

MIGRANT LABOUR IN WESTERN EUROPE

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STUDIES AND DOCUMENTS / 3

CONTENTS

Introduction	5
1. Causes of Migration and the Impact of European Unification	7
2. Characteristics of Migrants	10
3. Employment and Unemployment of Foreign Labour	17
4. Policies on Migration	28
5. Costs and Benefits of Labour Migration	36
6. Policy Proposals	39
Appendix	43
References	47

Introduction

Migration before World War II was characterised by movement from East to West, i.e. from Europe to America. Since the 1960s the movement has been from South to North. Within the continent of Europe, large numbers of migrants left the Mediterranean countries where labour surpluses existed, and moved to the more highly industrialised countries. In 1973-74, however, a turning point was reached when most of the receiving countries suspended immigration. Large numbers of people have been involved in these movements and this has undoubtedly had a significant impact on the international division of labour.

The discussion begins by looking at the causes of migration and the impact of European unification. I then proceed to look at the characteristics of foreign labour, the economic contribution made by foreign workers and the different policies pursued by the receiving countries. The paper ends with an analysis of the costs and benefits of migration for host and emigration countries and suggestions of measures to solve the current problems and contribute to economic justice.

Because of limitations of time and scope, this report is confined to a consideration of the situation of migrant workers within certain representative immigration countries. Nevertheless, the international trade implications of migration have been considered wherever possible.

This is a revised version of the paper presented to a seminar in Maastricht (July 5 and 6, 1982) on the problems of migrant workers and the role of the media. The seminar was sponsored by the International Press Institute (London) and the European Cultural Foundation (Amsterdam) and organised by the European Centre for Work and Society.

I should like to express my gratitude to Derek Blyth and Mary Maclure of the European Centre for Work and Society for their helpful comments. The opinions expressed in this paper are those of the author and not necessarily of the European Centre for Work and Society.

1. Causes of Migration and the Impact of European Unification

This report deals primarily with 'economic migration', i.e. migration where the principal goal is economic gain. While the subject of political refugees is an interesting one, this problem seems to call for different policies. However, we must recognise that the distinction is not clear. Many individuals migrate for both reasons, especially when political discrimination leads to economic discrimination. This is particularly true for most of the Mediterranean countries with recent experience of dictatorships, or for minorities like Armenians or Kabylies. With these limitations in mind we can now proceed to the study of labour migration.

1.1 Reasons for migrating

The potential migrant will presumably select the locality offering him the greatest benefit (change in locality may also involve a change of occupation and/or industry). Each alternative locality will offer certain costs and benefits. Put very simply, if the discounted value of the expected earnings abroad, minus the costs of migration, exceeds the value of expected earnings at home, the worker will have a strong incentive to migrate. As this gap increases, more workers will be inclined to move. This is not to say that two individuals facing the same conditions will make the same choice: perceptions of gains and costs, and attitudes towards the uncertainty surrounding migration may be different.

Expected gains depend mainly on the difference between wages at home and abroad and the unemployment rates. The latter measures the likelihood of getting the wages hoped for abroad, though it may not be very important where great differences in wages exist. In the past, Mediterranean and North African countries have been characterised both by high unemployment rates and low wages relative to the highly industrialised countries. By taking a global measure, gross domestic product per capita, and by comparing it with rates of migration for some representative countries, we can illustrate these observations. Table 1 deals with the period 1960-70 when migration was relatively easy and the demand for labour in industrialised countries was high. All the countries in the table are ranged by net average annual rate of migration in decreasing order. Gross domestic product per capita follows this ranking, except for France and Belgium. Belgium favoured a policy of permanent establishment for specific nationalities during this period to make good the losses of the war, while West Germany ranks after France because it had benefited from important in-flows from the DDR in the late 1950s. In any case other factors, such as the number of unfilled vacancies, the female labour force participation rate, etc. must be taken into account for countries with similar gross domestic products per capita. Similar results are obtained for the period 1970-74, i.e. before restrictions were introduced in host countries.

Table 1
Net average rate of migration (1960-70) in relation to per capita GDP (1965)

	CH	F	D	B	NL	UK	I	E	GR	P
Net average annual migration rate per 1000 inhabitants	+6.8	+4.5	+3.5	+1.6	+0.8	-0.3	-1.5	-1.7	-4.3	-14.0
Gross per capita domestic product (US \$) in 1965 (1975 prices and exchange rates)	7139	4387	5209	4360	4412	3393	2252	1802	1344	959

Source: 30 and 33.

1.2 Enlargement of the EEC

What effect will the enlargement of the EEC and the extension of free movement of workers have upon migration patterns? Greece recently joined the EEC (free movement of Greek workers will take effect in 1988), and the entry of Spain and Portugal is under study. Turkey has also expressed a desire to enlarge its relations with the EEC. The comparison of past trends and examination of the current situation in these countries (i.e. unemployment and wages) will enable us to see to what extent free movement of workers will favour further migration.

