

Managing Migration in the Time of Economic Crisis: Example of Four EU Countries: (Germany, Spain, UK and Italy)

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Introduction

There is today the question of how (if at all) the recent financial crisis has impacted upon the policies associated with the management of labour migration and what forthcoming future research agenda might look like given the dramatic changes wrought by the recent EU financial crisis which started in 2008 and is still continuing. In this paper, I consider general EU migration policy (Kofman et al. 2008) as well as the framework of Migration Labour Supply (MLS) as argued by Pastore (2014) to investigate data from four EU countries: Germany, Spain, UK and Italy. To keep the research tractable, I focus narrowly on labour migration statistics from the UK's Labour Statistics Survey over the past one to two years, the source of which is the UK Migration Observatory's Report (Rienzo 2014), recognized as one of the UK's most authoritative sources of migration labour data.

It is largely accepted that the financial crisis has had a negative impact on the strength and agility of the labour markets, and as such there has been a large body of research in the area of labour migration and how it can be used to the benefit of the EU countries in navigating this period of recovery. It is noted throughout this analysis that there are likely to be certain effects of the economic crisis which will not be known for many years, if ever, and therefore the analysis here looks at the data available and the perceived issues that have arisen. This essay will look at the management of migration during economic crisis, using the example of four EU countries, Germany, Spain, UK and Italy. The EU migration policy before the crisis will be discussed, as well as how the crisis has influenced EU labour markets, and

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EU policy reactions to the crisis.

EU Level Labour Migration Policy: Research Agenda before Crisis

Initially, it is important to understand the general principle of immigration and the ways in which it was being controlled and managed prior to the economic crisis. In order to appreciate why or how a specific course of action can impact on labour migration, it is first necessary to understand what was happening before the economic crisis took place. Research in this area has recognised that there are many different forms of migration and this in itself can go a long way towards explaining how EU migration policies will deal with labour migration (Kofman et al. 2008). It is noted that individuals will migrate for many different reasons, not only in pursuit of work, although this will ultimately still have an impact on the labour market, even if migrants are moving for other purposes such as asylum. On the whole, however, the focus here is on those who migrate for the purposes of gaining employment. Even where the individual moves from one country to another to seek work, there are going to be different impacts on the situation, depending on where the economic migrant has come from and for what reason. The migrant profile itself will also have a direct bearing on the willingness of an individual to move and to look towards opportunities in other regions (Tilly, 2013). There is also an additional difficulty in that an economic crisis may for a short period of time create unusual movement, particularly if there is a real shortage of work in one region that will encourage individuals to seek employment or choose to move from country to country, rather than to return home, due to the social protection that is being offered. The economy itself will become much more informal in nature, as well, with some people seeking employment in different industries or looking for ad-hoc work that may not be on the formal register and will not be part of the statistics (Galgoczi and Leschke, 2013).

The first aspect to look at when it comes to the issue of the economic crisis on migration is to consider what the impact has been during the immediate period of the crisis and the changes that have emerged. Prior to the economic crisis, the population across the EU had grown by a total 9.5 million, in the years between 2001 and 2008, with the majority of migrants within the EU coming from countries outside of the EU. This indicates that

although there is certainly movement across the EU member states, the trend prior to the crisis was to encourage individuals from outside of the EU into the EU. This was however already in a declining position, with 66% of foreign migrants coming from outside of the EU in 2001, down to 63% in 2008. Prior to the economic crisis, the countries that saw the greatest influx of foreign individuals were Spain, Ireland and Cyprus, although this could be largely attributed to movement from other nations within the EU and cannot be attributed solely to the influx of foreign groups (Balan and Uzlaü, 2010;85).

One particular difficulty is that there is likely to be some time lag between an economic slowdown and changes in migrant flows; therefore, the subsequent changes in policy are unlikely to take place immediately, thus making it hard to ascertain the exact impact of the economic crisis on migrant flows and the subsequent need for changes in EU level policy.

