

O P I N I O N

Immigration and the Labor Market



It seems obvious that immigrants take away jobs from German workers. Should we therefore stop immigration for the moment, and worry about pensions and care for the elderly in the next millennium? At first glance, this argument does sound plausible: In times of high unemployment, each successful immigrant worker takes the place of a domestic worker. If the immigrants become unemployed or are unable to work, they reap the benefits of our welfare system. Shielding the country, or at least the labor market, from immigration therefore seems to be an appropriate reaction to the current problems within the labor market and social security system.

This notion is based on a grave misunderstanding of the way the world and labor markets function. It demonstrates the failure of policies that tend to create problems first in order to solve them later. If we choose to allow an uncontrolled influx of immigrants, the resulting problems should come as no surprise.

Unemployment is a global phenomenon that is related to the structure of immigration rather than the actual number of immigrants. Traditional immigration

countries like the United States also have successful economies. There will, of course, always be professions (such as construction workers in Germany) that face direct competition in the labor market. At the same time however employers in certain sectors are desperately searching for appropriate workers. In Germany, this is the case for harvesters, hairdressers, waiters, cleaners, engineers, university professors, IT specialists, and others. There are even sectors in which German jobs are in danger because there are no foreign workers available.

This deficiency alone does not justify the demand for immigration. But foreigners are different from natives, and that is exactly why they can be so profitable for the labor market. The special qualifications of foreigners can strengthen the demand for domestic workers, if both groups work together successfully. The idea of competition between immigrants and equally qualified domestic workers may make some people uncomfortable, but this phenomenon enhances the performance of an economy.

In the age of globalization, export-oriented economies must accept an open-minded immigration policy. Such a policy enhances inter-cultural communication, the advancement of our own traditions, and a new supply of products and services, for example tourism, learning and enterprise. Germany's performance can only benefit from openness.

This all comes at a cost. Changes can always cause friction. Integration therefore also necessitates upholding the values we have developed over time. It is important to keep the right balance between cultural identity and economic gains. This is a major task for immigration policy makers, who should not be afraid to discuss their countries' own interests. Germany can only balance

social and economic interests through a policy of controlled immigration.

The overall economic effect of immigration has been positive so far. It is in our own hands to keep it this way, through quotas and selection criteria for immigrants. But if immigration policy continues to ignore economic criteria, substantial problems are likely to arise in certain sectors of the labor market. Adequate immigration laws should be flexible enough to account for the additional demand for labor in specific sectors, and to control the influx of labor where such a demand no longer exists. At any rate, we cannot continue the way we have handled the issue so far.

The policy of integration also needs new momentum. Some evidence of basic German language skills is absolutely crucial, because successful integration into society, as well as into the labor market, depends largely on a person's capability to speak the language. Since our current immigration and integration policies are too often inconsistent with social and economic interests, it is high time to review these policies.

The upcoming modernization of Germany's citizenship law is certainly a step in the right direction. It will not only facilitate naturalization and introduce elements of birthright citizenship for the first time, but it will also place greater importance on acquiring language skills. Despite this positive development, we should still keep in mind that national and European immigration laws, including both economic and integrational aspects, are overdue. Controlled immigration and encouraged integration belong together.

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IMPRESSUM: