

Opportunities and fears in connection with a new wave of immigration to Germany

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On 8 January Germany established an interministerial commission for immigrants from Southern and Eastern Europe in order to investigate charges that citizens from these regions are committing social security fraud. This decision was made following the largest influx of immigrants to Germany in 20 years. German parties are faced with the dilemma of how to respond to immigration trends. On the one hand, in recent years Germany has welcomed many qualified workers who are vital to Germany's fast-growing economy and who are easily absorbed by the labour market. This also translates into better demographic prospects for Germany as those who immigrate are mainly people of reproductive age. On the other hand, as is the case with the UK, there are opinions in Germany that immigration threatens the country's welfare system. The grand coalition will want to calm society's fears by limiting the possibilities to exploit loopholes in the system of social and unemployment benefits but will also want to keep qualified immigrants interested in coming to Germany. Germany can largely benefit from the "brain drain" from the EU countries which are plunged in crisis and from the countries of Central Europe. This will contribute to higher economic growth and may perpetuate Germany's economic dominance in the EU.

The main trends of immigration to Germany in recent years

The way the German economy has dealt with the financial crisis has confirmed Germany's reputation as a country with a strong jobs market. Its unemployment rate stands on average at 5.2%, which places Germany in second place in the EU (behind Austria). In comparison, the average unemployment rate in the eurozone has been the highest since the establishment of the monetary union and has reached 12.1%. In the EU as a whole over 26 million people remain jobless.

This disproportion between Germany and the rest of the EU has caused immigrants from EU countries to flood to Germany. The Federal Statistical Office of Germany estimates that in 2013 400,000 more people moved to Germany than left the country; the highest figure since 1994. This number has increased by 43% over three years and is fourfold higher than the average from the last decade. Two thirds of the immigrants from the last three years have arrived from EU countries, predominantly from Central and Southern Europe. Between 2010 and 2012 there was a net increase in Germany of *158,000 Poles, 107,000 Romanians, 62,000 Bulgarians, 51,000 Hungarians, 38,000 Greeks, 38,000 Spanish citizens, and 34,000 Italians*. Turkish citizens were only in seventh place regarding the number of immigrants; however,

an even larger number of Turks left the country over the same period.

As a result, Poles have become the second largest group of immigrants in Germany (532,000) with Turks (1,600,000) still being the largest. The following places are occupied respectively by: Italians (529,000), Greeks (284,000), Croats (225,000) and Russians (202,000). It is worth noting that these data do not take into consideration immigrants who have gained German citizenship.

It is the number of immigrants from Central European countries which has increased the most. In 2005-2012 the number of Bulgarians has increased by 140%, the numbers of Romanians – by 118%, Latvians – by 93%, Hungarians – by 67%, Lithuanians – by 60% and Poles – by 43%. The number of Turks has declined by 9% over this period. This fall was caused by various factors: people leaving Germany, becoming German citizens, elderly people dying.

German society is divided over the issue of immigration

The main issue which has re-awakened the debate on immigration in Germany was the opening of the labour market to Bulgarians and Romanians. Despite the fact that relatively few citizens of these two countries have moved to Germany, German society seems to be particularly concerned by Romani people.. Many Germans see through their prism immigration as a factor which will increase poverty in their country and they fear an influx of people uninterested in finding a job but simply looking for opportunities to exploit loopholes in the German welfare system. In recent weeks the CSU has tried to harness these sentiments and has promoted a campaign slogan “Those who cheat are out”. It was this party's idea to set up a commission to work on solutions to reduce the risks to Germany's welfare system by immigrants; its work on solutions to reduce risks of abusing Germany's welfare system by foreigners is to be prepared by June this year. Municipal authorities are also becoming increasingly concerned. In autumn 2013 the mayors of Duisburg, Dortmund and Nuremberg called for financial support due to the increasing number of Romanian and Bulgarian citizens settling in their cities.

In 2003-2005 Germany carried out a thorough reform of its system of social security and unemployment benefits, scrapping many privileges, requiring society to make certain sacrifices. Germans are thus reluctant to give foreigners access to a system which they themselves have limited access to. Furthermore, they fear that foreigners who often have lower expectations regarding salaries may put pressure on German workers to lower their salary requirements. This will affect the prosperity of German society. This aversion may also result from the historical experience of the mass influx of Turkish citizens coming to Germany and not always easily integrating into German society. *Gastarbeiter* from Turkey arrived in Germany in the 1960s and the 1970s and were supposed to work on a temporary basis. They decided to stay, though, and send for their families to join them, benefiting from the generous German welfare system.

According to the research commissioned by the TV station ARD, German society has so far displayed only limited concerns about the implications of an intensified influx of immigrants. 68% of Germans indicate their support for the immigration of qualified workers. However, 70% of those surveyed think that foreigners from the EU who do not want to work

should leave the country. 76% of Germans estimate that politicians do not make enough effort to prevent tensions generated by immigration; 46% believe that immigration brings more benefits than disadvantages and 49% of Germans support the opposite opinion.

