

Unmet labour demand in Europe - chances for immigrants?

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ABSTRACT

Unmet Labour Demand in Europe - Chances for Immigrants?*

by Talat Mahmood, Sara Geerdes and Klaus Schömann

This paper examines the chances for immigrants on the European job market. The data represents a one percent sample of the German population of the Micro census for the years 1998, 2000 and 2003 and Eurostat Labour Force Survey data. The issue addressed is how the academic and occupational level of education (participation in education), labour participation, professional status, unemployment rate, income, female labour participation and atypical occupation (structure of employment) of the foreigners differ from the native population. We find that foreigners in EU countries are more likely to be unemployed and are often in lower segments of the labour market. European comparisons of the labour market situation shows that the acknowledgment of foreign degrees, discrimination, supporting measures and the labour market policy have to be taken into account, as well as the (country-specific) human capital, language skills and the immigrants' participation in education.

Keywords: International migration, European job market, Immigrants

JEL Classification: C35, F22 and J61

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ZUSAMMENFASSUNG

Arbeitsplatzangebot in Europa - Chancen für Immigranten?

Mithilfe des Mikrozensus 1998, 2000 und 2000 und dem Eurostat Labour Force Survey werden die Möglichkeiten für Immigranten auf dem europäischen Arbeitsmarkt untersucht. Es wird das akademische und berufliche Ausbildungsniveau (Bildungsbeteiligung), die Erwerbsbeteiligung, die Stellung im Beruf, die Arbeitslosenrate, das Einkommen, die Frauenerwerbsquote und atypische Beschäftigung (Beschäftigungsstruktur) von Einheimischen und Migranten verglichen. Es zeigt sich, dass EU Ausländer eher arbeitslos sind und sich eher in niedrigeren Segmenten des Arbeitsmarkts befinden. Der europäische Vergleich der Arbeitsmarktsituation Mithilfe des Mikrozensus 1998, 2000 und 2000 und dem Eurostat Labour Force Survey werden die Möglichkeiten für Immigranten auf dem europäischen Arbeitsmarkt untersucht. Es wird das akademische und berufliche Ausbildungsniveau (Bildungsbeteiligung), die Erwerbsbeteiligung, die Stellung im Beruf, die Arbeitslosenrate, das Einkommen, die Frauenerwerbsquote und atypische Beschäftigung (Beschäftigungsstruktur) von Einheimischen und Migranten verglichen. Es zeigt sich, dass EU Ausländer eher arbeitslos sind und sich eher in niedrigeren Segmenten des Arbeitsmarkts befinden. Der europäische Vergleich der Arbeitsmarktsituation zeigt, dass sowohl die Anerkennung ausländischer Bildungsabschlüsse, Diskriminierung, die Hilfsmaßnahmen und die Arbeitsmarktpolitik als auch das (landesspezifische) Humankapital, Sprachkenntnisse und die Bildungsbeteiligung zu berücksichtigen sind, zeigt, dass sowohl die Anerkennung ausländischer Bildungsabschlüsse, Diskriminierung, die Hilfsmaßnahmen und die Arbeitsmarktpolitik als auch das (landesspezifische) Humankapital, Sprachkenntnisse und die Bildungsbeteiligung zu berücksichtigen sind.

1 Introduction

The net migration to the 15 European countries has been rising since 1997. In 2003, it reached the highest level since 1992, as figure 1 indicates. Only during the last years has the self-image of Germany, the European country which in absolute figures granted the most citizenships to foreigners in 2001 and had third most applications for asylum in 2003 ¹, changed from being a non-immigration country. They discovered too late that many immigrants, who came to Europe to work, did not want to return. The advantages of permanent immigration have only recently been seen. Not many European countries hold an office for the Minister for Integration like the Netherlands. Though, after a Dutch director of a Muslim critical movie was killed at the beginning of November 2004, 15 Muslim facilities were assaulted during the next two days ². This shows that integration is not an effortless process and much has to be done in European societies. Integration is a long process and maybe the ability for good integration in European societies is overestimated. For example in Germany, integration is always matched with a phase of prosperous economy (between 1949 and 1974), where some steps of integration can be easier for immigrants, i.e. to find work and accommodation (Krämer-Badoni, 2002).

Thus, a very central aspect of immigrants' integration into the society of a host country is the labour market integration. At work, people get in contact with other ethnic groups, learn about the different cultures, language skills improve, and maybe they start to feel a part of the host country's society. Moreover, economic participation influences many other areas like the situation on the housing market, which can later decide about their access to education (Häussermann and Siebel, 2002). Besides, European societies lack labour forces in many sectors. The aging of the European population can be alleviated by immigration. Finally, people who work do not depend on the welfare state, which is burdened by the rising unemployment in Europe. From this follows that severe problems on the European job market exist.

