (Freeman, 1995). In this case, there may be some gap between the 'real' costs of migration, and perceptions of these costs. Providing more accurate information on these costs may therefore be a way of moderating anti-immigrant sentiment.

In contrast, non-rationalist theories do not assume any reliable link between the real, or perceived, costs of immigration and anti-immigrant sentiment. Rather, anti-immigrant sentiment is explained as a channel for articulating anxieties or concerns that are caused by quite different factors. Leading contenders are globalisation and its impact on national economies, welfare and social systems, political systems, or cultural identity; the decline in traditional patterns of collective identification, such as class, religion or state; and new security threats.

Non-rationalist theories need to be able to explain how or why such general concerns come to be channelled into anti-immigrant sentiment. This type of theory also has to be supplemented by a micro theory that can explain why particular groups are more susceptible to anti-immigrant sentiment than others. In addition, some theory of

Table 1
Rationalist and non-rationalist causes of anti-immigrant sentiment

Causes of anti-immigrant sentiment (motivation)	Patterns of discourse (attitudes)	Target of anti-immigrant sentiment
Rationalist		
Socioeconomic costs	Concerns about competition for jobs, welfare burden	Non-economically beneficial (asylum seekers, refugees, unemployed immigrants)
Security	Control/security dominated	Illegals, asylum seekers, etc.
Culture	Integration/cultural/identity	All (non-Christian/European)
Non-rationalist		
Globalisation	All (depending on pattern of mobilisation)	All (depending on pattern of mobilisation)
Identities		
Security		

mobilisation is useful: for example, how and why do political parties, the media or interest groups seek to mobilise support for anti-immigration positions? This may be a product of party political and electoral systems, or established patterns of mobilisation.

Most commentators would hold that anti-immigrant sentiment is caused by a combination of the factors set out in the different theories (Betz, 1995; Watts, 1997). Immigration may indeed create some costs or be a source of problems in receiving countries; but these issues are often inflated, and used as a symbolic vehicle for channelling other sorts of anxieties not linked to migration. Migration is especially likely to act as a 'lightning rod' for other diffuse social and economic concerns (Beck, 1992), where there are changes in the scale and nature of the problem. While such a synthetic approach might ultimately be correct, for the purposes of this report we consider the claims of both rationalist and non-rationalist theories separately in order to generate effective policy responses to address concerns about migration. We will explore how far the UK and Germany seem to bear out the different hypotheses about the causes of anti-immigrant sentiment. This will provide a basis for evaluating different policy options for trying to reconcile the conflict between the economic and social case for labour migration, and public concerns about immigration.

The report starts by examining the sources of labour and skills shortages. Chapter 3 describes patterns of anti-immigrant sentiment in Germany and the UK, especially as they have surfaced in recent party political and media debates, and in opinion polls. Chapter 4 examines which macro-theories appear pertinent in the two cases. It finds little support for a pure rationalist position. Building on this analysis, it suggests an alternative theory of anti-immigrant sentiment based on non-rationalist theories, and describes how these sorts of concerns are channelled into anti-immigration sentiment in the two countries. Finally, in light of this analysis, the report considers possible policy responses at local, national and EU level, and lessons that might be drawn by other states.

2 Labour and skills shortages

Many experts and employers across Europe are concerned about gaps in labour supply projected for the near future. They argue that shortages in areas such as healthcare, engineering and a variety of services will become more acute because of ageing populations, as well as the growing demands of the knowledge-based economy. Such shortages could hamper growth and productivity, or impede the delivery of key social services. Labour migration programmes, many argue, can help meet these gaps, and are therefore essential for maintaining current levels of prosperity and welfare. This chapter examines the causes of current and projected future shortages, focusing on two important trends: demographic change and demand for skills in the knowledge-based economy.

Is increased labour migration inevitable?

The growing importance of the knowledge-based economy and continued de-industrialisation will generate increased demand for qualified and highly qualified workers. Assuming that current demographic and educational trends persist, domestic labour supplies will not be able to keep pace with this shift in demand. A shrinking labour force, accompanied by stagnation in the trend towards higher qualifications, is likely to create acute shortages of skilled workers. Meanwhile, ageing populations will also generate a significant rise in the demand for healthcare workers with various skills levels. Future gaps will be characterised by skills mismatches in certain sectors, exacerbated by aggregate shortages, problems already witnessed to some extent in the UK, which has seen job vacancies of around 600,000 for many months. Such shortages may be further aggravated by continued low occupational and regional mobility on the part of domestic workers, especially in low-skilled work.

A much-cited report from the UN Population Division (UN, 2000) argued that Germany would require 3.6 million immigrants per year between 2000 and 2050 to retain current dependency rates. On the same calculations, the UK would require over 1 million per year. However, few commentators accept that this scale of immigration would be desirable, or even necessary. Instead, most OECD governments consider that the first line of attack lies in reforms influencing domestic labour supply.

But these domestic measures also have their limitations. It is highly unlikely that they will be able fully to address problems of labour gaps. Nor will such reforms be flexible enough to respond to unexpected and sudden shortages in particular occupations or skills. By contrast, labour migration programmes are a fairly rapid and efficient instrument for meeting shortages. Sectoral and occupational recruitment programmes, or points systems, offer a reliable and swift way of recruiting the required labour. Thus, where domestic reforms are insufficient, serious thought will need to be given as to whether migration programmes can help meet labour gaps in a way that addresses public concerns about the impact of immigration. Labour migration is likely to emerge as an important

means of retaining economic prosperity and sustaining social and welfare services in European countries.

What are labour shortages?

Labour shortages occur where there is a demand for labour in a particular occupation, alongside a lack of workers who are available and qualified to do the work required. Shortages can take a number of different forms. Aggregate shortages occur in situations of (near) full employment, where there are simply not enough workers to meet demand for labour. A far more frequent problem is that of shortages due to mismatch of labour demand and supply (Boswell et al, 2004). In this case, the number of workers is sufficient to fill the vacancies, but workers are unable or unwilling to fill them. This may be because of a lack of occupational or regional mobility. More common, though, is the problem of skills shortage, or 'qualitative mismatch': workers do not have the necessary education, training or experience to fill vacancies. Labour shortages due to mismatch can coexist with high levels of unemployment, as has been the case in Germany for over a decade.

Aggregate shortages and mismatch in the labour market occur as a result of two types of change. First, they may occur where changes in labour demand outpace corresponding shifts in the size or composition of the labour force. Such changes may be generated by growth in the economy as a whole, or in particular sectors; changes in the international division of labour that affect the location of production and services; or by technological change and changes in productivity. Second, shortages may be generated by changes in labour supply. The labour force may become smaller or its skills or occupational composition may either reach a point of stasis or change in ways that do not reflect the changing economic conditions, particularly given the increasingly globalised economy. This can result from demographic change, trends in the qualifications structure of those entering the labour market, or declining participation rates. The two trends which are likely to have the most impact on future shortages are ageing populations, which will mainly affect labour supply, and the growing importance of the knowledge-based economy, which affects the demand for certain types of skilled labour, as well as putting additional pressure on certain sectors such as healthcare.

Demographic change

In the past, the populations of European countries have increased slightly year on year as a result of improvements in healthcare and reduced infant mortality. However, in recent years the demographic situation in most European states has given some cause for concern: Europeans are ageing, in several countries there will be fewer births than deaths per annum in the near future, and populations will begin to contract (Eurostat, 2004). Fertility rates in West European countries have been declining since the 1960s, while average life expectancy has risen from 66 in 1960 to 77 in the late 1990s (Visco, 2001). By 2025, the over-65 age group in EU states will constitute 22.4% of the population, as opposed to 15.4% in 1995 (cited in European Commission, 2000). The projections are less

dramatic for the UK, whose population is expected to continue to grow until about 2050. By contrast, the outlook for Germany appears to be fairly stark. At present the population of Germany is 82.5 million; this is due to rise slightly to 83 million by 2012 and then to fall to just over 75 million by 2050, the same level as in 1965 (Federal Statistical Office, 2003a).

More significantly, demographic trends are likely to slow down the growth rate of the labour force over the next three decades, and in some countries could lead to a decline (OECD, 2003b). The contraction of the population will therefore be characterised by an increase in the numbers of elderly people and a significant reduction in the numbers of people of working age. This increase in the so-called 'old age dependency ratio' (the population aged 60 or over as a proportion of the population of working age) will place a considerable burden on the economies of European states in terms of pension costs, higher medical bills and lower per capita GDP, and will also further exacerbate skills shortages (see later).

Germany will be seriously affected by ageing populations. It already has a high old age dependency ratio: at 44.3% in 2003 (Eurostat, 2004: 63). This is expected to rise to 77% by 2050 (Federal Statistical Office, 2003b: 7). The Federal Statistical Office believes that by 2050 9 million – 12% of the total population – will be 80 or over, compared with 4% in 2004. These trends imply that the labour force will decrease not just in absolute terms, but also as a proportion of the total population. It is projected that by 2030 the proportion of the population in Germany who are retired will rise to 35.8% as compared to 23.5% in 2000. The labour supply will decrease by an average of 0.7% per annum between 2010 and 2040.

By contrast to Germany, the UK is one of 11 EU countries that still sees a positive natural growth rate as well as net immigration.⁴ The crude rate of natural increase in the UK declined from an average of 6.4 between 1960 and 1964 to 1.3 between 1980 and 1984 and 1.1 in 2002 but remained positive (Eurostat, 2004: 48). The UK also has a more youthful population than Germany, with a youth dependency ratio of 45.5% and an old age dependency ratio of 37.2% (Eurostat, 2004: 62-3), both of which suggest continued population growth in the medium term and a less pressing issue of ageing than other countries face.

The UK has a high participation rate (ie the proportion of the working-age population which is economically active or seeking work) of 78%, and this is expected to remain broadly unchanged for the next 10 years (DfES, 2004). The number of 16-year-olds entering the labour market in the UK is likely to continue to rise until 2007, and the total working population is expected 'to rise from 36.6 million now to 37.6 million in 2010' (GAD, 2004: 10). The UK is also facing change, however: in 2002, there were 19 million people aged 50 or over; this is set to rise by 37% in 2031 (ONS, 2004). The number of people aged 80 or over is expected to rise from 2.5 million in 2002 to 4.9 million by 2031, 'peaking in the early 2050s at nearly 7 million' (GAD, 2004: 1).

As these figures show, the immediate demographic problems for European states are not identical. The UK does not have as severe an ageing problem as Germany and has not yet seen a natural rate of decrease. However, deaths are likely to exceed births by the early

⁴ These UK figures mask the intra-UK differences noted earlier.

2030s and the population is expected to peak in 2050 at 65.5 million, assuming net immigration continues at around 130,000 per annum (GAD, 2004: 12, 35).⁵ In both countries, a decline in the labour force is likely to create serious labour shortages in many sectors. Some sectors and occupations such as healthcare, which already poses a problem for the UK, are likely to be especially badly affected.

These trends may be partially offset by an increase in participation rates. Indeed, in Germany, rising participation rates of women over the past 15 years have helped counteract the impact of demographic change on the size of the labour force (although it should be noted that in 'new' German *Länder*, female participation rates, which were traditionally higher than in the West, have been declining since the 1990s). However, growing female participation cannot continue to compensate for a declining workforce indefinitely. Moreover, another trend in European countries is set to exacerbate the problem of a shrinking labour force: average retirement ages are getting lower just as life expectancy is increasing. Fewer than half of 55–65-year-olds in OECD countries are in employment (Coppel et al, 2001). One notable exception is the retirement age for women in the UK, due to rise from 60 to 65 by 2010. This is expected to increase the workforce further, to 39.4 million by 2012. Thereafter the workforce will begin to contract (GAD, 2004: 10). The sort of additional radical change in current trends in labour force participation, and/or an increase in the retirement age that would be needed to offset the impact of demographic change on dependency rates, are unlikely to occur.

Skills shortages

While the demographic factors outlined earlier primarily influence the supply of labour, a number of economic trends will also affect the composition of demand for labour. In particular, structural change and the growing importance of the knowledge-based economy will generate greater demand for a qualified workforce. Two trends are of particular significance in this respect: changes in the international division of labour, especially so-called 'delocalisation'; and the importance of technological development and innovation.

Delocalisation denotes the movement of capital from developed to developing countries as investors seek to benefit from lower labour costs or from preferential access to foreign markets. Delocalisation from Western European states to lower labour cost regions like Asia is likely to continue, reducing the number of low-skilled jobs in the former region. However, a number of firms will continue to locate many of their high-skilled functions in Europe, including research and development, sales and organisational management, because of the availability of skills and knowledge, and the benefits of being close to customers (Munz and Ochel, 2001). Overall, this implies a decrease in demand for low-skilled and unskilled work in Germany and the UK, and specialisation in high-skilled jobs.

⁵ These figures are inevitably the result of a complex set of statistical calculations based on a set of assumptions regarding fertility and mortality rates, and levels of immigration. Chapter 10 of the Government Actuary's Department's 2002-based projections (GAD, 2004) gives a variety of other figures based on alternative assumptions.

Delocalisation does not, however, imply that demand for low-skilled labour in Europe will vanish entirely. In a number of sectors there are still advantages to being located nearer to markets. In textiles, for example, the ability to respond rapidly to fluctuating demand, or to ensure a certain level of quality of products, may be important. Thus, even though labour is relatively more expensive in industrialised countries, the textile industry has not been totally eliminated in Europe. Yet, it is under intense pressure from global competition, and manufacturing firms are keen to recruit cheap, flexible labour. Nor has the agricultural sector disappeared from developed countries, despite high labour costs; government and/or EU subsidies to farmers, and more advanced production techniques, have kept European agriculture viable. And yet, these are precisely the sorts of jobs that necessitate migrant labour, since native workers are often unwilling to take up such insecure, low-status and low-paid work (Sassen, 1996).