Despite this, the following relevant trends are important to note as it is likely to impact on the way the EU policy develops. Certain immediate impacts were felt; for example, Spain reported that the number of residence cards issued increased by only 7 per cent between 2008 and 2009, compared to 13 per cent in the previous year, showing that there was in fact an immediate reaction to the economic crisis in Spain, at least (Koehler, 2010; 13) . At this point, the overall policy had not changed, but there was still a shift in the desirability of the individuals to move from one region to another. Similarly, the net migration figure for the UK which is the surplus of people who were immigrating in excess of the people emigrating was 44 % lower in 2008 than it was in the previous year and the lowest since the accession to the EU in 2004 (Koehler, 2010; 14). This again is a clear indication that there has been a direct change of behaviours, without the change in policy. This needs to be borne in mind due to the need to ascertain whether the policy change will be required to adapt to the underlying economic changes, or whether it is necessary for the policy to shift to mitigate the effects of the changes that the market is making of its own accord. Certain sectors and regions remain in a position where they are recruiting, although it is clear that the general recruitment pattern is changing and in most cases slowing down. This will naturally have an impact on the ability and desirability of moving from region to region and the approach that the policy makers need to take to mitigate the effects and lay down the foundations for economic recovery.

It is therefore reasonable to suggest that the economic crisis has created irregular migration, even if it is not necessarily a complete stop of migration or a complete change of factors that has an impact on migration. For example, by looking at the issue of illegal border crossing, this point relating to irregular migration can be considered fully.

When looking at the irregular migration flows, there is the additional challenge of having no real documentation; however, it is suggested that a similar slow down has been experienced, indicating that the economic crisis is having an impact on the legal and illegal movement of individuals seeking work between countries. A large amount of the changing influence could be seen by looking at the way in which temporary worker permits are being handled. There is some indication that, whilst there has been a reduction in the number of individuals choosing to remain in a country and simply waiting for matters to improve, these decisions are not necessarily related to policy changes, but to the needs of the individuals involved and the decisions that they make.

The area of temporary employment permits offers a real opportunity to understand the cause and effect of the economic crisis, indicating that the policy itself may not be the main driver of change, but rather the actual market forces themselves. Furthermore, temporary workers will have to readjust their position regularly and whilst the policy may impact on their decision making processes, it is not the sole driver and may even be a reaction to the position, rather than the cause of the change in the first place. One of the main indicators of illegal residences is in the number of forced removals, with figures indicating that this number has dropped substantially between 2008 and 2009, indicating that there was seemingly a reduction in the amount of migration, both legal and illegal, and a willingness of those on temporary contracts to leave the country in which they were resident on return home. Essentially, this suggests that as the economic crisis emerged, there was an immediate change in policy, yet the changes in behaviours were dramatic, even in the immediate aftermath of the economic crisis (Dobson et al., 2009).

Bearing this in mind, the next part of the analysis shall consider the theoretical changes that the economic crisis has had on labour migration and how this then needs to be tackled from the EU level policy makers in this area.

What has the Economic Crisis changed in the EU Labour Markets?

Economic crises also affect different sectors of the economy differently. It has been shown that both the high-end as well as non-profit sectors tend to suffer shortfalls in times of economic crisis. For instance, the care sector can be hard hit by cutbacks or new local or federal constraints (see Finotelli and Sciortino, 2009). As I shall explain later, gender inequalities can also be exacerbated in times of economic crisis.

From the beginning of the economic crisis in mid 2008 and two years later in 2010, four million jobs were lost across the total of the EU (for all types of workers, both migrants and local workers) (ECB, 2012; 7). It is noted when looking at the number of jobs lost that this is somewhat smaller than the expected losses, based on the reduction of GDP, indicating a muted reaction from the labour markets (ECB, 2012;39). The other distinction that seemed to emerge in the post crisis trend was the speed of recovery, with some countries recovering quickly and others having a much longer recovery period.

The evidence also suggests that there were large divergences in terms of the worker groups themselves, with the level of unemployment being very much focussed on certain industries such as construction and manufacturing, with those who are in the younger age category being worst hit, during the economic crisis. This could largely be seen as recognition of how the institutions themselves have reformed and handled their key employment policies. This concept will be explored further as, if the companies themselves have changed their employment policies to focus on certain groups and to make others redundant. It would seem that this will then naturally lead to a different migration policy from the EU, as a whole. For example, if the economic crisis has hit those within the age category of 16 to 24 years old, then it would be expected that the EU level policies would support those within the age category, in order to reverse this trend.

Several trends have emerged and are relevant in this discussion; each will be looked at in turn. Labour hoarding refers to the trend towards reducing hours of work, rather than reducing head count. This means that employers are recognising that they wish to retain staff members, particularly those with specific expertise and therefore do not want to release these individuals

into the labour market, but instead want to reduce the wage bill. This trend of labour hoarding and placing staff onto part time contracts has both positive and negative consequences. Theoretically, therefore, those countries that encourage labour hoarding and part time contracts in this way will, on paper, seem to be managing the economic crisis in a better way, with a lesser number of jobs being lost.