The paper addresses the issue of what immigrants can expect on the European labour markets in this context and what their opportunities are. In section 2, we give a review of the immigration policy in Europe. This shows that immigration policy became more and more restrictive and mostly high skilled immigrants are desired. The conflict between the national and European immigration politics is demonstrated. It is further shown that in the European countries different traditions of migration exist and policy approaches accordingly vary. In the third section, we discuss the situation of EU 15-foreigners - i.e. people, who are not a citizen of one of the former 15 European Member States - on the European labour market.

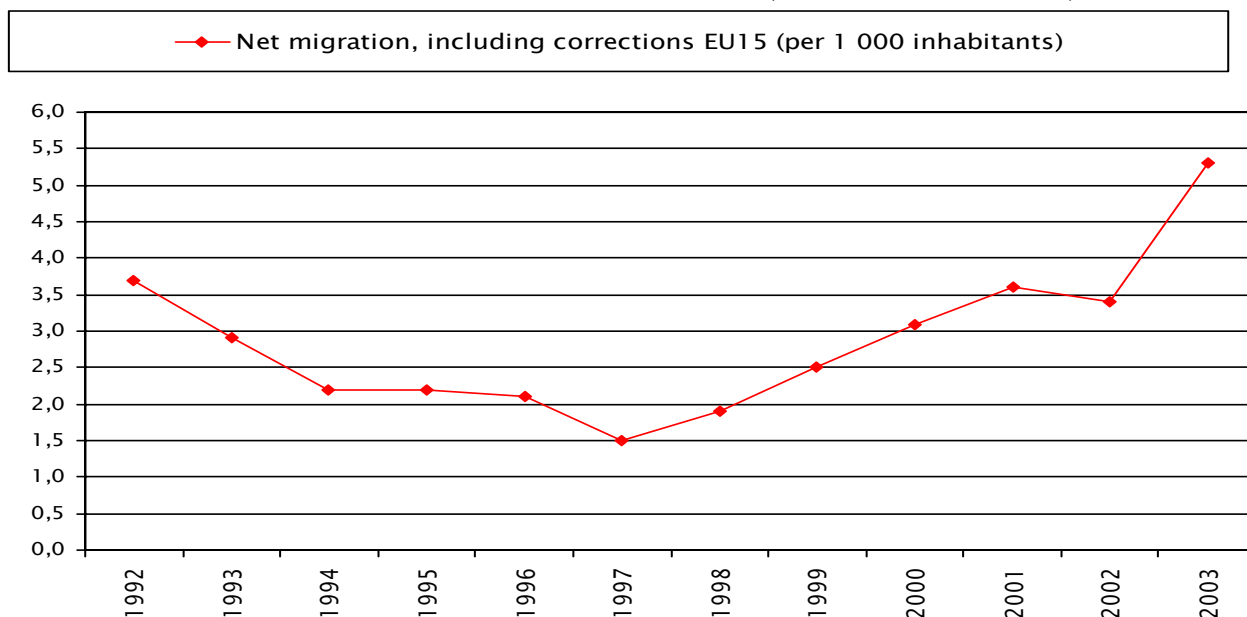
The case of Germany is highlighted. Germany is found to be a very interesting case as the country's self-perception towards immigrants diverged strongly from its practice. Only in 2000, the German immigration policy got into a new phase, therefore it is seen to reflect the European trend towards immigrants rather than being representative for all European countries.

In the presented German data, asylum seekers are included and bias the unemployment data, as they are not allowed to work during their first year of stay. Approved asylum seekers are allowed to work and therefore do not bias the data. Some European countries do not grant work permissions for asylum seekers, whereas others grant work permits

¹Eurostat 2004, Long-term indicators: Absolute figures.

²Berliner Zeitung, 11 November 2004, Nr.265, pp.9.

Figure 1: Net migration to EU15, 1992-2003 (per 1 000 inhabitants)



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.

Source: Eurostat 2004, Long-term indicators

for specific assignments³. In the Eurostat data asylum seekers are basically included. But because the Eurostat Labour Force Survey is designed differently in every country, exceptions exist. However, they tend to be rather underrepresented in the sample.