Technology and innovation will continue to exert an important influence on the composition of labour demand. In the 'knowledge-based economy', skilled and specialised human capital has become the most valuable factor of production. Indeed, it has been estimated that more than half of GDP in OECD economies is knowledge-based rather than derived from the material value of goods (Beaudin and Breau, 2001). Thus, productivity and competitiveness have become more than ever a function of having the right knowledge, information and skills. This development can in large part be attributed to the burgeoning importance of information and communications technologies (ICT). These new technologies, based on micro-electronics, computer software and telecommunications, provide the infrastructure for far more complex and rapid management of production and transactions (Castells, 2000). They have become increasingly important not just in the services sector, but also in manufacturing, which is increasingly dependent on ICT for efficiency and competitiveness. The OECD has projected that by 2010 half of all jobs in the EU will be in industries that are major producers or users of ICT products and services (OECD, 2000). Apart from ICT, the knowledge-based economy is also characterised by an increased demand for research and development skills, and the 'flexible specialisation' of employees: an ability to adjust to constant technological change and upgrade skills (ILO, 1995). Since innovation and technological change can be rapid and unexpected, they can produce serious skills gaps, as educational reforms and decisions lag behind labour demand. The trend towards greater demand for highly qualified workers is already evident: between 1975 and 2000, the employment of highly qualified workers in Germany increased by 180%. Demand will continue to grow in the coming years, even if economic slowdown increases aggregate unemployment.

Taken together, these changes imply above all an increasing demand for highly qualified and qualified workers in the tertiary sector and a reduction in demand for low-skilled labour. The UK is already facing a chronic lack of healthcare workers and is heavily reliant on migrant workers in this sector; in 2001/02, over half of nurses newly registered in the UK came from outside that country (RCN, 2005: 2). Nor does the demand for low-skilled workers seem likely to drop in the foreseeable future. By contrast, German demand for low-skilled and unqualified workers will decrease, with an estimated loss of 2.2 million jobs between 1996 and 2015 (Munz and Ochel, 2001). The composition of these low-skilled jobs is also likely to change: traditional manual labour in industry and agriculture will decrease, while ageing populations and the growing importance of the tertiary sector will create rising demand for various sorts of services, also covering low-skilled occupations.

Can this demand for qualified labour be met by domestic workers? In the UK, the answer would appear to be negative, at least in the short to medium term, since a lengthy period of training is required for doctors and dentists, and to a lesser extent for nurses, and there is also a marked lack of vocations to the teaching profession. Moreover, these sectors have problems retaining staff after training. Projections of future labour supply carried out by a number of German researchers have also been rather pessimistic. Until the early 1990s, there was a steady trend towards higher qualifications in Germany. The proportion of unqualified persons on the labour market decreased substantially, while those with professional qualifications rose. However, since the beginning of the 1990s, while the number of graduates has continued to rise, the number of those with a professional qualification has stagnated (Reinberg and Hummel, 2004). Combined with the overall decline in the numbers of those entering the labour market in the coming years, we would expect a decrease in professionally qualified labour of almost 2 million between 1998 and 2015 (Reinberg and Hummel, 2004).

German and UK policy makers are likely to opt for a combination of different reforms to address future labour gaps. Measures to promote a better qualified workforce, to expand the participation rate and to raise the retirement age, will probably remain priorities for any government, but immigration is also to be expected.

3 Public attitudes towards immigration

While the UK and Germany face broadly similar pressures for liberalising labour migration, they display divergent patterns of public discourse on the impact of migration. In general terms, the German debate, at elite and popular level, is characterised by a range of concerns, some of which could be considered rational, others as non-rational or visceral. German opposition parties and voters express concerns about the perceived costs of immigration in terms of competition for jobs and the poor labour market performance of immigrants, as well as concerns about sociocultural issues including problems of integration of immigrants and the impact of immigration on German identity. In the UK, the explicit articulation of concerns about the cultural implications of migration has traditionally been more taboo (at least in public debate); instead, concerns centring on the perceived costs of integration in the form of abuse of the welfare and asylum systems predominate, alongside issues of illegal migration and control. Moreover, in contrast to Germany, the British political elite and media have tended to agree on the importance of labour migration.

It is important for two practical reasons to understand the nature and sources of these different patterns of anti-immigrant sentiment, particularly whether they arise from largely rational or irrational factors. First, the nature of anti-immigrant sentiment will determine, at least in part, the sorts of constraints that policy makers will face in their attempts to liberalise labour migration. Second, understanding the causes of anti-immigrant sentiment will help us formulate recommendations as to how to overcome such hostility. Can they be located in the 'real' costs or burdens imposed by immigration as rationalist theories presume? If so, are these costs socioeconomic, cultural or security-related? Or are concerns about immigration a function of other sorts of socioeconomic changes: globalisation, the changing role of the state or the decline in traditional categories of collective identification as non-rationalist theories assert? This will have important implications for how far these causes are open to influence through practical measures such as policy reforms and public information campaigns. Thus, we seek to characterise the patterns and mobilisation of anti-immigrant sentiment in the two countries and explain their sources.

The discussion will endeavour to distinguish between the types of concerns expressed, in particular:

- those focusing on socioeconomic costs, including welfare and social costs, education, labour market or administrative costs;
- those emphasising security concerns – criminality and control, as well as terrorism; and
- those focused on cultural concerns, including religious or ethnic difference, and cultural integration problems.

We shall examine how far, and in what ways, such concerns have surfaced in party political discussions, media coverage and opinion polls in both countries. We introduce

the analysis with a brief outline of debates on labour migration in each country since 2000, including a discussion of political and media contributions. This is supplemented by an analysis of opinion polls indicating public attitudes towards migration.

Germany

The politics of labour migration, 2000–04

Labour migration policy reform became a hotly contested theme in Germany following the announcement of the so-called 'Green Card' programme in March 2000. Chancellor Schröder's plan to recruit up to 20,000 skilled IT workers raised questions about whether selective skilled migration, as opposed to domestic supply-side reforms such as education and training, was the appropriate instrument for responding to skills gaps. It also engendered a wider debate, not just on the economic and labour market cases for immigration, but also on the issue of integration of new entrants to Germany and of immigrants and ethnic minorities already resident there. Conditions for entry and the question of integration were considered by an Independent Commission on Migration, established for the purpose and chaired by Christian Democrat politician, Rita Süßmuth. The debates over the Commission's recommendations and the ensuing legislative package put forward by the Red-Green coalition government offer a good case study for understanding German views on immigration.

The Commission issued its report, *Zuwanderung gestalten, integration fördern (Structuring immigration, fostering integration)*, in July 2001. The report argued for the need to expand labour migration on three main grounds: the growing importance of qualifications and knowledge for competitiveness in the global economy; the problem of Germany's ageing population; and existing gaps in labour supply (Independent Commission on Migration to Germany, 2001). Moreover, it stressed the need to recognise that Germany was an immigration country, reversing a longstanding self-depiction of the country as '*kein Einwanderungsland*'. The Süßmuth Commission recommended four main channels for meeting the demand for foreign labour. The first was a points system based on qualifications, skills and other criteria (similar to Canadian and British schemes), which would grant permanent residence to successful applicants. The second was shorter term permits of up to five years for sectors such as ICT where there was a labour shortage, with a subsequent possibility for migrants to be granted permanent residence through the proposed points system. Third, it suggested expanding the opportunities for foreign students to come to study or train in Germany, with the possibility of residence permits after they had completed their courses. Finally, the Commission proposed a new category for top staff and specialists with high salaries in industry and science, who could also enter on one- to five-year permits, again potentially extendable through the points system.

The government incorporated many of the recommendations into a new draft law (*Zuwanderungsgesetz, 2004*). The Bill proposed that high-skilled workers such as ICT workers, engineers, scientists and researchers should be able to apply for permanent residence from the outset. In addition, non-Germans who had graduated from German universities would be entitled to a one-year residence permit during which time they could seek employment. The Bill was rather more cautious in embracing the idea of a points system. It outlined a quota scheme for skilled migrants based on pre-set criteria, but stressed that this would be restricted to very limited numbers, if it were used at all.

The Bill was an important component of the SPD-Green government's reform agenda, and SPD Interior Minister, Otto Schily, made considerable efforts to elicit cross-party support. However, the CDU and CSU were sharply critical of the Bill. Despite the government's attempts to amend the Bill in response to a number of their demands, it was blocked in March 2002 by the upper chamber, the *Bundesrat*, where the government coalition parties had a majority of just one.⁶ The government subsequently reintroduced the same Bill, which was rejected for a second time by the *Bundesrat* in June 2003. The government then renewed negotiations to try to reach a consensus with the CDU and CSU. The Bill was intensively debated by political parties and the media between Autumn 2001 and Spring 2004, when the main parties finally came to an agreement on a watered-down version, which excluded the proposed points system. The much revised Bill was finally passed in July 2004. Public debate on the Bill's provisions on labour migration and integration provides a good indicator of the range of opinion on migration in Germany over this period.

Party political debate

The CDU and CSU advanced two main arguments against the Immigration Law: first, that labour migration should be limited rather than increased at a time of high unemployment; and, second, that the integration of those already resident should be improved before Germany admitted more immigrants. A third argument which surfaced sporadically in the discussions, especially in the aftermath of 11 September 2001 and the March 2004 Madrid bombings, centred on the issues of security and the need to make the Law 'watertight' against terrorism.

The socioeconomic argument that an additional inflow of labour migrants was inappropriate in the context of continued high unemployment was a recurring theme in the CDU-CSU's critique of the Bill. For example, Hartmut Koschyk, home affairs spokesman of the CDU-CSU group in the *Bundestag*, argued that:

'In a context of 4.6 million unemployed and given the fact that we can expect considerable internal migration in the process of EU enlargement to the East, the attempt of the Red-Green Immigration Law to substantially increase migration is mistaken.' (CDU/CSU *Fraktion im deutschen Bundestag*, 2003a)

The premise was that new entrants would act as substitutes, rather than complements, to domestic workers. Similar arguments were raised when CDU-CSU politicians accused the government of trying to introduce a general relaxation of the 1973 *Anwerbestopp* (the cessation of recruitment), rather than more targeted recruitment to address recognised skills shortages. They rejected the idea of 'admitting labour migrants who were not being recruited for a specific job' (CDU-*Bundesgeschäftsstelle*, 2003). The concern was that the government would admit immigrants in a non-selective way, for 'demographic reasons' –

⁶ The background to this rejection was complicated. Approval of the Bill required a positive vote from the SPD-CDU coalition government of Brandenburg, but the coalition was openly split on its position. The SPD Minister President of Brandenburg voted in favour and the CDU Interior Minister against, prompting a heated constitutional debacle as to whether the Brandenburg vote should be counted as valid (the German constitution requires that federal states vote en bloc in the *Bundesrat*). The President of the *Bundesrat* counted the vote as in favour, a decision which was subsequently overturned by a decision of the Constitutional Court in January 2003. The February 2003 *Länder* elections overturned the SPD-Green majority in the *Bundesrat*, making it virtually impossible for the Bill to be passed as drafted.

ie as replacement migration.⁷ These parties also stressed the need to prioritise domestic policy measures before admitting migrants, whether in the form of training the domestic population or more stringent labour market tests to ensure that no domestic worker was available to fill the vacancy in question (CDU/CSU *Fraktion im deutschen Bundestag*, 2002).⁸

A second constantly recurring theme suggested that Germany should address the problem of integrating existing residents before admitting more immigrants. This line of argument tended to draw on a combination of seemingly rational concerns about the socioeconomic profile and performance of immigrants, and more nebulous cultural concerns about their impact on German identity. The CDU-CSU frequently claimed the draft law sought to turn Germany into 'a classical and multicultural immigration land' (CDU/CSU *Fraktion im deutschen Bundestag* 2003b). The *Ministerpräsident* of Saarland, Peter Müller, argued that:

'It is not so much the scope of immigration that is the problem, but the socio-demographic profile of many immigrants, with deficits in the areas of linguistic ability, quality of professional training, attitudes to work and ability to integrate.' (CDU-*Bundesgeschäftsstelle*, 2003)

According to Müller, this explained the high proportion of criminality among foreigners, the tendency to ghettoisation, above average unemployment and poverty. Wolfgang Bosbach, the deputy chair of the CDU/CSU *Fraktion* in the *Bundestag*, argued that Germany's capacity for integration had been exceeded. Other politicians were even more explicit in their rejection of immigration on cultural grounds: Reinhard Grindel warned of the risk of parallel societies and ghettoisation, emphasising inter alia the criminality he perceived among foreigners (CDU/CSU *Fraktion im deutschen Bundestag*, 2003c).

Linked to these very general sociocultural arguments was a more specific set of concerns about the question of language training and the performance of immigrant children in school. Thus the CSU Chancellor-candidate, Edmund Stoiber (2002), cited the widely publicised results of an OECD report comparing pupils' performance in German schools (Programme for International Student Assessment – PISA) as finding that 'most of the foreign children were in the worst group, Group 5. These children can hardly express themselves effectively'. Such thinking lay behind Christian Democrat proposals for making language and integration classes compulsory, and for capping the age of family reunion of children at 10 years (CDU-*Bundesgeschäftsstelle*, 2003). Family reunification was appropriate, they argued, only for those for whom a 'positive integration prognosis can be established' – including 'sufficient knowledge of the German language' (CDU-*Bundesgeschäftsstelle*, 2002a).

Concerns about abuse of the German welfare system did not feature prominently. There was some discussion about the general problem of immigration overburdening the social infrastructure, especially of education systems, which in Germany are subject to local rather than federal legislation. Thus, Edmund Stoiber (2002) argued that '[o]ur communes are groaning ... under the weight of immigrants'. Concerns about fiscal costs hardly arose,

⁷ See, for example, CDU-Bundesgeschäftsstelle (2002a).

⁸ See also CDU-Bundesgeschäftsstelle (2002b) and CDU (2001).

a clear indication of just how far the debate in Germany differs from that in the UK (see later discussion).