Secondly, certain industries and sectors have suffered quite a bit more, but again, this could be seen to be a reaction to the previous boom within the housing sector and as the bubble burst on the housing industry, this had an immediate impact on the construction sector, with some countries in the EU then also having a more direct impact on the statistics, depending on their reliance on the construction industry.

When organisations are making decisions relating to employment, they will assess the nature of the shock that their industry or GDP changes are impacting on the long term demand. For example, where there is a sudden but dramatic shock such as a terrorist attack, the companies may choose to make little or no change to the employment pattern, recognising that this will be a temporary state. As such, there is a need for the companies to assess what they perceive to be the long term impact on the economic crisis and whether they believe it will last for a long or short period of time. The economic crisis on the whole however was perceived to be a long term factor and organisations typically recognised the need to readjust their employment decisions on a long term basis. Whilst this may not necessarily mean the need to remove employees urgently, it would naturally have an impact on the willingness to recruit new staff at a rate that would have been undertaken previously. This may also have an impact on the willingness of employees to leave their current employment, even if they are unhappy due to concerns about the availability of alternative employment. Essentially, the perceptions of the employers and employees are likely to be as important as the actual reality itself (Finotelli, 2014).

Divergences that already existed within the employment industry are such that they remained present during the economic crisis, but simply became more obvious. As previously noted, education and attainment and skills are providing a real split in the reactions to the economic crisis, with those who are low skilled or have less in the way of experience suffering considerably more than those with specific skills who were largely retained

within the organisations. This also had a geographic impact, with some countries which focus more on low skilled industries facing a much greater challenge than others. Similarly, the trend when looking at temporary workers was also seen to be distinct from those on permanent contracts. More specifically, it would seem reasonable that employers would look to end the contracts of temporary staff or simply not renew a contract during periods of economic difficulty, thus making temporary workers much less likely to remain in employment during this time. Temporary workers are therefore typically more vulnerable to any changes in the economic cycle and this again may have an impact on the migration situation, with migrant workers often being employed on short term or temporary contracts.

It is well known fact that the young persons within the working environment are more vulnerable to redundancy and will then find it harder to obtain long term employment and to gather the necessary skills to be attractive.

Another area of trends that is worth looking at, from the point of view of analysing the policy reactions, is to consider the trends in employment, from the point of view of how long those who are unemployed remain unemployed. During 2008 and 2009, there was an immediate increase in the number of unemployed people as an immediate reaction to the economic crisis; therefore, a real area of interest is how long this unemployed state continues for.

Long term unemployment (i.e. unemployment that lasts more than a year) slowly began to increase, indicating that those who were laid off during the economic crisis were then finding it difficult to gain fresh employment. Arguably, it is this factor that is particularly worrying to the labour migration trends, as those who are in certain jurisdictions are not necessarily able to find employment and will therefore look to move locations, whether this be returning to their home country or travelling from a home country to a more buoyant region. Where the situation is thought to be temporary, it is possible that people will not move and change their lives substantially, merely as a result of what is thought to be a short term situation. Migration and the desire to migrate are going to increase as the likelihood of employment decreases. When it comes to migration, it could be argued that there are going to be pull and push factors, with the pull factors being the promise of greater opportunities elsewhere and the push factors relating to the lack of opportunities in the home country effectively pushing these

The framework proposed by Pastore (2014) of ‘Migrant Labour Supply’ (MLS) policies is relevant here. Pastore argues that states and regions seek to exercise agency and control in times of economic crisis, by determining and constantly adjusting the composition of MLS through various policy mixes. Interestingly enough, MLS policies can act be, according to Pastore (2014, 385), a fundamental expression of states’ ‘country-specific attempts’ to control the incentives, flow and overall effects of migrant labour supply; this is an important form of agency in the field of labour migration, especially in times of major economic fluctuations. I also contend that such national MLS policy mixes can be explained as country-specific attempts to find and constantly adapt ‘paths of least resistance’ meant to maximise fulfilment of labour immigration demands while minimising resistances to it (ibid, 385).

In other words, the European crisis can be clarified through a framework that allows, firstly, for periods of “actual regulation of transition periods” in recognition of the right to full freedom of movement between workers in acceding countries of the European Union and also giving recognition to ‘indirect’ labour migration policies that are “aimed at granting, facilitating or boosting access to domestic labour markets to immigrants originally admitted for reasons other than work (humanitarian, family, study, etc. (ibid, p. 387).

