



Universitat Autònoma de Barcelona

Departament de Sociologia

## IMMIGRATION IN EU-15

Project: *DYNAMICS OF NATIONAL EMPLOYMENT MODELS*

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# MIGRATIONS

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## I. INTRODUCTION

### 1. THE MEANING OF THE PRESENT MIGRATIONS WITHIN THE WORLD CONTEXT

According to the last Social and Economical report on Migrations by the UNO, 2003, in 2000 there were almost 175 millions of migrants registered worldwide, a figure which has highly increased especially since 1980<sup>1</sup>. Most of these people have migrated towards developed countries (110.3 millions) but the figure of people migrating towards developing countries is also important (64.6) and they mainly come from the same kind of countries. This figure shows two new characteristics of migration that will be later referred to: on the one hand, developing countries have areas of a notable development (the so-called “spreading of centres” (Castells, 1999) which become attraction poles and, on the other hand, all great urban conglomerations generate a kind of activity which attracts immigrants from poorer areas. In regions, Asia (43.8 m.), North-America (40.8 m.) and Europe, excluding the former USSR, (32.8 m.) are the areas of greater attraction, the last two at a higher growing pace. But observed data from this early decade show that the EU is at present the main core of attraction for immigration. This is the starting point to explain the role of migrations in the employment model and the social model in the European Union.

As some authors have pointed out (Gildas Simon, 2002), at present, migratory flows are reorganising around some great poles (North-America, EU and Japan) and different sub-poles (South-East Asia, Korea, oil States in Middle East, Australia, etc...). In each case poles and sub-poles exert attraction first on the surrounding area but later on further areas and both, the USA and the EU, are outstanding in this second aspect. Migration has become a global phenomenon which will increasingly have this characteristic.

Migratory flows are changing in the European Union compared to some decades ago (**Table 1**). From 1985, the present EU-15, but not all the countries yet, is an area with net immigration. Up to then, some five-year periods had been of important immigration, some of low immigration (1980-84) and some

of net immigration (1965-69) as a result of the migratory behaviour of southern countries. Between 1960 and 1975 the great European reception countries for immigration were Germany, France and, to a lesser extent, Belgium, the Netherlands and Sweden. On the contrary, Spain, Greece, Portugal, Ireland, Italy and Finland were countries of emigration. The United Kingdom was a reception country between 1960 and 1964 and a giving out country during the rest of the mentioned period. Between 1975 and 1990 the phenomenon became weaker and some countries, especially the southern ones, changed the tendency or became ambivalent and other ones remained steady except for Germany which became again a great reception country between 1985 and 1990. But the real change of tendency appeared from the early 90s in accordance with the economic recovery after almost two decades of crisis. The important new feature is that all countries in the Union-15 become reception countries for immigration. In some cases, the high attraction remains (Germany), in other countries which had given out emigration during the first years of the period considered, the attraction for immigration increases spectacularly (Spain, Italy, the United Kingdom), in a third group it increases to medium levels (Portugal, Greece, France, Ireland) or remains steady (Sweden, Belgium, the Netherlands, Denmark, Austria).

Obviously, the most outstanding aspect in the change of tendency appears in the southern countries. Northern and central countries attract a twofold kind of manpower: high skilled for some positions and low skilled for others, mainly in services and very concrete sub-sectors in the industry. From the 90s on, countries in the South started to receive immigrants particularly from the North and Centre of Africa, Latin America and Asia. They mainly worked in low skilled jobs, prevailing in services, or they increased the group of self-employed. The integration problems have been more severe as a result of the weaker development of the structures of the Welfare State. Another characteristic of this migration is the high percentage of female workers (Steinhilber, S. 2004). The reasons for this high attraction in the last years, considering that South Europe had traditionally been a world reservoir of emigration, are different ones (King, R., 2000): the development of these countries during the last period, particularly the tourism industry and the necessity of home services, the wide coasts as an easy way to enter the country, the easier possibility of reaching the South of the EU from the Magreb, the identity or language affinity if they are immigrants from South America. However, even though the migratory flows have been very strong towards these countries in the recent years, the migration stock compared to the Central and Northern Europe is still low with the exception of Spain. The cases of the United Kingdom and Ireland are special since, apart from the above mentioned period, from 1960 to 1965 for the UK,

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<sup>1</sup> *This figure and the concrete ones in many countries are approximately considered since sometimes migrants avoid to be registered or they are registered more than once (if they have a new residence without leaving the previous one) or administrations themselves may be interested in the real volume of the phenomenon not to be completely known.*

they are not reception countries until 1985 and 1995 respectively when they consolidate economically again.

The current meaning of migrations is related to the capitalist system in its globalisation stage but it is also related to political factors (instability in the origin countries) and to social factors (a will to prosper and promote). Economic prosperity and political stability in the EU work as basic “attracting” factors for economically poor and politically instable countries (in some Union countries the main reason for reception of immigrants is not an economic reason but a humanitarian and political reason), whereas poverty and political instability are key factors in terms of “expulsion” from those countries. However, regarding this last point, it is to be mentioned that migration costs involve people having a certain economic capacity. In the South, countries which are origin of migration usually have the characteristic of being youth in the age structure what makes more difficult to offer employment for those populations (Salt J., 1996). In the immigration coming from the East of the EU-15 the most influencing factor is the restructuring which has taken place after the disintegration of communism. Besides, as pointed out by some authors (Sutcliffe, B., 1998), we should add some new attraction elements (higher well-being and more consumption) to the factors which have always caused and still cause the migration from some countries and also some associated conditions which make mobility easier (more information, travelling facilities, similar immigrant communities in the destination countries). The theory “attraction-expulsion” seems to explain the phenomenon but not completely since immigration also takes place in recession periods as there are networks and links which make up a strong “calling” factor.

As far as location is concerned we have to point out that immigrants do not concentrate in industry any longer but in services. On the contrary, developing countries receive immigrants for industry, together with national workers, of course (Sassen, S., 1993). The reason is found in the fact that many of these services are not exportable but they concentrate where the population is so great migratory flows are currently heading for megalopolis and are not evenly distributed in the country. Many of the services –tourism, trade, home and personal services- are low skilled and basically not well-paid and with bad working conditions. This is the reason why they are not taken by national workers even though there are relatively high unemployment rates but they become an attraction source for immigrants. But despite of the fact that in the early 90s the tendency of immigrants being low skilled manpower continued and reinforced as in the past, in a more recent period the presence of another kind of world mobility is becoming significant, this is the mobility of high skilled workers and top-class professionals. This is a flow especially among developed countries but it may also happen among developing countries with the capacity of training high skilled manpower who cannot be employed afterwards: India, Lebanon, Korea, and China.

Finally, it is important to mention the existence of immigrants due to political reasons, the political refugees who have observed a new booming as a result of wars, dictatorships or critical situations deriving from them worldwide. Different countries in the area of the Great Lakes in Africa, other Latin American countries such as Argentina or El Salvador, Yugoslavia in Europe, Iran and Iraq and Afghanistan in the Middle East and several others have been the origin of important migrations of this kind towards the Union.

## 2. DIVERSITY OF MIGRATORY SITUATIONS IN THE EU-15

### ***A methodological note***

The first difficulty of a comparative study between migrations in the EU is of a **methodological** kind in a twofold sense: in order to define the study target and in order to obtain homogeneous data. It is important to clarify these issues.

There are two basic options when defining the immigrant status if we are referring to the stock. The first one is to consider as immigrant anyone who has not got the nationality of the country. Although this is “more correct politically speaking”, it is not exempt from problems since requirements to get the nationality are different according to the different countries (in some of them nationality is obtained after birth or marriage and not in others or other conditions are required) and therefore, comparisons among them may result difficult since the number of immigrants reduces but not homogeneously. The other option is to consider as immigrant anyone who has not been born in the country what means just paying attention to the origin. This is the criterion used in the USA whereas the first one is used in the EU-15. In order to analyse the rate of immigrants in each country (or who work or need public and social services) we have had to use this criterion with the difficulties involved as a result of the different impact of the naturalization (nationalisation)<sup>2</sup>. The management of migratory flows may also have some complications. In general, countries distinguish entry and exit flows which result in net immigration. Some institutions work with this net immigration, although with the purpose we are interested in here, relationship between immigration and the employment model, it seems to be coherent to also refer to entry flows.

Problems referred to validity and reliability of statistics seem also more difficult to be solved since there are not common methodologies. Some countries use centralised registers of population but in that case they only grasp the population with a declared residence. Other countries use town registers of

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<sup>2</sup> As we can verify in Table 2, differences in the possibility of acquiring the nationality are very notable depending on the countries. Countries of old immigration grant a high number of nationalizations (the Netherlands, Germany, Austria, Sweden, Belgium stand out proportionally to their population). Countries of new immigration have granted a few nationalizations maybe

population. A third group, and some institutions, carry out the recount based on surveys. Finally, a fourth group make estimations based on partial recounts.<sup>3</sup> In addition, there are other problems such as the following ones (European Commission, 2004). In general, official statistics do not reflect illegal immigration but this is high in many countries although some of them add the estimations about illegal immigrants to the data they give. Once an immigrant has entered a EU country, it is difficult to verify if he/she has moved to another country, at least until the following census or survey or register, with the possibility of being registered in a country and living in another one. So compared statistic data will not always have the strictly required homogeneity.

There is a third aspect with a major importance. In the countries with “old” immigration (Belgium, the Netherlands, Germany, France and Sweden) a great part of the migration stock is made up by citizens coming from other countries in the Union which is not the case in the countries with “new” immigration (Spain, Italy, Greece, Portugal). This means a great difference when speaking about the employment model and the social model since concerning both of them, immigrants from within the Union have almost the same rights as the nationals (with the exception for some categories in the public sector).

### ***The recent period***

Graph 1 and Table 3 show the importance of immigration in the whole population. Three countries, –leaving Luxembourg aside due to the little population– Germany, Austria and Belgium have collected the major influence of the immigration stock since the early 90s. The weight of immigration has been increasing in the three countries along the period considered though there is a certain stabilisation and decrease at the end of the period. Sweden, the United Kingdom, the Netherlands, Norway, France and Denmark are in middle positions. Also, we can find a tendency towards stabilisation of the immigration rate in all these countries, except for Denmark, along the period considered although there has been a slight recovery in some of them during the last years. Finally, in the lowest group we find Ireland, Portugal, Greece, Italy, Spain and Finland. In this case, the tendency we can see in all of them is the increase of the immigration rate. The case of Spain is particularly appealing since it doubles the rate between 1999 and 2002 (the same tendency continues in 2003 and 2004).

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*as a result of the few years of the phenomenon. If we consider immigration according to the origin these should be figures to be added.*

<sup>3</sup> *Countries with centralised registers: Belgium, Denmark, Luxembourg, Finland, Sweden, Iceland, and Norway. Registers are decentralised at local level in Germany, Spain, Italy, the Netherlands, Austria, and Switzerland. The non-nationals are centrally registered only in Germany, Luxembourg and Switzerland. Finally, there is not register but surveys or estimations in Greece, France, Ireland, Portugal and the United Kingdom. According to the European Commission. Eurostat. Quoted*

Immigration patterns within the EU are then diversifying but the general trend is that in a few years there will be no country with less than 5% of immigrant population, the big increase being now in the South and Ireland. Productive structure may have a great influence on it –the growth of some concrete economic sectors- as far as “demand” is concerned, whereas in the side of the “supply”, some concrete geographical factors (proximity) or cultural factors (language) or social ones (opportunities for immigrant women) have influence on it as it has been mentioned above. But it is important to stop to consider some characteristics of the immigration phenomenon in each country –we have used *Eurostat and other sources for that*- so that we can understand better the relationship between immigration and the employment model and the social model which will be later analysed.

**Germany** has been a country with top immigration since 1960 –but with a certain standstill between 1975 and 1985 a period in which important emigration (return of immigrants) took place and a strong recovery between 1990 and 1995 since it is the most powerful country in terms of economy and demography. The main countries according to the origin of the current immigrant stock are, in thousands, Turkey (1,982), Yugoslavia (662), Italy (619), Greece (365) and Poland (301) (*Federal Statistical Office, Germany, 2004*). However, in the recent years, Yugoslavia and Poland as well as the Russian Federation and other East European countries have been a constant source of the migratory flow towards this country. 3,337,500 are women out of the 7,300,000 immigrants in 2000. Asylum-seekers were above 100,000 per year in the 90s with a tendency to decrease in the later years.

The **United Kingdom** had had negative migration rates until 1985, with the exception of the five-year period 60-64, and afterwards, the rates became positive and they have been gradually increasing. We have to mention that its migration flows are remarkably high along all the period we are considering. The main countries of origin from its current immigration stock are: Ireland (404), India (153), USA (114), Italy (95), and Pakistan (94). So, with the exception of Italy, it has a twofold source of immigration: from the Anglo-Saxon area or from the Commonwealth. But in the recent years, the most important immigration flows have come from Australia, China, India and South-Africa. Asylum-seekers have been increasing in the recent years, from 6,200 in 1985 to 80,315 in 2000. In 2001, the immigrant stock was 2,587,000 and 1,300,000 out of them were women.

**Italy** started having positive immigration rates only in 1990. In 2001, its immigrant stock was 1,446,697 and between 300,000 and 500,000 more should be added as illegal immigrants, slightly more women than men and mainly concentrated in the great cities of the North and Central regions. The main regions or countries of origin of present immigrants are: North Africa (386), Central-Western Europe (396), Eastern Asia (113), Central-Southern America (122) besides the EU-15 (173). The presence of the “new immigration” is clear. Increase of women and their high activity rate is outstanding in the last

years (Anderson, 2000). Housework and hotel and catering trade and businesses are the sectors with the highest female presence. Asylum-seekers have increased since 1998 between 15,000 and 20,000 per year.

**Spain** is without any doubt the country with the highest immigration growth in the last years. It is going above countries with middle immigration and it is approaching the three countries with high immigration rate with almost 2.5 millions immigrants in late 2003, 5.8% of the population, probably 800,000 of them in an illegal situation (at the end of 2004 immigrants were more than 3 millions which meant almost 1.2 million of illegal immigrants and the percentage above 7% of the population). The positive immigration rates started in Spain in 1990 (20,000 people). Before, it had had negative rates with the exception of the five-year period 1975-79 as a result of the massive return of Spanish emigrants from Central Europe. The main countries or regions of origin of their present immigrants are Ecuador (390), Morocco (378), Colombia (244), the United Kingdom (161), Romania (138), Germany (129), Argentina (120), and France (69). Three factor influence more than others in these flows. Geographical proximity attracts immigrants from the North of Africa and also from Sub-Saharan Africa through Morocco. Common language and culture are a key factor for Latin-Americans. The climate and good conditions of life may be a strong appealing factor for Europeans in the rest of the Union<sup>4</sup>. In economic terms, immigrants seek for a job in the services sector, concretely jobs dealing with tourism and home services (Colectivo IOE, 2001). As in the rest of the countries in the South Union, an important part of immigrants are self-employed. More than 50% of the whole number of immigrants are women with an important increase of them in the last years, especially coming from some Latin-American countries and the Philippines (Steinhilber, 2004). Asylum-seekers have remained between 5,000 and 8,000 per year along the last decade.