Media

Media reporting reflects public concerns and also plays a role in shaping public opinion. Over the period 2001-04, the German media covered the debate on the *Zuwanderungsgesetz* in some detail, articulating a number of concerns about the socioeconomic, cultural and security impacts of migration. The main patterns in reporting can be seen through a brief analysis of three newspapers – the right-of-centre tabloid, *Bild-Zeitung*, which has the highest sales figures of any newspaper in Germany (c.3.9 million a day), the politically centrist, conservative broadsheet, *Frankfurter Allgemeine Zeitung* (FAZ), and the centre-right *Die Welt*.

In its coverage of the Immigration Law, the FAZ broadly supported the economic and labour market cases for immigration, while favouring more restrictive asylum rules to prevent abuse. However, the paper was critical of what it regarded to be a number of omissions in the Bill, especially its failure to propose measures to tackle illegal migration and labour, and its lack of attention to the problem of integration (Dietrich, 2002).

The *Bild-Zeitung* offers a populist perspective on migration issues, while appearing to lack any clear ideological agenda on the matter. It initially saw the Immigration Law as a means of restricting asylum seekers and those who ‘abuse our social system’, in favour of those who come ‘in the German interest’, with one journalist arguing ‘The boat is full, the labour market will regulate any further [migration]’ (Koch, 2001). The *Bild-Zeitung* initially favoured the idea that Germany should restrict ‘bogus asylum seekers, [and] people-smuggling criminals’, while admitting immigrants ‘out of economic motives’. Not entirely consistently, the paper also expressed the view that ‘many of them [immigrants] are competitors in the struggle for the decreasing number of jobs. Some are also resisting integration into our society’, reflecting both cultural and socioeconomic concerns often articulated by German voters – and propounded by the CDU/CSU parties – that immigrants pose a threat to their job prospects and to Germany’s cultural integrity (Gösmann, 2002). By early 2003, the paper was expressing growing scepticism as to whether the Law would really limit immigration and concern about the potential fiscal costs of unwanted immigration: ‘Germany does not need new recipients of social benefits, but hard-working people, who fit in with life in this country’ (Kremp, 2002).

The *Bild-Zeitung* paid a lot of attention to the relationship, real or imagined, between immigration and criminality. The paper reported statistics showing that a high proportion of foreigners were involved in criminality, blaming the allegedly macho culture of these groups. Occasionally, it took a more moderate stance: in one article it suggested that high levels of criminality were attributable to socioeconomic conditions rather than nationality (Heuber and Lobe, 2003). The paper also reported a decline in the crimes committed by foreigners in 2002-03 (*Bild-Zeitung*, 2004).

Die Welt reflected certain cultural concerns, viewing the fact that Germany ‘must integrate more than 500,000 foreigners each year’ as a problem (Kummer, 2002). It expressed worries about the behavioural patterns of immigrants, including high rates of criminality among immigrants; poor German language skills and school performance; their geographical concentration in cities; and high levels of dependence on social benefits. According to the paper, the solution lay in ‘integration, naturalisation and

assimilation [which] appear to be the only possible steps to a diverse, peaceful society with value consensus' (Kummer, 2003).

The *FAZ* adopted a profoundly sceptical position on the question of integration, especially with regard to Muslim immigrants. In a number of opinion pieces, it expressed concern that Islam was fundamentally incompatible with the German constitution, and that elements of the Muslim population in Germany represented a serious security threat. 'The phenomenon of "sleepers" may be negligible in terms of numbers, but it upsets our sense of certainty in being able to assess whole strata of immigrants', the paper argued in January 2002 (*FAZ*, 2002). In an even stronger editorial, Georg Paul Hefty called for a far more elaborate definition of the requirements of integration, including commitment to a number of 'European' norms that went beyond mere conformity with the law and the constitution. 'It is patent,' he argued, 'that the entry of a large number of people from outside of Europe and from areas not influenced by Europe a priori has a disintegrating effect.' Thus, the Immigration Law's focus on language did not go nearly far enough for Hefty; the pertinent question was: 'Is the immigrant prepared to fit into the value system of the receiving country and its society and to regard it as if he had been a member of it from birth?' (Hefty 2004).

These qualitative findings are supported by quantitative analysis drawing on a press archive covering articles on foreigners, labour migration and immigration from 18 newspapers. The archive contained 142 articles dealing with immigration as their major theme between 2001 and 2004. It is striking in Table 2 just how little attention was paid to the labour market impact of immigration over this period. Moreover, the few articles on the impact of immigration on the labour market that did appear were almost exclusively positive in their assessment of the impact of immigration. Even the more populist *Die Welt* (2003) argued that seasonal labour benefits German agriculture, and several papers described the negative impact of not allowing asylum seekers to work (*Die Zeit*, 2000, 2004; *Financial Times Deutschland*, 2001). The questions of the educational performance of foreign children, and the proportion of immigrant children in schools, received more attention, especially after 2002 when the first PISA study was published.

Table 2
Summary of German press coverage of immigration issues, 2001–04⁹

	2001	2002	2003	2004
Labour market	3	2	2	1
Welfare	1	1	1	1
Education/schooling	3	5	7	4
Criminality	3	2	–	1
Terrorism/Islam	18	11	3	3

⁹ This table is only indicative, and should not be seen as an exhaustive list; it may be the case that some relevant articles have been omitted. It should also be noted that some articles raise several different themes; the numbers here refer only to the issue which dominated the article.

Most articles covered news on the political process behind the adoption of the Immigration Law. Of those that discussed the social, economic or security impact of immigration, most focused on problems of cultural integration, and particularly the problem of the Muslim minority in Germany, a theme that had become far more important since September 2001. Media coverage initially focused on the issue of terrorism and sleeper cells. Other themes covered included the ability and willingness of the Muslim community to adopt 'German' (liberal democratic) values, and the question of whether teachers in German schools should be banned from wearing headscarves. There was considerably less interest in criminality between 2001 and 2004 than there had been in the 1990s, perhaps because the key issue of the Russian mafia had dropped off the agenda.¹⁰

Opinion polls

Opinion polls over this period also give an indication of anti-immigrant sentiment. A number of polls commissioned at the time the 2004 Immigration Law was being debated revealed that German citizens were reluctant to see an increase in immigration. *Handelsblatt* commissioned two polls in May 2002. The first, conducted by the Forsa Institute, reported that 46% of Germans said they were against allowing more immigration, and only 12% favoured an increase; 36% in the West and 41% in the East said they thought there were already too many immigrants in the country. The second poll, carried out by the Allensbach Institute for Public Opinion Research, found that 54% of respondents felt that the majority of the country's foreigners were not interested in assimilating, while 43% thought foreigners were more inclined to be violent than Germans (Connolly, 2002).

The *Allgemeine Bevölkerungsumfrage der Sozialwissenschaften* (ALLBUS) questionnaire indicates how people view different categories of immigration and how public opinion has developed over time. Respondents were asked whether *Aussiedler*¹¹, asylum seekers, workers from EU countries and workers from non-EU countries should have unlimited, limited or no access to Germany. Table 3 shows attitudes towards particular groups of migrants in West and East Germany for the years 1991, 1992, 1996 and 2000.

The figures indicate that respondents from the new *Länder* were relatively tolerant of asylum seekers but were generally less tolerant about labour migration, especially of those from non-EU countries, with between 36% and 49% over this period favouring a complete prohibition of immigration from non-EU states.

A special ALLBUS poll in 2001 asked respondents what sorts of 'costs' they believed immigrants brought. Table 4 shows the percentages of West and East Germans respectively who disagreed or agreed with a number of statements about the impact of foreigners: that they were a burden on the housing market, that they took jobs away from Germans and that they committed more crimes than Germans.

¹⁰ Debate on East European mafia did re-emerge in early 2005.

¹¹ '*Aussiedler*' are ethnic Germans who in previous generations settled outside Germany but now wanted to return to reside in Germany. Most *Aussiedler* settled in Central East European and former Soviet countries prior to the Second World War. Under the German constitution, they are entitled to German citizenship, although since 1997 they must pass a German language test in order to qualify for this right. Since 1993, this category has been termed '*Spätaussiedler*', under the revised *Bundesvertriebenengesetz* (Federal Law on Displaced Persons) of 31 December 1992.

Table 3
Attitudes towards immigration in Germany

	West Germany (%)				East Germany (%)			
	1991	1992	1996	2000	1991	1992	1996	2000
Labour migrants from EU countries								
Allow immigration without constraints	34	35	33	32	13	13	11	13
Restrict immigration	56	56	55	62	62	63	51	66
Prohibit immigration completely	10	9	12	7	25	24	38	21
Labour migrants from non-EU countries								
Allow immigration without constraints	11	10	8	8	6	4	4	4
Restrict immigration	61	62	59	72	56	59	46	57
Prohibit immigration completely	22	28	33	20	39	36	49	40
Asylum seekers								
Allow immigration without constraints	13	12	13	10	16	14	12	9
Restrict immigration	65	65	66	74	69	67	67	71
Prohibit immigration completely	22	22	22	16	15	19	21	21
Aussiedler from Eastern Europe								
Allow immigration without constraints	22	19	15	14	15	16	13	11
Restrict immigration	68	71	74	76	73	73	69	74
Prohibit immigration completely	10	10	12	11	12	11	18	15

Source: ALLBUS, 1991, 1992, 1996 and 2000 (Statistisches Bundesamt, 2002)

Table 4
Perceptions of immigrants in West and East Germany

Perception of immigrants	West Germany (%)			East Germany (%)		
	Disagree	Medium	Agree	Disagree	Medium	Agree
Burden on housing	32.05	44.84	32.12	27.97	43.78	28.25
Take jobs from Germany	34.34	45.67	19.99	18.28	38.55	43.17
Commit more crimes	31.70	42.32	25.89	19.71	42.60	37.69

Source: Figures from the 2001 ALLBUS survey, cited in Fertig and Schmidt (2001)

Overall, opinion poll data suggest that Germans are relatively tolerant of asylum seekers and refugees but rather less so of economic immigrants. Thus, it seems that anti-immigrant sentiment in Germany is focused on issues of sociocultural integration and challenges to the labour market. This view is also backed up by the review of party political debates, in which concerns about the labour market impact of migration and sociocultural integration tended to predominate. As in the UK, however, the press was rather less concerned about labour migration than were politicians and the general public, although cultural concerns were raised by journalists.

The UK

The politics of labour migration, 2000–05

Until January 2005, when the Conservative Party effectively launched its general election campaign on the theme of immigration, changes to UK policies on labour migration designed to meet labour shortages and skills gaps went almost unnoticed. Most public discussion, whether in the media or party political discourse, focused on asylum policy and on labour market access for the nationals of newly acceded EU states. This might appear surprising: between 2000 and 2004 the Labour government was if anything more radical in its liberalisation of labour migration policies than its German counterpart. As the February 2002 White Paper on 'Secure Borders, Safe Haven: Integration with Diversity in Modern Britain' stressed, 'Migrants bring new experiences and talents that can widen and enrich the knowledge base of the economy' (Home Office, 2002: 11). In line with such thinking, the government had expanded the work permit scheme in 2000, and in January 2002 it launched a 'Highly Skilled Migrant Programme', a points system geared to attract scientists, doctors, business and finance professionals to the UK. Students who had graduated from UK universities were given greater access to the labour market. The government also expanded opportunities for low-skilled migration, establishing a quota-based programme for workers in the catering and hotel industry in October 2002 and introducing more liberal provisions for working holiday-makers from Commonwealth countries and for seasonal agricultural workers.

While defending the economic benefits of selective labour migration, the Labour government was keen to stress that it was continuing to control unwanted immigration. As its 2001 election manifesto put it:

'As our economy changes and expands, so our rules of immigration need to reflect the need to meet skill shortages ... Immigration rules will remain clear, firm and fair, and help ensure that those who come and work here continue to make a major contribution to our economic and social life.' (Labour Party, 2001: 34)

Tony Blair was anxious to show that Labour was not 'soft' on immigration:

'We will be neither Fortress Britain, nor will we be an open house...precisely because stopping migration altogether would be disastrous for our country and economy, it is all the more vital to ensure the system is not abused. There are real concerns; they are not figments of racist imagination; and they have to be tackled precisely in order to sustain a balanced and sensible argument about migration.' (Blair, 2004)

Indeed, the Labour government introduced a number of measures to tighten control of irregular immigration and restrict conditions for asylum seekers. The 1999 Asylum and Immigration Act had lowered standards of assistance for asylum seekers and introduced a number of new powers for combating illegal labour and tightening border control. This 'tough new legislation', in the words of the then Home Secretary David Blunkett, gained far more media attention than the more liberal measures to increase labour migration.

Party political debate

In contrast to Germany, UK political parties showed a surprising degree of consensus on the need for labour migration between 2000 and 2004, although this generally positive view was accompanied by more restrictive rhetoric and policies on asylum seekers and

irregular immigrants. Labour and the Conservatives both pursued a dual approach: acceptance of the argument for economically productive, legal labour immigrants alongside curbing asylum and irregular immigration.

The Liberal Democrats expressed support for more liberal labour migration policy, but were critical of restrictive approaches to asylum. They stressed the need to draw a clear distinction between asylum and immigration, pledging 'regularly [to] review immigration policy, separate from our asylum obligations, including an assessment of skills needs of the country in an increasingly global economy' (Liberal Democrats, 2001:15). In addition, the Liberal Democrats offered the possibility of asylum seekers being granted the right to work in the UK before their cases had been determined. Echoing the 2001 German Commission on Migration, in 2004 the Liberal Democrats proposed the establishment of an independent panel, including representatives of business and trades unions, to recommend annual quotas for labour migration based on an assessment of how many workers were needed in particular sectors (BBC News, 2004a). This figure would then be used to generate quarterly quotas for immigrants (Liberal Democrats, 2004: 9), an idea that David Blunkett flatly rejected in 2004, arguing that quota systems were inflexible and could lead to serious shortages – for example, in the health service.