Barry (2014) discusses the gender dimension of the EU crisis, and notes that while at the EU level there was an increased emphasis on gender equality, especially in terms of employment policy this changed radically following the crisis. Barry (2014, p. 2) identifies four stages in the development of the European Employment Strategy (EES), pointing out that the first two stages (which were before the crisis) included guidelines on gender equality, and included the “mainstreaming of gender equality across all policy areas”. However, phase 3 and phase 4, (which was developed during the crisis), did not include any guidelines on gender equality. Barry further points out that while the crisis led to dramatic changes in employment rates and a narrowing of the gender gap between employment rates of men and women, this did not necessarily reflect a positive change in terms of gender equality, but rather reflected “the faster deteriorating employment situation of men across the EU particularly during the first stage of the crisis” (p. 3).

Although the economic crisis can be seen to have been impacting on all countries across the EU, there have been some notable areas that are worse hit, such as the countries of Ireland, Spain and Estonia, all of which had different labour dynamics, prior to the economic crisis, but which are now seemingly suffering a more dramatic and more sustained period of decline. With this in mind, the discussion here now moves on to look at the policy measures that have been adopted to tackle the issue, both EU wide and from a more regional basis.

What are the EU Level Policy Reactions to the Crisis?

Before discussing the reaction to the crisis, it is helpful to look at the institutions and structural issue that had been put in place, prior to the crisis. For example, tax wedges and the reduction of benefits for the unemployed individuals by ensuring that the benefits offered to those who are unemployed are not as financially viable as gaining employment would be. This means that individuals would be less inclined to remain on benefits and would actively seek employment. Whilst this may have been effective for those who are actively avoiding employment, it does not offer a solution where individuals are actually seeking employment, but the jobs do not exist.

Both the countries that have typically received the immigrants and those that the immigrants move away from are going to be impacted on by these changes. Each of the policy responses will be looked at in turn (Düll, 2012).

Migration policies themselves will clearly have a direct and real impact on the migrant flows. National governments will naturally look towards applying policies in such a way that their own recovery is as quick and efficient as it can be. The immediate reaction in most cases across the EU is that of the need to restrict the number of third party nationals who enter into their country, by tightening the border controls, particularly in terms of the unskilled labour that is susceptible to the downturn, at a greater rate than the highly skilled individuals. For example, in the UK, a migrant approach that involves points is used to ensure that only those with a skill that is in short demand are able to enter the country, on a labour or working basis. Direct migrant policies are however somewhat reactive in nature and will not necessarily look towards the long term demographic changes. Instead, the migration policies will consider the security of the country and will look

to protect the position of the country, rather than seeking long term growth and development.

Despite this, there are some EU level strategies that have been adopted and are extremely relevant to the discussion here.

Stockholm Programme

This was a strategic approach adopted during the crisis itself as a means of updating the existing Hague Programme, in light of the underlying economic conditions. The programme was adopted at the 2009 European Council and focused on promoting citizenship and fundamental rights, justice, security, enhancing border management, and the development of “a comprehensive and flexible migration policy” for the period from 2010 to 2014 (Europa, 2010, n. p.). Given the timing of this programme, it is unsurprising that its approach to migration is somewhat different from other policies. Crucially, this programme did not focus fully on increasing the level of migration and movement, but rather looked more towards creating harmonisation and consistency, in terms of asylum and immigration policy. In particular, the EC Action Plan Communications state that the growth of the economic crisis should not prevent countries from looking towards integrating and developing a common migration policy, whatever that may be. This has been taken forward with the Europe 2020 Strategy. Nevertheless, the European Migration Report (2014) states that a significant development of this programme regarding circular migration was the adoption of Directive 2014/36/EU that stipulated the conditions for entry and stay of third-country nationals for employment purposes as seasonal workers. Four EU countries (Spain, Italy, Netherlands and Poland) introduced new legislations aimed at encouraging labour migrants to carry out temporary work in member states in order to improve their professional experience or set up business following their return to their country of origin. A project was also launched in 2013 called the Post-Stockholm programme, aimed at setting out further steps to be taken in terms of freedom, security and justice and to, among other things, improve the attractiveness of the European Union through adopting sound admission policies and enhancing mobility rights within the EU. This programme also aims to take into consideration the impact the economic crisis will have on both migrant workers and EU citizens, and the structural limits brought about by the severe strain national budgets have been under due to the economic crisis (European

Policy Centre, 2013).