**Greece** has had a positive immigrant rate since 1975. It had been an emigrant country up to then. It has experienced a strong immigration growth during the last decade and it reached almost 800 thousands in 2001 (OCDE, 2003) or a million considering the irregular immigrants (Salt, J., 2002). Greece is characterised by an immigration mainly coming from the neighbouring countries (Albania, Bulgaria, and Romania) and from the Philippines and former USSR countries. Around 60% of the immigrants were women in the late 90s (Kassimis, C. ; Kassimi, C., 2004) what results in a higher rate of women between immigrants than between nationals. A high number of these women are employed in the housework. Asylum-seekers are relatively high with an average of 2,500 and 3,000 per year in the last decade.

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<sup>4</sup> *Union immigration has only a partial influence on the employment model since most of them are retired people but it has certainly influence on the social model particularly on the health system.*

The case of **France** is special from the methodological point of view. It is the country in which data oscillate the most according to the source used and where it results harder to compound data series. So we will assume an average which was between 3.5 and 4 millions in 2002, this was between 5% and 6% of the population. But the most important volume of that immigration had accumulated before 1975 and afterwards there were very moderated migration flows –between 1995-1999 immigration balanced with emigration-. The increase was not too high after. In other words, it is an old immigration with an evident low presence in the “new immigration”. This also results in the fact that a high percentage of immigration is nationalised. Countries which are the source of this immigration are basically placed in two areas: the countries in the South of Europe, particularly Portugal (but also relevant Spain and Italy) and the countries in the North of Africa, particularly Algeria and Tunisia and Morocco to a lesser extent.

**Sweden** is a traditionally immigrant country but with two very different stages. Up to 1975, the immigration was of an economic kind. Since then the political asylum prevails (Ekberg J., 2004) Its immigrant stock has been decreasing in the last years. An important part of this stock (2000) comes from Scandinavian countries (Finland, Norway, and Denmark) and from Iraq. The flows in the last years, apart from the neighbouring countries, usually come from countries with a difficult political situation such as Iraq or former Yugoslavia since Sweden has had a strong tradition for asylum. Asylum-seekers have reached an important number in relation with the whole number of immigrants, probably around 200,000 from the early 90s to the present.

**Austria** has had a moderate net immigration from the early 60s with negative figures from 1975 to 1979 and a very important leap between 1990 and 1994 with more than 200,000 immigrants, and a more or less stabilisation after that year. All of that resulted in one of the highest immigration rates in the Union in the period 1997-1999 even though this rate has been decreasing in the recent years. But recent stabilisation allows the country to face integration of immigrants with a certain degree of rationality.

As far as **Ireland** is concerned immigration has been significant only since 1995. The origin of the immigrant stock is basically the other European countries and USA-Canada-Australia to a certain extent (Münz R, Fassmann H., 2004).

### **3. REGULATION OF IMMIGRATION IN THE EU AND ITS REPERCUSSION ON INTEGRATION**

Between 1950 and 1973 there was free immigration in the EU which was strengthened by the Treaty of Rome basically because the countries in the Centre and North of Europe needed plenty of low skilled manpower which was provided by the countries in the South frequently through bilateral agreements. Between 1973 and 1985, as a result of the crisis, restrictions of entrance appeared

particularly for non skilled workers and family reunification. Emigration in the countries of South Europe slowed down as the possibility of finding a job in the North decreased and the own economic consolidation took place. With the recovery, between 1985 and 1992, the migratory flows towards the Centre and the North recovered but then from outside the Union and also illegal immigration appeared. There are countries which are still more receptive (Scandinavian countries, Germany, the Netherlands) and other ones which are more restrictive. The country with the most immigration, Germany, started to notice that a phenomenon that had been considered as temporary was becoming permanent (ETUI, 2001), which results in an important debate between those who favour immigration and those against it. This “permanent” character of the immigration affects all countries at present.

From 1992 on, immigration has had a twofold treatment. Communitarian citizens may move freely within the Union after the Treaty of Maastricht so they become migrants of a special category. Limiting measures are set from within the Union for third-country immigrants but different ones depending on the countries (European Commission, 2004) mainly because of two reasons. Firstly, because there is a high unemployment rate in many countries which may cause conflict with native workers, despite of the fact that immigrants usually get jobs which are generally refused by natives and, secondly, because there is a concern about lowering of the standards of public services.

Entry control in the **United Kingdom** is established by means of granting temporary permits which are given after the concrete demands of employers who have to specify the jobs they need workers for. Unspecific permits are only granted for agriculture and construction. There is a special treatment for the need of highly skilled workers by means of the Highly Skilled Migrant Program<sup>5</sup>. In the case of **Ireland** we have to mention that there has been an important scarcity of manpower for several years. Entry takes place based on permits asked by employers but workers themselves apply for the work permit in some sectors and highly skilled jobs. They are short-term permits but they may be renewed. In 1997 and after 15 years of very restrictive laws aimed at reaching zero immigration, a regularisation policy was implemented in **France** on the basis of “case-by-case” study of illegal migrants and an automatic nationalisation of the children of immigrants who are born in the country or those who marry French citizens and, at the same time, programs are developed to encourage unemployed immigrants to go back to their home countries. In the last years, there has been a bigger opening for possible highly skilled immigrants. The migrating policy of the legislation in **Italy** is based on three focal points: fixing of quotas, refusal and expulsion of immigrants with no identity papers and integration of immigrants. Actually, in the recent years, governments have been moving between the pressures of employers who

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<sup>5</sup> According to the last official orientations, quota proposals have to be related not to labour market needs, but to Welfare System.

demand non skilled manpower and pressures of public opinion which is against illegal immigration. Recently, the point of view demanding the need to open the door to highly skilled immigrants, particularly in new technologies, is also appearing. New necessities such as the needs referred to home care (caretakers) have been smoothing the way for regularisation of illegal immigrants.

Quota proposals and strong border control have been the focal points of migration legislation in **Spain** in the recent years with the stress on expelling illegal immigrants during the governments of the PP. On the basis of strongly opposite opinion movements: on the one hand, immigrants and pro-immigrant associations which made pressure for maximum regularisation, and on the other hand, irregular hiring with a part of public opinion claiming for more restrictions, there have been different regularisations processes which have not stopped the flow of immigrants and nor have they stopped the growth of illegal immigrants. In **Germany**, there has been a debate between those who are for immigration and those who are against it along almost 10 years but no law has been reached to reorganise the managing of the phenomenon. The current government have increased policies aimed at nationalisation (1.2 million in the last 10 years) and integration and, at the same, have tried to control immigrants who have not a guaranteed job in the Eastern borders. In 2000, the *green card* was explicitly introduced which allows the entrance and stay in the country for 5 years of skilled workers in new technologies.

So, in the last decade, immigrant policies have been aimed at controlling the flows of migration, either as initiative of governments (quotas) or as initiative of employers (permits). The control problems are mainly located in the countries which are the borders of the EU-15: Portugal, Spain, Italy, and Greece in the South, Germany and Austria in the East. But proposals of migration control at the borders and right of asylum restrictions are being raised in all the Union. The control problem is shifting towards a certain rationalisation of immigration: how many immigrants to be accepted and at which pace. Besides, in many of the countries, the immigration issue has been associated with the security issue (Shengen). This point of view became increasingly more important after September 11, 2001 and has resulted into much stricter control at the borders, a control which becomes a problem within the Union once the third-country people have entered in one of the countries.

At the same time, the Commission have developed some directives aimed at the integration with different effects depending on the country (Niessen J., Y.Schibel, R.Magoni (eds), 2003). The first one, "admission for economic reasons" is intended to eliminate the duality which is the source of illegality of immigrants in some countries: immigrants may obtain a work permit and not a residence permit or the other way round, suggesting that the administrative act for both permits should be the same. A second directive consolidates the "right for family reunification" which is becoming one of the driving forces in the

growth of immigrant effectives. The third directive refers to the permanent residence permit which is to be guaranteed to those with continuous temporary residence for at least five years. Of course, laws or immigration practices in the different countries have developed other aspects regarding the integration of legal immigrants: labour rights equality, public services access, especially health and education, and subsidised housing, prohibition of discriminatory actions against immigrants (K. Calavita, 2003). Access to basic health is also made possible for non-legal immigrants. Thus, control and social integration have become the two pillars of immigration policies (C. Solé, 2003). However, and despite of the fact that immigration issue has been dealt with in Treaties and summits like Maastrich (1991), Amsterdam (1997) or Nice (2003), there is not strictly speaking a common European policy.

From the point of view of a possible social integration, the big problem is in the South of the Union. The fact that in 4 or 5 years the number of immigrants has doubled and in some countries it has tripled is creating very important problems not only in the running of the labour market but especially in the social model: in health, education, housing, etc.... problems which obviously do not only affect immigrants but also natives and this could result in social tension. Besides, the fast growth of the phenomenon in these countries has resulted in an important percentage of illegal immigration which was around 50% of immigrants in the mid-90s (*Salt, J.(2002) Cit.*) and which decreased after some regularisations but which has not disappeared. Countries in the Centre and in the North of the Union either had their immigration wave years ago and, therefore, a certain kind of settlement has already taken place –often in a subordinate position of immigrants-, or they are having entries at a lower scale which enables assimilation by the society<sup>6</sup>. In different Union-15 countries, particularly France, Germany, UK, the Netherlands and Sweden, integration strategies have been developed especially in housing policies and urban development enhancements, in family reunification, measures against discrimination and education (Mahnig H., A. Wimmer, 2000). The rest are also developing integration policies since a difference with the European immigration in the 60s and 70s is becoming obvious: many immigrants come to make a new life in the Union countries and therefore to become citizens of them.

### ***Illegal and irregular immigrants***

Something to be observed is the fact that neither the permit mechanism nor the “quotas” may control the number of immigrants. Employers are usually more flexible in the “quotas” –stating that they have a higher need of workforce than they actually have- whereas unions are usually more restrictive with a tendency to protect wages and working conditions of nationals. But the quota system has many blanks: it may work if there are agreements with countries with possibilities of organising these quotas

from the origin but these are only a few cases. “Return” of all immigrants above the quotas is a problem as it has been witnessed first in France, and after in Italy or Spain: either the home country is unknown or there are political and humanitarian problems for the return or the practice is financially very important. Even though there is not a quota system but the permit system, the increase of illegal immigrants is the trend in all the Union without reaching the levels of the countries in the South. In accordance with some authors, this is because laws for the control of immigration are impossible to be observed (*Sutcliffe, B., cit*).

So, a basic characteristic of migration in the last period is that a part of it takes place outside the legal channels. People have the necessity to migrate and they use the tourist mobility to stay to work or they illegally cross the borders. This is a well known phenomenon in countries with a strong immigration appeal such as the USA and now some EU countries.

Hidden economy encourages illegal immigration, this is, the possibility of irregular work. Countries in the South have carried out different regulations of immigrant workers with working contract and/or residence but without permanent residence permit with the purpose of beginning with a new more controlled situation: since 1998, 5 regulations in Spain, 5 in Italy, 3 in Portugal and 2 in Greece have taken place. But the possibility of finding a job in the irregular economy is still a reason for illegal entry. Activities in which immigrants mainly can find a job, services, agriculture, and construction enable the growing of this irregularity due to different reasons: employers are of very small-sized companies or families themselves (home services, housework), work structure cannot be controlled from outside (agriculture and construction).

### ***Legal and real integration***

Beyond regulations, the problems are currently based on the integration degree of immigrants from outside the Union who will be an important minority in the next years. Besides the economic and educational incorporation, there is what some authors describe as familiarising with the way of living or belonging to the society (Pries L., 2003) which a complex and slow process as it is shown in the case of Turkish in Germany or North-Africans in France. We have to consider the reinforcement of immigrants’ associations with a certain note of “resistance”. Maybe, the countries with a higher integration degree are the ones where immigrants from outside the Union have acquired not only labour and social rights but also political rights which go from nationalisation (see Table 2) to the right to vote in the local elections such as in the Scandinavian countries and the Netherlands.

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<sup>6</sup> *In any case, also in these countries, there is illegal immigration.*

## II. THE IMPORTANCE OF IMMIGRATION IN NATIONAL EMPLOYMENT MODELS

### 1. GENERAL COMMENTS

When one analyses the relationship between immigration and the labour market within the context of national employment models, three aspects necessarily arise: a) the effect on unemployment; b) the impact on working conditions; and c) the relationship between immigration and segmentation of the labour market. The main Neo-Classical authors (Borjas, 1994) add a fourth question: the impact of immigration on productivity. Based on the theory of human capital, which considers human capital to be a provision assigned to persons, the arrival of new immigrants with lower levels of human capital would lead to a loss of productivity that could affect the capacity of expansion and competitiveness of the economy. In the Neo-Classical analysis (Álvarez et al. 2003, Brücker 2002, Greenaway and Nelson 2001, Noya 2003) immigration is taken as a merely quantitative variable: the number of persons from other countries that enter the labour market with a certain provision of human capital. This quantitative impact may lead to variations in the level of unemployment according to whether the effect of complementarity or replacement is predominant with regard to native workers. Furthermore, it may lead to a fall in pay and a reduction of labour rights due to the loss of the bargaining power generated by surplus manpower. From this viewpoint the specific characteristics of the labour market in host societies cannot be considered and one can only study the market mechanism in order to analyse the effect of the immigrant population. Labour regulations, manpower management practices, predominant sectors of production, the position and strategy of competitiveness of companies, etc., fall far outside the field of study.

This is an oversimplified approach to analysing the effect of immigration on the labour market. Without adopting a non-neoclassical focus, it can be observed that the volume of unemployment may increase both due to the arrival of immigrants and due to a sudden increase in the participation rates of the local population, which is one of the objectives set by the European Union in its labour policy. In fact, it is accepted that the increase in participation generates an increase in the product and therefore a self-propagating process may be triggered (for example the entrance of adult women in the labour market tends to generate an increase in the demand for services of all types, which in turn generates new jobs). It could also be expected that the arrival of immigrants will generate a similar situation, increasing manpower and at the same time the demand for goods and services: housing, services to the collective, etc. It is even possible to observe that the immigrant population tends to become an agent of expansion

in exports of certain goods towards their countries of origin (directly or through the effect of remittances), though of course this will lead to a greater or lesser demand in the host country according to its production specialisation.

The impact of immigration on working conditions is debatable if it is considered that the companies use labour management practices that correspond to models of the “efficiency wages” type. In this case pay policies in the broad sense are not greatly affected by the external situation of the labour market. We find the same situation if it is considered that the “insiders” are able to influence the labour rules. In short, all of this indicates that the impacts of immigration are not exclusively quantitative, but are modelled by the situation and characteristics of the host economy and by the various institutions that regulate and modulate their presence. These factors include: a) the immigration and integration policies; b) the forms of regulation of the labour market; and c) the company workforce management practices.