The Conservatives did not discuss economic migration in their 2001 manifesto, but speeches by leading Conservatives indicated some support for economic migration. As then Tory leader William Hague put it in May 2001, 'We don't condemn economic migrants. Quite the contrary. But everyone knows that this country can't take in unlimited numbers of people who want to come to our shores for economic reasons' (Hague, 2001). This final statement prefigured a heated debate that was to emerge in 2004, when the Conservatives under Michael Howard began to argue that both economic immigration and places for asylum seekers should be capped. Indeed, some even went so far as to suggest that Britain was 'full'.¹²

Only in January 2005, when Conservative leader Michael Howard placed a full-page advertisement in *The Sunday Telegraph* did the issue really fuel a public debate. In the advertisement, Howard (2005a: 8) stated, 'I believe we must limit immigration.' He followed this the next day with a high-profile speech in which he reiterated the benefits that had been brought by previous immigrants, while asserting that the current asylum and immigration systems no longer worked (Howard, 2005b). Both the Liberal Democrats and the ruling Labour Party immediately denounced the Conservatives' policies, not least because imposing quotas on the numbers of asylum seekers would be in breach of the UK's commitments under the 1951 Convention on Refugees, from which the Conservatives indicated they would be willing to withdraw. Labour and Liberal Democrat politicians also stressed the importance of economic migration to the British economy (Liberal Democrats, 2005a).

It is important to note, though, that the Conservative advertisement still accepted the need for labour migration – albeit based on a points system and within a set quota. The more restrictive part of its proposal was the idea of setting a ceiling on the number of asylum seekers admitted. The divergence with patterns of anti-immigrant discourse in Germany is again clear. In the UK, political debate focuses on controlling non-economically productive immigration, especially asylum. In Germany, asylum no longer

¹² This was the result of a report by Tory MEP Timothy Kirkhope – see BBC News, 2004b.

features as a salient issue, and concerns revolve around the economic and sociocultural impact of labour migration.

Media

As in the case of Germany, we looked at the way sections of the British print media have treated immigration and which issues have been most salient. In order to get a broad cross-section, we looked at three widely circulated broadsheets – the right-wing *Daily Telegraph*, the conservative, but Labour-supporting *Times* and the centre-left *Guardian* – and two tabloids: the Labour-supporting mass circulation *Sun*, and the right-wing *Daily Mail*.¹³ In line with our analysis of the political parties, we looked at coverage of asylum and immigration issues in the six weeks prior to the 2001 General Election (15 April to 7 June 2001) and also in the week running up to EU enlargement (23 April to 1 May 2004). Both were periods when immigration was a salient issue. In particular, public debate became more heated as people became increasingly anxious about the impact of EU enlargement on free movement, as well as persistently high levels of asylum applications. We looked in particular at the language used to discuss immigration, asylum and race relations, the extent to which the terms ‘immigrants’ and ‘asylum seekers’ were conflated and/or used interchangeably, and any discussion of the need for immigration to address labour shortages.

As Table 5 indicates, the print media tended to focus far more on questions of asylum and immigration generally than on labour migration. However, it is worth noting that the British print media, like the political elite in the UK, have tended to use the language of asylum and immigration rather sloppily, with terms such as ‘asylum seekers’, ‘refugees’ and ‘immigrants’ used interchangeably (Moss, 2001: 13). In our survey, the *Sun* was the most frequent offender, conflating the three terms 25 times in the 104 articles. Such a casual approach renders it difficult for politicians and journalists effectively to make a

Table 5
Summary of British press coverage of immigration¹⁴

References	Asylum seekers	Immigration/immigrants	Refugees	Labour market	Total refs	+ve refs	-ve refs	Neutral refs
Newspaper								
<i>Guardian</i> ¹⁵	103	65	69	15	165	4	8	153
<i>Times</i>	70	57	25	3	131	1	4	126
<i>Sun</i>	57	41	31	12	104	2	57	45
<i>Daily Mail</i>	61	45	29	9	91	0	37	54
<i>Daily Telegraph</i>	46	43	18	6	88	0	9	79

¹³ The circulation figures for the period 3-30 January, which correspond roughly with the 2001 British General Election, were as follows: *Sun* (3,226,053), *Daily Mail* (2,314,601), *Daily Telegraph* (882,307), *Times* (658,023) and *Guardian* (336,283) – figures from ABC, available at www.abc.org.uk, accessed 6 March 2005. Although the *Times* has been produced in tabloid format since 2004, the traditional characterisation of ‘broadsheet’ is retained here.

¹⁴The data refer to coverage in the periods 15 April to 7 June 2001 and 23 April to 1 May 2004.

¹⁵ The *Guardian* paid most attention to issues of asylum and immigration, thanks in part to a three-day 46-page special, which sought to clarify the differences between different categories of migrant and to explain the issues in the run-up to the 2001 General Election.

consistent case about labour migration, which over the years seems to have become increasingly conflated with the sensitive issues of asylum and irregular migration.

The tabloids tended to be rather negative about immigration, focusing on perceived abuses of the asylum system and associated effects on the welfare system. Thus, for example, in April 2001 the *Daily Mail* (2001a) argued that, although it had supported 'controlled migration', '...this is very different from the hugely expensive, socially disruptive and utterly uncontrolled wave of bogus asylum seekers and illegal immigrants now pouring into these small islands'. A month later the paper argued that 'Britain is increasingly perceived as a soft touch' (*Daily Mail*, 2001b). In the run-up to EU enlargement, the *Daily Mail* ran a series of articles stressing the problems that it believed would arise from abuses of free movement of people and from East Europeans, notably 'gipsies' (sic) who sought to come to 'Benefits Britain' (see, for example, Rawstorne, 2004). Similarly, the *Sun* sought to portray the UK as a 'soft touch' (*Sun*, 2001a). Among the broadsheets, the *Times* (Sherman, 2001) also picked up on public concerns, citing what was termed 'a familiar cry in the seaside town of Ramsgate' – namely, 'They should be sent packing. They are taking our council houses, harassing our women and draining our benefit system.'

Several articles across the five papers addressed a variety of criminal activities such as people-trafficking, most of which, while critical of the perpetrators of the crimes, have an element of sympathy for the 'victims' regardless of whether or not they had paid to try to get to the UK. Occasional articles in 2004 linked immigration/asylum issues to terrorism, but this was not a major theme in the two periods covered. In marked contrast to the discourse in Germany, only one article (*Sun*, 2001b) implied that there was any correlation between immigration and unemployment in the domestic workforce.

References to labour migration were positive in all five newspapers. As a Leader in the *Guardian* (2001) pointed out:

'The current shortage of skilled and unskilled workers is only going to get worse in our ageing society. The pressure on pension funds is going to be intense. The *Telegraph* is only the latest paper to join the club calling for a more liberal immigration policy. If that is surprising, remember the *Sun* has already signed up. One welcome lesson from countries using quotas or points schemes is the way properly ordered migrant policies can remove the poison that permeates asylum.'

The *Daily Telegraph* discussed the costs of asylum in detail in 2001, noting that Britain was attractive for would-be economic migrants seeking entry to the UK because the chances of their being expelled from the country if they were found not to be 'genuine' asylum seekers was low. One solution to this, the paper argued, 'would be to open Europe's doors to economic migrants on an organised basis, removing the need of those wanting to work applying for asylum or using criminal methods of gaining entry' (Johnston, 2001: 8). This idea implies a recognition of the importance of labour migration and the potentially counter-productive nature of highly restrictive labour migration policies. In response to the Conservative leader William Hague's attempts to tackle Labour over asylum in the 2001 election, the *Times* (2001) claimed that he had got the wrong target. What was required, the paper argued, was 'a proper framework for legal immigration', which it felt all the major parties were ducking. Moreover, it made a strong case for managed labour migration to deal with labour shortages, both skilled and unskilled, and the changing demographics, arguing that 'Unless Britons defer retirement until 72, this country will need many more immigrants than it does today.'

Opinion polls

As with political parties and the print media, so the British public tends to be rather less concerned than Germans about economic migrants than about migrants, such as asylum seekers, who are not economically active. Prior to the 2001 General Election, MORI and ICM both conducted opinion polls on a range of questions associated with asylum and immigration. The results are significant in demonstrating apparent public support for high-skilled labour migration and in highlighting misperceptions about the numbers of immigrants present in the UK. The MORI poll conducted during the period 4–6 January 2001 found that over half the respondents believed the UK to be a ‘soft touch’ on immigration and that there were too many immigrants. While few admitted that they would be ‘upset if asylum seekers moved into their neighbourhood’, 44% tended to agree with the idea that no more asylum seekers should be allowed in (see Table 6).

However, if British voters felt there were too many immigrants overall, it seems they were not averse to skilled migrants. An ICM poll (ICM Research, 2001) commissioned by the *Guardian* in January 2001 found that 70% of respondents would favour accepting migrants who had skills that were in short supply in the UK – for example, doctors, nurses and teachers. By contrast, only 18% were in favour of uncontrolled entry by unskilled people and those without skills that were in demand in the UK, although 67% supported entry by people ‘who can show they have the financial means to support themselves’. Thirty-eight per cent favoured the exclusion of all would-be migrants who did not have ‘skills in short supply in Britain’, a hard-line position rejected by 56% of respondents.

However, British respondents did evince cultural concerns about immigration. In 2002, 51% of respondents to an ICM poll conducted for the BBC felt that Britain was a racist society, while 47% of white respondents felt that ‘immigration had harmed society in the last 50 years’ (28% felt it had benefited society) and ‘almost two-thirds of whites said they believe immigrants do not integrate or make a positive contribution to Britain’ (BBC News, 2002). Seventy-eight per cent supported proposals for ‘English lessons and citizenship classes for “anyone not familiar with the British way of life and living full-time in the UK”’ (BBC News, 2002), suggesting the importance of cultural concerns.¹⁶

Table 6
British attitudes to and perceptions of immigration, January 2001

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don’t know
Britain as a ‘soft touch’ (%)	49	25	6	10	8	2
Too many immigrants (%)	33	21	10	20	11	5
Upset if asylum seekers moved into neighbourhood (%)	11	7	12	32	36	2
No more asylum seekers (%)	28	16	9	23	21	3

Source: MORI poll, 2001

¹⁶ Of course, concern does not necessarily imply anti-immigrant sentiment: a poll published by the *News of the World* in September 2004 found that 52% of non-white respondents felt that immigrants needed to speak English in order to integrate. Only 46% of white respondents concurred. More surprisingly, perhaps, just 10% of white respondents felt ‘it was vital to observe British laws and customs in order to fit in, compared to 21% among ethnic minorities’ (BBC News, 2004c).

Cultural concerns were also flagged by a YouGov Survey for the *Sun* in August 2003. Although 64% felt that people who had moved to the UK between the 1950s and 1990s had contributed to British culture in terms of music, sport and food, and 49% believed such migrants had benefited the economy, 54% accepted that proposition that 'over the past 50 years...Britain has changed for the worse, because something of our traditional character has been lost' (YouGov, 2003). 77 per cent were of the view that 'some parts of British cities have become so completely taken over by immigrant communities that they are no longer truly "British"'.

Scratching beneath the surface, however, it seems that concerns about culture are combined with certain rational, if inaccurate, concerns: 57% agreed that 'local councils often discriminate unfairly against WHITE residents in the supply of housing and local services'; 76% agreed that 'Britain is already overcrowded'. It is also true that respondents were reluctant to welcome asylum seekers: only 45% felt that 'asylum-seekers who are genuinely fleeing persecution should be made welcome in Britain, even if they have arrived here illegally', compared with 46% who felt they should not be welcomed; 81% felt they should be held in detention centres pending a decision on their applications; 44% believed that asylum seekers should receive lower welfare benefits than others in the UK, and 37% felt they should receive no benefits at all. Even more startling, perhaps, was the assertion by 70% of respondents that asylum seekers working illegally in the UK should be deported regardless of whether or not they face persecution in their country of origin.

In addition, the immigration question had become increasingly salient: in the 1990s only about 5% of people listed it as an important issue; by 2003, the figures were closer to 30% (MORI, 2003). This is not surprising, given that 85% of respondents believed that the government did not have immigration 'under control', with the same numbers rejecting the proposition that 'the government has asylum under control'. 67% of respondents felt that immigration laws should be tougher.¹⁷ Thus, by 2004, the public seemed to have lost confidence in the government's control over the asylum and immigration agenda, and seemed far more reluctant than in 2001 to accept the idea of labour migration.

Finally, it is interesting to see how UK and German attitudes compare to patterns of anti-immigrant sentiment in other EU countries. The regular *Eurobarometer* reports, commissioned by the European Commission, offer useful cross-national data on a wide range of socioeconomic and political issues facing nationals of all EU member states. They enable us to make a comparison of attitudes in the UK and Germany, and to compare them to those of other EU nationals. A poll conducted in Spring 2000 (*Eurobarometer*, 2000) in the then EU-15 asked respondents about their attitudes towards certain categories of potential migrant, namely:

- people from Muslim countries wishing to work in the EU;
- people from Eastern Europe wishing to work in the EU;
- people fleeing from countries where there is serious internal conflict;

¹⁷ Similar results were found by a poll conducted by YouGov for the *Mail on Sunday* on 2 and 3 April 2004: 46% put 'immigration and asylum seekers' as one of the three issues they felt to be most important for the UK; 80% felt that the Government's policies on immigration and asylum were not tough enough; and 68% rejected the idea that 'immigration is necessary because foreign workers are needed to perform jobs that Britons cannot or will not do' (YouGov, 2004).

- people suffering from human rights violations in their own country, who were seeking political asylum;
- citizens of other countries of the EU, who wished to settle in their country.

That poll found a relatively low acceptance of migrant workers among German respondents in comparison with the UK and other EU countries. By contrast, there was a relatively high acceptance in Germany of refugees fleeing internal conflict or human rights violations.

Table 7
UK and German attitudes towards immigration

Immigrant group	Accept without restrictions		Accept with restrictions		Do not accept		Don't know	
	UK	Germany	UK	Germany	UK	Germany	UK	Germany
Muslim (%)	16	6	56	58	17	30	11	6
Eastern European (%)	16	10	57	64	17	21	11	5
Those fleeing internal conflict (%)	15	19	56	61	18	14	11	5
Those fleeing human rights violations (%)	12	17	55	66	23	12	11	5
Other EU nationals (%)	25	26	50	53	14	14	12	6

Source: *Eurobarometer*, 2000

British and German respondents gave similar replies to other EU nationals when questioned about specific concerns arising from immigration in 2000. Around 54% of Germans tended to agree with the proposition that 'in schools where there are too many children from minority groups, the quality of education suffers' compared with 57% in the UK and an EU average of 52%. British and German respondents were more likely than other Europeans to perceive abuses of welfare systems: 57% of Germans and 58% of UK respondents tended to agree with the statement that 'people from minority groups abuse the system of social welfare'; the EU average was 52%.