Europe 2020

Interestingly, Europe 2020 actually looked at the fact that there were labour shortages in certain regions and in specific industries. This was not therefore focussed on reducing movement or encouraging people to remain within their home territory, but rather on ensuring consistency of treatment, so that Europe as a whole becomes more competitive as an overall unit. The EU policy therefore seems to be focused on the idea that the EU should be operating as one overall whole, with a view to being competitive globally, rather than focussing on dealing with competition across the EU itself and between member states (Card and DiNardo, 2002).

Several priorities have been identified as part of the ongoing strategy for Europe, in relation to migration in the wake of the economic crisis. The main strategy is to try to ensure that the knowledge and information side of the economy is developed to ensure that there is ongoing growth, rather than looking at the lower skilled roles that have been hit hard by the economic crisis. Whilst individual countries such as the UK have looked at reducing access to their country, particularly for those likely to be utilising the benefit system, the EU policy is much more about achieving long term growth and developing skills to make the EU competitive overall (Beets and Willekens, 2009).

Of particular note is the fact that the EU policy agenda titled 'New Skills, New Jobs' recognises that the focus is on up-skilling every element of the workforce, rather than simply excluding or segregating those who are seen as being low skilled. Bearing in mind this general EU agenda, it is clear to see that there are likely to be distinctions between the EU and the individual countries which may be taking a more protectionist stance and preventing migration and the EU wishing to simply create one overall coherent strategy for the benefit of the EU overall.

Recognising that there may be differences between the demands of the EU and the individual countries wishing to do something distinctive to protect their own position, the EU has now produced guidelines for national governments as to how they can individually assist with the establishment of a coherent EU policy (Chappell et al., 2009).

Admission restrictions have emerged at a national level across the EU, as a result of this shift in EU policy. For example, in Italy, they have established specific quotas for migrant workers, with this being all but eliminated in 2009 to anyone except tourist workers or agricultural workers on a short term contract. Other countries such as Portugal and Croatia have also reduced their quotas. Similarly, Spain and the UK reduced their quotas, but did so, on the basis of skills and the skills' shortages that are in existence at that time. This would seem to be a much more logical approach, due to the fact that the economic crisis has had a direct impact on certain industries and, as such, by restricting migration of some skills, it is sensible that this will then create a better employment set of opportunities for the nationals in the country.

Despite the economic crisis and the attempted restrictions on migration, there has been little change in the willingness of countries to open up new lines of migration and to consider offering greater opportunities across the EU. Although the changes are such that the countries themselves are looking at ways of restricting and managing the flows of migrants in such a way that supports long term economic recovery, on the whole, the policy for migration, regardless of precisely how it is undertaken across the EU, is that of restricting the inflow of low skilled individuals. Some countries, however, have gone a little further and have actually openly tried to improve the number of highly skilled individuals that are in their region. This is a particular approach taken by Germany, with this migration policy being looked at in the final section of the analysis, before drawing conclusions and ultimate points of analysis.

Comparisons of Changes in Policies: with Germany, Italy, the UK and Spain

1.Northern Europe – Germany and the UK

Germany performed very differently during the economic crisis and this can potentially be attributed to the way in which it has dealt with the labour market and labour reform, since the early 2000s. The way in which the labour market had been structured in the case of Germany in the run up to the economic crisis was substantially different from that established in the UK and this can go a long way towards explaining why the country has not seemingly suffered as badly during the economic downturn and has not

been subject to dramatic changes in labour migration patterns.

Some of the approaches taken by Germany include the reduction of unemployment benefit and subsidising of jobs that are low skilled or part time, so as to stimulate this end of the market, the one area that has suffered the most during the financial crisis. Eligibility for benefits was made stricter in Germany and this seemingly reduced the desirability of travelling to the country seeking employment. This has created a situation whereby those travelling to Germany have been largely restricted to those who have secured jobs or have the skills to be gainfully employed in the region. During the economic crisis, there was a much lesser shift in the migration patterns across Germany and this could be largely attributed to the long standing policies which have discouraged migrants who were simply taking a chance; also the general labour policies within the region encouraged flexible patterns of employment that were much more adaptable to the underlying economic changes.

Following the recent examples and the EU policies, it can be seen that Germany is maintaining a continuous growth approach and actively encouraging migration of highly skilled individuals. During May 2009, the German government stated that it was aiming to ensure that the best individuals are attracted into the German labour force. The German government has established the Labour Migration Control Act which works alongside the existing immigration laws. This aims to look at the policy of allowing highly qualified individuals the ability to seek permanent residency and to bring in family members and settle in the country. Essentially, this takes the approach of encouraging desirable behaviour, rather than discouraging poor behaviours.