### **The impact on the volume of employment and unemployment**

The empirical evidence does not seem to support the existence of a strong relation between immigration and unemployment (Stalker 2000, ILO 2004, OECD 2001). In fact, the figures show that migratory flows occur where there is an increasing demand for manpower in activities with certain characteristics, which is most often supplied by the immigrant population. Therefore, in the countries of the European the predominant situation is one in which a large proportion of the immigrants are complementary to the local workers and there is no replacement effect,<sup>7</sup> as shown by several empirical studies (Carrasco et al. 2004, Coppel et al. 2001, Frey and Livraghi 1996, Venturini 1996, ILO 2004, OECD 2001). In this case the arrival of immigrants in mass is largely due to the economic cycle at the sectoral level: there is a large increase in jobs and the host society fails to fill all the vacancies, either due to a demographic lack of adjustment or due to the characteristics of the jobs created, which fail to satisfy the expectations of the local population. From this viewpoint it can be said that “the structure and tendency of economic growth, of employment, the participation of the workforce and the growth of the population are of great importance in the size, structure and dynamics of migratory flows” (Biffi 1996: 552).

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<sup>7</sup> *The fact that certain levels of unemployment coincide with the arrival of immigrants in large numbers does not mean that there is a replacement effect. This is the current situation in Spain. The immigrants are not replacing the non-immigrant manpower, but taking jobs that Spanish people do not wish to do due to their undesirable characteristics and the fact that they fail to meet their labour expectations.*

This is the situation that was clearly experienced in Europe in the period of economic expansion that took place before the crisis of the 1970s. A highly Fordist productive structure in the countries of Central and Northern Europe generated many jobs in a context of accelerated growth. The mass migrations from Southern Europe and the former colonies filled the low-qualified manual jobs in industry and construction (Garson and Loizillon 2003). Currently most of the immigrant population is employed in labour-intensive services in construction and—particularly in Southern Europe—agriculture. These are all activities that require a great deal of manpower, with a long tradition of low pay and little social prestige. Domestic services in particular had tended to disappear due to the combination of the change in the structure of homes, the mechanisation of some domestic activities (electrical appliances) and the greater use of commercial services. However, in recent years they have become important again, particularly with the appearance of the new domestic activity of intensive care of the elderly. These services involve activities that meet with little favour among the local population and that are carried out in conditions—particularly working hours and availability—that they consider totally undesirable.

The existence of a migratory flow induced by an increasing demand for certain activities may be compatible with the appearance of certain levels of unemployment among the immigrant population. This may be due to two different factors. The first is a problem of misinformation. Immigrants continue to arrive in host countries regardless of the specific situation of the labour market, because they lack appropriate information on the local market or are urged on by expectations of improvement because of the poor living conditions in their country of origin. The historic analysis of migratory flows until the crisis of the 1970s does not seem to support this argument, because in countries where there has been a sharp increase in immigration, there has subsequently been a slowdown.

With regard to the situation of adjustment described above, in recent years some studies have questioned the influence of the economic cycle on the arrival and departure (return) of immigrants in developed countries: “though migration may respond to intrinsic economic differences between the countries of emigration and those of immigration, it is not strictly linked to economic fluctuations (...). As of the 1980s there is no evidence that in any country there has been a relation between migration and economic growth” (ILO 2004: 130). A more relevant factor seems to be the shortage of decent work in developing countries, accentuated by structural adjustment programmes, the increasing economic difference between countries (beyond the cyclical situation) and differences in demographic evolution (ILO 2004: 14-16). If this is the case, the tendency of arrival of immigrants would be more structural than situational, and it is not foreseeable that a fall in employment in the host countries would lead to a return

to the country of origin of part of the immigrant population. In this context, the impact of immigration on the national employment models according to the situation of the economic cycle would be greater in periods of crisis. Firstly, the "regulating" function of migration policies on the arrival of immigrants would not operate so clearly. If the arrival of immigrants responds to a structural factor, the rate may be modified, but not the trend (Colectivo Ioé 2002). Secondly, the "return" of immigrants to their countries of origin as a response to situations of unemployment no longer seems very clear.

The second explanation for the existence of unemployment may be based on the characteristics of the productive structure and the concentration of immigrants in certain jobs. From this viewpoint, the unemployment of immigrants may be associated with the greater effect of situational or seasonal fluctuations in the activities in which they tend to find employment. In this case the problem is mainly the great variation of the activity in some sectors. Therefore, in considering the relation between the economic cycle, immigration and the national employment model, it must also be taken into account that the labour market is not homogeneous but segmented, and that immigrants are not distributed equally in all jobs.

It is obvious that the translation of these sectoral fluctuations into unemployment depends on the model of migration policy that is adopted. Experiences such as the "temporary invitations" or the "subcontracted teams" in construction assume that unemployment is transferred to the country of origin (Bosch, 2004). However, these forms of control of casual recruitment require a certain organisation of both migration policies and job seekers, which in some cases does not occur due to the tradition of informality that is predominant in these sectors. One must also ask to what extent the existence of an available flow of manpower allows certain sectors to organise their activity in such a way that they tend to reinforce fluctuations. In this case recurring unemployment among immigrants would be the result of combining certain migration models, a certain productive structure (in which highly fluctuating activities are predominant) and certain forms of management.

Another question related to unemployment is the second generation of foreign immigrants. It is obvious that the national status of the persons residing in a country depends mainly on the migration and nationalisation policies that are in force, and that this status may play a decisive role in offering equal opportunities to the children of the first generation. Beyond this question, even in the cases in which the second generation obtains the nationality of the host country, a greater rootlessness is observed in these persons, partly because they have a particular integration in the host country and their expectations and

conditions of life place them outside the jobs filled by recent arrivals. This is clearly not an individual question, but one largely determined by the conditions in which the migration process takes place: social, educational or housing policies that favour or weaken the ghetto generation. Furthermore, one must also consider the effect of racist or simply segregative cultures in the labour system and the demands generated by immigrant groups, particularly with regard to gender. The definition of migration policies in terms of flows, placing greater emphasis on control than on integration, may reinforce these segregative tendencies and give rise to the existence of a second-generation workforce that fails to find its place in the different areas of the labour market.

### **The impact on working conditions**

The second question is to determine to what extent the entrance of immigrants may favour a deterioration in the contractual power of local workers and a fall in labour standards. This is, for example, the projection that can be made in neoclassical models, in which pay and the aspects related to working conditions are exclusively determined by the relative situation of labour supply and demand. However, as we will see later in more detail, there is no evidence that immigration has reduced the pay of local workers overall, or that it has worsened the general conditions of employment. At most this may have happened in some specific segments of activity or in some areas. Though this potential effect is not negligible, it may not be the main factor leading to the erosion of working conditions. The role played by delocalisation may well be more decisive than that played by immigration.

There are other factors that suggest that the effects of immigration on working conditions are not so great as might initially be thought. Firstly, employment is segmented, so most immigrants in all countries occupy specific jobs (the elite immigrants fill jobs in certain professions and the rest fill jobs not desired by local workers) and do not compete directly with a large part of the local manpower. It is therefore possible that in some cases immigration has the opposite effect to that expected, i.e. many of the local workers benefit from the cheap jobs and services provided by the immigrant labour (for example, in elderly care, cleaning, etc.). Secondly, certain degrees of regulation are operative in the processes of integration of immigrants in employment. Where there is a system of working conditions determined by collective bargaining and the trade unions have an effective presence, the arrival of immigrants may not lead to changes in the situation (as seems to have occurred in European industry in the period of mass immigration before the crisis of the 1970s).

Objections may be made to this general view. One must analyse to what extent the arrival of immigrants generates changes in the way that some sectors operate. This is more likely to occur in those areas in which there is less regulation and the working conditions are less regulated. In fact, research carried out in Southern Europe shows that the integration of immigrants has taken place in sectors with a tradition of informal employment in which the working conditions had already deteriorated (Reyneri 2001). Also, in some cases the arrival of immigrants has reinforced this tendency towards deregulation. "The demand for foreign labour reflects the long-term trend of informalisation of low skilled and poorly paid jobs, where irregular migrants are preferred as they are willing to work for inferior salaries, for short periods in production peaks, or to take physically demanding and dirty jobs" (ILO 2004: 52).

This concentration of immigrants in certain activities is due to the fact that their patterns of behaviour, at least in the early stages of the migration process (as described by Piore) leads them to accept any labour relation that involves an income, and the immigration laws often force them into illegality. Therefore, there may be competition and deterioration of the working conditions in areas that had already suffered deterioration. However, in this case one must analyse to what extent the arrival of this new flow of manpower has led to the displacement of local manpower and the degradation of working conditions, or whether these sectors show a persistent shortage of labour and the arrival of immigrants has had a dual effect of guaranteeing a sufficient supply of labour in time and deteriorating its conditions. This may have happened both in some typical secondary markets and in some professional manual markets.

It is also not clear whether this process generates a permanent situation. There is no doubt that the arrival of new immigrants may lead to the destabilisation of certain markets, but things may change once they have settled. This has been the historical experience in certain stages of development: once the immigrant population has become stabilised, social networks and connections with the host society begin to develop, and in some sectors demands for improvements in the living conditions and even trade union organisation are observed.

### **Dynamics of segmentation**

Migration processes fall within the dynamics of segmentation of the labour market. With the exception of some professional markets (elite athletes, scientists), or primary markets (executives of multinationals, health workers), mass migrations feed and shape the secondary employment markets. In the Fordist period some of the migration processes were directed at meeting the demand for non-

specialised manpower in the industrial sector. However, they were also observed in other, less regulated sectors with more precarious integration in employment, such as construction, farming and domestic service. In the current stage these last profiles are gaining importance, as delocalisation and automation have reduced the demand for manpower in manufacturing and services are gaining in importance. The combination of new restrictive migration policies with the characteristics of many of these sectors promotes models of integration in employment that are far more precarious, and this favours an even greater process of social differentiation. Some of the main features of the collective of immigrants in the OECD countries clearly show this situation: they are concentrated mainly in certain sectors of production (OECD 2001, ILO 2004) with poor working conditions (European Commission 2003b, ILO 2004) and the vast majority receive lower pay than non-immigrant for equal work (Coppel 2001).

A more detailed analysis of the presence of immigrant workers in the different occupations shows that they are employed in totally legal manual jobs of a lower level, in the same types of jobs as local workers but with informal working conditions, in informal activities in which a personal relationship with a private client is predominant, and in completely illegal activities (prostitution, drug dealing). In quite a few cases these different areas overlap, and the degree of informality depends on the nature of the activity, the business management practices and the legal situation of the workers. For example, in the construction sector it is possible to find legalised immigrants in major construction works, but illegal work thrives in conversion work done by small companies inside buildings and in the construction of single-family dwellings. Similarly, in personal care services formal jobs (particularly in companies providing services to the public administration) coexist with informal jobs (particularly in services contracted directly by families). The degree of informality therefore depends on two processes, that generated by the employers and that generated by the immigration policies (Mingione and Quassoli, 2000).

One must first distinguish between the processes at play. Many companies tend to manage uncertainty and diversify risk through outsourcing. The more powerful these tendencies are, the greater is the emergence of small production units in which it is possible to generate informal jobs. Informal employment is also observed in small companies in sectors that tend to be beyond the control of trade unions and the administration, such as hotels and catering. This is undoubtedly reinforced by the local characteristics and by the culture of the institutions operating at this level, which can become elements that foster informality (as in the extreme case of El Ejido in Spain (Martínez Veiga, 2001)).

The type of manpower that is demanded (levels of qualification, availability and acceptance of flexibility and control) and the consolidation of certain situations of precariousness in the labour market depend on the company labour management policies. But these business practices do not operate in a void. Their application is limited by a series of conditioning factors. This is why the characteristics of labour regulation and its degree of fulfilment are key elements in this process. In addition to the characteristics of the labour regulations, the trade unions also affect the impact of immigration on the labour market and on the national employment model, in a dual sense. Firstly, they regulate and control the working conditions of the workers, including immigrants; their ability to ensure labour rights in this sense is a key factor. Secondly, they sometimes participate in the immigration policies. In general, if the trade unions are more involved in migration policies and have a greater capacity of action, the working conditions of immigrants are more similar to those of non-immigrants. These questions take on greater importance if one bears in mind that legal restrictions based on nationality can reduce the possibility of trade union action by immigrants (ILO 2004: 53).

The immigration regulations in themselves generate differentiated situations between immigrants and therefore lead to a differentiated availability of work. Entry to a country (or economic area) is governed by the migration laws and policies that are applied, and not all immigrants have the same legal status.<sup>8</sup> The duration and reasons for the stay also vary.<sup>9</sup> The combination of the legal form of entry and the duration and reasons for the stay show that the migratory situation of developed countries—particularly in recent years—is characterised by its diversity: legal immigrants entitled to settle or obtain nationality, temporary workers who must leave the country on termination of their contract, and illegal workers who can be arrested or expelled and who have the worst working conditions (ILO 2004: 50).

This diversity of situations and groups is accentuated by the fact that in different countries labour immigration is subject to different specific regulations, which have augmented in the course of time (European Commission 2004): tax incentives to attract persons with high qualifications (Dumont et al. 2004?), quotas, fostering of unstable temporary immigration, bilateral agreements with different characteristics and measures of legalisation. The rights of the workers associated with each of these

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<sup>8</sup> *If we observe the migratory flows by categories of entry, we can establish four situations: firstly, labour immigration, which includes short- and long-term immigrants and seasonal workers; secondly, family reunification; thirdly, immigrants with no documents or illegal immigrants; and finally, political asylum seekers, who are classified as refugees when they have obtained asylum (Stalker 2002: 152).*

<sup>9</sup> *For example, the International Labour Organisation (ILO 2004: 10) considers three types of immigration: a) permanent migration, which includes qualified labour immigrants, family reunification and resettlement of refugees; b) temporary migration*

forms of regulating immigration vary significantly. In some cases the rights are identical to those of the workers of the host country, whereas in others they are not, and the return to their countries of origin is sometimes even guaranteed. In many cases, in addition to the diversity of regulations, there are also differences in action by the different levels of the administration and their relations with the local demanders of labour, in the form of a greater or lesser tolerance of informality may vary according to the situation and the type of activity (for example, in agricultural areas the police controls increase when the market is saturated in order to reduce the pressure in the area).

An additional factor that increases the segmentation on the supply side is that of the different origins of the immigrants. The question of language is an important factor that facilitates or hinders the entry of immigrants in certain markets. For example, the increasing immigration from Latin America to Spain is being employed in retailing, which is far more difficult for Moroccan immigrants. This may be reinforced by the networks of support of the different groups of immigrants, which generates new channels of segmentation and differentiation. But it is not only language that is segmenting immigrants. In the European Union as a whole it is observed that the immigrants from developed countries (the United States, New Zealand...) occupy the more qualified jobs, whereas those from developing countries are concentrated in the secondary segment.