There were marked disparities in responses to the question of whether the presence of immigrants increased unemployment. Sixty-one per cent of German respondents felt this to be the case, compared to an EU average of 51% and a figure of just 48% in the UK. German respondents were also far more likely to agree that immigrants are more often involved in criminality than the average: 62% of Germans agreed with this statement, compared to 31% of UK respondents and an EU average of 58%. By contrast, German respondents were less likely to agree that minority groups received preferential treatment from the authorities.

A *Flash Eurobarometer* on Justice and Home Affairs published in March 2004 included inter alia data on attitudes towards labour migration. Across the EU-15, 26% of respondents 'absolutely agreed' with the proposition that 'we need immigrants to work

Table 8
Concerns about the impact of immigration in Germany, the UK and EU

Agreement with the statement (on the impact of immigration):	Germany (%)	UK (%)	EU average (%)
Education suffers	54	57	52
More welfare abuse	57	58	52
Immigrants receive preferential treatment by authorities	26	46	33
Increases unemployment	61	48	51
Increases criminality	62	31	58

Source: *Eurobarometer*, 2000

in some sectors of our economy', with 30% 'rather' agreeing, 22% 'rather disagreeing' and 19% who 'absolutely disagreed' (*Eurobarometer*, 2004: 15). German respondents were far more cautious about labour migration, with only 15% strongly supporting the proposition; 22% strongly opposed it, with equal numbers (30%) supporting or opposing it somewhat.¹⁸ By contrast, British citizens broadly welcomed the proposition, with 25% strongly in favour and 31% somewhat in favour; 17% disagreed somewhat and 22% absolutely disagreed, suggesting a fair degree of support for labour migration, the domestic opinion polls of 2004 notwithstanding.

Conclusion

British and German citizens express a variety of concerns about immigration. Analysis of party political debates, media and public opinion polls largely endorse the hypothesis that Germans are particularly worried about the impact on the labour market, criminal activity and integration. Britons are more likely to express concerns about abuses of the welfare and asylum systems. However, in contrast to Germany, where elite and public opinion appear to coincide, there are increasingly significant differences between political rhetoric and public opinion in the UK. Party political and media discussion of immigration very clearly reflects the pattern of support for (especially high-skilled) labour migration, and the need for more robust measures to restrict asylum and irregular migration. Such policies tackle socioeconomic concerns about immigration, where the central question is how immigration affects the economy and welfare services. However, opinion poll data seem to reflect a high level of concern about the sociocultural impact of immigration and few believe that immigration has made a positive contribution to British society, even though voters are broadly supportive of economically active migrants.

¹⁸ The figures of the other 13 countries vary markedly, with 55% of Luxembourgers and 54% of Swedes absolutely agreeing that their country needed migrant labour, as did 38% of the Irish, whose country has traditionally been one of emigration rather than immigration – a reflection, perhaps, of how improved economic circumstances can be conducive to more positive attitudes towards labour migration. At the other end of the spectrum, only 16% of Greeks strongly supported the assertion, with a majority disagreeing with the proposition.

4 Explaining concerns about immigration

We have seen that Germany and the UK vary quite significantly in patterns of anti-immigrant sentiment. What explains these divergences? In the Introduction we distinguished between two types of theory of anti-immigrant sentiment. One set of theories emphasises the social, economic or cultural costs as a cause of anti-immigrant sentiment. According to such accounts, concerns about immigration are rational responses to the negative impact of migration and asylum on host populations. Another set of explanations attributes such views on immigration to other sorts of concerns, such as anxiety about welfare reforms, job insecurity or globalisation, which have little to do with immigration per se. These concerns may then be channelled into anti-immigrant sentiment, mainly through party political mobilisation and media coverage.

A number of researchers have argued that anti-immigrant sentiment can be attributed to a combination of both sets of dynamics. Concerns about immigration may well be motivated by general anxieties about socioeconomic change or shifting patterns of collective identification. But such concerns are more likely to be articulated as anti-immigrant sentiment where political parties and the media have incentives to mobilise such views, and where they can provide some apparently tangible evidence of the negative impact of migration.

It is difficult to test different theories of anti-immigration sentiment in any systematic way. However, we can get some insight into the plausibility of the rationalist thesis by comparing what we know about the costs of immigration with public concerns about migrants and refugees. In other words, it is useful to examine correlations between available data on the distribution of the costs of immigration, and patterns of anti-immigrant sentiment.

The first part of this chapter therefore summarises information on the impact of immigration in the UK and Germany. It finds that the (albeit fairly limited) data available on the impact of immigration do not correspond closely to the patterns of anti-immigrant sentiment discussed in Chapter Three. This suggests there are good grounds for scepticism about attempts to locate anti-immigrant sentiment in the 'real' costs of immigration or asylum. In the second part of the chapter, we set out a number of other factors that could explain anti-immigrant sentiment in the UK and Germany. While the account does not reject rationalist theories wholesale, it does place the onus of explanation on factors which have little to do with immigration as such. This has important implications for the discussion of policy responses in the final chapter.

Anti-immigrant sentiment and the 'costs' of immigration

Our examination of the links between the costs of immigration and patterns of anti-immigrant sentiment involves two steps. First, we summarise data and analysis indicating

the costs of immigration, especially in terms of its labour market and fiscal effects, its impact on educational standards, and how it affects security and social cohesion in host countries. Second, we compare the distribution of these 'costs' with patterns of anti-immigration sentiment.

Economic and social impact of labour migration

One of the prevalent concerns about labour migration, particularly in Germany, is that foreign workers will compete with natives for jobs in the host country's labour market. The assumption is that an increase in the supply of foreign labour can generate a displacement effect – ie take jobs away from indigenous workers – and may also exert a downward pressure on salaries. However, most research suggests that an influx of new foreign workers will have little if any impact on the salaries or employment of the indigenous population. Such effects are only likely to occur under specific conditions: where the skills of foreign workers are similar to those of the indigenous population, where foreign workers are willing and able to work at lower costs, and where there is surplus labour. In practice, this will rarely be the case. Foreign workers tend to have skills complementary to those of the indigenous population and may be willing to take on jobs that are rejected by the latter (Zimmermann, 1995). Moreover, trade unions have tended to ensure that foreign workers receive similar salaries and working conditions to those of native workers, to avoid the latter being undercut.

These arguments have been fairly consistently defended in the academic literature. DeNew and Zimmermann (1994) estimate that a 1% rise in the employment share of guest-workers generates a 0.45% decrease in the hourly wage of native blue-collar workers; and an increase in white-collar wages of 0.12%. Pischke and Velling (1997) even found a positive wage effect of immigration. Regarding employment effects, a number of studies have found a positive impact of immigration on employment (Mühleisen and Zimmermann, 1994; Gang and Rivera-Batiz, 1994; Pischke and Velling, 1997), or a negligible negative impact (Winkelmann and Zimmermann, 1994; Velling, 1995). This can be attributed to the fact that complementary skills can create new jobs or enhance the productivity of native workers, while a general rise in demand for goods and services can also increase the demand for labour. Moreover, a disproportionate number of immigrants set up their own businesses. These 'ethnic entrepreneurs' were estimated to be responsible for the creation of around 780,000 jobs in Germany in 1999 (Independent Commission on Migration to Germany, 2001).

Of course, these impacts will depend on the nature of the immigrants concerned, especially their skills levels, as well as on the region and sector in which they are employed; highly skilled immigrants have a positive impact on host economies, contributing to innovation, productivity and growth (Saxenian, 2002; Straubhaar, 2000), while the impact of other migrants might be less positive. Any employment or salary effects will be concentrated in the sectors concerned. For migration into Germany, this will be predominantly in the service sector, in which 59% of immigrants are employed, most of them in low-skilled jobs such as catering, laundry and cleaning services (DGB Bildungswerk, 2004); in the UK, many low-skilled migrants enter the food-processing, agricultural and hospitality industries. However, the UK also recruits significant numbers of healthcare workers, including highly skilled doctors, dentists and nurses.

Arguments that immigrants impose a burden on welfare systems may be more plausible. In Germany, unemployment among the foreign population is higher than average, even

when one excludes those such as asylum seekers who are not permitted to work. Unemployment rates of foreigners are almost twice as high as among the population as a whole. In 2003 unemployment of foreigners stood at 20.4%, as compared to a general rate of 11.6%. Unemployment is especially high among the Turkish population, estimated to stand at 26.1% in 2004. This is not surprising if we take into account that most guest-workers were concentrated in low-skilled jobs in traditional industries, jobs that have been worst affected by unemployment and restructuring since the 1970s. Understandably, then, there is a general perception that immigrants are a net burden.

And yet, the empirical evidence for Germany does not support this claim. Admittedly, immigrants do pay less tax than natives and appear to draw disproportionately on unemployment and social security benefits, and child allowances.¹⁹ However, if one takes other socioeconomic factors (class, skills levels, etc.) into consideration, foreigners are actually less dependent on welfare assistance than natives (Fertig and Schmidt, 2001). In addition, because migrant workers tend to be relatively young and may well return to their home countries in later life, any burden they place on the welfare system is more than compensated by their high net contribution to the pensions system (Loeffelholz and Köpp, 1998; Ulrich, 1994). Sinn et al (2001) found a similar pattern, but with a slight negative net fiscal effect for 1997; however, these results do not take into account indirect fiscal impacts of immigration, such as the impact of immigrants on the level and growth of GDP, or on the employment and productivity of native workers. If we take these into account, it becomes far more likely that immigrants make a net fiscal contribution. Similarly, immigrants contribute about 10% more to the UK Treasury in tax than they withdraw in benefits, again suggesting a positive economic contribution (*Times*, 2001), while a recent study suggested that immigrants contribute around £2.5 billion to the UK economy per annum (Gott and Johnston, 2002: iii).²⁰

Of course, different categories of migrant have different economic impacts. For example, asylum seekers are likely to be a net drain on the public purse because they are not allowed to be employed legally for the first six months of the asylum process in the UK, and for the first year in Germany. Therefore, they appear to be comparatively more costly when they draw upon public assistance, which is supported through taxes, and are not permitted to make any contribution via income tax. Reflecting public concerns about this problem, both governments have severely restricted benefits for asylum seekers rather than opening up the labour market. In the British case, this was seen most clearly in a decision to give asylum seekers the majority of any benefits to which they are entitled in the form of vouchers rather than cash.²¹ In Germany, welfare support for asylum seekers was severely restricted in legislation in 1994. The new legislation, combined with declining numbers of asylum seekers, has meant that the welfare costs of asylum seekers have dropped significantly. While in 1994 around DM 5.44 million was spent in welfare support for asylum seekers, by 2000 the amount had fallen to DM 3.63 million. For the same years (1994 and 2000), the number of asylum seekers decreased by only 21% (Fertig and Schmidt, 2001).

¹⁹ In 1980 around 1.5% of foreigners living in Germany received social assistance, rising to 8.6% in 1999. Meanwhile, the proportion of foreigners out of the total population receiving assistance rose from 8.3% to 22.5% at the end of 1999.

²⁰ For an alternative approach, see Sriskandarajah et al (2005).

²¹ Asylum seekers are, in any case, entitled to only about 70% of the benefit levels enjoyed by British nationals.

Concerns about the impact of immigration on education have repeatedly surfaced in public debates in Germany. The PISA report (see Chapter 3) showed that non-German pupils performed less well at school than their German peers (Entorf and Minoiu, 2004). Children born in Germany but whose parents had emigrated from other countries had the most disappointing results, showing a level of achievement that was on average two years behind that of German children (Schmoll, 2004). Also of concern are findings comparing the educational achievement of first and second generation immigrant children. Fertig and Schmidt (2001) found that the performance of second generation immigrants was generally not better – and for some levels was worse – than that of the first generation.

Table 9
Educational attainment of Germans and non-nationals

Level of education	First generation (%)	Second generation (%)	Native Germans (%)
Elementary	49.00	47.04	49.80
Advanced	12.71	16.87	27.20
Higher	17.06	13.99	17.27
Other	21.22	22.10	5.73

Source: Drawn from Mikrozensus figures for 1995, cited in Fertig and Schmidt (2001)

Sociocultural costs of immigration

Debate on criminality among foreigners became prominent in Germany in the early 1990s, in the context of rising immigration from *Aussiedler*, asylum seekers, and so-called 'civil war refugees'. A cursory look at statistics seems to bear out such concerns. Overall in Germany, statistics indicated that foreigners may have been responsible for a disproportionately high level of crimes given that only non-nationals compose only 12,5% of the German population (Workpermits UK, 2005, accessed 1 May 2005). For example, non-Germans were alleged to have committed 30.7% of murders and homicides, 36.9% of rapes, 33.7% of robberies, 33.8% of simple thefts, 27.7% of aggravated thefts, 28% of fraud cases, 64.8% of forgeries and 39.5% of the cases of illegal drug trade.²² Foreigners were also presumed to be responsible for a large share of organised crime in Germany. Manfred Kanther, Interior Minister at the time, said costs to Germany from organised crime rose from DM 673 million in 1995 to DM 2.7 billion in 1996 (Marshall, 2000: 66); much of this was attributed to organised criminal gangs from Turkey, Greece, Italy, Albania, Poland and Russia. Meanwhile, the *Frankfurter-Allgemeine-Zeitung* singled out asylum seekers as particularly prone to criminality, reporting that while only accounting for 10% of foreigners living in Germany, 33% of all crimes committed by foreigners were by asylum seekers. Based on these sorts of figures, it is perhaps not surprising that citizens tend to link immigration with criminality.