According to Rienzi (2014, p.3), “the number of foreign-born people of working age in the UK increased from 2.9 million in 1993 to more than 6 million in 2013”. The number of working-age foreigners in the UK also increased from about 3 million million in 1993 to more than 6 million in 2013. The recession saw only a slight decrease in numbers of migrants coming to the UK to seek work (e.g. 2007, 2009 and 2010). As expected, there was a significant jump in the number of foreign-born workers in the UK during 2006, which coincides with the opening of UK labour markets to workers from the A8 countries (Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia, and Slovenia) in mid-2004 (ibid.).

As the table 4.1 shows, the greatest concentration of foreign-born workers employed in the UK is in the manufacturing industry (industry cleaning, canning, filling, etc.) or manual trades (agriculture). Clearly, then, labour supply correlates closely to demand. Migrants take jobs that local citizens are either unwilling or unable to fill.

Table 4.1 Concentration of foreign-born workers employed in the UK

Top 10 by workforce share, all migrants		%	Occupation share	Top 10 by workforce share, recent migrants		%	Occupation share
(1)	(2)	(3)	(4)	(5)	(6)		
1	Elementary process plant occupations	43.3	0.85	Elementary process plant occupations	20.6	0.85	
2	Cleaning and housekeeping managers and supervisors	38.6	0.19	Elementary cleaning occupations	10.1	2.32	
3	Food preparation and hospitality trades	31.6	1.58	Process operatives	10.1	0.95	
4	Elementary cleaning occupations	30.5	2.32	Cleaning and housekeeping managers and supervisors	8.8	0.19	
5	Process operatives	29.3	0.95	Natural and social science professionals	8.7	0.64	
6	Health professionals	25.2	1.68	Food preparation and hospitality trades	6.7	1.58	
7	Natural and social science professionals	25	0.64	Elementary storage occupations	6.6	1.43	
8	Managers and proprietors in hospitality and leisure services	25	0.84	Other elementary process occupations	6.4	3.23	
9	Chief executives and senior officials	24.4	0.21	Elementary agricultural occupations	6.4	0.28	
10	Textiles and garments trades	24.8	0.23	IT and telecommunications	5.7	2.91	

Source: Labour Force Survey 2013, Q1-4

Since 2004, the key increase in labour migration from new EU member states has come from Eastern Europe and especially Poland, with migrant concentrations in agricultural areas which have traditionally been areas of emigration unused to inflows except on a seasonal basis. Evidence of the impact of the economic crisis of 2008-9 in the UK lies in the policies of the 2010 Conservative-Liberal coalition who have attempted to cut immigration

and welfare programmes. As a result, labour inflows have declined and many immigrants returned home due to rising unemployment in Britain and increased opportunities in their countries of origin.

Maerdi et al point to the construction industry in the UK as demonstrating a clear link between economic downturn and migration. They point to increases in immigration in preceding years especially from Poland, Slovakia and the Baltic States accounting for an estimated ten percent of employment in the sector. In 2009, immediately following the financial crisis, employment in construction fell 4 percent as against 2.1 percent for the whole economy (Maerdi et al., 2012).

2. Southern Europe – Italy and Spain

Prior to the economic crisis the number of foreigners with resident permits in Italy doubled in the period 1981-1991 rising to 1.4 million in 2000. Increases were thought to be due to the regularization of irregular immigration between 1986 and 2009. The entry of non-EU citizens for employment in Italy was made subject to quotas but these are very low and do not reflect demand for labour, resulting in substantial levels of overstay and irregular entry (Castles et al., 2014, s. 114).

Thus there is a trend of increasing net migration to Italy despite the economic crisis. Throughout 2009 and 2010 inflows only decreased slightly compared with 2008 which suggests Italy was not strongly affected by the crisis. This trend results from the fundamental rigidity of legal migration policies which need time to adapt to evolving constraints but is also connected to the persistent but uneven need for foreign manpower in some sectors. Nevertheless some sign of the deterioration in the capacity of the Italian economy to absorb large inflows can be detected in the uneven geographical distribution of the slowdown in net migration (Villioso and Pastore, 2011, s. 3).

Spain and Italy demonstrate substantially different responses to the economic crisis. During the economic boom of the 1960s a hundred thousand Spaniards a year emigrated until this trend was halted by the economic crisis of 1973. Up until this date Spain was regarded as a land of emigration. Spain does share characteristics with northern EU states such as Germany and the UK but is distinguished by the key role played by

inflows shaped by an underground economy, irregular migration and weak government regulation (Castles et al., 2014, s. 113).