We found the foreigners to be more likely unemployed. Their participation was found to be in the lower segment of the job market and their jobs are less attractive, worse paid, less stable, more cyclical, temporary and terminable. The lower school certificates of some ethnic groups played a negative role in the participation in the higher education. Further, we found the human capital is the decisive factor for labour market integration. The immigration policy aims to produce a well needed qualification structure of immigrants in the host country. The mediation between a high share of unemployed and the labour market access of immigrants is difficult. And not all forms of immigration can or should be controlled. Section four describes the pull factors affecting immigration in the European countries. The economic factors such as, a better career position, a higher salary and a better living standard attract the immigrants to the host country. Furthermore, they want to flee the unemployment from their home country. The trans-national mobility of the migrants is preferred only for a certain period of stay. In section five, we formulate the opportunities for immigrants in some European countries. Firstly, the supply and demand side of the labour market opportunities are explored. On the supply side, we found that the human capital is the most decisive factor. Secondly, contrary to this, the labour market effects on the demand side of immigration are considered. Then we show, which unmet labour demand for high-skilled and semi- or unskilled workers exists in some European countries. We finally conclude that the more qualified the immigrants are, the better chances they have on the job market. In most of the European countries surveyed,

³For instance European countries, which do not grant work permits for asylum seekers, are Denmark, France, Greece, Italy, Ireland, Luxemburg, Norway, the Netherlands and Portugal. However the countries granting work permission for specific assignments are Austria, Belgium, Finland, Germany, United Kingdom, Spain, Sweden and Switzerland (ICMPD, 1999).

engineers and IT-specialists in the high-skilled labour segment are required. Further, in the un- or semi- skilled segment, service personnel, like waiters or nursing personnel is also needed.

2 Overview of immigration policy of European countries

Most European countries are affected by immigration or are now immigration countries, but they never admitted this fact and, thus, assumed restrictive immigration policies. In spite of their zero-immigration-policy, economic and practical reasons led to separate treatments towards different categories of legal immigrants and partly towards illegal immigrants. This resulted in inconsistent immigration policies including complex and non-transparent regulations. The rules on work admission of Non-EU nationals differ between the Member States. There are only a few common rules and principles applicable in all Member States. In general, it is not possible for Non-EU-migrant labourers to work or stay in Europe without admission. The working migrants need a labour contract to get a residence permit. Moreover, citizens of Non-EU-countries, who live in the EU, do not have the possibility of mobility in the EU. Whereas family members of EU-Nationals, who are not EU-citizens, or citizens of the European economic area possess this possibility.

Some authors compare the immigration models of European countries. Moreover, the effects of socio-economic and political models on the immigration policy are the subject of research. A study shows that Austria, Norway, Denmark, Switzerland, Germany and Finland employ restrictive immigration policies, whereas Portugal, Italy, Spain, Great Britain and Ireland employ moderate immigration policy. The immigration policy of France, Sweden and the Netherlands, however, is seen as "open" (Minkenberg, 2004). Some authors point out that the more developed the welfare state in a country is, the more exclusive is its integration policy.

In June 2003, the European Union released a policy paper on immigration, integration and employment in which it calls the EU Member States to make more effort to integrate immigrants. The Commission concludes that immigrants will play an important role in meeting the Lisbon objectives and especially during the next decades third-country nationals are decisive for the EU economy and the promotion of social cohesion (IP/03/795, 2003). It was noticed that uncontrolled migration, which is not in line with the needs of the labour market, can give negative impulses. In all the European countries, a demand of service providers, highly qualified, semi-skilled and non-skilled workers exists. The labour market oriented immigration and integration of highly skilled, skilled, self-employed workers and foreign university graduates is desired and attracts the public attention. The European labour market, as well, absorbs semi- or unskilled work force. The qualified workers are expected to increase the competitiveness; they fill labour bottlenecks, raise wages and disburden the national budget. Besides, high unemployment rates of the native population can be decreased by filling the lack of highly skilled workers. The competition for skilled workers will increase between the developed countries, whereas the recruitment of non-skilled is seen with reservation. In Germany, the absorptive capacity of the labour market for less qualified is deemed at its limits (Annual report, 2004). A constant immigration of unskilled labour force, for instance by family reunion, is expected and accepted because of humanitarian reasons. The demographic changes, the ageing of the European population, contribute to a future decreasing labour force potential in the European countries. As can

Figure 2: Age pyramid of EU15, 2nd quarter 2003



Source: Eurostat (2004), Labour Force Survey, Population and social conditions

be seen in figure 2, the European population is over aged. The numerically strongest age group of female and male total population, active population and employed is between the ages of 35 and 39. The younger age groups consist of fewer and fewer females and males. Not enough children are born to maintain the European population. Immigration is a factor that can alleviate the ageing of the European (working) population but not balance it. The Commission writes "the restrictive immigration policies introduced in most Member States in the 70s are no longer appropriate today, with serious labour shortages and an aging population throughout the EU. Immigration is probably the best way of keeping services and industry running and helps to pay for the pensions and care of the growing number of old people in Europe" (Directorate-General Justice and Home Affairs 2002). Aside from concepts to raise the labour potential by increasing the female labour participation or the statutory retirement age, the economy is interested in facilitating mobility within a company and the access to the labour market for highly qualified foreigners. Others see the problem of increasing unemployment of foreigners from certain ethnic minorities in Europe. Their qualifications remain unused as the demand for highly skilled foreign labour force rises. They conclude that the labour market integration of the foreign work force has to be improved before more from the foreign work force should be recruited (Niessen and Münz, 2002).