However, it should be borne in mind that these statistics on criminality record suspected crimes, not prosecutions, and should therefore be treated with caution. Also, it is important to consider a number of other factors, including socioeconomic background

²² Statistics on criminality among foreigners are available from the Statistisches Bundesamt Deutschland, available at <http://www.destatis.de>.

and demographic structures. Given that immigrants are disproportionately young, male and from underprivileged backgrounds, one would expect higher crime rates than the average (Rethmann, 1996: 150–1). Moreover, crime statistics for foreigners include offences linked to illegal border crossing, labour and stay, as well as offences committed by cross-border traders, tourists or foreign armed forces (Marshall, 2000: 67). Nonetheless, where such figures are reported in the media, they can clearly generate public concerns about the security impact of immigration.

The debate in Germany (but less so in the UK) has also focused on what is perceived to be the generally negative sociocultural impact of immigration from other cultures. Two types of concern have typically been expressed about ethnic or cultural diversity. The first is the problem of acculturation: the extent to which non-ethnic Germans have absorbed relevant values or norms of the receiving society, as opposed to continuing to adhere to those of their own community. Here concerns revolve around issues such as the rights of women, work ethic or general respect for human rights and democracy. One concern in this respect is that non-ethnic Germans may have values that conflict with the shared norms of the receiving community, a concern which surfaced in the debate on *Leitkultur*. This debate rather rapidly demonstrated the difficulty of pinning down any commonly shared cultural features or values of German society, beyond the rights and values as set out in the *Grundgesetz*.

A second concern centres on social interaction between ethnic groups and the native population – in particular, how far different immigrant or ethnic groups are socially segregated from the receiving society, typically in terms of housing, language, employment, Kindergarten and schooling, membership of clubs and societies or leisure activities.²³

A fear that diversity leads to social fragmentation underlies concerns about cultural diversity and the lack of social interaction. This is seen to manifest itself in a decline of collective identity and shared norms. The assumption seems to be that in a pre-immigration era there is a strong sense of solidarity and shared values, which become eroded through ethnic diversity.²⁴ This notion, however, is highly misleading. It is widely acknowledged that liberal democracies have become increasingly socially and culturally fragmented. However, this development is caused by a number of factors independent of immigration and the assimilation of immigrants. Indeed, many commentators have argued that it is unreasonable to even talk about notions of assimilation or integration given that host societies themselves are no longer as homogeneous or integrated as in the past (Bommes, 1999). We shall return to this point later in the chapter.

Correlations between costs of immigration and anti-immigrant sentiment

So how far does this overview of the costs of immigration bear out rationalist theories of anti-immigrant sentiment? This will depend on how far such sentiment seems to correspond to the distribution of these costs. In fact, analyses of the impact of immigration suggest that the correspondence between the actual costs of immigration and anti-immigrant sentiment are fairly weak. There is a considerable gap between what

²³ See, for example, the report of the Zuwanderungsrat, 2004.

²⁴ See Goodhart, 2004 for an example of this argument for the UK context.

is known about the costs of immigration, and the sorts of concerns voiced about it. Clearly, this may to some extent be attributable to a lack of accurate information, or misinformation.²⁵ In the case of criminality, for example, the media generally has little interest in explaining to readers the problems in drawing conclusions from official crime statistics. However, the gap between the costs of immigration and public sentiment becomes even more pronounced if we consider how the distribution of these costs corresponds to the incidence of anti-immigrant sentiment towards particular groups, and across geographical and social groups.

First, the analysis suggested that the economic impact of immigration was generally positive. Immigration has a positive impact on labour markets, and – given the favourable age structure of migrants – a net positive fiscal effect. However, these benefits may not be evenly distributed. Low-skilled native workers, especially in the service industry, might be subject to a negligible decrease in salaries, while high-skilled workers are more likely to gain. Meanwhile, asylum seekers probably represent a net fiscal cost in Germany and the UK because they are not initially permitted to work. By contrast, high-skilled labour migrants are likely to contribute the most in terms of job creation, increased productivity and fiscal contributions. If the rationalist theories are to be convincing, we would therefore expect anti-immigrant sentiment to be targeted against asylum seekers (and, arguably, low-skilled newcomers), to be especially prevalent among low-skilled workers and those in affected sectors, and to increase in the context of economic downturn. One would also expect concerns about the fiscal impact of non-economically active immigrants to prevail over concerns that access to the labour market could depreciate wages or displace native workers.

In fact, the evidence we found partially supports the rationalist theory as far as the UK is concerned, but it does not support it in the case of Germany. The previous chapter showed that in Germany concerns about labour migrants outweigh resentment about the welfare and social costs of asylum seekers and refugees. Moreover, analyses of attitudes to immigration suggest that less skilled workers are not necessarily more opposed to immigration than those with high skills. Dustmann and Preston, for example, find no evidence for the notion that lower skilled workers are more concerned about the labour market and welfare impacts of immigration. Indeed, better educated and more skilled sections of the labour force are more likely to base anti-immigrant views on concerns about jobs and welfare abuse than those with less education and lower skills (Dustmann and Preston, 2000). This therefore undermines the rationalist assumption that those most affected by labour migration are likely to be the most opposed to it.

On the question of security, concerns about the engagement of immigrants in crime seem to be substantiated by a superficial reading of the statistics although, as we have seen, one has to factor in a number of caveats in using these data. On the cultural impacts of migration, the correlation between costs and anti-immigrant sentiment is difficult to assess. We should, however, note that it is problematic to attribute perceptions about declining social cohesion to immigration: it is far more likely that the breakdown of traditional norms or patterns of collective identification is a largely independent development. In both cases, though, it is worth highlighting the discrepancy between the geographical dispersal of these impacts, and the intensity of anti-immigrant sentiment in

²⁵ While radio programmes and newspaper articles in the UK occasionally offer objective discussions of immigration, they are relatively few and far between.

particular regions. In Germany, for example, both opinion polls and voting patterns suggest that xenophobia is far more concentrated in the new *Länder*. For example, the 1998 poll conducted by the Friedrich Ebert Foundation (Stöss, 2000) classified 20% of East German respondents as xenophobic (compared to 14% in the West), yet that region hosts only 3.5% of the foreign population of Germany. Again, we see a discrepancy between how the costs of immigration are distributed and patterns of anti-immigrant sentiment.

The British public is concerned about pressures on the welfare state arising from perceived 'abuses' of the asylum system, but in the past it has been less concerned about economically active immigrants. This would seem to suggest that there is an element of rationality in the British approach: acceptance of those who bring economic benefits and rejection of those who do not. However, in recent years it seems that such a straightforward correlation has vanished. As the debate over asylum has become increasingly politicised in the UK, it has increasingly tended to conflate all types of migrant, resulting in a loss of tolerance of even (necessary) economic migration, suggesting that certain non-rationalist issues may have crept into British thinking.

In conclusion, rationalist accounts are somewhat undermined by the mismatch between what we know about distribution of costs of different types of immigrants and observable patterns of anti-immigrant sentiment. We can only conclude that other factors must be required to explain the sources of anti-immigrant sentiment and the way in which it is channelled.

Non-rationalist theories

If anti-immigrant sentiment cannot be explained solely as a product of the distribution of costs of migration, we must look to alternative, non-rationalist accounts. Non-rationalist theories hold that hostility towards immigrants and immigration is (at least in part) the result of concerns that are not related to migration per se: rather, anti-immigrant sentiment is a channel for expressing anxieties linked to other sorts of social, political or economic change. This implies that these other concerns are being displaced, or projected, on to the issue of migration. Clearly, immigration is not the only channel for expressing such concerns. Issues such as law and order, security, extreme Euro-scepticism or other forms of xenophobia or inter-ethnic conflict are also often used as issues for channelling socioeconomic malaise. However, immigration appears to offer a particularly well-suited set of issues for articulating diverse problems linked to unemployment, social security, criminality and shared norms (Balibar, 1991; Beck, 2001).

This raises two sets of questions:

- Which sorts of concerns underlie anti-immigrant sentiment, and which social groups are most affected by them and therefore susceptible? We can term this level of analysis the *motivational perspective* (Watts, 1997). These motivational factors generate a general susceptibility to mobilisation on xenophobic or nationalist issues.
- However, the motivational perspective does not offer a full explanation as to why these concerns become channelled into specific forms of anti-immigrant sentiment.

For this we need a theory of the factors shaping the precise content and targeting of these concerns. We can term this the *attitudinal perspective* (Watts, 1997): a level of analysis focusing on how and why particular out-groups are defined and targeted as objects of resentment or hostility.

We shall examine in turn the motivational factors conducive to the emergence of anti-immigrant sentiment and the attitudinal factors that influence how such predispositions become more specifically channelled into anti-immigrant sentiment.

Motivational factors

Most non-rationalist theories locate the sources of motivation for anti-immigrant sentiment in economic and social change in late modern welfare states: the changing role and functions of the state as guarantor of welfare, job stability and security; socioeconomic insecurity caused by the restructuring of welfare systems and labour markets; and/or changing or declining patterns of collective identification. It is worth briefly examining the different sorts of explanations invoked.

One set of theories traces anxieties about immigration to the decline in the capacity of liberal democratic welfare states to guarantee socioeconomic security for their citizens. Since the late 19th century, liberal democratic welfare states have been able to shore up legitimacy through the promise of privileged access to socioeconomic resources. The fulfilment of this promise of welfare protection, which was most fully realised in post-Second World War welfare systems, has become increasingly difficult for states to deliver since the 1970s, for reasons covered extensively in recent literature. The pressures of globalisation and demographic change have put states under pressure to liberalise labour markets, restructure industry and cut back welfare and social protection. This, according to Habermas, generates a 'legitimation crisis', in which the state is unable to fulfil its ascribed function of protecting citizens from economic shocks through a social safety net (Habermas, 1997).

This deficiency exposes latent social conflicts, and forces the state to compensate by falling back on alternative strategies of mobilisation. Such strategies can involve making use of elements of sociocultural traditions to stimulate feelings of loyalty or prejudice. In the case of asylum and immigration, it typically involves attempts to reassert the role of the state in protecting the welfare of citizens, through attributing responsibility for the scarcity of resources to outsiders who are abusing the system or those making (unjustifiable) claims of entitlement to social and economic resources (asylum seekers, illegal immigrants, etc.). The proposed remedy is to reassert the state's control and function as welfare guarantor through foreclosing access to outsiders. In other cases, governments and rival political parties deploy idealised conceptions of shared culture with promises to protect them through immigration.

An examination of the German case would find that many such motivational factors were, and still are, present. Since the 1970s, technological and structural change have created a so-called 'two-thirds' society in West Germany, in which the highly skilled have benefited from greater affluence while the uneducated minority have faced increasing job insecurity and 'new poverty'. The impact of these changes was especially evident by the 1980s, and created rising disaffection among those with most to lose from technological change. Disillusionment with the political class has been exacerbated by the perceived failure of governments to respond effectively to Germany's declining international

competitiveness. Many voters appear to be frustrated at the inability to preserve the country's prosperity in the face of globalisation (Betz, 1995: 58–9). Meanwhile, the patent unsustainability of Germany's generous welfare system and highly regulated labour market – especially in the face of rising social and welfare costs, and high unemployment – have generated attempts to scale down the level of socioeconomic protection.

Germany has also faced particular problems linked to reunification. The new *Länder* of the former GDR have been especially badly affected by social, economic and political transformations since the collapse of communism. Citizens socialised under the East German system had to adapt themselves to the demands of individualised responsibility implied in the capitalist system after reunification. This involved a shift from a society and labour market in which career paths and social status were mapped out early on with limited scope for individual choice, let alone responsibility for failure. The new context, by contrast, was characterised by more uncertainty and far greater risk and personal responsibility vis-à-vis individual social or economic failure. These motivational factors are less pronounced in the UK. The bulk of economic restructuring and welfare reform occurred in the 1980s; hence, British public opinion has arguably had more time to adapt. Full employment in recent years (the government has made many statements since 2001 to the effect that there are over half a million job vacancies in the UK) has ensured that voters are far less concerned than their continental counterparts about unemployment.

A second, related thesis concerns the changing international political context, which, it is argued, has produced uncertainty about the state's role as provider of internal security and national defence. The demise of communism, the elimination of the bipolar international system, and the emerging threat of fundamentalist terrorism have profoundly altered perceptions of threat and the capacity of states to respond adequately to them. The state's quest to be seen as guarantor of security has prompted it to search for new ways of defining security threats, including immigration and refugee flows, and then to seek public legitimacy by promising to control them (Heisler and Layton-Henry, 1993; Huysmans, 1995, 1998).

A third (complementary) account highlights the role of changing patterns of collective identification. Traditional categories of identification and bonds of solidarity such as class, church, ideology or nation-state have declined since the 1950s. According to Beck, this is a function of the declining relevance of classic distributive conflicts over material resources, which have been replaced by conflict over the distribution of risks produced by techno-economic development. This creates new categories of collective identity or bonds of solidarity characterised by forms of 'solidarity from anxiety'. Whereas previous forms of solidarity or collective identity tended to be based on class alliances to advance well-defined material objectives, new alliances are generated by concerns to cope with more diffuse and ill-defined forms of insecurity such as environmental degradation or technological development. Since such forms of solidarity are guided by less tangible goals, they are more prone to fall back on identity-based criteria. Often vague concerns about these risks may then be articulated as issues of distribution between in- and out-groups. Classic candidates for this articulation are forms of xenophobia and nationalism, such as anti-Europeanism, chauvinist nationalism or anti-immigrant sentiment.

In common with other West European societies, Germany and the UK have both seen important changes in patterns of collective identification, experiencing a decline in the relevance of church, class, family or region of origin as organising categories. The diminution of these forms of identification have made some sections of the German

population susceptible to mobilisation around apparently traditional conceptions of membership, based on idealised notions of a shared culture (as witnessed in the debate on a German *Leitkultur*) or German patriotism. In the UK, mobilisation has revolved more around forms of welfare chauvinism, manifested as the concern to protect privileged access of nationals to dwindling welfare resources. Other noticeable patterns of nationalist mobilisation unrelated to immigration have been Euro-scepticism, as well as crude forms of national or local chauvinism manifested in the phenomenon of football hooliganism.