The situation changed after post-Franco democratization in 1975 and membership of the EU in 1986. Between 1986 and 1999 there was a rapid increase in immigration especially from North Africa boosted by economic growth, the large-scale incorporation of Spanish women into the labour market and regulation of entry. After 2000, Latin American migration was encouraged and family reunion. The registered foreign population grew from 279,000 in 1990 to 1.3 million in 2000, 4.1 million by 2005 and 5.7 million in 2010 representing 12.4 percent of the total population. Only a minority of irregular migrants entered Spain because between 1985 and 2005 Spain authorized 12 legalization campaigns (Castles et al., 2014, s.114).

What has emerged from comparisons between Italy and Spain is that there is no homogenous 'Mediterranean model'. Maerdi et al., (2012:2) suggest that Spain represents a Southern European/segmented model. In line with segmented labour theory foreign workers are specialized according to their origins, thus Moroccans and other Africans are employed in agriculture, Latin American women in the domestic and care sectors, Latin American men in construction and services while their European counterparts tend to work in industry. Spain has also hosted 200,000 retirees mainly from the northern EU member states since 1981 (Borkert et al., 2007, s. 28).

Of all European states Spain has been the most affected by the economic recession of 2008-9. Economic growth in the preceding decade was highly dependent on the availability of cheap labour especially in the service sector and the construction industry. A combination of the global financial crisis and the bursting of the construction bubble transformed Spain from a major labour importer to one with the highest unemployment rates for natives (17 percent) and foreigners (30 percent) in the EU. Spain is therefore cited as a prime example of the effects of economic downturn on a strong employer-oriented labour migration model (Finotelli, 2012, s. 13).

The Spanish government has been forced to reduce entry flows for labour purposes by 90 per cent. Annual estimates for stable workers dropped from 27,034 in 2007 to just 14 in 2011 (Fintotelli, 2012, s. 14).

Assessment of migration policies in the times of Economic Crisis: Crisis is

an opportunity?

The broader European Economic Recovery Plan is central to the overall approach taken by the EC to the economic recovery of the region. This does not specifically look at migration or even employment, but can arguably be seen to underlie the overall agenda pursued in this specific area of policy generation. For example, the EC states that it expects any policies implemented by the national states to be mindful of the long term agenda for recovery. In particular, the EU agenda aims to look at the building of long term skills, something which has been central to the approach in Germany, for a relatively long period of time (and in any event, long before the financial crisis came forward). The EU policy recognises that there is an ongoing concern about the skills' mismatch and that there is a need for mobility amongst the workforce of the EU to facilitate these gaps. The need for more highly skilled individuals remains constant and countries are amending their migrant policies to allow for this flow of skilled individuals to take place, while at the same time restricting the migration of low skilled individuals. There are exceptions to this, for example, certain countries have a high seasonal demand for certain workers, such as those involved in tourism.

With this in mind, the main policy change is towards the up-skilling and training of people who seem to be central to the long term policy approach which has been adopted across the EU (Hijzen and Venn, 2011). Certain countries have embraced this with a greater sense of urgency than others; however, the main factor which is relevant to the discussion here is that migration is only being restricted in so far as it is necessary to ensure long term buoyancy within a country, thus ensuring that individuals who are low skilled or unemployed are not encouraged to enter an area or country in order to make use of social benefits. This indicates a need to review social policies, rather than necessarily looking at migrant policies to change the parameters (as is already the case in Germany), so that people simply do not go welfare shopping and will only migrate to a country when it is for a specific job or in order to fill a specific skill gap.

For the purposes of comparison, the Migrant Integration Policy Index is an assessment tool provided by the EU using 148 policy indicators to benchmark current laws and policies against the highest standards regularly monitoring 40 countries and expanding its influence well beyond Europe.

Germany, currently occupying 13th position in the index, has some of the best targeted measures for labour market integration except in recognising qualifications but MIPEX notes still has the most restrictive conditions for long-term residence in Europe and North America and is backward in granting foreigners voting rights. It appears that despite improvements the German government is still inclined to see migration as a temporary source of cheap labour and although accepting that it is now a country of immigration is still resistant to the idea of permanent settlement of non-Germans.

