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## **Labour Migration to Germany – Background and Current Perspectives**

Results from the German EMN-Study  
„Satisfying Labour Demand through Migration“

Austrian National EMN Conference  
„Labour Migration and its Challenges in the EU –  
Perspectives in the EU Member States“  
Vienna, Sept. 21, 2010.



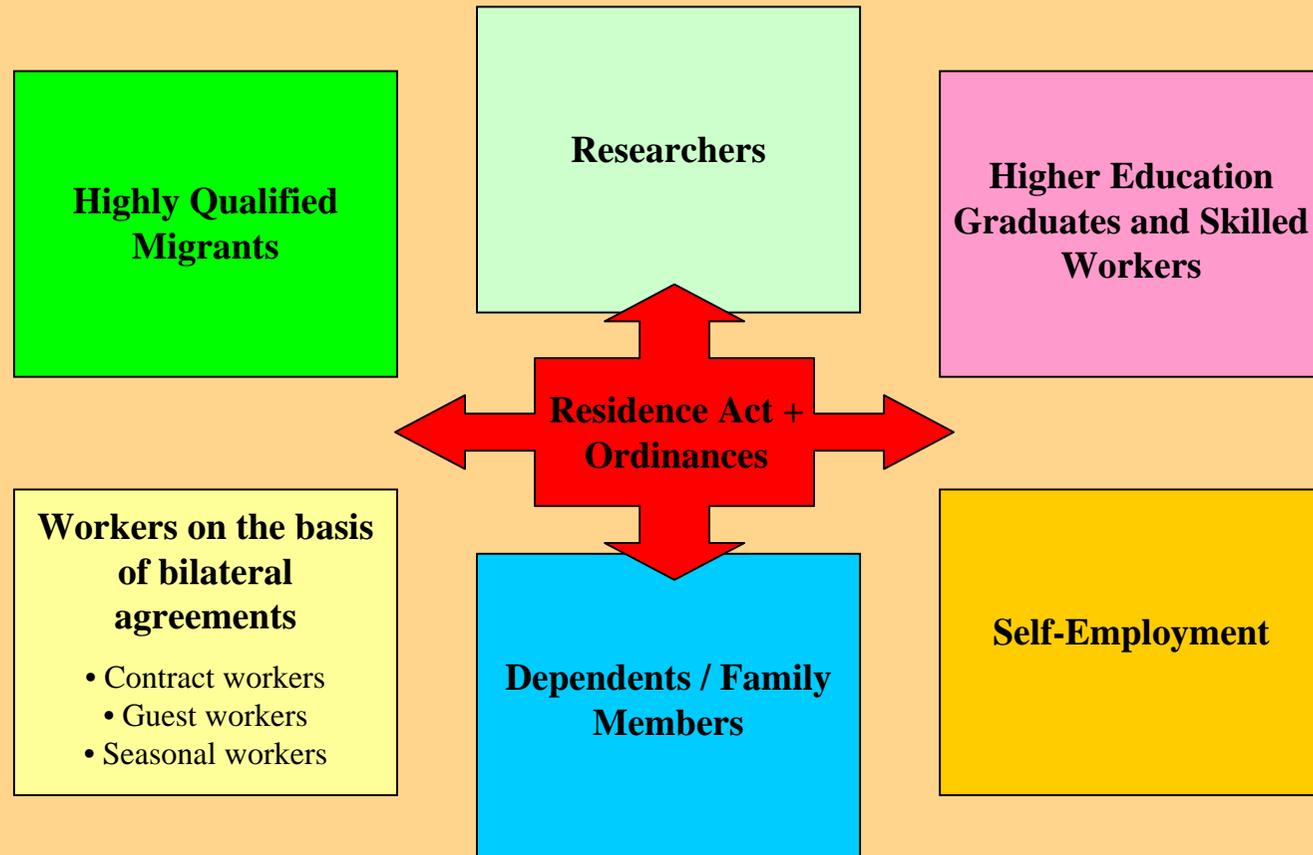
## Background (1): Labour Migration in the Guestworker Period

- “Economic miracle” of the 1950s
  - Demand for unskilled or semi-skilled labour; could not be met by domestic labour supply
  - Recruitment agreements with Italy (1955), Spain and Greece (1960), Turkey (1961), Morocco (1963), Portugal (1964), Tunisia (1965) and Yugoslavia (1968)
  - In 1960, 1.3 % of the workforce were foreigners. This percentage had risen up to 11.9 percent by 1973
  - Ad hoc migration control (Federal government, labour administration, industry and trade unions)
  - Oil price shock of 1973 and end of economic growth
- **“recruitment ban”**