In order to reveal the underlying trend, data from before 1974 will be studied. Free movement of Italian workers was introduced in 1968 but emigration from Italy to other Community countries continued to fall, even though the situation was fairly favourable in most of these countries until 1973 (see Table 2). This movement

Table 2
Italian migration to and from France and West Germany in thousands

	1971	1972	1973	1974
Italian emigrants to France and West Germany	63.1	52.0	47.8	39.8
Italian emigrants returning from France and West Germany	45.1	50.6	45.5	43.4

Source: 29.

continued later, with the number of Italians returning home, especially from Germany, being one of the highest national figures largely because Italians do not lose any acquired rights. From 1974-78, 366,126 Italians entered West Germany but some 459,000 left the country. Table 3 shows a similar trend for Greece: the number of Greeks moving into other European countries and Germany was steadily decreasing up to 1974, despite the fact that this was a black period for Greece.

Table 3
Emigration from Greece to Europe in thousands

	1970	1971	1972	1973	1974
Emigration from Greece to Europe	68.1	42.5	29.1	15.1	10.9
Emigration from Greece to West Germany	65.3	40.1	26.7	12.8	8.3

Source: 30.

Spain has also experienced net immigration since 1975. Even if a large number of these people were forced to return because of restrictions in host countries, the downward movement was noticeable before such measures were introduced and while the economic situation was still good in Europe. Greece, Spain and Italy have all become net importers of labour in recent years, attracting North Africans or Pakistanis for unskilled manual jobs. This confirms previous studies (9 p.31) which argue that when a country reaches a GDP of about \$ 2,200 it becomes a net importer of labour. Certainly the GDP per capita is a measure of development and hence labour shortages in some sectors.

By contrast, Turks, Yugoslavs and Portuguese were experiencing an upward emigration flow up to 1974. Given the low GDP per capita, the high unemployment rates and the significant proportion of people unemployed in the agricultural sector, free movement within an expanded EEC is likely to lead to high levels of emigration from Portugal and Turkey. This is particularly true if we take account of the under-employment existing in the agricultural sector.

In the light of these observations, it seems that Greek migrants have been placed in a disadvantaged position in comparison with other European workers inside the EEC in order to set a new precedent and provide the Community with additional bargaining power against Spain, Portugal and Turkey in negotiations over the rights of their nationals inside the EEC.

Table 4

Economic situation of certain representative emigration countries and the EEC

	EEC	I	E	P	GR	TK
% labour force in agriculture (1966)	14.1	25.2	30.0	36.4	47.6	70.4
% labour force in agriculture (1979)	8.4	14.8	19.5	30.6	30.8	60.7
GDP per capita (US \$) in 1979	6061	3921	3113	1809	2672	954
Unemployment rates (1979)	5.5	7.5	9.9	8.1	1.9	13.9

Source: 33 and 34.

The regional and agricultural policies of the EEC may also help to explain the downward trend of Italian emigration in the past and the likely further decline of Greek emigration in the future. Consider in the first place a situation in which this policy is absent: the existence of an institutionally-determined urban minimum wage greater than rural earnings favours rural → urban migration. Rural migrants move in the belief that they will be sporadically employed in the traditional sector (e.g. construction) until they find a permanent job in the more advanced sector. If their expectations are not realised they leave the country. Policies to absorb urban unemployment in such cases may lead to higher urban unemployment (19 p. 132) and further migration out of the country. New jobs in fact imply for the potential rural migrant a shorter period during which he will be unemployed or under-employed and hence a strong incentive to move. If the number of rural migrants is higher than the number of new jobs, urban unemployment increases. The regional and agricultural policy of the EEC, however, works in the opposite direction. The common agricultural policy of the EEC, in particular, by stabilising farmers' income, reduces the expected gains from migration (rural → urban → international). While such a policy may not increase real rural earnings, it does drastically moderate fluctuations. This is extremely important for people on low incomes. Hence the migratory chain (rural → urban → international migration) is reduced.

2. Characteristics of Migrants

2.1 Age

The median age of immigrants in Europe is between 24 and 27 years but it is generally lower for women, varying from 23 to 26. The host countries prefer to admit young healthy workers who can easily be sent back home if labour surpluses

appear. As far as workers are concerned, young people are more mobile and the psychological costs of moving are lower for them. They have fewer family ties and adapt to a new environment better than older people. Young people may also be more prepared to take risks, have higher expectations about training abroad and are optimistic about returning home again. Since 1974 the average age has increased, as only the relatives of foreigners settled abroad can enter host countries. Also since 1974 there have been relatively more women migrants.