The analysis that we have made so far focusing on the differentiated situation of immigrants in the labour market does not imply that non-immigrants are in a closed reality. Immigration does, in fact, affect the dynamics of the segment in which it is located, and the local manpower occupying the old, secondary labour markets may therefore be displaced. This has occurred in cases such as the displacement of informal employment of local women in the clothing sector when it was taken over by Chinese companies. The same can happen in the more qualified segments occupied by immigrants as technicians and professionals. However, in many cases the situation has been tempered by the fact that the immigrants entered the market in times of expansion, and therefore either did not have a negative impact on the local employees, or the result was that the local employees were consolidated in the more legal segments of the activity.

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*to fill persistent vacancies in certain sectors ("guest workers"); and c) temporary migration for jobs of a given duration (seasonal jobs, and jobs that last for the duration of a project and are filled mostly by immigrants from developing countries).*

## 2. IMMIGRATION AND LABOUR MARKET: MAIN TENDENCIES IN THE EU

The analysis of the basic variables of the labour market gives us pointers on the integration of immigrants in the labour market and their effect on the national employment models. The specification of the values of these variables will depend on a great variety of factors. Examples of this are the differences in qualifications and levels of education, sex, age and country of origin. The effects also depend on the volume of immigrants, their rate of arrival, the patterns of immigration and the legal situation. Furthermore, the whole is a dynamic reality insofar as the immigrants acquire new qualifications and experience in the local employment markets and their employment situation changes (Coppel et al. 2001: 15).

### Active population, employment and unemployment

Migration plays a key role in demographic growth, particularly in European countries, where in some cases the natural increase in population is low. Therefore, due to the predominant age structure in the population migrating to the EU, an early effect on the national employment models is to slow down the process of ageing and rejuvenate the society. This process also involves an increase in the availability of manpower and—in theory—facilitates economic growth (by avoiding bottlenecks and fostering consumption). There are studies that indicate that the European Union may need immigration until at least 2040 in order to maintain its current levels of economic growth (Fotakis 2003).

In the European Union as a whole it is observed that the immigrant population from non-EU countries among the 15–64 age group shows lower participation rates than the autochthonous population, with an average difference of nine points in the recent period (see Table 5). However, if we consider the population aged 15 and over, the differences are reversed, and the participation rate of non-EU immigrants is slightly higher than that of the national population (and slightly lower than that of residents from other EU countries). In fact, the participation rate of immigrants only increases by three points when one leaves out persons over the age of 64, whereas in the case of the national population it increases by 14 points, showing the different age composition (the proportion of persons over 64, mostly inactive, is far higher in the autochthonous population than among immigrants).<sup>10</sup> Within the general tendency we find major differences by countries: whereas in Northern and Central Europe the

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<sup>10</sup> According to EUROSTAT figures referring to the population of a working age (over the age of 15), in 2003 (EU-15), 20.5% of the national population and 5.4% of non-EU immigrants were over the age of 64. However, the proportion of women in both groups is similar.

participation rates of immigrants are lower than those of the national population, in Southern Europe the difference is favourable to non-EU residents.

A logical explanation for these differences can be found in the “migration time”. The countries of Northern and Central Europe have a greater stock of immigrant population and it has been in the country longer (with second and third generations). Their integration in employment is similar to that of groups with specific problems in the country of residence. On the other hand, in the countries of Southern Europe, immigration is a recent process arising from the desire to obtain employment; it has coincided with an expansive stage that encourages the incorporation of immigrants in the labour market, and the immigrants are younger. These differences indicate one of the impacts of immigration on the national employment models that we have already mentioned above: the difficulties of integration of certain groups of non-EU immigrants.

It is also observed that the lower participation rate of immigrants aged 15 to 64 compared with the autochthonous population occurs above all in the case of women, who show a difference of almost 15 points on average. Again, there is a diversity between countries, since this difference in the participation rates of women is higher in countries such as Holland, Denmark, France and Sweden, whereas in the southern countries (Spain, Italy, Greece and Portugal) the opposite occurs, i.e. the participation rates of non-EU immigrant women are greater than those of autochthonous women.

The figures of EUROSTAT show that 14% of the increase in employment in the EU-15 between 2000 and 2003 (and 9% from 1995 to 2003) corresponded to non-EU immigrants, whose participation in total employment increased from 2.9% in 1995 to 3.6% in 2003, showing a greater tendency of incorporation in employment than the autochthonous population.<sup>11</sup> As stated above, there is no evidence that this sharp increase in the employment of the immigrant population has an expulsion effect on the national population. The only effect it may have is to displace other groups of immigrants. What is observed is in fact an effect of complementarity in the occupation of the available jobs—a situation that is not exclusive to Europe. For example, Stalker (2000: 86-90) corroborates this tendency, citing several studies carried out in the United States, Canada and Australia, among other countries.

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<sup>11</sup> According to the publication of the EU COM (2004) 508 FINAL the participation of persons from third countries in total employment in 2002 was 3.6% in the EU-15, and between 1997 and 2002 it contributed 22% to the growth in employment.

With regard to the labour market, the classification of the countries of the European Union according to migratory flows may be crossed with EUROSTAT figures on the quantitative importance of non-EU immigrants—excluding citizens from other countries of the European Union—and their recent evolution within the employment of each country (see Table 6). In the first block of countries (Austria, Germany and Greece), the proportion of non-EU immigrants in the occupied population was greater than the European average in 2003. The second group of countries (United Kingdom, France, Italy, Ireland and Spain, the last three showing a recent growth of the phenomenon) were around the European average. Finally, the third group of countries (Belgium, Denmark, Portugal, Holland, Sweden and Finland) showed a lower proportion of non-EU immigrants in the occupied population than the European average. However, a number of changes are apparent in comparison with the situation in 2000. In particular, in Greece, Spain and Ireland the proportion of non-EU immigrants in employment has increased significantly, increasing the European average and overtaking the countries of the third group, in which this proportion has hardly changed.

There are no clear signs that immigration has increased unemployment. It is argued that it may in fact benefit national employment, insofar as it increases the flexibility of labour markets (European Commission 2003b: 12). The OECD has examined the experience of several countries between 1984 and 1995 and reached the conclusion that there is no obvious negative impact: comparing periods of expansion and recession, in countries such as the United States, Germany, France and the United Kingdom immigration increased and the unemployment rate hardly rose (SOPEMI 1997, cited in OECD 2004: 37-38). Some studies conclude that immigration has even led to an increase in employment as a consequence of an expansion of production: the arrival of unskilled workers may, for example, lead to a greater manufacture of labour-intensive products and an increase in exports, which would raise the general level of employment (OECD 2004: 38).

Beyond the question of the influence of immigration on unemployment in the host country, we wish to analyse the possibility of specific problems of unemployment arising in the collective of immigrants. A quantitative approximation may be obtained if we compare the unemployment rate of non-EU immigrants and the autochthonous population in the countries of the European Union (see Table 7). In general it is observed that the unemployment rate is a good deal higher for immigrants than for the national population—around nine points on average in the EU<sup>12</sup>—and that this difference has been maintained

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<sup>12</sup> *This tendency is not exclusive to the European Union: “in 2000-2001, in the countries of the OECD the unemployment rates of immigrants were on average almost double those of non-immigrant workers” (ILO 2004: 49).*

despite the reduction in the unemployment rate as of 1995. It can therefore be concluded that non-EU immigrants have a specific problem of unemployment in European countries, in both relative terms (a higher unemployment rate than that of the national population) and absolute terms (they had an unemployment rate of over 15% in the whole European Union in 2002-2004, with the exception of Holland, Portugal and Austria [11-13%], Greece, Italy and the UK [9%] and Ireland).

The situation by countries is more differentiated, though in no case is the unemployment rate higher among the national active population than among the non-EU active population. In one group of countries the unemployment rate of immigrants is far higher than that of the autochthonous population: Belgium—showing a difference of thirty points—and also Finland, France, and Sweden in some years. In a second group the difference between the unemployment rate of the two groups is lower, and around the European average: Denmark and Holland—in both of which the difference decreased considerably as of 1995 but rose again in 2003—and Germany and the United Kingdom. The last group includes the—predominantly southern—countries in which the difference between the unemployment rate of autochthonous workers and immigrants is low: Portugal, Spain, Austria (except in 2004), Ireland, Italy and Greece (the only country in which there has been hardly any difference since 2000). No definite relation between the general unemployment rate and the differences between the two groups has been observed, since in the three groups there are countries with a higher (Finland, Germany, Spain) and lower (Sweden, Holland, Ireland) unemployment rate than the European average. If we consider exclusively women, it is also observed that the unemployment rate of the autochthonous population is lower than that of non-EU immigrants, with a difference that is almost equal to the average, around eight points (see Table 7). In this case, no countries except the United Kingdom showed an unemployment rate lower than 15% in 2002-2004 (and it was higher than 25% in France and Belgium), so non-EU women are seen to be a collective that is particularly affected by unemployment.

The difference in the lack of employment among immigrants and autochthonous workers can be analysed through the employment rate of the population aged 15 to 64 (see Table 8). The situation is slightly more negative for non-EU workers from this viewpoint, since in the European Union as a whole the employment rate of this collective is around 14 percentage points lower than that of the national population, and this difference has hardly changed since 1995. However, the diversity between countries is also greater in this case. The most striking feature is that in some countries immigrants have a lower employment rate than autochthonous workers (with very high differences in Belgium, Denmark, Holland and Sweden, and lower differences in Finland, France, the United Kingdom, Germany and Ireland),

whereas in the countries of Southern Europe the employment rate of non-EU workers is higher than that of national workers (Greece, Italy, Spain, Portugal and Austria). In general the first group of countries is characterised by higher general employment rates, whereas in the second group the employment rates of national workers tend to be low (except in Austria and Portugal) and those of immigrants higher than in the other countries. In all countries of the EU except Greece, Spain and Austria, the employment rates of non-EU workers were lower than 60% in 2002-2004.

For women, in the whole European Union the employment rate of female immigrants is clearly lower (almost 18 points) than that of autochthonous women (see Table 4b). This difference is particularly high (around 30 points) in Belgium, France (with high very low employment rates of immigrant women), Denmark and Holland, and lower in Ireland and Austria. However, in Greece, Spain, Italy and Portugal the employment rate of non-EU women is higher than that of autochthonous women, due to the very low employment rates of the latter in southern countries (except in Portugal), and to the high employment rates of the immigrants in these countries, largely as a result of the recent growth in female labour immigration in these countries.

If we analyse the sectoral distribution of employment among the immigrant population, we soon see a clear polarisation. A small group occupy qualified jobs in the line described as follows: “in the short term labour immigration may help to reduce the shortages of manpower suffered in particular in the sectors of information and communication technologies, advanced technologies and health care” (European Commission 2003b: 16). Without denying the relevance of these jobs among the immigrant population, the predominant situation is precisely the opposite. As the European Commission states: “the proportion of immigrants is excessive in sectors of employment of risk, in undeclared low-quality work and in the segments of population that are highly exposed to health risks and social exclusion. Often, educated and skilled immigrants are unable to find a job that corresponds to their qualifications and have to accept one that is inferior and worse paid” (European Commission 2003b: 21).

Indeed, the first aspect that stands out from the sectoral distribution of the employment of the immigrant population is that it is concentrated at the two opposite ends of the employment scale, though “most of them are at the bottom end and in many cases they are employed in dirty, dangerous and difficult jobs that, when they become considered as “jobs for immigrants”, tend to continue as such indefinitely” (ILO 2004: 10). It is therefore not surprising that the relative presence of immigrants in manual jobs is higher for all the qualifications than that of EU citizens, and almost twice as high in

manual jobs that require no qualifications (European Commission 2001), though this situation varies considerably by countries.

The distribution of the immigrant employment between the different sectors of production shows a concentration in certain activities, though also in this case we find differences between countries. For the period 2000-2001, according to Garson and Loizillon (2003: 21) with EUROSTAT figures (see Table 8), foreign employment is clearly over-represented in all countries of the EU in hotels and restaurants and in household activities, and in almost all countries in the construction sector.<sup>13</sup> In the industrial sector it is higher than the average in Austria, Belgium, Germany Greece, Italy, Holland and Sweden, but not in Denmark, France, Ireland and Spain. On the other hand, immigrants are under-represented in agriculture (except in Spain and Holland), education (except in Ireland and Sweden), health and other community services, public administration and the wholesale and retail trade. This diversity is due to the structure of the production system, whether national workers accept certain jobs, and the migration policies for attracting manpower with certain characteristics.

One must also bear in mind the increasing difficulty of companies to fill low-quality jobs in the country with the traditional groups of workers. This is due not so much to the expansion of certain activities, but mainly to business practices of manpower management in certain activities that, rather than improving working conditions in order to retain the workers and attract new ones, aim their recruitment efforts at other groups such as immigrants. For their part, both the workers who stay in low-quality jobs and the new recruits to these jobs accept them because there are no better alternatives, or because their weakened position in the labour market prevents them from finding alternatives. This situation also varies not only by the sector of activity or the specific job that is occupied, but also according to the legal situation of immigrant.

In fact, there is a clear relation between illegal immigrants and the non-regulated labour market. Illegal immigrants are concentrated mainly in the low-qualified sectors such as construction, agriculture, catering and cleaning. (European Commission 2004a). Often they are hired for the so-called “3 D” jobs (dirty, dangerous and demanding work). Clandestine workers tend to concentrate in certain activities and sectors of the economy in which individually negotiated work contracts are possible and atypical work is

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<sup>13</sup> *This means that the percentage that these sectors represent in the total foreign employment is higher than the percentage they represent in the total employment of each country.*

prevalent, such as construction, tourism, agriculture, cleaning and domestic service (Biffi 1996: 562; Bettio, F.; Simonazzi, A.; Solinas, G.; Villa, P., 2004).

### **Wages and working conditions**

There is no evidence that immigration has reduced the pay of workers in general. At most this may have happened in some specific segments or in some areas. A report by the ILO (ILO 2004: 36) that cites a wide range of studies<sup>14</sup> confirms that any possible negative effect of immigration on the pay of the non-immigrant population is small. However, having said this one must make a series of comments.

Firstly, the pay of immigrants is apparently lower in general than that of the national workers. There may be two reasons for this situation. One explanation lies in the theory of human capital. According to this approach, immigrants have a lower level of education and professional qualifications, so they receive lower pay. However, many studies confirm that the immigrant population “earns considerably less than the autochthonous population bearing in mind the occupation, sector, level of education, experience and language” (ILO 2004: 37). Therefore, the situation is rather one in which the low pay of the immigrant population is due to the jobs they occupy.

Secondly, the fact that no clear impact of immigration on the pay of the general population is observed does not mean that this effect does not exist. We have already stated above, when dealing with segmentation, that the impact of migration depends greatly on the initial conditions of the segment that they join. Immigration may therefore tend to lower the pay of autochthonous workers with similar qualifications within the same segment (or reduce their pay rises), and thus threaten the distribution of income.