In the treaty of Maastricht (1993), the immigration policy and policy concerning citizens of Non-EU-countries have been declared a matter of common interest of the EU. Migration is connected to the development of the internal market and, therefore, the policy of this field is influenced by the EU. The UK and Ireland have the possibility to "opt-in" to the EU immigration policy on a case-by-case basis, whereas, in Denmark, common EU immigration policy does not apply. The treaty of Amsterdam (1999) provides for common measures on immigration policy. The commission afterwards initiated proposals with Member States until 2004. Until the end of April 2004, the EU's home secretaries accepted regulations for a common asylum law. Further, in the council of the ministers, the decisions about

procedures of asylum have not necessarily to be unanimous.

Most European countries are searching for an equilibrium between European and national immigration policy, though European Member States and the social partners do not doubt that socio-economic cooperation makes the EU globally more competitive. However, because of their Nation-state sovereignty and typical historically grown structures of migration, which exist in the Member States in spite of the assimilation process, the opinion that immigration policy has to be developed and implemented by the national area is widespread. The states claim that effective reaction towards national labour markets and demographic changes would only be possible that way.

2.1 European models of migration

The framework for integration of foreign labour force is set by labour market situation and the immigration policy of a country. Different models of migration in Europe exist, which determined the socio-cultural structure and ethnic origin of immigrants and the policy towards them.

The Netherlands, France, United Kingdom, Belgium and Portugal are characterized by privileged immigration from colonial countries. Access to the country was easier for colonial immigrants and they were able to claim citizenship legally. In the post war period, labour force was rare in certain sectors. Colonial countries could fill this gap with workers from their former sovereign territories. Other countries recruited guest-workers, those models can be found in France as well as in Switzerland, and later in Germany, Austria and Sweden. Other migration models in Europe are the "return model" in Germany, Greece and Finland. Among the so called newer immigration countries are Spain, Italy and Portugal. Till the 1950s these countries had a negative migration balance; Now they are immigration countries after deduction as the other European countries. Spain and Portugal possess few colonial immigrants as well ([van Suntum and Schlothöller, 2002](#)).

2.2 Overview of the immigration policy for Great Britain, France and Spain

After the Second World War, Britain developed into a multi-racial country. Nonetheless, a balance of migration has been positive since 1983. In the UK, colonial immigrants were not seen as foreigners and were for decades privileged in the citizenship law. That they helped to fill labour bottle necks was an unplanned process. Additionally, requirements for cheap manpower have been partially satisfied with recruitment of mediterranean workers in small amounts. However in Britain, immigration was first basically (post-) colonial, later European migration to Britain (especially from Ireland) and asylum increased. As in other Western countries immigration was labour market oriented. During full employment immigrant workers and ex-colonial workers took the jobs, which were not attractive for the native population: Semi- or unskilled, physically straining jobs with low income. In Britain they found work in already declining industries such as mills or foundries but not in western Europe. Restrictive immigration policies started in Britain with the Common-

wealth Relation Act in 1962 ⁴ and was intensified step by step till 1988 ⁵. In 1971, the Immigration Bill contained the jobs for which work permits could be granted, because the control of work migration applications for asylum and family reunion rose. The UK has a strong control for immigration at her borders. Immigrants get in the country mostly by a tourist visa. In London, for instance, the informal labour market is easily accessible to foreigners due to its deregulation, whereas an ethnic network is not needed to find work - contrary to Germany (Jordan et al., 1997). The Asylum and Immigration Appeals Act of 1993 amplified the asylum law. In 2000 and 2002, laws ⁶ came into force, which further restricted asylum. Since 2002, work migration in the high skill sectors of the labour market is admitted again and migrants from Commonwealth Member States with a British university degree are privileged. Nonetheless, Britain avows itself as a multi-ethnic society and tries to regulate this with anti discrimination laws (Birsl et al., 2003).