2.2 Skill level

This important characteristic is dictated by the needs of the host countries and is controlled through work permits. The serious labour shortages for unskilled manual labour can be seen in Table 5, although the percentage of skilled workers is not insignificant.

Table 5
Entry of workers into France and West Germany by nationality and skill level

	France 1971		West Germany 1973	
	Total entrants (000s)	Skilled %	Total entrants (000s)	Skilled %
Spanish	12.9	35	27.3	10
Greek	0.3	67	4.98	15.5
Italian	5.4	44	3.7	19
Portuguese	64.3	20	28.3	33
Turkish	5.7	33	101.3	30
Yugoslav	7.2	26	67.2	36
Moroccan	20.7	16	-	-
Tunisian	10.0	37	2.7 (1971)	33

Source: 12 p.231 and 2 p.38.

A number of points should be emphasised. Firstly, for West Germany the percentage of qualified Italians was much higher before 1973. For all other immigrants entering West Germany, except Turks, the percentage of those qualified was generally lower. This reflects the higher selectivity of West Germany, where only workers with specific skills are permitted entry. (Since 1973-74 this policy has also been pursued in other countries.) Secondly, these statistics are based upon entrants' declared skills, and we have to examine to what extent they reflect effective

skills. So for France, half of those claiming to be skilled have a qualification related to the building sector (12 p.230). The majority of Turkish migrants have qualifications related to traditional sectors which may not be relevant to a technologically advanced European country with its division of labour. Surveys in Turkey also report that employers do not have difficulty in replacing them (2 p.42). Yugoslavs, on the other hand, do have genuine qualifications: a Yugoslav census in 1971 found that over 36% of Yugoslav migrants had graduated from schools for skilled or highly skilled workers or had completed eight years of elementary school (5 p.91). However we should remember that they will not necessarily occupy the position for which they received training. Bock and Tiedt's survey of Yugoslavs in West Germany found that only 2.2% of those interviewed had attended a specialised preparation course in Yugoslavia for their work in West Germany (8 p.54). Even if there is no direct correspondence between skills abroad and at home, this demonstrates that most of them under-utilise their real qualifications, a phenomenon which is highly profitable for an employer. The desire to accept any job in order to get a visa must also play a part.

The low percentage of skilled workers among Greeks and Spaniards reflects the labour shortages for skilled workers experienced at home, particularly since the mid-seventies.

In contrast to the Yugoslavs whose principal incentive to migrate is unemployment or under-employment (about 40% in Bock and Tiedt's study, p.45) the Turks are motivated by the difference in wages, as already noted. Thus in 1970 about 80% of emigrants had a job before leaving Turkey (2 p.40). This is understandable when we compare GDP per capita in different countries, as above.

As for education level, Yugoslav and Turkish migrants are better educated than those who stay behind, but for Greeks the difference is small. Men are generally better educated than women.

2.3 Nationality

In the **UK** and **The Netherlands** the composition by nationality is related to the special ties these countries have with their former colonies. In these cases geographical distance is outweighed by historical links. Generally speaking, large movements took place before and during the time that the colonies were negotiating for independence, as restrictions were expected to be imposed later. In both countries many migrants go unreported in the statistics as they hold British or Dutch passports. This entitles them to participate in the political process, but this has not lead to any significant changes in their socio-economic situation.

Table 6
6.1 Foreign workers in SOPEMI countries, 1980 (thousands)¹

Country of residence Country of origin	A	B	F	D	L	NL	S	CH	UK ²
Algeria	-	3.2	382.1	2.7	-	-	-	-	0.6
Austria	-	-	-	87.2	-	-	-	19.45	-
Finland	-	-	-	3.6	-	-	108.0	-	-
Greece	-	10.7	-	138.4	-	1.3	7.5	4.78	50.0
Italy	2.1	90.5	157.6	324.3	11.2	10.0	-	233.80	56.5
Morocco	-	37.3	171.9	16.6	-	34.2	-	-	2.0
Portugal	-	6.2	434.6	59.9	13.7	4.3	-	7.46	10.0
Spain	0.2	32.0	128.9	89.3	2.3	10.6	-	62.10	37.0
Tunisia	-	4.7	73.2	-	-	1.1	-	-	0.2
Turkey	30.1	23.0	-	623.9	-	53.8	-	20.70	3.0
Yugoslavia	120.9	3.1	-	367.0	0.6	6.8	24.0	30.70	4.0
Other EEC countries	12.2	172.0	49.4	149.8	21.9	55.0	93.7	83.70	700.0
Other non-EEC countries	18.6	40.0	194.2	315.0	2.2	33.9	32.4	38.40	-
TOTAL	184.1	332.7	1591.9	2168.8	51.9	211.0	234.1	501.20	863.3