With regard to working conditions, most immigrants are concentrated in low-qualified services, agriculture and labour-intensive industries, in companies that do not control their markets and compete by compressing the pay of the workers (ILO 2004: 52). This is therefore a situation that pushes immigrants into the secondary sector of the labour market in these activities, as can be seen from a brief analysis of them:

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<sup>14</sup> Specifically, the studies cited are: Zimmermann (1995); Hanson et al. (2002); Brücker (2002), Gaston et al. (2000); Pendakur et al. (1998).

a) Agriculture: "In Germany the immigrant agricultural workers are often recruited in a very informal way, on many occasions through an intermediary or manpower contractor. A report by the Council of Europe stated that Mediterranean agriculture is characterised by a dependence on immigrant labour, particularly in the case of seasonal activities, and the work of a large number of these immigrants is not declared, so they are not entitled to the minimum wage or to contribute to the social security and they are subjected to exploitation and abuse" (ILO 2004: 58).

b) Construction: "At present the general rule is casual and temporary employment in companies with fewer than 20 workers, and self-employment. In certain cases, vertically integrated construction companies have become mere administrators that allow the subcontractors to compete to provide workers for their sites (...). The race to the bottom has meant that the jobs are unattractive and poorly paid for workers of the country, and that foreign workers are used to fill this void, even through illegal immigration channels (...). In a large part of the world, work in the construction sector is not considered as a *decent job*" (ILO 2004: 62).

c) Industry: "the sweatshops have reappeared in developed countries, based on the presence of cheap immigrant manpower (...). In several European countries there are abundant clandestine workshops in which a large number of illegal immigrants are working and work practices contrary to the most elementary principles of respect for human rights in work are applied. According to a study by the ILO,<sup>15</sup> in the case of southern Europe the immigrants who work in industry are those with the toughest conditions with regard to physical effort, overtime and night shifts, and those who run the greatest risk of suffering an accident" (ILO 2004: 63).

d) Services: "In the sector of hotels, restaurants and tourism, domestic service and care undeclared manpower is still often used. In some countries, this may involve the clandestine employment of illegal aliens who are willing to accept less favourable employment conditions than national workers" (ILO 2004: 66).

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<sup>15</sup> Reyneri (2001).

### III. IMMIGRATION AND THE WELFARE STATE. THE CURRENT SITUATION

#### 1. THEORETICAL APPROACHES

Studies relating immigration to the welfare state have been approached from different theoretical perspectives, which also involves different empirical and political viewpoints.

The first approach has been to approach the consequences of immigration on the rights of civil, political and social citizenship, following Marshall's model (1998) on class inequalities. The conclusions of this line of research highlight the lack of correspondence between these rights, so there is a tension between civil citizenship on the one hand and social and political citizenship on the other. This line of research also considers the tensions generated by immigration in social institutions. The studies carried out using this approach appear to conclude that in practice there is a lack of correlation between the integration of immigrants in welfare institutions and in political institutions. Access to the welfare system begins in employment and in the rights that it involves, whereas inclusion in the political institutional system follows another path: it is based on the *demos*, as has been shown in the case of Germany, where until recently the children of Turks who had been born in the country did not automatically acquire German citizenship. The *ius sanguinis* principle prevented the political integration of these young people, who for legal purposes continued to be aliens (Bommes, 2000, cited by Noya, 2003).

The second approach, considered as institutionalistic, concludes that contributory-corporate welfare systems are more problematic for the integration of immigrants than universal systems. In the former, integration is subject to access to formal employment, whereas the latter shows greater solidarity, though the social benefit received is certainly very low. However, a feature common to both institutional designs is the emphasis on active employment policies as the main channel of access to welfare. This is shown by the fact that even a mainly non-contributory system like that of Holland gives priority to the policy of part-time employment to promote the social integration of immigrants (Becker, 2000).

The third approach, based on the "club theory", understands that social security is a good belonging to a "club", so the entrance of new members as users, with little or no previous contribution to the system, may worsen the situation and the services received by the older members of the club. The club's premise is that it is composed of stable members who "share interdependencies and interests with regard to past

and future generations” (Noya, 2003: 57). Therefore, because of the characteristics of their jobs and their low level of income, immigrants may represent a risk for the other members of the club. This approach has been used to carry out studies that we could qualify as “accounting”, that is, analysis of the contributions and expenses generated by immigrants for the welfare state.

The fourth approach proposes a reconceptualisation of welfare through a new theoretical and empirical approach to the relationship between the state, the market and families. Inspired by the feminist academic literature, this line of argument sets out to explain the interdependence of these three institutions, the deployment of the policies of reform of welfare that are underway, and the role played by the female workforce in the provision of welfare services (Bettio; Simonazzi; Villa, 2004). Due to the increasing feminisation of migration in the countries of Southern Europe, this process is particularly visible in the care of dependent elderly persons under the name “long-term care”. In the Mediterranean welfare model, this care falls on the women of the family because of the lack of public services, the high cost of private services and the strong family tradition that prevails. According to the above authors, this model of family care is being replaced by one involving immigrant women, who offer a cheap, docile and flexible labour force that replaces or helps autochthonous women with greater employment expectations (Parella 2003). This is true for younger women, who have reached a higher level of education and for middle class women who can pay for this domestic service, but not for working class women.

Special attention must be paid to the cost-benefit analysis that is made of the phenomenon of immigration.

The cost-benefit analysis of immigrants for the welfare state is highly conditioned by the institutional frameworks. The regulation of employment and the social rights arising from it vary greatly in the countries of the European Union. The social law of the member countries varies, but so does the structure of the immigrant population, in which countries of origin and gender appear to determine the sectors of activity to which they can gain access.

For example, in Great Britain immigration is very diverse and comes from the old Commonwealth. It is also linked by the language and shows a tendency to remain in the UK, where the redistribution system is universal. On the other hand, in Germany immigration is more temporary and low-skilled, and the redistribution system is based on contribution. The universal system provides general cover, but with very low benefit, which means that the worst-off immigrants in the UK have the essential minimum. On

average, the immigrants in Germany obtain better benefit through the contributory system because the German system is supported by the great power of the professional corporations and trade unions. This is not the case in the southern countries, where the feminisation of immigrants working in long-term care does not always lead to a suitable social cover due to the importance of the informal economy in this sector, as is clearly stated by Bettio-Simonazzi-Villa (2004). In summary, the complexity and diversity of scenarios means that studies of a national welfare system are difficult to transpose to other countries (Buchel, Frick, 2000).

Several studies show that immigrants have a positive effect on public income, but this can be compensated by the social security benefits that they demand. The average age is important in these considerations. Young immigrants tend to contribute more than they receive, but may also displace the autochthonous population from certain segments of the labour market. Furthermore, immigrants contribute through taxation to the provision of public goods.

## **2. A COMMON PROBLEM: THE INCREASE IN DEPENDENCY RATES**

Despite the diversity of welfare models within the EU, there is a common problem that is pointed out by many studies: the dependency rates are increasing as a consequence of the ageing population and the falling birth rate. A report by the European Commission (2003) warns of this problem. In 2001 there were 62 million persons over the age of 65 in the EU-15, whereas in 1960 the figure was only 34 million. Today this older segment of the population is equivalent to around 16% of the total population and 24% of the population of working age. It is calculated that it will rise to 27% by 2010. These figures mark a worrying tendency because the “dependency ratio”, understood as the ratio of the population over the age of 64 to the population of working age, is tending to increase. The dependency ratio is even worse in the case of persons over the age of 80, as stated by Bettio, Simonazzi, Villa (2004). In other words, there is an increase in the dependent population and a decrease in the number of persons of productive age, who will have to support both the economic burdens and the care tasks in the countries where the welfare model does not cover them (Table 9).

If the “European social model” is to be maintained, it will be necessary to deal with these social burdens that appear in the projections for 2010 and in other gloomy fiscal projections (Collado; Iturbe; Valera, 2004). It will also be necessary to integrate immigrants in the system of civil, social and political rights.

### 3. QUESTIONS TO BEAR IN MIND IN THE NATIONAL MODELS

#### **The accounting problem**

There is a belief that immigrants take out more than they contribute, which affects the status of the members of the “club”. On this question there is insufficient empirical evidence. It seems that the opposite is the case: they contribute more than they receive, particularly when there is an increasing flow of young immigrants who do not demand pensions or too much health care. The study by Barry and Solingo (1969) already showed three decades ago that the increase in immigration generates welfare if the total income of the active population is measured. A revision of the studies on taxes and benefit in the US, Canada, Switzerland, Sweden and Germany (Noya, 2003) seems to indicate that immigrants are net contributors to public finance. In the case of Spain, since 1998 the recent flow of immigrants has led to a rapid and spectacular growth in the membership of the social security system (Rodríguez Cabrero, 2003). Further evidence that immigration has contributed to the maintenance and stabilisation of the pension system can be found in Germany. The contributory income of immigrants in Germany was over 12 million marks higher in 1993 than the benefits received by them. However, the German pension system is showing a tendency to receive less contributions: it is calculated that in the next decade its income will fall by about 10% (Haupt; Peters, 1998). The increase in the number of contributors in the above countries may help to balance the budgets of the system, though this argument has also been criticised because it fails to consider the total costs of providing public goods. Another study warns that a low immigration rate reduces the welfare of the native population. The reason put forward is that the provision of public services operates like the economies of scale. Therefore, EU countries require large-scale immigration because it tends to reinforce or extend the welfare, rejuvenate the population and guarantee the future supply of labour (Fuest; Thum, 2000).

Another question is the demand for minimum “care services” offered by local institutions (town councils,<sup>16</sup> charitable organisations, etc.). Some studies show that immigrants are more likely than natives to receive social care because they have worse material conditions of life, and that they ultimately displace the natives or compete with them for these services (ILO, 2004). However, in proportion to their population, the demand for social care of immigrants does not seem to be greater than that of natives.

### **Immigration as a compensator of the demographic deficit**

One of the most common solutions for dealing with the falling supply of manpower in the labour market is to foster immigration. Some analysts stress that the “policy of employment quotas” fostered by the EU minimises the dependency rate of immigrants, since it is a selective policy that only allows in persons of an active age. This policy also aims to compensate for the low birth rate of the autochthonous population. A study by the ILO (2004) stresses the role played by immigrants in rejuvenating the population and in guaranteeing the future supply of labour. Another revealing report showing the importance of this problem comes from the Swedish trade unions, who call for the regulated entry of non-EU immigrants (Berg, 2004).

The fear of the mass entry in the European Union of immigrants from Eastern Europe has led to the introduction of certain restrictive clauses in the integration agreements in order to avoid a wave of immigration. However, the countries of Eastern Europe have the same demographic problem of an ageing population, and it is also threatening their future development. A flood of immigration from these countries is not foreseeable (Karnite, 2004).

### **Immigration as a compensator of the “care model” systems**

The Mediterranean countries are a clear example of how immigration—particularly female immigration—is bringing a double benefit to the welfare state. Firstly, immigrant women provide the care services that the state fails to offer and lower the cost of private services through their acceptance of low pay. Secondly, their presence in the formal labour market contributes to the funds for social protection policies.

Some authors (Parella, 2003) have mentioned the drawbacks of this situation. Firstly, many members of this collective increase the informal economy, because families tend to choose the cheapest services at the expense of less professionalism. Secondly, this replacement effect allows the persistence of the sexual division of work, which is a basic characteristic of the familist welfare model, in which the male breadwinner does not accept his responsibilities for care, particularly of elderly dependents. In the Scandinavian and continental models this situation does not arise in the same way. In the former, the women are the main employees in the care services developed by the welfare state. In the latter, the families are responsible for the care of dependents, with the transfers provided by the state.

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<sup>16</sup> Some studies warn that the provision of local care services may be conditioned by “clientelism” based on the social networks and the influence of the political vote, and may therefore lead to the exclusion of the immigrants. Therefore, they

There is no doubt that a detailed analysis of the figures of the labour market for national and immigrant workers and the sectors of activity in which they are employed, according to the typologies of the welfare state, may offer fuller explanations on this question.

### **Precarious jobs and the problem of low contributions**

The contribution of immigrants to the pension system is positive, according to some studies (Haupt; Peters, 1998; Becker, 2000; Kemnitz, 2002). However, their contributions are low because they work in the peripheral segment of employment with low pay. Therefore, the new contributors appear to have a lower contributory capacity. However, in the short term this problem is palliated because the immigrants are generally younger than the autochthonous population and will use the pension and health services less. In other words, the low quality of the employment and the low pay may represent a problem in the future, but not at present.

Most social security funding systems based on the “pay as you go” (PAYG) principle have had serious difficulties of funding because of lower productivity and lower growth of the population of working age for demographic reasons. Nevertheless, the PAYG principle is spreading as an important criterion in the reforms of the welfare states in Europe (Haupt; Peters, 1998).

The fact that some of the immigrants are illegal or work in the underground economy means that this collective does not contribute directly to the public social protection system, and therefore finds it difficult to obtain welfare services. In the face of this problem, the debate between universal cover and the contributory model takes on new meaning (Colectivo IOE, 2001).

### **Cultural factors that influence the dissemination of rights and the demand for services among immigrants.**

Some studies show that cultural factors influence, and can even inhibit, the demand for services. Social networks play a role in disseminating social rights and knowledge of services offered by health and educational institutions and pensions. It has also been argued that the offer of welfare services may have a “call effect”. The existence of social networks among immigrants is thus important, because it helps to reduce the linguistic distance. On the other hand, the lack of social networks may be an obstacle to obtaining services and knowing social and labour rights, particularly if one considers that requesting or demanding services may be seen as a social stigma, particularly in small towns. Another difficulty is the

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*suggest that centralised programmes with common criteria are fairer and less excluding.*

cultural distance between the immigrants and the local culture; an example of this is the concept of health, which varies between cultures (Noya, 2003).

#### **4. THE REFORMS OF THE WELFARE STATES IN THE EU AND THE ROLE OF IMMIGRATION**

The policies of reform of the welfare state in EU countries follow four fairly common tendencies. The first is the policy of raising the number of contributors through the employment of immigrants, in addition to increasing the female participation rates and those of other groups threatened with social exclusion, such as the long-term unemployed and young persons who have failed at school. In this sense, the active policies promoted by the European Employment Strategy are also aimed at maintaining the European social welfare model. A second tendency is the extension of the retirement age in certain sectors of activity in response to the abusive use of early retirement in the restructuring of large industrial and service companies. The third is the decentralisation of certain health and care services to the homes of the users, with the exception of countries in which some of these services—particularly the care services—hardly existed. This decentralisation has favoured the proliferation of new subcontracted companies offering proximity services, and the demand for family care services. Immigrant women are highly integrated in this segment of the labour market (Parella, 2003; Bettio-Bonazzi-Villa, 2004). Another common element is the toughening of the conditions of access to pension systems through the increase in the required period of contribution, which in some countries may lead to the exclusion of immigrants because of the low quality of their jobs (temporary and part-time) that hinder the accumulation of periods of contribution. This problem is further aggravated for the collective of immigrants who work in the informal economy. The fourth tendency is that the contention and reduction of welfare expenditure leads to increasing disputes between the autochthonous and immigrant population, which are particularly palpable in the management of health expenditure at a local level.