Attitudinal factors

Three types of factors are particularly important in determining how this motivational background may translate into anti-immigrant sentiment. The first is patterns of political mobilisation, mainly influenced by party politics and the media. Second, these patterns of mobilisation are in turn shaped by prevalent norms about the appropriate treatment of immigration, migrants and ethnic minority groups, or 'ideologies of migration'. And third, attitudes towards migration are influenced by shared beliefs about previous policy failures (or successes) in the area of immigration. These three factors will influence public attitudes towards migration and determine which issue area comes to the fore as a means of channelling the motivational factors outlined earlier.

1. Patterns of mobilisation

It was suggested earlier that the role of governments as guarantors of security and welfare may be increasingly under threat in the context of globalisation and shifting problems of international security. This means that governments will need to find strategies for retaining legitimacy and mobilising support. However, these changes also imply that governments face severe constraints: they cannot feasibly maintain levels of employment or welfare stability that existed in the post-war decades; nor can they promise the same type of security policy to respond to clear-cut international threats. This reduced capacity creates strong incentives to secure support and legitimacy through other strategies of mobilisation, including through promises to protect the privileged entitlements of citizens vis-à-vis outsiders (foreign nationals or newcomers). This has meant that migration issues have assumed a highly symbolic role in many Western European countries: they are deployed as a 'meta' issue, and attributed responsibility for manifold social and economic problems (Faist, 1994).

There are numerous factors influencing the precise form and content of this form of mobilisation, depending on so-called 'political opportunity structures' provided by electoral and party political systems, and established patterns of alliances as well as ideational factors (Koopmans and Statham, 2000). Patterns of mobilisation are also affected by the hugely influential role of the mass media in communicating political debates and policies to the public. This puts pressure on politicians to convey simple, cogent messages (Meyer, 2001) and to compress complex policy issues into simple and stylised descriptions of policy issues, which have greater potential for mobilising public support (Edelman, 1999). Moreover, the mass media prefer stories that are more capable of evoking strong emotional responses. As Baringhorst (2000) puts it, 'the features emphasized [in the mass media] are those such as the prominence of the actors, the novelty and sensationalism of the events, the emotionality of the content, conflict orientation, and the personalization and

simplification of complex structures'. Stories which are anti-immigrant are more likely to provoke such reactions than pieces that point to beneficial or positive aspects of immigration (for example, resentment, anger, fear or disgust).

There are, of course, limits to the possibilities for populist mobilisation. Governments are committed to a number of constitutional, international or less formal normative rules on the treatment of non-nationals. Bureaucratic culture or judicial systems may also militate in favour of a more expansive treatment of these groups. Other political considerations, such as bilateral relations with migration source countries, or the need to secure support from resident ethnic minority groups, may constrain governments from pursuing a populist, restrictive migration agenda. Moreover, where there are strong economic interests in securing a supply of foreign labour, a restrictive policy may jeopardise economic growth or the provision of public services. Opposition parties, however – especially those with little experience of or prospects for government – may be less influenced by these sorts of considerations. This creates a 'populist gap': a discrepancy between what can feasibly and legitimately be done to restrict migration in liberal democracies, and the often unrealistic and ethically unacceptable demands of populist politics (Boswell, 2003). Thus even (or especially) if governments are unwilling or constrained from mobilising on a populist restrictive agenda, opposition parties are likely to mobilise support on these grounds.

The combination of socioeconomic insecurity and shifting patterns of collective identification, alongside the existence of electoral incentives for populist political mobilisation, makes it likely that anti-immigrant sentiment will emerge. We can find evidence of this in both Germany and the UK. In Germany, both populist far-right and moderate parties have sought to tap concerns about immigration since the 1980s. Already in 1982, the newly elected Chancellor Kohl made migration a central issue for the first time, stating that the reduction of Germany's foreign population was one of the four most urgent issues facing the government. From the early 1990s, the Kohl government faced immense social and economic problems linked to the costs of reunification, rising unemployment and a changing international role for Germany. As the level of refugee flows into Germany simultaneously rose, migration issues provided an obvious set of issues for mobilising support. Kohl was also responding to perceived pressure from the far-right *Republikaner* party. Founded in 1983, this party achieved electoral success in 1986 campaigning on an agenda dominated by immigration issues. The party's support was drawn mainly from those who defined themselves as being in the bottom third of society, and who were anxious about their socioeconomic security (Backer, 2000: 93-4). It is likely that their campaigning on these questions encouraged the CDU and CSU to absorb part of this populist agenda (Minkenberger, 2003).

The mobilisation of anti-immigrant sentiments follows the same pattern in the UK. In 2001, opposition parties such as the Conservatives and BNP tapped into populist sentiments by bringing the Sangatte refugee camp and the race riots in Oldham to the election forefront. By focusing on such issues, the BNP gained its largest electoral support ever. These populist concerns were given front-page and headline coverage in print and broadcasting media. The same pattern emerged during the May 2004 enlargement of the EU. Opposition parties tapped into populist concerns of Eastern Europeans suddenly 'flooding' the UK in order to 'benefit' from its rich

social welfare set-up, since the UK is one of the few countries that have not imposed transition periods for the free movement of workers. The media spotlighted the issues intensely, and the Labour party responded in the 11th hour by announcing a so-called transition period, during which Eastern European workers were to be prevented from accessing welfare benefits, a largely symbolic gesture since existing legislation prevented it already.

Mobilisation on immigration issues has become an important aspect of contemporary British and German politics. It persisted throughout the 1990s in Germany, although the target of anti-immigration rhetoric and proposed measures shifted from asylum seekers in the early 1990s to illegal immigrants in 1998 and citizenship laws in 2000, and, more recently, to issues of immigrant integration and labour migration. In the UK, asylum seekers and illegal immigrants remain the targets of anti-immigrant sentiment, although the various terms have become increasingly blurred in the British discourse. The precise issues may shift, but the importance of immigration as a topic for electoral mobilisation has remained more or less unchanged since the early 1980s.

2. Ideologies of migration

'Ideologies of migration' can be defined as the set of norms and beliefs prevalent in host countries regarding the appropriate treatment of immigrants (Boswell, 2003). They cover conceptions of entitlement to membership (access to citizenship or welfare), and the rights and responsibilities of members and non-members. Such ideologies delimit the range of legitimate and feasible responses to migration in West European societies. They are historically shaped through patterns of nationalist, class or ethnic/religious mobilisation and vary between countries. It would be wrong, however, to assume that any one set of beliefs and norms predominates in a particular national context. Rather, there are typically diverse strands and traditions of thought embraced by different social and political groups. Moreover, these ideologies can themselves change over time: indeed, the imperative to justify additional labour migration may well influence which ideologies come to the fore, and the precise form they take in public policy debates.

What sorts of ideologies of migration have shaped patterns of anti-immigrant sentiment in the UK? One discernible strand of thought has been a relatively weak conception of citizenship, which has gone hand in hand with a relatively high degree of cultural pluralism. Closely linked to this pluralist tradition of membership is a rather minimalist liberal conception of citizenship. Compared to almost all continental European countries, the British have traditionally had limited expectations about the duties and shared characteristics of citizens. This implies that, even when immigrants have arrived and settled in Britain, expectations of what is required of them in order to become full members of society are limited, or at least ill-defined. Indeed, the emphasis has been on the more minimalist goals of preventing conflict between different ethnic groups (Favell, 1997), expressed in the British preoccupation with 'race relations'.

There are, however, other strands of thinking that influence public perceptions of migration. Notions of racial hierarchy continued to pervade attitudes towards immigrants from the West Indies, Asia and Africa in the decades after the Second

World War. Indeed, the very semantics of British attempts to address this problem through 'race relations' imply how significant these notions remained as an organising category – even if the aim of such policies was to discredit them. Another important strand in British attitudes toward immigration has been ideas about access to welfare. As the state's role as guarantor of socioeconomic security and welfare expanded in the 20th century, citizens benefited from privileged access to welfare resources and political rights by virtue of national belonging, and they were reluctant to share these privileges with non-members. This type of 'welfare chauvinism' has been particularly predominant in times of socioeconomic insecurity. In these contexts, concerns about welfare abuse have often dominated anti-immigrant discourse, which has hence been targeted more against economically inactive migrants such as asylum seekers.

All mainstream political parties in the UK have been influenced by the liberal pluralist political model – at least in their rhetoric. This tradition of liberal thought makes it far less legitimate to raise public concerns about the cultural impact of immigration or diversity. Instead, the focus tends to be on welfare and economic arguments – asylum or welfare abuse, and the problem of controlling irregular migration. This is not to deny that racist views are widespread among the public: the point is more that political elites in the UK have by and large respected a consensus on the need to avoid stirring up inter-ethnic tensions through 'playing the race card'.

German thought on access to membership has typically been portrayed as a classic example of ethno-nationalism (Brubaker, 1992). Although this cultural concept was in many ways discredited after the national socialist era, less compromised elements of ethno-nationalist identity continued to influence responses to migration in the post-war era. As Joppke has argued, the ethnic conception may also have acquired a new political function as a form of justification of West Germany's claims to reunification up until 1989 (Joppke, 1998). Arguably, the influence of this ethno-nationalist conception of identity contributed to a reluctance (or at least tardiness) to recognise that immigrants from different ethnic or cultural backgrounds would or could settle in Germany, and become permanent and full members of society. It has also implied a more explicit awareness of what it means to be German, including the importance of certain cultural characteristics, and especially knowledge of the German language, as preconditions for membership.

However, there was an important second strand of thinking influencing views on immigration, linked to the welfare state tradition in Germany. Germany's generous welfare system has been one of the most important sources of the expansion of rights to immigrants. From the 1950s onwards, the West German trade union movement was quick to push for the extension of these entitlements – and the obligations accompanying them – to immigrant workers. It was feared that failure to do so risked splitting the labour movement and allowing immigrant labour to undercut native workers. Moreover, in a series of constitutional rulings in the 1970s and 1980s, a number of socioeconomic and political rights were extended to guest-workers, effectively incorporating long-term residents into the welfare system. This combination of two conflicting patterns of thought – an exclusionary ethno-nationalist conception of membership and a more inclusive welfare system – produced an approach to immigrant membership that has been dubbed 'social citizenship'.

A third feature of German post-war political thought has also had an important impact on treatment of immigrants: the central importance of human rights, and a strong sense of obligation towards victims of persecution. This sense of moral obligation was codified in the West German Basic Law in the form of particularly generous treatment of refugees. The constitutional commitment has since been diluted (notably through the famous December 1992 *Asylkompromiß*). And public attitudes towards asylum seekers have been less than benign, especially since the early 1980s when problems of 'asylum abuse' began to emerge. Nonetheless, as we saw in Chapter 3, in comparison to citizens of other European countries, Germans continue to be relatively strongly committed to the principle of protection for those fleeing civil conflict or human rights abuse.

These ideologies of migration have clearly influenced patterns of mobilisation in Germany, although different political parties have emphasised divergent strands in these traditions of thought. The CDU has tended to put more emphasis on ethno-nationalist and identity arguments, defending the claims of ethnic Germans to settlement in Germany while targeting illegal immigrants, asylum seekers and refugees for restrictive responses. The SPD, by contrast, continued (at least until the asylum compromise in December 1992) to defend the claims of humanitarian categories of immigrants, instead arguing for more restrictive measures vis-à-vis ethnic Germans from Central and East Europe. In this sense, they were picking up on more human rights-oriented and liberal strands in political thought, rather than the sort of ethno-nationalist arguments typically endorsed by the CDU-CSU.

3. History of immigration and 'lessons learned'

Finally, patterns of anti-immigrant sentiment may be influenced by past experience of immigration. Societies or social groups accumulate knowledge of the perceived impact of immigration, of the characteristics and behaviour of ethnic groups, or of the impact of different ways of managing migration or integration. These may be what are often termed 'lessons learned' from previous migration waves or policies for responding to migration. For example, where a particular approach to regulating immigration ostensibly fails to achieve its objectives, this can influence patterns of thinking regarding appropriate responses. This is perhaps most obviously the case in Germany, where the guest-worker era is seen as an example of how overly expansive labour migration policies can create serious socioeconomic problems in subsequent years. By contrast, this sort of experience is not an important part of recent historical memory in the UK.

Of course, the presence and political mobilisation of ethnic minorities can itself influence the range of legitimate or feasible responses to migration and inter-ethnic relations. The classic example of this is the UK, where West Indian and Asian immigrants in the 1950s and 1960s had automatic access to citizenship, and thus the full spectrum of civil and political rights. This meant that political elites had incentives to woo their support – both as potential voters and in order to ensure civil harmony through avoiding inter-ethnic tensions. Again, this influenced patterns of mobilisation on migration policy, in this case engendering caution on the part of mainstream parties in invoking what might be seen as racist arguments.

Conclusion

Rationalist theories of the causes of anti-immigrant sentiment find limited empirical support. There is no systematic or reliable link between patterns of anti-immigrant sentiment and the distribution of the economic, social or cultural costs of immigration. It is far more plausible that concerns about immigration are at least in part derived from more diffuse anxieties about social and economic change: welfare and labour market reforms, globalisation and declining categories of collective identification. Such concerns are especially likely to prevail in the new *Länder*, because of the problems linked to reunification; consistently high unemployment levels in Germany as a whole may also increase the general level of anxiety in the face of socioeconomic change.

However, the central questions are why and how such diffuse concerns are channelled into anti-immigrant sentiment. We have highlighted three factors that influence this process: party political mobilisation, ideologies of migration and previous experience of migration policy. In the case of both Germany and the UK, political parties have high incentives to mobilise support on immigration issues. However, divergent ideologies and histories of migration in the two countries largely account for different patterns of mobilisation. In Germany, the emphasis on problems linked to cultural diversity, and the experience of 'unwanted' settlement of guest-workers at a time of rising unemployment in the 1970s, means that concerns about migration extend to labour migrants. By contrast, the UK has little history of unwanted consequence of labour migration and discussion of cultural problems has been rendered more or less taboo in political debate, where the focus has been on asylum or welfare abuse or problems of controlling irregular flows. Thus, political mobilisation of anti-immigrant sentiment has tended to target asylum seekers and irregular migrants, while remaining on the whole positive towards regular labour migrants.