In France, recruitment of alien employees began before the First World War. Since 1915, the foreign workers were systematically recruited ⁷. Since the second half of the 19th century, immigration existed in a larger amount; the reason being the low birth rate, as well as, an universal and egalitarian ideology predominated and the assimilation of foreigners was desired. Therefore, membership was important and access to citizenship was liberal. The national immigration policy started with regulations in 1945, whereas the more restrictive immigration policy began since the 1970s. In 1974, the French government decided to stop recruitment and afterwards, the structure of immigration completely changed. A few immigrants came from the colonial countries, whereas, from non colonial states their share was extremely large. Meanwhile, family reunion became the dominant migration motive and immigrants' educational level increased. During the 70s, the numbers of asylum seekers also increased. After 1981, further immigration was intended to be limited, but at the same time, the life conditions and integration of the existing foreign population were supposed to be increased. The waves of legalisation for the foreign population, took place in 1981 and 1982. In 1984, the immigration of foreigners was narrowed and a standardized legal framework was established. The political aims were expulsion of foreigners and restriction of entry to France. Since 1993, a more restrictive immigration policy was once again achieved. One part of this policy was a modification towards a more restrictive citizenship law. In France, as compared to other European countries, the immigration of (highly) skilled labour with a residence permit (EU-citizens or family members) has always been desired (Tribalat, 1996).

The Spanish immigration policy is slightly more liberal than that of the UK and Germany. The reasons are the campaigns of legalisation and the slightly more permeable right of residence. Through the hitherto four legalisation programmes ⁸ immigrants were given the possibility of getting a temporary residence permit and regularize their status in Spain. Nonetheless, control and restriction of immigration is aimed at. Since the first Spanish Aliens Act in 1985/6, it was possible to enter Spain for temporary work immigration, family reunion, migration and asylum.

Till the middle of the 1970, particularly, emigration and internal migration existed in Spain. Due to the strong regional distinctions, the unskilled labour force from the coun-

⁴The same citizenship law was not valid anymore for colonial or post-colonial countries.

⁵1968 Commonwealth Immigration Act, 1981/3 British Nationality Act and 1988 Immigration Act.

⁶Immigration and Asylum Act 2000 and Nationality, Immigration and Asylum Act 2002.

⁷The foreign workers were recruited from the colonies, as well as from European states such as Portugal, Greece, Spain and Italy. The political migration also took place from Russia, Armenia, the Soviet Union, Italy and Germany. Later, the Algerian immigrants, who had free access to France, and the immigration from Spain and Italy increased.

⁸Legalisation campaigns (Regularizaciones) took place in 1986, 1991, 2000 and 2001.

tryside filled the labour markets demand in congested areas and was therefore comparable to the transnational work migration. Around the middle of the 1970s, accompanied by the process of transformation, a change in migration took place: the immigration from Europe towards Spain began ⁹. During the 90s, the Moroccan immigrants were recruited for low paid and low skilled jobs in agriculture and the service sectors. However since 2002, the seasonal work force from eastern European States has been recruited. The eastern European were more likely to return to their home countries than immigrants from Africa. For example the Moroccans were not given temporary work or residence permits, which are necessary for working. Thus, even the Moroccans, who entered the country legally, became illegal immigrants and remained without work. The same pattern was visible in other European countries: types of immigrants have been constituted by the political rules. Later they could be redefined and excluded.

Before the first foreigners law got into force in 1985/6 ¹⁰, Spain made no effort to pass a comprehensive immigration law. In 1991 a Visa imposition for immigrantst from the Magreb countries was introduced and made the their entry more difficult (Cornelius, 1994). The foreigners law has repeatedly been modified until 2000, where a new aliens act came into force and was revised in the same year ¹¹. Since no appropriate immigration policy existed in Spain, an immigration framework was quickly developed under an early influence of the European Union. For example the further introduction of Visa necessity for Latin American countries was imposed by the EU. Spain configured its policy more restrictive and justified this with the necessary assimilation to regulations of other European countries and its location at the EU external border (Birsl et al., 2003). In 2003, a new aliens act came into force ¹².

2.3 Overview of the German immigration policy

After the Second World War, like most of the European countries, Germany became an immigration country. The immigrants basically came from southern, south-eastern and eastern European countries. Since the beginning of the 80s, immigration came increasingly from African and Asian countries(Birsl et al., 2003). In Germany, recruitment of alien employees ¹³ started in the 1950s, because a cheap labour force for un- and semiskilled sectors of industry was needed and the wage increase was supposed to be controlled. The recruitment policy was based on the assumption that the guest-worker would stay for a short time in Germany and afterwards, they would return to their home countries. But the trans-national fluctuation increased with the consolidation of labour relations and residence

⁹Immigrants primarily came from Africa - i.e. for example Morocco, Algeria, Gambia and Senegal - and Latin America, whereas the number of Asians increased gradually. Because of the geographical and geopolitical Spanish position, undocumented immigration played a prominent role. Illegal immigrants in Spain were mostly employed in services or agriculture. Their amount, however, seems to be underestimated as it was unpredictable. Since the 1990s, the share of asylum seekers in Spain was increasing, but it had remained low as compared to other countries.

¹⁰It was called "La Ley Orgnica sobre Derechos y Libertades de los Extranjeros".

¹¹Nationality, Immigration and Asylum Act 4/2000 and Ley de Extranjera 8/2000.