#### **IV. CONCLUSIONS**

##### **IMMIGRATION IN THE DYNAMO MODEL**

Some aspects of the analysis that has been made can be highlighted for consideration in future studies of the national employment models:

1. In the analysis of the effect of immigration on the national employment models one must go beyond the purely quantitative aspects to consider also the diverse institutions that regulate and modulate immigration. These include: a) the policies of immigration and integration; b) the forms of regulation of

the labour market; and c) company practices of workforce management. One must analyse their interactions in order to understand their effects

2. The greatest inflows take place in periods of expansion and in expanding sectors that reduce or minimise their impact on unemployment. The migratory, labour and economic policies for managing recessions can have a greater influence by increasing or reducing the impact of migration on unemployment

3. Immigration is concentrated in specific labour markets. One must therefore analyse to what extent the entry of immigrants generates changes in the way in which some sectors of production operate, by maintaining and increasing the precariousness and by modifying their patterns of competition. In particular one must analyse the impact of immigration (and the policies related to it) on the functioning of the secondary employment markets and of sectors in which there is a certain degree of informal economy. In the primary markets in which its effect is low, it may be interesting to study its impact in some specific areas (health) and its relation to company policies of manpower management, public regulations and trade union intervention.

4. Though the empirical evidence does not seem to support the existence of a strong relationship between immigration and unemployment, and the predominance of effects of complementarity between local workers and immigrants is observed, there are some problematic aspects that should be analysed: 1) the possibility of a change in the reasons for immigration, caused by structural situations in the countries of origin that lead to a constant inflow and less sensitivity to the economic cycle; b) the problem of integration of the second generation groups; and c) the impact of immigrants on the forms of organisation and action of the sectors of production in which they are most employed.

These conclusions are relevant for the aim of the DYNAMO project. The project considers the need to identify the characteristics of the models and the main pressures that determine their transformation. In this framework of analysis, migration processes (in this case the increase in the immigrant population) are a clear element of change in the national employment models. In order to study their effect we must establish some features that allow us to characterise a national employment model and see how they are affected by the arrival of persons from other countries. The DYNAMO-manual document considers different elements of a national model that can be used as a guide for establishing a framework of analysis of how immigration affects the national employment model. The

following table is a summary of the aspects to be considered for a more detailed analysis in each national model.

The relation between immigration and the welfare state is complex. From the comparative viewpoint the analysts suggest examining how states regulate the access of immigrants to benefits, care services, special programmes and employment. The distinction between citizens and non-citizens is fundamental for understanding the differences in social welfare between the different countries, and the differences between the principles *ius sanguinis* and *ius soli* are essential for the classification of the different models of citizenship rights. Differences can also be found in the systemic-institutional model; there is an open discussion on the capacity for inclusion and equity of the integration policies of the universal and corporate welfare principles. The reforms of the welfare states appear to be affecting the configuration of these two models, and the family welfare model and the role played by immigrant women in this redefinition of the provision of services such as care services are important factors. Finally, the discussion is open with relation to the “accounting problem”, the contribution and benefits provided by immigration, the policy of regulated flows, the provision of care and special programmes, the orientation of welfare reforms and school integration.

<b>Aspects of a national employment model</b>	<b>Relationship with immigration</b>
<b>Production system</b> <ul style="list-style-type: none"> <li>- Degree of integration of the productive structure (division of labour between companies) and competitive position</li> <li>- Predominant production specialisation</li> <li>- Innovation system, technological intensity, productivity</li> <li>- Stability, growth and demand for work</li> <li>- Skilled/unskilled jobs</li> <li>- Informality</li> </ul>	<b>Availability of manpower</b> <ul style="list-style-type: none"> <li>- <i>Quantitatively (active pop.):</i> (affects economic growth).</li> <li>- <i>Qualitatively:</i> availability of manpower with certain qualifications (knowledge and attitudes)--&gt; consolidates a model and predominant production specialisation and does not show its weaknesses, or serves to promote key sectors and to solve the bottleneck of skilled manpower</li> </ul> <b>Business strategies of competitiveness and innovation</b> <p>The availability of unskilled manpower consolidates a model of non-innovative competitiveness, and its non-availability (or the selective recruitment of skilled persons) stimulates more innovative processes</p>
<b>Work, employment and IR</b> <ul style="list-style-type: none"> <li>- Labour mobilisation</li> <li>- Composition of jobs, qualifications</li> <li>- Working and employment conditions</li> <li>- Flexibility / Security</li> <li>- Protection from dismissal</li> <li>- Industrial relations</li> <li>- Opportunities for "voice"</li> <li>- Pay agreements / pay inequalities</li> <li>- Regulation of the labour market</li> </ul>	<b>Replaceability or complementarity of employment between national workers and immigrants</b> <p>Employment rates Unemployment rates</p> <b>Company practices of manpower management</b> <p><i>Flexibility:</i> Does the greater availability of immigrant manpower with a given family strategy facilitate quantitative flexibility? Does the availability of skilled manpower facilitate functional flexibility?</p> <p><i>Control:</i> does immigration facilitate the application of control mechanisms? It affects non-immigrants in certain segments, who feel "displaceable"</p> <p><i>Pay:</i> pay discrimination is easier in the immigrant collective and possible "demonstration" effect on nationals</p> <p><i>Availability:</i> quantitatively and qualitatively</p> <b>Capacity of defence / voice of the workers</b> <p>Immigration weakens / reinforces the possibilities of collective action</p> <b>Segmentation</b> <p>Does the availability of immigrants facilitate segmentation? What characteristics are displayed by the groups that can facilitate segmentation and precariousness (family strategies, legal situation, social bargaining power) Consolidates productive structures</p>
<b>Education and qualification system</b> <ul style="list-style-type: none"> <li>- Level of qualification required</li> <li>- Systems of promotion</li> <li>- Mechanisms for acquiring qualifications</li> </ul>	<p>Levels of education and qualification Access to training system</p>
<b>Welfare</b> <ul style="list-style-type: none"> <li>- Public / private importance</li> <li>- Flows in the labour market (family strategies, unemployment protection, active policies...)</li> </ul>	<p>Level of unemployment and protection systems Access to benefit Demographic characteristics (age...) and probability of entering regressive labour trajectories Family strategies and patterns of mobilisation Patterns of consumption</p>
<b>Gender system</b> <ul style="list-style-type: none"> <li>- Level of female employment and stability</li> <li>- Labour segregation</li> <li>- Division of housework</li> <li>- Working time and types of contract by gender</li> <li>- Pay inequalities</li> <li>- Provision of services</li> </ul>	<p>Activity and employment rates of female immigrants Others, according gender</p>

## V. ANNEX

**Table 1 : Net Migration 1960- 2002**

Population Statistics 2004

**F-1: Net migration including adjustments and corrections <sup>1)</sup>, 1960-2002 <sup>2)</sup>**

(1 000)

	1960/64	1965/69	1970/74	1975/79	1980/84	1985/89	1990/94	1995/99	2000	2001	2002
<b>EU-25</b>	<b>233 *</b>	<b>-23 *</b>	<b>97 *</b>	<b>271 *</b>	<b>24</b>	<b>418</b>	<b>951</b>	<b>680</b>	<b>1 124</b>	<b>1 179</b>	<b>1 273 *</b>
<b>EU-15</b>	<b>216</b>	<b>-19</b>	<b>203</b>	<b>291</b>	<b>52</b>	<b>451</b>	<b>1 016</b>	<b>704</b>	<b>1 135</b>	<b>1 189</b>	<b>1 261 *</b>
<b>EUROZONE</b>	<b>145</b>	<b>0</b>	<b>221</b>	<b>284</b>	<b>57</b>	<b>361</b>	<b>900</b>	<b>542</b>	<b>932</b>	<b>964</b>	<b>1 094 *</b>
Belgium	14.1	16.7	9.0	7.2	-7.1	8.2	18.8	11.0	12.9	35.8	40.5
Czech Republic	-16.6	-0.3	-21.7	2.1	-6.5	2.3	-5.8	10.1	6.5	-8.5	12.3
Denmark	0.9	1.0	6.4	2.0	1.1	6.4	10.6	15.7	10.1	12.0	9.6
Germany	162.9	220.7	175.1	12.7	1.8	332.2	562.6	204.5	167.8	274.8	218.8
Estonia	:	:	8.2	5.2	5.3	3.5	-21.8	-8.7	0.2	0.1	0.2
Greece	-41.2	-35.8	-24.8	56.7	17.2	24.4	58.1	22.5	12.2	33.9	32.1
Spain	-109.7	-30.1	-32.1	28.2	0.8	-19.7	20.1	94.9	351.5	242.6	223.7
France	303.7	95.4	114.8	33.8	52.3	49.8	22.5	-1.6	45.9	64.2	65.0
Ireland	-20.9	-14.8	10.3	10.1	-6.6	-32.9	-1.4	15.7	26.2	45.9	32.6
Italy	-81.4	-84.4	-36.9	19.3	-27.8	-2.5	108.9	117.0	181.2	125.8	350.1
Cyprus <sup>3)</sup>	:	-2.1	-29.5	-0.6	0.4	2.0	9.6	5.3	4.0	4.7	6.9
Latvia	17.6	11.6	11.7	8.7	6.4	12.4	-22.7	-14.8	-3.6	-5.2	-1.8
Lithuania	2.8	3.9	8.6	4.2	6.8	12.5	-18.5	-22.5	-20.3	-2.5	-2.0
Luxembourg	2.1	0.9	3.9	1.4	0.4	2.2	4.1	4.2	1.9	2.8	2.6
Hungary	0.9	0.9	-1.6	-1.0	-11.8	-26.7	18.2	17.4	16.7	9.8	3.5
Malta	:	:	:	:	-0.8	1.3	1.2	0.7	1.4	2.2	1.8
Netherlands	3.9	9.6	26.7	35.7	14.2	27.4	41.4	31.0	57.0	56.0	27.6
Austria	1.0	9.9	19.1	-3.1	3.3	14.4	48.7	7.2	17.3	17.3	26.1
Poland	-6.3	-21.1	-73.5	-41.9	-24.3	-41.0	-15.2	-14.0	-19.7	-16.8	-12.7
Portugal	-78.3	-169.7	-45.0	88.8	4.5	-45.4	7.3	31.2	50.1	58.7	70.0
Slovenia	-1.9	3.5	3.1	8.5	2.4	3.8	-2.7	0.3	2.7	4.9	2.2
Slovak Republic	22.0	-5.3	-9.8	-3.0	-5.6	-3.5	-7.5	1.9	1.4	1.0	0.9
Finland	-11.2	-18.9	1.3	-7.3	4.1	2.5	9.0	4.2	2.4	6.2	5.3
Sweden	10.6	24.6	6.9	16.7	5.2	24.1	32.5	9.6	24.5	28.6	30.9
United Kingdom	59.9	-44.7	-32.0	-11.3	-11.6	60.0	72.8	137.3	168.5	184.3	126.5
Iceland	-0.2	-0.4	-0.4	-0.8	0.0	0.1	-0.2	0.0	2.0	0.8	-0.3
Liechtenstein	0.3	0.1	0.3	0.3	0.0	0.2	0.2	0.2	0.3	0.4	0.2
Norway	-0.7	0.6	3.1	4.0	4.7	7.3	8.0	10.9	9.7	8.0	17.2
<b>EEA</b>	<b>232 *</b>	<b>-22 *</b>	<b>100 *</b>	<b>275 *</b>	<b>29</b>	<b>425</b>	<b>959</b>	<b>691</b>	<b>1 136</b>	<b>1 188</b>	<b>1 290 *</b>
Switzerland	56.3	16.9	2.7	-27.5	15.8	25.9	46.9	11.3	23.7	44.9	46.1
Bulgaria	-0.1	-1.7	-7.6	-21.4	0.0	-51.3	-49.1	0.2	0.0	7.3	0.0
Romania	:	:	:	:	-18.7	-20.1	-110.8	-12.4	-3.7	0.4	-1.6
Albania	-0.6	0.8	-0.9	-0.7	-0.9	-0.7	:	:	:	:	:
Bosnia and Herz.	-24.8	-23.8	-1.4	-13.4	-13.7	0.1	:	:	:	:	:
Croatia	-4.8	0.8	-0.1	-3.8	8.1	9.5	-18.9	:	:	:	:
F.Y.R.O.M.	-6.0	-3.4	-0.7	0.1	-8.4	-11.2	-31.6	-0.5	-2.5	-2.5	:
Serbia and Mont.	:	:	:	:	12.2	0.0	-34.8	:	0.0	0.0	-0.1

<sup>1)</sup> Difference between total population growth and natural increase

<sup>2)</sup> Annual averages for the periods 1960-64, 1965-69, ..., 1995-99

<sup>3)</sup> Starting from 1975 Government-controlled area only

**Table 2: Net Migration Rate** (in hundreds %)

The difference between immigration into and emigration from the area during the year (net migration is therefore negative when the number of emigrants exceeds the number of immigrants). Since most countries either do not have accurate figures on immigration and emigration or have no figures at all, net migration is estimated on the basis of the difference between population change and natural increase between two dates. The statistics on net migration are therefore affected by all the statistical inaccuracies in the two components of this equation, especially population change.

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>EU (15 countries)</b>	.37	.29	.22	.22	.21	.15	.19	.25	.31	.36 (p)	.34 (e)	.53 (e)
<b>Euro-zone</b>	.44	.31	.22	.23	.22	.15	.16	.25	.32	.38 (p)	.50 (ep)	.57 (e)
<b>Belgium</b>	.26	.18	.17	.02	.15	.10	.11	.16	.13	.35	.39	.34 (p)
<b>Denmark</b>	.22	.22	.20	.55	.33	.23	.21	.18	.19	.22	.18	.13
<b>Germany</b>	.96	.57	.39	.49	.34	.11	.06	.25	.20	.33	.27	.17 (e)
<b>Greece</b>	.91	.83	.74	.73	.66	.57	.51	.41	.27	.31	.17	.32 (e)
<b>Spain</b>	.14	.15	.14	.15	.19	.21	.38	.57	.94	1.06 (p)	1.58 (p)	1.77 (e)
<b>France</b>	.06	.03	-.01	-.03	-.03	-.02	-.01	.08	.08	.10	.11 (p)	.09 (e)
<b>Ireland</b>	.05	-.10	-.08	.16	.36	.56	.50	.54	.69	1.18	.83	.78 (e)
<b>Italy</b>	.32	.32	.27	.17	.27	.22	.19	.17	.31	.22	.61	1.03 (e)
<b>Netherlands</b>	.28	.29	.13	.10	.14	.19	.28	.28	.36	.35	.17	.04 (p)
<b>Austria</b>	.91	.42	.04	.03	.05	.02	.11	.25	.22	.22	.51	.40 (p)
<b>Portugal</b>	-.10	.10	.20	.25	.25	.30	.35	.39	.49	.57	.68	.61
<b>Finland</b>	.18	.18	.07	.08	.08	.09	.09	.07	.05	.12	.10	.11
<b>Sweden</b>	.23	.37	.58	.13	.07	.07	.12	.15	.27	.32	.35 (e)	.32
<b>United Kingdom</b>	.08	.15	.14	.20	.18	.15	.36	.28	.28	.31	.21 (e)	.40 (e)
Source: Eurostat(2004)												
e- estimated value												
p- provisional value												

**Table 3 : Adquisition of citizenshipEU15 (in thousands)**

These figures refer to grants of citizenship of the reporting country to persons who have previously been citizens of another country or who have been stateless.