The UK government, 14th in the index, was unprepared for the number of EU Citizens from 2004 accession countries. The migration debate in the UK is seen in terms of real costs versus benefits, community cohesion versus British jobs for British workers. Since the economic crisis MIPEX has found conditions slightly less favourable to integration with UK policies for non-EU workers and their families only half-way favourable compared to other countries in the index.

Italy's new security law has made conditions slightly less favourable to integration with immigrants being presented as responsible for general social problems. New family reunion laws and long-term residence conditions are out of touch with social realities and equality laws remain the weakest in Europe. Nevertheless Italy scores well overall, lying 10th in the table.

Spain is lying 8th, having undergone a swift transformation to become Europe's largest country of immigration despite having the highest unemployment rates in the EU. MIPEX finds that fewer migrants are coming to Spain but those who are settled there are likely to remain. Spain benefits from slightly favourable integration policies and is now the best of Europe's major immigration countries maintaining and even enhancing long-term commitments to economic, family and societal integration despite cuts. However MIPEX does note that Spain has only gone halfway to addressing the disproportionate impact of the economic crisis on foreign residents and that it has brought new limits on family reunification (MIPEX, 2013).

In some areas then, an economic crisis can be seen to have a positive impact on migration policies particularly where the crisis is seen as an opportunity. The European Union has seen it as an opportunity to strengthen integration,

anti-discrimination law and standardize regulations for residence and family reunion as well as attempting to obtain relocation and citizenship rights for asylum seekers and refugees.

Globalization has encouraged competitiveness and market flexibility, emphasizing liberalization, democratization and deregulation. One outcome has been to stem the flow of migration through outsourcing in countries of origin with a reverse flow of capital, both human and financial, technology and skills. Flexibility is key to the positive perception of migration in the UK, Italy and Spain as is the diverging role of the state and the expectations of the Welfare State (Düll, 2003, s. 4). In the UK, in a strategic ad hoc response to the unpredictability of demand and staff shortages in sectors with highly competitive product markets and fluctuating labour costs, greater flexibility has been achieved through temporary contracts and as a method of overcoming the crisis.

In the first place, it is flexible and gives companies the ability to react quickly to changing labour conditions. Secondly, higher unemployment vulnerability of migrants has political advantages for the host government electorally and financially in terms of less expenditure, than high unemployment among voters.

Conclusion

In Italy the effects of the economic crisis have generally been weaker than in Spain because of the Italian production system. Italy did not experience a phase of economic growth based on increasing the supply of cheap labour and so avoided a 'national' crisis alongside the international crisis. The most affected sector is manufacturing which employs native rather than immigrant workers. In Italy most immigrants are employed in the agricultural sector which has always been subject to seasonal fluctuations or in the domestic and care sectors which are less affected by the economic downturn. A gender rebalancing of the immigrant population is also a feature in Italy due to family reunions and autonomous female migration to support the home/health care sector which, due to Italy's ageing population, has suffered less retraction during the economic crisis with consequently less impact on female workers. Whereas inflows to Spain decreased, largely due to a slump in the construction industry, inflows to Italy continue to increase (Finotelli, 2012: s. 13).

Spain has demonstrated greater capacity than Italy for organizing its labour regime, achieving a consensus between social partners and employers. A socialist government and the co-ordination of state bureaucracies has favoured recruitment and enhancement of labour market controls in the short term whereas Italy's right-wing government and fragmented administration has been less effective.

The Spanish experience of the economic crisis has highlighted the vulnerability of immigrants and the link between migration and economic uncertainty (Maerdi et al., 2012, s.8).

International market mobility can exacerbate economic uncertainty. Spanish immigration in the early 2000s increased demand for housing expanding the construction sector which has proved the most volatile in the downturn. Immigrants work in the sectors with most insecurity and seasonal variation including the underground economy which adds to overall economic uncertainty (Meardi et al., 2012, s. 20).

Pulling all of this together and with particular reference to the approach taken by Germany, it can be seen that the EU policy shift since the economic crisis has been to encourage migration, but in a directed manner, so as to ensure that the skills' gaps are filled appropriately and that migration is supported only when it is being used to encourage long term growth for the EU as a whole. Individual countries have applied these policy agendas as a means of restricting the level of migration, based either on a quota or on the basis of skills' requirements.

The aim of the EU policy is to encourage growth and recovery from the economic crisis and this involves not only looking at the financial markets, but also in ensuring that the labour mobility is maintained in a constructive way, so as to allow skilled labour to be developed through training and for skilled workers to be mobile to travel around the EU as and when required, in order to meet economic demands.

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