The benefits of immigration predominate the disadvantages

In recent years the positive balance of immigration has contributed to an increase in population. As the data indicates, in both 2012 and 2013 Germany saw its population increase by approximately 200,000 people a year, despite negative demographic growth on a similar scale. This was due to the positive balance of immigration of approximately 400,000 people, which more than counterbalanced effects of the negative natural population growth

Economic circles in particular are pleased about immigration as Germany has for years been suffering from a lack of qualified specialists, especially in the fields of: medicine, education, childcare and geriatric nursing, and in the manufacturing, technical and IT industries. The data from the Federal Statistical Office of Germany shows that every second person who has come to Germany in recent years has a degree in higher education, 35% were vocationally trained and 22% had no qualifications. In 2000 the vast majority of immigrants to Germany did not have any qualifications and only every fourth person had completed higher education. Representatives of companies consider the current processes to be favourable since by 2030 the number of workers on the German labour market is set to fall by six million due to a demographic slump. In order to plug this gap, Germany will need to attract a net immigration of 400,000 annually. In order to make it easier for qualified workers from outside the EU to come to Germany, the country introduced blue cards which allow immigrants from outside the EU who have completed higher education and who earn more than 46,000 euros annually to obtain permits to stay in Germany.

The fears that costs linked with a high unemployment rate among new immigrants will impact on the welfare system have not been confirmed. The unemployment rate among immigrants motivated by money is twice as high as the German average and stands at approximately 14%. It is however inflated mainly by long-term immigrants such as Turks with an unemployment rate of 21.5%, citizens from other Muslim countries with an unemployment rate of 30-50% depending on their nationality, by Ukrainians with an unemployment rate of 30% and Russians with 24%. The unemployment rate among immigrants from new EU member states is much lower. Only 7.4% of Romanians and Bulgarians are unemployed and 12.2% of Poles. The German system of unemployment benefits does not automatically offer financial aid to immigrants. Only those who have already worked in Germany can obtain 391 euros in unemployment benefits. Nonetheless, it is controversial whether this law is compatible with the EU legislation and the Court of Justice of the European Union is still examining its legality.

There is also nothing to show that new immigrants abuse the system of child benefits. All EU citizens who move to Germany are entitled to 184–215 euros per child monthly (depending on the number of children), including those whose children remain outside Germany. Towards the end of 2013 a larger percentage of foreigners (15%) than Germans (11%) received this allowance. However, the percentage of citizens from new EU member states who applied for this was much lower, for example it was 8.8% for Romanians and

only 4.4% for Bulgarians. Approximately 7% of the 56,000 Romanian children who received these benefits living outside Germany. As for immigrants from Poland, these numbers were higher with benefits of 357 million euros paid to 142,000 children; a third of this went to children living abroad.

The policy of dispelling society's fears

Germany's policy has for several years now been aimed at facilitating immigration as the country is clearly aware of the dangers resulting from unfavourable demographic processes. Germany has one of the lowest birth rates in the world. Only a handful of Central and Eastern European countries such as Russia, Ukraine, Bulgaria and Romania have a lower birth rate. In this context immigration from Southern Europe due to the financial crisis or immigration from Central Europe following the opening of the labour market seems a very auspicious phenomenon, particularly as it does not generate tensions on the grounds of different cultures.

Nonetheless, the key question will be how to introduce measures which will facilitate immigration for foreigners in a way that does not provoke fear in German society. It is likely that the German government will decide on measures aimed at improving its image with regard to the issue of immigration by introducing ostensible restrictions to potential abuse of the welfare system. However, public institutions are limited in this area by EU legislation.

It seems likely that many immigrants may acclimatise themselves in Germany and permanently strengthen the country's demographic potential if the economic situation in Germany remains favourable in the next few years and EU economies, particularly in the eurozone, are slow to recover.

Appendix

Immigrants from Central Europe in Germany

Among immigrants from Poland 49,000 are employed in small-scale manufacturing industries, 37,000 in trade, 35,000 in the hospitality industry, 33,000 as temporary workers, 33,000 in the social working industries, 30,000 work in the economic services sector, 31,000 in construction, 27,000 in agriculture, and 23,000 in transport. The largest number of Poles work in the highly industrialised western and southern states: Bavaria (23.3%), North Rhine-Westphalia (19.1%), Baden-Wuerttemberg (14.2%), Hesse (9.1%) and eastern Germany (12.6%). There are 124,000 Romanians and Bulgarians in Germany, mainly work in the hospitality industry (17.6%), in small-scale manufacturing industries (11.5%), in agriculture (11.2%) and the social working industries (8.6%). Romanians and Bulgarians are concentrated in the western and southern states and much fewer of them live in eastern Germany – only 6.6%.