What lessons does this analysis offer to policy makers seeking to deal with skills shortages and demographic change?

5 Conclusions and policy implications

Skills shortages and demographic change will put increasing pressure on British and German governments seeking to run effective economic and welfare states in the 21st century. While Germany has a more serious demographic problem, the UK is already experiencing significant labour shortages both in high-skilled jobs such as teaching and healthcare and in low-skilled or unskilled jobs in the catering and agricultural sectors. As already seen, both governments have already turned to migrant worker programmes to fill the gaps in their labour markets. Future administrations, of whatever political complexion, are likely to be under even greater pressure to recruit foreign workers to avoid acute skills and labour shortages. And yet, as shown in Chapter 3, there is considerable disagreement among voters, and in Germany within the political class, as to whether labour migration is an acceptable solution to economic and demographic problems.

British and German governments have two main ways of addressing the tension between future demand for labour migration and anti-immigrant sentiment: to find ways of meeting labour and skills shortages without resorting to labour migration, or to address public concerns about immigration. In this final chapter, we evaluate the different policy options available.

Alternatives to labour migration

Both incumbent governments have stressed that the first line of attack against shortages must be to influence domestic labour supply, an approach shared by the main opposition parties. The priority must therefore be to influence the quantity, skills and occupational composition, and the job preferences of the indigenous population.

In the case of demographically induced shortages, associated with a shrinking workforce and rising dependency rates, supply-side measures should focus on:

- achieving higher participation rates, through welfare and social programmes that encourage people, especially women, to (re-)enter the labour market;
- promoting later retirement, including through improving the employment perspectives for older workers; and
- encouraging higher birth rates, through tax and welfare incentives, improving childcare arrangements and facilitating more flexible work for parents.

For problems of mismatch, the following supply-side measures are important:

- investment in and flexibility of education and training programmes;
- promoting lifelong learning; and

- encouraging better match of workers to jobs through promoting regional mobility and providing incentives for unemployed people to take up jobs they would not otherwise have chosen.

These policy options have been discussed in detail elsewhere (European Commission, 2000, 2002; OECD, 2003a, 2003b; UN, 2000; Visco, 2001), and it is not the place of this report to evaluate them in depth. However, it should be noted that there are limits to how far these reforms can meet labour demand. First, there is no certainty that such measures will have the intended impact on people's employment decisions. For example, welfare and social policies, and education reforms, can at most change incentive structures – there is no guarantee that people will change their behaviour in the desired way. Second, most measures will involve a time lag before they take effect. Education reforms, for example, will only have an effect after 5–10 years. This is therefore no solution for immediate and pressing shortages. Third, some skills, such as language or knowledge of foreign markets or cutting edge technologies used elsewhere, may by definition only be provided by workers from abroad. Moreover, attempts at projecting future shortages are unreliable (Boswell et al, 2004). Many of the factors influencing future shortages, such as rapid technological change, are impossible to predict. This makes it very difficult for policy makers to plan supply-side measures in detail, or to design policies for the medium to long term.

Thus, it is likely that, even if governments do undertake such domestic supply-oriented reforms, they will still need to supplement them with labour migration programmes. In this case, governments will need to address public concerns about labour migration.

Addressing public concerns about labour migration

Our research has found evidence of a divergence in patterns of anti-immigrant sentiment in the UK and Germany. In the UK, public concerns have centred primarily on asylum and irregular migration, although support for labour migration has also declined in recent years. Nevertheless, ideologies of migration and established patterns of political mobilisation suggest that arguments about welfare abuse and control problems will continue to predominate over concerns about cultural diversity or competition for jobs.

In Germany, by contrast, the experience of the unintended consequences of temporary labour migration in the post-war period has made the public more cautious about accepting the economic case for labour migration. Moreover, established patterns of mobilisation along cultural lines have meant that anti-immigrant sentiment is frequently channelled into concerns about the sociocultural impact of diversity. This type of identity-based concern, combined with scepticism as to the economic benefits of labour migration, has led to greater resistance to labour migration in Germany.

The causes of these divergent patterns of anti-immigrant sentiment derive from background or motivational factors (concerns about socioeconomic change and changing patterns of collective identification), and factors influencing patterns of mobilisation (party politics, the media, ideologies of migration and lessons learned from previous policy failures). Of these explanatory factors, the background motivational ones are likely to be the least susceptible to influence. Governments cannot hope to reverse the social

and economic trends that have generated welfare and economic restructuring, or that have triggered a decline in the relevance of traditional unifying factors such as class, religion or locality. Thus, we focus on options for influencing the factors that determine how concerns are channelled: political mobilisation, ideologies of migration and lessons learned from previous migration policies.

Influencing attitudes towards migration

Ideologies of migration – patterns of thought on questions such as criteria for belonging, what rights host societies should extend to newcomers, or how far cultural diversity is desirable – affect the perceived legitimacy and desirability of different policies. They also influence the way concerns about socioeconomic and cultural change are channelled. While ideologies of migration do not change overnight, in both Germany and the UK they have evolved significantly since the 1950s in ways that have had a profound influence on responses to migration. While cultural-nationalist arguments still surface regularly in German debates on migration, they have lost legitimacy over the past two decades – a trend that is likely to continue as increasing numbers of second and third generation immigrants acquire German citizenship, and thus more robust political rights. Moreover, the notion that immigrants can be expected to return to their country of origin has largely vanished from mainstream German party political debate since the late 1980s. In the UK, the ‘top-down’ inculcation of a multicultural model from the 1950s onwards has rendered cultural arguments taboo among mainstream political parties, and has helped to make diversity entirely acceptable. Further ideological shifts could help make the prospect of economically beneficial labour migration more palatable to electorates.

However, these changes have been contingent on factors that individual governments have limited prospects of influencing. The gradual shift away from an ethnic conception of citizenship in Germany arguably has more to do with international political change than with the campaigning of domestic political parties (Joppke, 1998). The UK policy of managing ‘race relations’ benefited from cross-party consensus on the need for a strategy to prevent inter-ethnic conflict. Creating the conditions for the emergence of more tolerant and inclusive attitudes towards immigrants is something that requires broad consensus among political elites, and responsible popular media.

Given such conditions, there is scope for political elites and civil society to help ‘normalise’ cultural diversity – particularly in Germany. A recent report of the German Immigration Council went some way towards this, making a number of progressive recommendations on promoting multilingualism and diversity in schooling (*Zuwanderungsrat*, 2004). However, the report was more conservative in areas such as employment, housing and support for immigrant associations.

Countering populist anti-immigrant mobilisation

Most mainstream political parties in the UK and Germany are likely to accept the case for managed and selected labour migration to fill labour market shortages, particularly where they hamper economic growth and productivity or the delivery of key social services. In the UK, the major political parties are broadly in agreement on the need for selective labour migration, the populist rhetoric of the Conservative Party in the run-up to the 2005 elections notwithstanding. Yet, even if mainstream parties accept the logic of immigration, there can be large incentives for opposition parties to ‘play the immigration card’ and align themselves with forces opposing liberalisation of access for foreign

workers. In Germany, this has already been the case, and it seems that this type of anti-labour migration mobilisation may be emerging in the UK. And, in the medium to long-run, the issue is likely to become more salient in both countries, as labour shortages make expanded labour migration programmes more attractive to governing parties. Thus, it will be important to find ways of reducing parties' incentives for anti-immigration mobilisation. The following measures and strategies may help to achieve this:

- There should be serious attempts to secure cross-party consensus on the need for selective labour migration programmes to fill gaps. The German case demonstrates how difficult such consensus is to achieve but, as shortages become more serious, there may be more scope to develop common approaches between main political parties.
- Assuming future German and UK administrations remain committed to labour migration programmes as one part of a strategy to address labour shortages, they will need to be considering that labour migration programmes should be bolder in getting across messages about the impact of demographic change on the labour force. They should spell out more clearly the potential implications of labour gaps for the economy, social services and welfare systems. Business and public services are well aware of the problems and already recruit heavily from overseas; the governments should thus draw on business leaders to back up the case for labour migration.
- The governments of both countries, and in particular Germany, should make a concerted effort to inform voters about the impact of labour migrants. In particular, in the German case, it would be worth seeking to dispel myths about the apparent substitution effects of migrant workers. It may be helpful to enlist the support of influential commentators in conveying this message – not just reputed economists, but also trade union leaders. Indeed, the government can draw on experience of this form of consensus building in the context of the Independent Commission on Migration.
- A campaign to convince the electorate of the need for labour migration will need to be accompanied by an effective media strategy. Governments and civil servants need to think carefully about how to attract media interest – for example, through stories about how labour shortages are impacting the provision of health or welfare services, international competitiveness and so on. This would be particularly useful in Germany, where media support for labour migration seems weaker than in the UK.
- In the German case, greater emphasis on the European context and the development of common EU approaches to labour migration might help the government to sell the case for labour migration. This would involve conveying the messages that other EU countries face similar challenges in relation to labour shortages, and that labour migration as (one) policy response is not just a preference of the German government but is seen as a more or less inevitable response by all EU governments trying to tackle the problem. The European Commission has taken a number of initiatives in this area, including a recent Green Paper (European Commission, 2005). However, these steps have received minimal media coverage in Germany. This type of EU-level argument is, of course, less likely to have a positive impact in the UK.

- In the UK, allowing asylum seekers immediate access to the labour market (rather than after six months) could help to counter the notion that they are abusing welfare systems. Indeed, the government could promote the message that asylum seekers have valuable skills and services that could make a contribution to the British economy. However, it should be borne in mind that the government is likely to be cautious about encouraging more would-be immigrants to enter the UK and lodge asylum claims as a means of accessing the labour market.

Learning lessons from past policy failures

Public debates in the UK and especially in Germany have raised concerns about the problems of 'failed' integration. Future labour migration programmes will clearly need to address these concerns, and to do so in a transparent way.

One obvious way of trying to avoid problems of integration would be to opt for temporary labour migration programmes. These may take the form of employment-driven schemes, based on work permits. Or they may take the form of quotas for particular occupations or sectors, often through bilateral agreements, as British political parties are increasingly advocating. Those who advocate temporary programmes suggest that they would avoid problems of integration, since it is assumed immigrants will return home after a few years. Moreover, it is argued that they should result in greater fiscal gains, since immigrants would not spend their retirement years in the host country. However, such temporary programmes may have unintended and often negative consequences, especially in the case of low-skilled labour – as the example of the guest-worker programmes in Germany clearly demonstrates.

Where immigration is planned as temporary but nonetheless evolves into permanent settlement, there may be serious integration problems because of the lack of measures to promote integration from the outset. Such programmes can encourage increased illegal stay and labour through the phenomenon of overstay of those entering on temporary permits, or through the expansion of migrant networks which can facilitate additional influx, stay and employment outside legal programmes. Businesses may become structurally dependent on this source of labour. Thus, even where programmes have been designed as exceptional, one-off tools to fill gaps, firms often push for the prolongation of programmes, or for the possibility of retaining workers who entered on temporary programmes but have now developed skills necessary for the job. Moreover, in the case of qualified and highly qualified migration, temporary programmes may not provide sufficiently attractive prospects for would-be migrants. This appeared to be the case in Germany, where the initial limitation of the Green Card to a maximum five-year period reputedly deterred potential ICT specialists.

A more effective strategy for allaying public concerns about integration would be to make a clearer distinction between past and current recruitment strategies. Migration to both the UK and Germany in the 1950s and 1960s was predominantly low-skilled, and – especially in the case of Germany – filled jobs in sectors that were subsequently to face mass unemployment. Moreover, immigration over this period was not accompanied by concerted efforts to assist with the integration of newcomers. The lesson from this should not be that all types of labour migration will inevitably create integration problems. Rather, the more pertinent lesson is that a large influx of low-skilled labour, combined with the absence of effective integration policies, may produce a range of unintended socioeconomic and cultural repercussions for receiving societies. It is not labour migration

per se that created problems for Germany after the 1970s, but rather the combination of large-scale low-skilled immigration, subsequent restructuring which eliminated many of their jobs, and a simultaneous lack of support for social integration.

Clearly, Germany and the UK need to think carefully about integration strategies for new labour migrants. They have introduced a number of reforms since 2000: Germany has facilitated naturalisation for immigrants and both countries have placed renewed emphasis on language learning and citizenship or integration classes. Germany also recently introduced new anti-discrimination legislation, in line with European Union Directives. However, the two governments should also consider addressing other areas which have previously emerged as impediments to integrating newcomers: schooling systems that fail to address the particular problems of immigrant children; the clustering of new immigrants in deprived areas, encouraging the emergence of 'ethnic enclaves' or 'ghettos'; and a failure to address discrimination in education, training or employment in a more robust manner.

Labour migration policies can in principle avoid many of the mistakes of post-Second World War responses to immigration. If labour migrants are selected to respond to labour market shortages which are expected to persist, and such programmes incorporate a generous package of rights and assistance with integration, then there is no reason why they should reproduce the problems of high unemployment, disappointing educational achievement or lack of social integration.

Yet we must end on a note of caution. The UK case appears to offer some grounds for optimism that a managed and selective labour migration policy need not provoke widespread public resistance (although, as we have stressed, this acceptance may well decrease in the coming months and years). However, these relatively uncontroversial labour migration reforms have been accompanied by consistently tough rhetoric and policy measures on asylum seekers and irregular immigrants. Concerns about immigration in the UK have not disappeared: rather, it would appear that they are being channelled into hostility towards other categories of migrants. This suggests that, even where European governments are able to convince electorates about the need for labour migration, tolerance may be bought at a price. Allaying public concerns about labour migration may imply the re-targeting of anti-immigrant sentiment towards those who are not considered to bring economic benefits, suggesting governments can only go part of the way towards reconciling the demand for labour migration with anti-immigrant sentiment.

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