## Background (2): Return Migration and Continuous Labour Migration

- “Act on Promoting the Return of Foreign Nationals” of 1983
- Despite recruitment ban and growing overall unemployment: Partial Labour shortages
- Certain occupations exempt from recruitment ban
- Foreign policy considerations: Agreements on temporary employment of workers from Central / Eastern European countries
- Immigration Act 2004/2005: more regulated management of labour migration
- Recruitment and admission “geared to the requirements of the German economy, according due consideration to the situation on the labour market and the need to combat unemployment effectively”

# Status quo (1): Important categories of labour migration



## Status quo (2): Employment Data

**Table 1:** Gainful employment in Germany (Eurostat 2009-Data)

<b>Gainfully employed persons (total)</b>	<b>38,365,000</b>	<b>100.0 %</b>
<b>Third-country nationals</b>	1,937,000	5.0 %
<b>EU-14 nationals</b>	1,030,000	2.7 %
<b>EU-10 nationals</b>	313,000	0.8 %
<b>EU-2 nationals</b>	75,000	0.2 %



## Status quo (3): Employment Data

**Table 2:** Gainfully employed Third-country nationals by occupational level (German Microzensus 2009-Data)

<b>Highly qualified</b>	454,000	23.4 %
<b>Skilled</b>	1,054,000	54.4 %
<b>Low-skilled</b>	389,000	20.1 %
<b>Total</b>	1,937,000	100.0 %

**BUT:** Third-country nationals account for only **2.8 % of all highly qualified**, **5.7 % of all Skilled**, and **12.1 % of all low or unskilled** in the total population



## Status quo (4): Vacancies as Indicator for Labour Shortages?

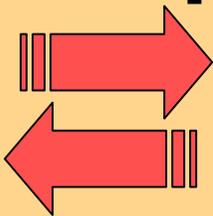
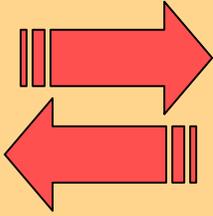
- **Employment Statistics** by the Federal Employment Agency
  - no general trend towards labour demand, but decline in vacancies (2009 to 2008 : **-15 %**; 2009 to 2007: **-22 %**)
  - Exceptions: education & training (**+15 %**), nursing & resid. homes (**+8 %**), social work (**+4 %**), healthcare (**+9 %**)
  - not representative; low registration rates
- **National Survey on the Aggregate Supply of Labour** (Institute for Employment Research and Eurostat)
  - similar general downward trend in most economic sectors
  - Top-5 vacancies to be filled immediately (1<sup>st</sup> quart. 2010):
    1. corporate management consulting & controlling (**57.000 openings**)
    2. auditors and IT specialists (**44.000**)
    3. unskilled workers; no detailed job description (**38.000**)
    4. office jobs & clerks (**38.000**)
    5. engineers (**37.000**)



# Current developments (1): How to measure shortages, determine demand?

- **Employers' Associations, Industry and Economic Institutes raise concern:**
  - Current and intermediate demand for specialists in the “MINT” occupations
  - 50 % of businesses in Industry & Construction, Trade, and Services expect shortages of specialists and skilled workers over next five years
  - Scenario 2030: Labour Shortages of 5.2 million workers
  
- **Consensus: Models & projections on shortages & demand imply caveats; cautious assessments only!**
  - Short-term, cyclical approaches or medium-/long-term prognoses including demographic factors?
  - Immigration is only **one** starting point

## Current developments (2): Political debate on immigration

- Shortages of skilled workers cannot be met through immigration from “other cultural backgrounds”  

- Need to facilitate migration of skilled workers to Germany
- Introduce points-based system Canadian-style to attract young and well educated migrants, irrespective of occupation  

- Develop tools and procedures to secure skill-base and for ad hoc management of labour migration  
→ Alliance for Labour  
→ Task Force “Skilled Workers of the Future”



## Current developments (3): Priorities and courses of action

- Meeting demand for skilled workers in Germany by
  - increasing advanced training of domestic workforce
  - increasing labour-force participation rate of women and older persons
  - upgrading skills levels of resident migrant population
  - improving “labour matching” procedures
  - recognising vocational qualifications acquired abroad
- Evaluating recent changes in labour migration control policy
- Awaiting sunset of transitional restrictions in EU free movement in 2011
- Developing monitoring systems on the current medium and longer-term demand for labour by occupations and regions

## Conclusions and Perspectives

- Rather small window of opportunity for substantial legislative changes
- Immigration / Integration as „intractable policy controversies“; potential for populist rallying
- New Labour migration potentials in EU-10
- Reform of Foreigners Law currently underway
- New Law on Foreign Qualifications: clear and standardised criteria
- enhancing Germany’s attractiveness for potential immigrants

# Federal Office for Migration and Refugees

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