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU (15 countries)	192706	234556	276217	290491	329946	:	:	:	:	:	:	:
Belgium	8658	8470	46485	16379	25808	26149	:	:	:	24196	:	62160
Denmark	3028	5484	5104	5037	5736	5260	7283	5482	10262	12416	18811	11902
Germany	20078	27162	37000	45016	61625	31797	86356	83027	106790	143120	186688	180349
Greece	1090	886	1204	1803	383	1258	716	930	807	:	:	:
Spain	7033	3752	5226	8348	7802	6756	8433	9801	12550	16384	16743	16743
France	54381	59684	59252	60013	77515	92410	63055	83676	81449	94002	:	:
Ireland	179	188	150	133	175	355	:	:	1474	1433	1143	2817
Italy	555	349	539	6469	5993	7442	:	:	:	:	:	:
Netherlands	12794	29112	36237	43069	49448	71445	82690	59831	59173	62090	49968	46667
Austria	8980	11137	11656	14131	15275	15627	15627	15792	17786	:	24320	31731
Portugal	97	43	117	2	144	80	1154	1364	519	584	1143	1419 (p)
Finland	899	1236	876	839	651	668	981	1439	4017	4730	2977	2720
Sweden	16770	27663	29389	42659	35065	:	25549	28875	46520	37777	43474	36399
United Kingdom	57271	58642	42243	45793	44033	40516	43069	37010	53934	54902	82210	89785

Source: Eurostat (2003)

e- estimated value

p-provisonal value

**Table 4: Proportion of foreign population in EU 15 countries (except Luxembourg)**  
*(in hundreds %)*

	1992	2002	2003
<b>Austria</b>	7,9	8,8	
<b>Belgium</b>	9,0	8,2	
<b>Denmark</b>	3,5	4,9	
<b>Finland</b>	0,9	2,0	
<b>France</b>	6,3	5,6	
<b>Germany</b>	8,0	8,9	
<b>Greece</b>	..	7,0	
<b>Ireland</b>	2,7	5,6	
<b>Italy</b>	1,6	2,6	
<b>Netherlands</b>	5,0	4,3	
<b>Portugal</b>	1,3	4,0	
<b>Spain</b>	1,0	3,1	6'24
<b>Sweden</b>	5,7	5,3	
<b>United Kingdom</b>	3,5	4,5	
Source: OCDE (2004) except Spain (2003) from INE.			

**Table 5. Activity rates by nationality (%). European Union 1995-2004**

		1995q02	2000q02	2001q02	2002q02	2003q02	2004q02
<b>EU-15</b>	Total	67,2%	69,1%	69,1%	69,6%	70,0%	:
	Nationals	69,3%	71,1%	71,0%	71,5%	71,9%	:
	EU Foreigners (EU-15)	61,1%	61,0%	62,1%	62,5%	63,3%	:
<b>Belgium</b>	Total	62,1%	65,2%	63,6%	64,1%	64,3%	65,3%
	Nationals	62,8%	66,0%	64,4%	64,7%	65,1%	65,8%
	EU Foreigners (EU-15)	42,9%	48,7%	43,1%	46,1%	45,8%	51,8%
<b>Denmark</b>	Total	79,5%	80,0%	79,2%	79,9%	79,5%	80,2%
	Nationals	79,9%	80,6%	79,8%	80,5%	80,1%	80,9%
	EU Foreigners (EU-15)	58,8%	58,1%	52,3%	57,1%	58,9%	58,6%
<b>Germany</b>	Total	70,5%	71,0%	71,3%	71,5%	72,1%	:
	Nationals	71,0%	71,7%	71,9%	72,2%	72,8%	:
	EU Foreigners (EU-15)	63,4%	60,6%	61,9%	61,1%	61,5%	:
<b>Greece</b>	Total	60,1%	63,0%	62,1%	63,1%	63,8%	:
	Nationals	60,0%	62,7%	61,7%	62,5%	63,3%	:
	EU Foreigners (EU-15)	72,6%	73,1%	73,5%	75,6%	74,3%	:
<b>Spain</b>	Total	60,6%	65,1%	64,2%	65,8%	67,1%	68,2%
	Nationals	60,6%	65,0%	64,0%	65,5%	66,7%	67,8%
	EU Foreigners (EU-15)	71,4%	72,9%	77,8%	79,5%	79,0%	78,9%
<b>France</b>	Total	:	:	:	:	69,1%	69,2%
	Nationals	:	:	:	:	69,5%	69,6%
	EU Foreigners (EU-15)	:	:	:	:	58,9%	58,4%
<b>Ireland</b>	Total	61,6%	67,5%	67,6%	67,9%	68,1%	68,7%
	Nationals	61,7%	67,6%	67,6%	68,0%	68,3%	68,8%
	EU Foreigners (EU-15)	:	:	:	:	60,2%	60,7%
<b>Italy</b>	Total	57,6%	59,9%	60,3%	61,0%	61,6%	62,7%
	Nationals	:	:	:	:	:	62,4%
	EU Foreigners (EU-15)	:	:	:	:	:	74,7%
<b>Luxembourg</b>	Total	60,4%	64,1%	64,2%	65,3%	65,1%	:
	Nationals	56,8%	62,6%	59,8%	61,6%	61,1%	:
	EU Foreigners (EU-15)	:	57,1%	64,3%	62,5%	66,7%	:
<b>Netherlands</b>	Total	69,2%	74,9%	75,7%	76,5%	76,4%	76,6%
	Nationals	70,1%	75,8%	76,5%	77,2%	77,1%	77,4%
	EU Foreigners (EU-15)	44,6%	49,6%	52,0%	51,6%	54,1%	51,5%
<b>Austria</b>	Total	:	70,7%	70,9%	71,4%	72,1%	71,1%
	Nationals	:	70,3%	:	:	71,8%	71,3%
	EU Foreigners (EU-15)	:	74,9%	:	:	75,2%	69,7%
<b>Portugal</b>	Total	67,4%	71,0%	71,8%	72,6%	72,9%	72,8%
	Nationals	67,5%	71,0%	71,8%	72,4%	72,7%	72,8%
	EU Foreigners (EU-15)	:	:	75,2%	83,5%	81,3%	76,9%
<b>Finland</b>	Total	72,1%	76,7%	77,1%	77,2%	76,8%	76,2%
	Nationals	72,2%	76,8%	77,2%	77,2%	76,9%	76,4%
	EU Foreigners (EU-15)	60,0%	72,5%	69,2%	69,0%	67,4%	65,9%
<b>Sweden</b>	Total	77,8%	75,3%	78,1%	78,0%	77,9%	77,7%
	Nationals	78,6%	76,2%	78,8%	78,7%	78,5%	78,3%
	EU Foreigners (EU-15)	56,3%	54,8%	63,2%	58,6%	63,0%	63,9%
<b>U. Kingdom</b>	Total	74,7%	75,5%	75,2%	75,3%	75,3%	74,9%
	Nationals	75,1%	76,1%	75,8%	75,8%	75,9%	75,4%
	EU Foreigners (EU-15)	61,0%	62,0%	61,0%	63,7%	63,1%	65,7%

Source: EUROSTAT

**Table 6. Employment by nationality (% total). European Union 1995-2004**

		1995q02	2000q02	2001q02	2002q02	2003q02	2004q02
<b>EU-15</b>	Nationals	95,2%	94,8%	94,6%	94,5%	94,5%	:
	EU Foreigners (EU-15)	2,9%	3,2%	3,4%	3,5%	3,6%	:
	Other EU-15 citizens	2,0%	2,0%	2,1%	2,0%	2,0%	:
<b>Belgium</b>	Nationals	93,4%	92,5%	92,3%	92,6%	93,2%	92,7%
	EU Foreigners (EU-15)	1,7%	1,8%	1,8%	1,7%	1,7%	1,7%
	Other EU-15 citizens	4,9%	5,7%	5,8%	5,7%	5,0%	5,6%
<b>Denmark</b>	Nationals	98,3%	97,4%	97,6%	97,2%	97,2%	97,2%
	EU Foreigners (EU-15)	0,8%	1,7%	1,5%	1,8%	1,9%	1,9%
	Other EU-15 citizens	0,8%	0,9%	0,9%	1,0%	1,0%	0,9%
<b>Germany</b>	Nationals	91,9%	91,7%	91,6%	91,6%	91,7%	:
	EU Foreigners (EU-15)	5,3%	5,5%	5,6%	5,6%	5,5%	:
	Other EU-15 citizens	2,8%	2,8%	2,8%	2,8%	2,8%	:
<b>Greece</b>	Nationals	98,4%	96,4%	95,8%	94,7%	94,3%	:
	EU Foreigners (EU-15)	1,4%	3,5%	4,0%	5,2%	5,5%	:
	Other EU-15 citizens	0,2%	0,2%	0,2%	0,1%	0,2%	:
<b>Spain</b>	Nationals	99,2%	98,6%	97,9%	97,4%	96,5%	95,8%
	EU Foreigners (EU-15)	0,5%	1,0%	1,5%	2,1%	3,0%	3,6%
	Other EU-15 citizens	0,3%	0,5%	0,5%	0,5%	0,5%	0,6%
<b>France</b>	Nationals	:	:	:	:	95,0%	94,9%
	EU Foreigners (EU-15)	:	:	:	:	2,8%	2,7%
	Other EU-15 citizens	:	:	:	:	2,2%	2,4%
<b>Ireland</b>	Nationals	97,2%	96,4%	95,3%	94,5%	93,8%	93,8%
	EU Foreigners (EU-15)	0,6%	0,8%	1,5%	2,3%	2,8%	2,8%
	Other EU-15 citizens	2,1%	2,9%	3,2%	3,2%	3,5%	3,4%
<b>Italy</b>	Nationals	:	:	:	:	:	96,9%
	EU Foreigners (EU-15)	:	:	:	:	:	2,8%
	Other EU-15 citizens	:	:	:	:	:	0,2%
<b>Luxembourg</b>	Nationals	61,1%	58,6%	56,2%	57,4%	55,9%	:
	EU Foreigners (EU-15)	2,5%	3,9%	4,3%	4,8%	3,7%	:
	Other EU-15 citizens	35,8%	37,0%	40,0%	38,3%	40,4%	:
<b>Netherlands</b>	Nationals	96,8%	96,4%	96,4%	96,6%	96,4%	96,6%
	EU Foreigners (EU-15)	1,5%	2,0%	2,0%	1,9%	2,0%	1,8%
	Other EU-15 citizens	1,6%	1,6%	1,6%	1,5%	1,5%	1,5%
<b>Austria</b>	Nationals	:	90,3%	:	:	91,0%	90,4%
	EU Foreigners (EU-15)	:	8,6%	:	:	7,4%	7,7%
	Other EU-15 citizens	:	1,1%	:	:	1,7%	1,8%
<b>Portugal</b>	Nationals	99,6%	98,1%	98,0%	97,7%	97,6%	97,4%
	EU Foreigners (EU-15)	0,2%	1,7%	1,6%	2,1%	2,1%	2,2%
	Other EU-15 citizens	0,2%	0,3%	0,3%	0,3%	0,3%	0,4%
<b>Finland</b>	Nationals	99,3%	99,0%	98,8%	98,7%	98,6%	98,7%
	EU Foreigners (EU-15)	0,4%	0,8%	0,8%	1,0%	1,0%	0,9%
	Other EU-15 citizens	0,2%	0,2%	0,3%	0,4%	0,4%	0,4%
<b>Sweden</b>	Nationals	96,4%	95,8%	95,6%	95,8%	95,7%	96,0%
	EU Foreigners (EU-15)	1,8%	2,1%	2,3%	2,2%	2,2%	1,9%
	Other EU-15 citizens	1,9%	2,2%	2,1%	2,0%	2,1%	2,1%
<b>U. Kingdom</b>	Nationals	96,7%	95,9%	95,6%	95,4%	95,1%	94,8%
	EU Foreigners (EU-15)	1,7%	2,4%	2,6%	2,9%	3,1%	3,4%
	Other EU-15 citizens	1,6%	1,7%	1,8%	1,8%	1,8%	1,8%