¹²It included the adoption of higher carriers' liability on air, sea and land carriers. Moreover persons, who were caught while trying to enter Spain without documents, had to be banished from re-entry for three to ten-years.

¹³The German recruitment policy started with an agreement with Italy (1955), then agreements with Greece and Spain (1960), Turkey (1961), Morocco (1963), Portugal (1964), Tunisia (1965) and Ex-Yugoslavia (1968) followed.

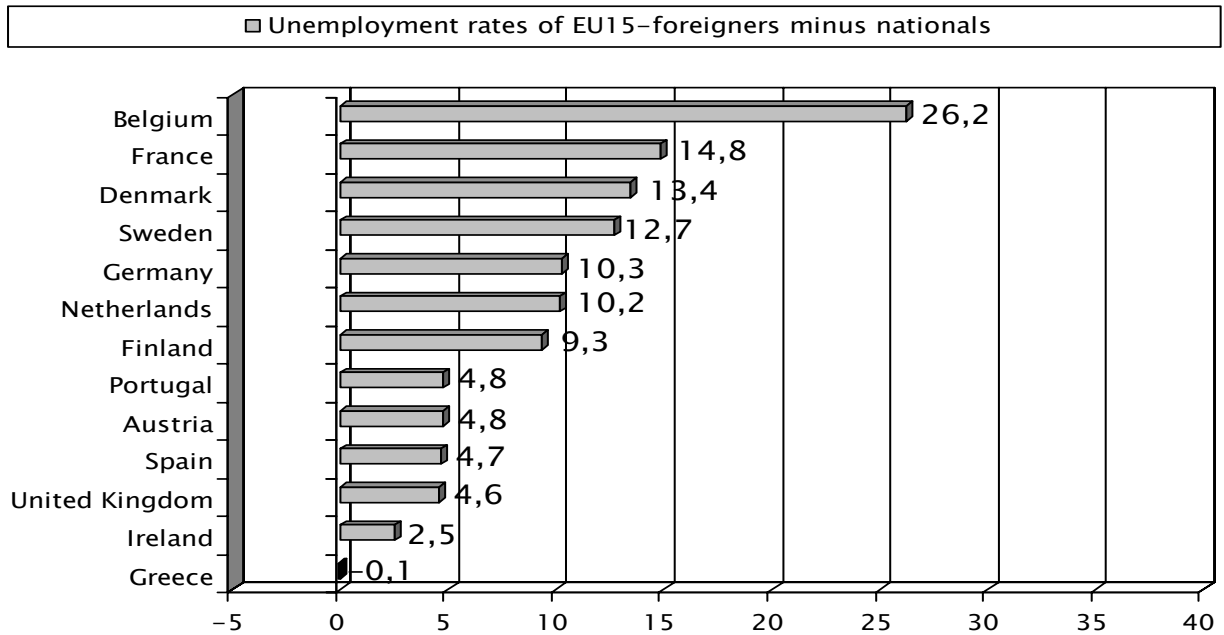
permit status. The recruitment stop in 1973 was closely related to the oil crisis, economic decline and rising unemployment. The German immigration policy became restrictive and new strategies to anticipate the entrance of immigrants were invented ¹⁴. The labour market policy of Germany was aimed to protect the native labour force against foreign workers, i.e. to assert primacy of the natives. Therefore, Germany has been as a preliminary model for countries with a closed citizenship model. In the view of some authors, from the start of recruitment, the process of creation of rights was set into operation. The foreign labour force could not be used as a cyclical shock absorber, because the legal situation changed and Germany had to grant civil rights to the foreigners (Bade and Bommers, 2000). But, the official immigration and integration policy of the "Bund" (Federal government) and "Länder" (State government) did not change: The government declared that immigration and integration should be reversed. In 1990 a new law for foreigners was released. For the first time, foreigners, who lived in the country for a long time or from the second generation, could legally claim naturalisation. Slowly, the exclusive idea of German descent (*ius sanguinis*), which existed in Germany since the early 20th century, was replaced by a constricted claim for naturalisation (*ius soli*). The legally privileged immigration of resettlers - remigration of people with German origin - took place, quietly and effectually till the Iron Curtain was opened in 1989. Then, the quantity increased and Germany's public reaction was to deny the fact of being an immigration country. The special status of the resettlers legitimized as Germans, was emphasized. In the years 1992-93, immigration of resettlers was limited and restricted. Despite their special legal status, the resettler became more and more equal to other immigrating groups (Bade and Bommers, 2000). In spite of the German self-image, immigration into Germany was always possible. Till 2000, the official "gates of entry" were asylum seeking and family reunion. The temporary and allocated work migration was possible by seasonal work or special contracts with companies ¹⁵. The federal government, which was elected in 1998, invented a new citizenship law in 2000, which tends to result in a further turning away from "ius sanguinis". In the same year the chancellor purposed a "Green Card for IT specialists" programme, which could grant the foreign IT specialists access to the German job market. This programme became effective on 1 August 2000 and lasts till 31 December 2004. The work permit with the "Green Card" may not exceed five years. The regulations of immigration rules for IT- and high-tech specialists, which serve for the recruitment of this group, have also been started in Denmark, Sweden, Ireland, Great Britain and Finland. The new German "Immigration Act" will become effective on 1 January 2005. The labour market oriented immigration work is equipped with more rights. For highly qualified workers, a permanent permit of stay is granted without agreement of the Federal Employment Office or an examination of the labour market. Overall, a change of perspective is visible in Germany with the citizenship law, the "Green Card" and the Immigration Act (Birsl et al., 2003). In general for Non-European-Economic-Area-nationals, a work permit is needed in Germany to take up an employment. Interim arrangements apply to the new European Member States that joined the European Union on 1 May 2004. With the new Immigration Act, Germany focuses on the active integration of foreigners by offering obligatory courses for language skills and orientation. In this respect, the integration models of Austria, Denmark, Netherlands and Luxemburg are similar.