Where no figures are given this nationality is not counted separately. West Germany: foreign workers, including frontier workers, employed or unemployed in West Germany at June 30, 1980. Figures do not therefore include self-employed. Figures relating to Austrians, Finns and Algerians do not include those unemployed. Austria: figures based on current work permits, including the unemployed. Belgium: estimate by the Ministry of Employment and Labour, at December 31, 1980. Figures include the unemployed and the self-employed. France: estimate of the active population, including unemployed and self-employed, in October 1979. Luxembourg: workers in employment. Figures include 600 Italian frontier workers and 11,200 frontier workers from other EEC countries. Netherlands: estimate on the basis of work permits. Includes unemployed but not the self-employed. Sweden: figures obtained from surveys of the active population. Average for 1980. Switzerland: holders of annual permits or residence permits in a "lucrative occupation" at December 31, 1980. Seasonal and frontier workers not included.

Source: Intersocial, no. 80, 1982.

¹ SOPEMI is the OECD Continuous Reporting System on Migration.

² Figures for 1975. Source: W.R. Böhring 11.

6.2 Resident foreign population in selected countries, 1980 (thousands)

Country of residence	F	D	NL	S	CH
Country of origin					
Algeria	808.2	5.0	0.4	0.6	-
Austria	-	172.6	-	3.3	31.7
Finland	-	9.9	-	181.5	-
Greece	-	297.5	4.1	15.5	8.8
Italy	469.2	617.8	21.6	4.8	420.7
Morocco	421.3	35.9	85.1	1.4	-
Portugal	857.3	112.3	9.5	1.6	10.7
Spain	424.7	180.0	23.8	33.8	97.2
Tunisia	181.6	22.6	2.5	1.0	-
Turkey	103.9	1462.4	140.2	18.3	38.1
Yugoslavia	68.2	631.8	14.6	39.2	43.9
Other EEC countries	168.9	293.7	118.2	46.8	159.6
Other non-EEC countries	644.6	611.8	96.2	64.9	82.1
TOTAL	4147.9	4453.3	537.8	421.7	892.8

Where no figures are given this nationality is not counted separately. West Germany: situation at September 30, 1982. Figures from Federal Statistical Office. France: figures provided by Ministry of the Interior. Current residence permits. Netherlands: estimate by Intersocial Dutch correspondent. Sweden: foreigners counted in the national census at December 31, 1980. Switzerland: all holders of annual permits and residence permits at December 31, 1980.

Source: Intersocial, no. 80, April 1982.

6.3 Foreign workers as percentage of civilian active population (1980)

A	B	F	D	L	NL	S	CH	UK (1975)
5.9	8.2	7.0	8.3	32.4	4.1	5.4	16.9	3.4

Source: Table 6.1 and 6.2 and 33.

Switzerland and **Austria** favoured immigration from neighbouring countries because geographical proximity allowed them flexibility during recessions. Cultural links and a desire to favour their trade with these countries were also important factors. Switzerland therefore favoured Italians while Austria Yugoslavs. As the Italian "reservoir" was drying up and there was a desire to avoid too great a concentration of the same nationality, both countries later favoured diversification, but no fundamental changes took place.

France, Belgium and **West Germany**, both for cultural reasons and because of the Common Market, favoured Italian immigration. Early emigration of Italians and high rates of growth in Italy during the sixties sharply decreased the rate of emigration from Italy. So while they represented 44% of the foreign workers in West Germany in 1961, 40% of the permanent foreign workers in France in 1960 and 47% of the active foreign population in Belgium in 1961, these percentages dropped to 20.4%, 3.3% and 35% respectively in 1970. A similar change occurred in the case of Spanish migrants in the wake of Spain's successful export drive. Due to the large labour shortages that emerged in the late 1960s, all three countries turned to other Mediterranean countries for labour. Labour shortages were so high that Germans pressed the Turkish authorities to speed up applications for emigration (2 p.45). France favoured Portuguese emigration when immigration from Algeria was suspended as a result of a series of racist killings in 1973.

In **Sweden**, the Finns are the main group to benefit from the common labour market established between Nordic countries. Differences in wages and the high proportion of Finns employed in the agricultural sector, and thus under-employed, prompted many of them to seek work in Sweden during the 1960s.

Generally speaking, migrants will be drawn to places with established colonies of their compatriots, as there will be better information and reception for new arrivals. In his study (1) Adler finds that half of the Yugoslavs interviewed had emigrated with the help of relatives, while the same was true for an estimated one third of Turks in Germany.

2.4 Sex

The sex distribution of foreign workers varies as a result of many factors. In Belgium the number of women is high due to Belgium's policy of allowing foreign workers to settle. In Switzerland and Germany a work permit was easier to obtain if both husband and wife were economically active.