Source: EUROSTAT

**Table 7. Unemployment rates by nationality (%). European Union 1995-2004**

		1995q02	2000q02	2001q02	2002q02	2003q02	2004q02
<b>EU-15</b>	Total	10,7	8,4	7,3	7,6	8,0	:
	Nationals	10,2	7,7	6,6	7,0	7,5	:
	EU Foreigners (EU-15)	20,1	17,0	15,5	15,8	17,1	:
<b>Belgium</b>	Total	9,3	6,6	6,2	6,9	7,7	7,4
	Nationals	8,1	5,8	5,4	6,0	6,8	6,6
	EU Foreigners (EU-15)	37,3	30,7	26,5	33,5	33,0	29,3
<b>Denmark</b>	Total	7,0	4,5	4,2	4,3	5,4	5,2
	Nationals	6,8	4,3	4,0	4,1	5,1	4,9
	EU Foreigners (EU-15)	26,9	13,5	11,3	13,0	18,5	18,7
<b>Germany</b>	Total	8,2	7,9	7,8	8,5	9,8	:
	Nationals	7,5	7,4	7,3	8,0	9,1	:
	EU Foreigners (EU-15)	16,9	15,4	15,1	16,2	19,5	:
<b>Greece</b>	Total	9,1	11,1	10,2	9,6	8,9	:
	Nationals	9,0	11,0	10,1	9,6	8,9	:
	EU Foreigners (EU-15)	14,6	11,3	11,1	9,5	9,0	:
<b>Spain</b>	Total	22,7	13,9	10,4	11,1	11,1	10,9
	Nationals	22,7	13,9	10,3	11,0	11,0	10,8
	EU Foreigners (EU-15)	25,5	18,2	15,1	15,6	15,7	14,1
<b>France</b>	Total	:	:	:	:	8,4	8,7
	Nationals	:	:	:	:	8,0	8,2
	EU Foreigners (EU-15)	:	:	:	:	22,7	23,1
<b>Ireland</b>	Total	12,0	4,3	3,7	4,3	4,5	4,5
	Nationals	11,8	4,3	3,6	4,2	4,4	4,4
	EU Foreigners (EU-15)	:	:	:	:	6,9	6,4
<b>Italy</b>	Total	11,7	10,8	9,6	9,2	8,9	7,9
	Nationals	:	:	:	:	:	7,8
	EU Foreigners (EU-15)	:	:	:	:	:	9,8
<b>Luxembourg</b>	Total	2,9	2,3	1,8	2,6	3,7	:
	Nationals	2,5	1,6	1,1	1,8	2,4	:
	EU Foreigners (EU-15)	:	8,4	7,5	8,9	10,6	:
<b>Netherlands</b>	Total	7,2	2,7	2,1	2,6	3,6	4,6
	Nationals	6,5	2,6	2,0	2,4	3,4	4,4
	EU Foreigners (EU-15)	32,8	10,0	5,3	5,7	13,6	13,6
<b>Austria</b>	Total	:	3,1	3,4	3,6	4,1	4,8
	Nationals	:	2,9	:	:	3,7	4,0
	EU Foreigners (EU-15)	:	5,5	:	:	9,0	13,2
<b>Portugal</b>	Total	7,1	3,8	3,8	4,5	6,1	6,3
	Nationals	7,0	3,7	3,7	4,4	6,0	6,2
	EU Foreigners (EU-15)	:	:	8,8	7,9	10,8	13,6
<b>Finland</b>	Total	17,0	11,1	10,3	10,4	10,5	10,4
	Nationals	16,9	10,9	10,1	10,3	10,3	10,1
	EU Foreigners (EU-15)	28,6	33,2	30,0	22,1	19,6	28,3
<b>Sweden</b>	Total	8,9	5,5	4,7	5,0	5,6	6,7
	Nationals	8,3	5,0	4,5	4,7	5,2	6,2
	EU Foreigners (EU-15)	27,3	22,0	14,9	15,0	18,0	23,4
<b>U. Kingdom</b>	Total	8,7	5,6	4,7	5,0	4,8	4,6
	Nationals	8,5	5,4	4,5	4,9	4,6	4,4
	EU Foreigners (EU-15)	17,1	11,9	10,5	9,9	9,3	8,1

Source: EUROSTAT

**Table 8 Employment rates by nationality (%), population 15-64 years. European Union 1995-2004**

		1995q02	2000q02	2001q02	2002q02	2003q02	2004q02
<b>EU-15</b>	Total	59,9	63,2	64	64,2	64,4	:
	Nationals	62,1	65,6	66,3	66,4	66,5	:
	EU Foreigners (EU-15)	48,8	50,6	52,4	52,6	52,4	:
<b>Belgium</b>	Total	56,3	60,9	59,7	59,7	59,3	60,5
	Nationals	57,7	62,1	60,9	60,7	60,6	61,4
	EU Foreigners (EU-15)	26,9	33,7	31,6	30,7	30,7	36,8
<b>Denmark</b>	Total	73,9	76,4	75,9	76,4	75,1	76
	Nationals	74,5	77,1	76,6	77,2	76	76,9
	EU Foreigners (EU-15)	42,6	50	46,8	49,8	47,8	47,6
<b>Germany</b>	Total	64,7	65,3	65,7	65,4	64,9	:
	Nationals	65,6	66,3	66,6	66,4	66,1	:
	EU Foreigners (EU-15)	52,7	51,2	52,6	51,2	49,5	:
<b>Greece</b>	Total	54,5	55,9	55,6	56,9	58	:
	Nationals	54,4	55,6	55,3	56,3	57,5	:
	EU Foreigners (EU-15)	61,5	64,8	65,2	68,4	67,6	:
<b>Spain</b>	Total	46,8	56	57,5	58,4	59,6	60,7
	Nationals	46,7	56	57,4	58,3	59,4	60,4
	EU Foreigners (EU-15)	53,6	59,5	66,1	67,1	66,5	67,8
<b>France</b>	Total	:	:	:	:	63,3	63,2
	Nationals	:	:	:	:	63,9	63,8
	EU Foreigners (EU-15)	:	:	:	:	45,6	44,8
<b>Ireland</b>	Total	54,1	64,5	65	65	65	65,5
	Nationals	54,3	64,6	65,1	65,1	65,3	65,7
	EU Foreigners (EU-15)	41,5	44,9	56,5	58,2	56	56,9
<b>Italy</b>	Total	50,8	53,4	54,5	55,4	56,1	57,7
	Nationals	:	:	:	:	:	57,4
	EU Foreigners (EU-15)	:	:	:	:	:	67,3
<b>Luxembourg</b>	Total	58,5	62,7	63	63,6	62,7	:
	Nationals	55,7	61,6	59,2	60,6	59,6	:
	EU Foreigners (EU-15)	51,5	53,3	58,9	57,1	57,4	:
<b>Netherlands</b>	Total	64,2	72,9	74,1	74,5	73,6	73,1
	Nationals	65,5	73,8	74,9	75,3	74,5	73,9
	EU Foreigners (EU-15)	30	44,7	49,2	48,6	46,8	44,5
<b>Austria</b>	Total	:	68,5	68,4	68,8	69,1	67,7
	Nationals	:	68,3	:	:	69,1	68,4
	EU Foreigners (EU-15)	:	70,7	:	:	68,5	60,5
<b>Portugal</b>	Total	62,5	68,2	68,9	69,2	68,2	68
	Nationals	62,6	68,2	68,9	69	68,1	68
	EU Foreigners (EU-15)	47,3	72,3	68,4	76,7	72,5	66,4
<b>Finland</b>	Total	59,7	68,1	69,1	69,1	68,7	68,3
	Nationals	59,9	68,4	69,3	69,2	68,9	68,6
	EU Foreigners (EU-15)	42,6	48,1	48,4	54,4	54,5	47,6
<b>Sweden</b>	Total	70,7	71,1	74,4	74	73,6	72,4
	Nationals	71,9	72,3	75,2	75	74,4	73,3
	EU Foreigners (EU-15)	41,1	42,7	53,7	49,9	51,7	48,7
<b>U. Kingdom</b>	Total	68,1	71,3	71,6	71,5	71,7	71,5
	Nationals	68,7	71,9	72,3	72,1	72,3	72,1
	EU Foreigners (EU-15)	50,5	54,6	54,6	57,3	57,2	60,3

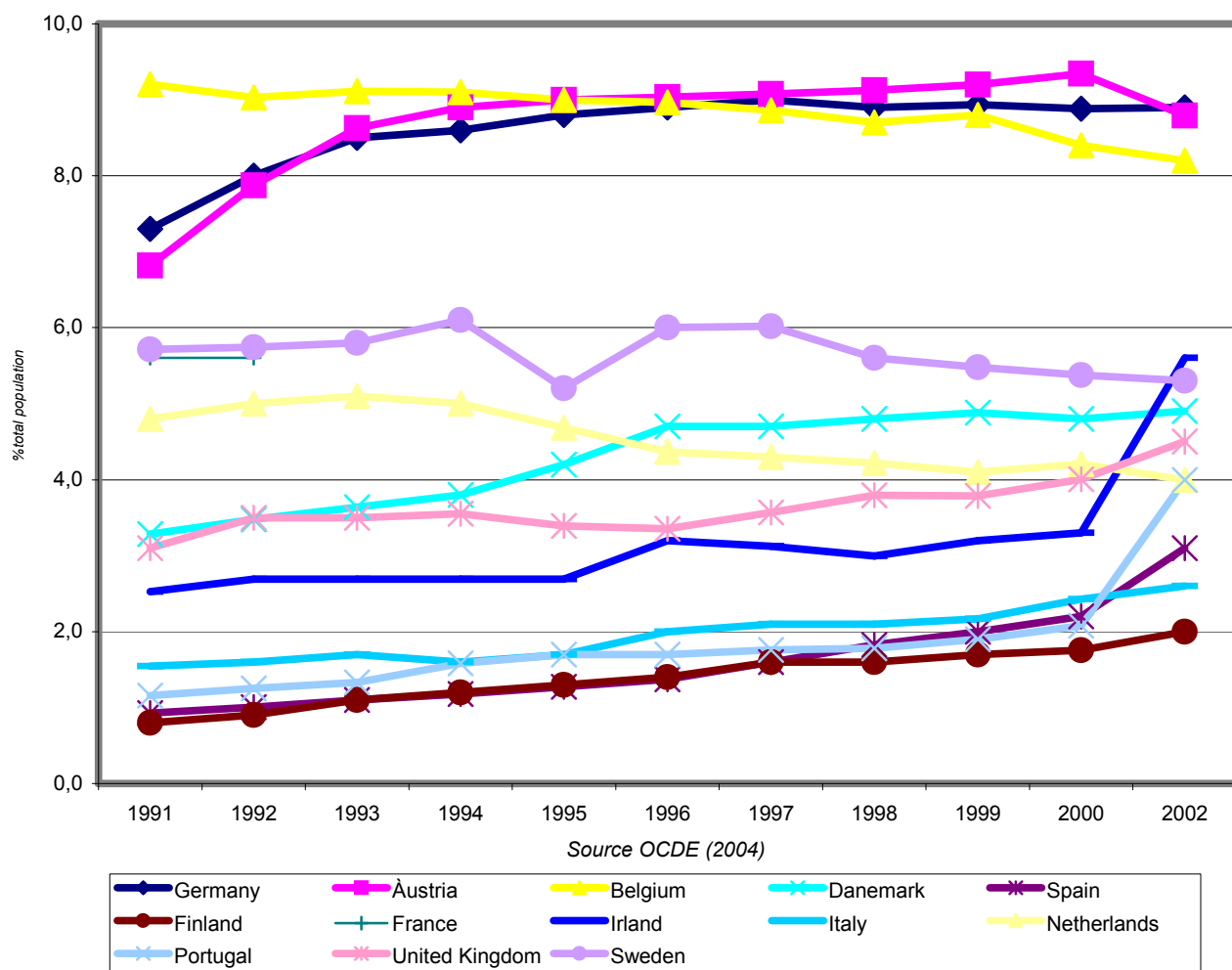
Source: EUROSTAT

**Table 9: Dependency ratio. (in % of population of working age)**

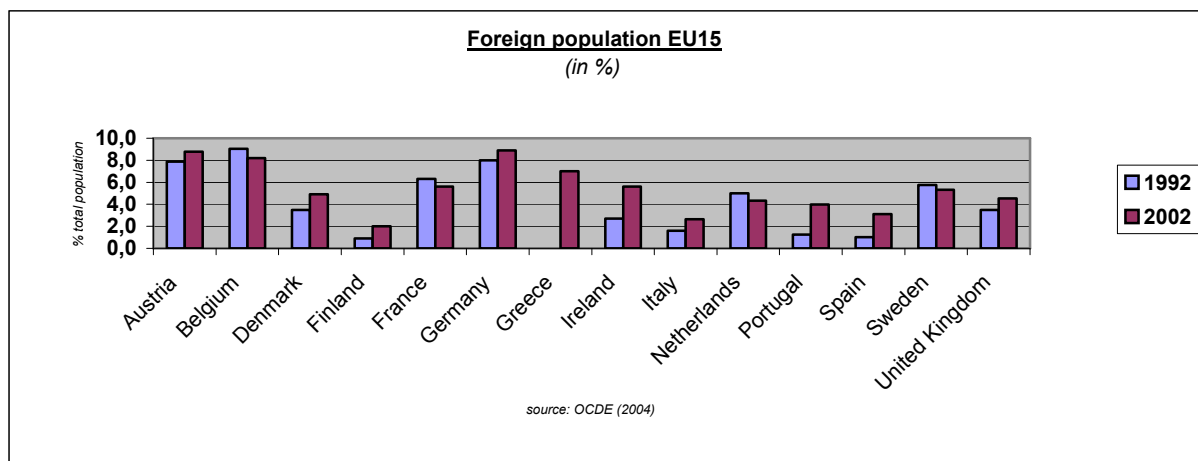
	EU15	Austria	Belgium	Denmark	Germany	Spain	France	Holland	Italy	Ireland	Finland	Sweden	GB	Portugal
<b>1990</b>	21.6	22.1	22.1	23.2	21.6	20.2	21.1	18.6	21.5	18.6	19.8	27.7	24.0	20.0
<b>1995</b>	23.0	22.4	23.8	22.7	22.5	22.3	23.0	19.3	24.1	17.8	21.1	27.4	24.3	21.6
<b>2000</b>	24.3	22.9	25.5	22.2	23.9	24.6	24.6	20.0	26.6	16.8	22.2	26.9	23.9	23.8
<b>2001</b>	-	22.9	25.7	22.2	24.5	24.7	24.8	20.1	27.1	16.6	22.4	26.8	-	24.2
<b>2010</b>	27.3	26.3	26.7	24.6	30.3	26.8	25.5	22.3	31.3	17.3	24.9	28.1	24.2	

Source: European Commission (2003). *The social situation in the European Union*. Brussels.

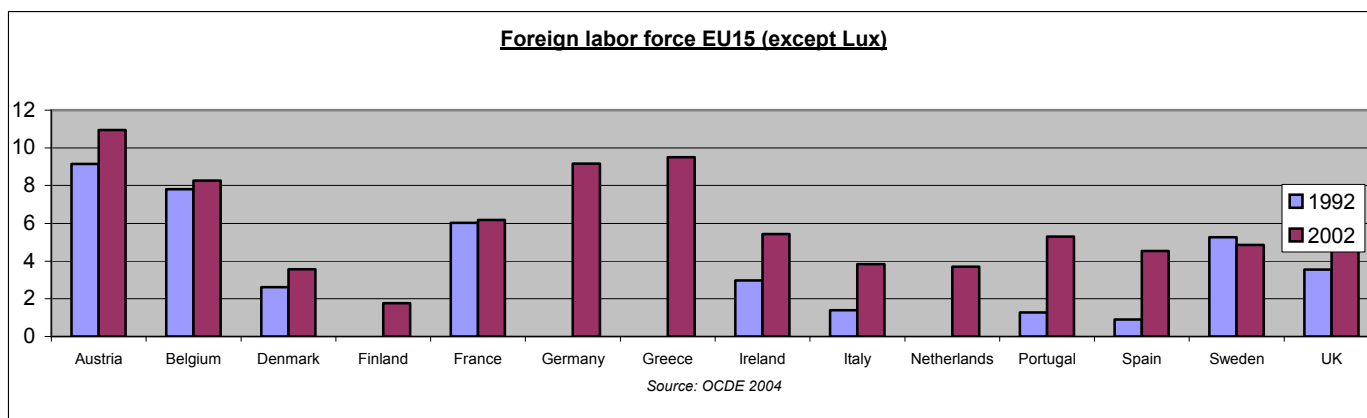
**Graph 1: Foreign population in the EU15 (in thousands, excluding Greece and Luxembourg)**



**Graph 2: Foreign population EU15**



**Graph 3: Foreign labor force EU15 (except Luxembourg)**



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