¹⁴The Visa regulation and the agreements on re-transfer were established.

¹⁵For instance between Germany and Eastern European countries contracts exists, for seasonal workers, guest-workers, cross-border commuters and an employee exchange, between cooperating companies ("Werkvertragsarbeitnehmer").

3 The situation of EU15-foreigners on the European labour market

Figure 3: The relation of unemployment rates between EU15-foreigners and nationals, 2003 (% of working population)



No data available for Italy & Luxemburg.

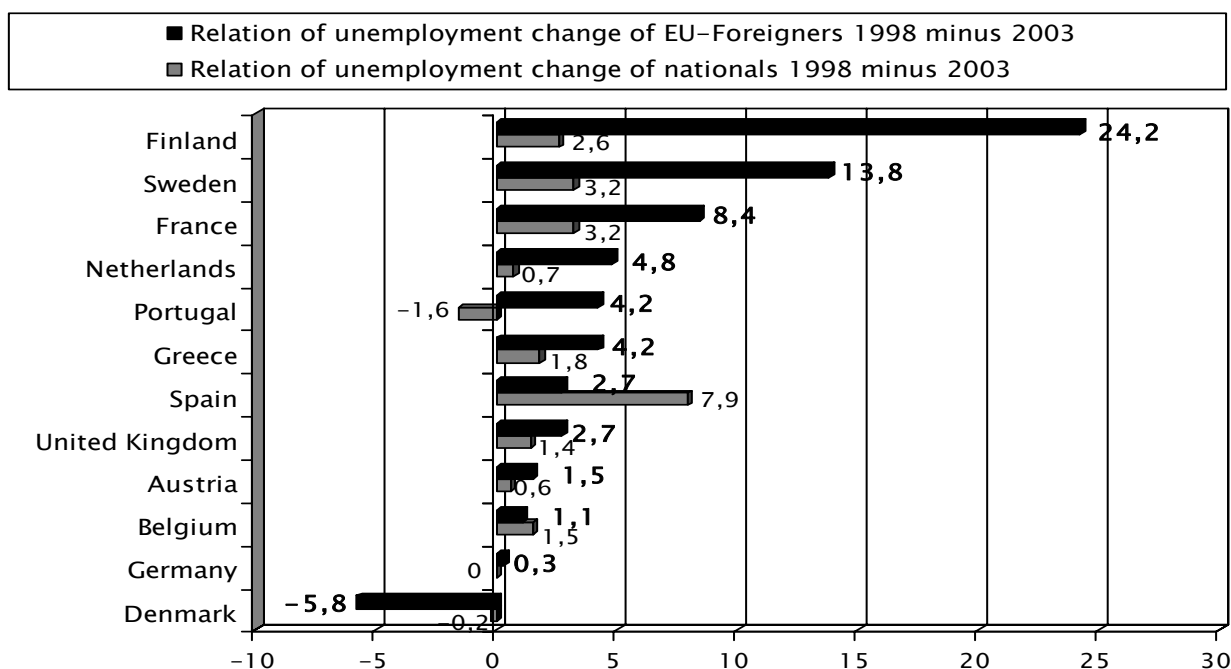
Source: Eurostat (2004), New Cronos, Labour Force Survey

In most of the European countries, EU15-foreigners were much more likely to be unemployed than nationals in 2003. The data presented in figure 3 indicates that the share of unemployment between the foreign populations is almost 5% higher than that of the natives in Portugal, Austria, Spain and the UK. Whereas, it is higher from 9% up to 15% in Finland, the Netherlands, Germany, Sweden, Denmark and France. In Belgium, the foreigners unemployment rate is even a 26,2% higher. Only in Greece do the unemployment numbers show a better situation for the foreigners than for the natives.

By subtracting the unemployment numbers of 2003 from 1998 for the foreigners and the natives, the unemployment change is visible. Figure 4 demonstrates a stronger decrease of unemployment rates for foreigners in European countries than that of the natives from 1998 until 2003. An extremely lower unemployment rate of foreigners in comparison to 5 years earlier showed that the unemployment rate of foreigners in Finland was 9,3% higher than that of the natives in 2003. In Germany, the foreign unemployment rate only decreased by 0,2% during the five years. In Spain and Belgium, the foreign unemployment rate decreased less than that of the natives. In most European countries, the unemployment rates for natives and foreigners decreased, exceptions were Portugal and Denmark. In Belgium, the unemployment rate of the natives increased, while the foreign unemployment rate decreased. Only in Denmark did unemployment rise for both the described ethnic groups, whereas, the unemployment rate of foreigners declined stronger than that of the natives between 1998 and 2003.

In most of the European countries, the jobs of the foreigners were less attractive, paid worse, instable, cyclical, temporary and terminable. In Germany, many foreigners were oc-

Figure 4: Unemployment rates change from 1998 to 2003 of nationals and EU15-foreigners (% of working population)



No data available for Ireland, Italy & Luxembourg

Source: Eurostat (2004), New Cronos, Labour Force Survey

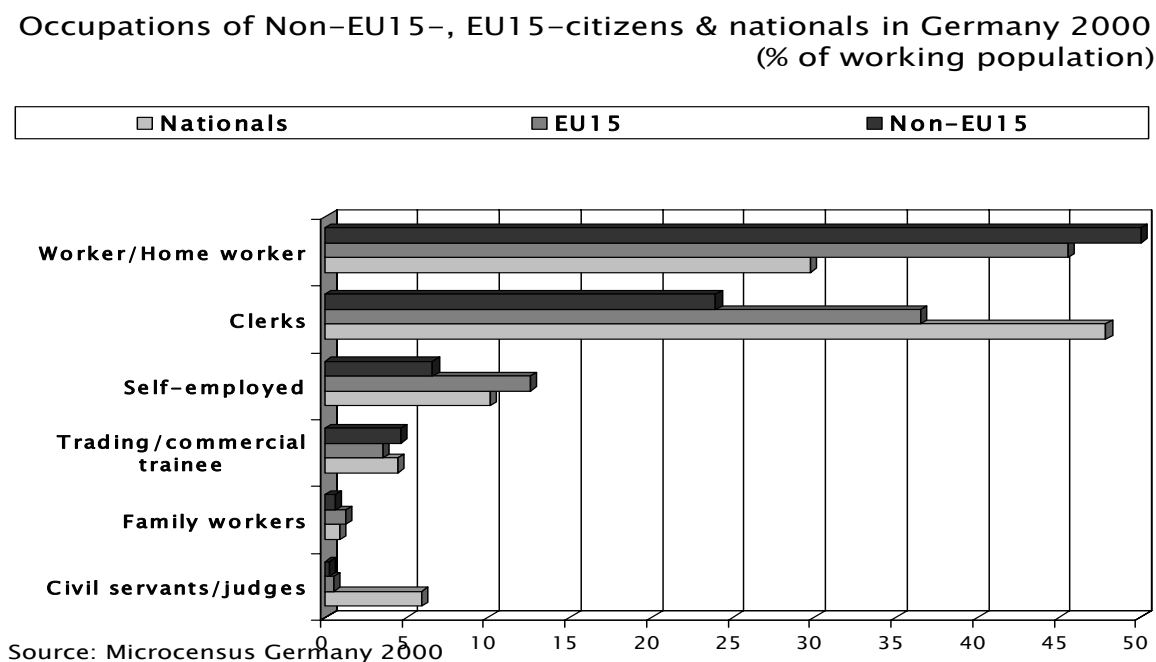
occupied in construction, which is a strongly cyclical industry. Consequently bigger changes occur in phases of recession and economic growth in employment of foreign work force. The tendency of segmentation of the labour market is visible in European countries. The immigrants were often occupied in lower positions of the labour market, for instance informal occupations, and concentrated in few segments.

In figure 5, it shows that in Germany almost $\frac{2}{3}$ of the non-EU15-citizens were engaged as simple workers. Only about 24% of the foreign working population (Non-EU15 citizens) were employed as clerks, whereas, most natives (47%) work in this occupation. Except for civil servants, where natives are privileged in Germany, the situation of EU15 citizens is more similar to that of natives than that of the EU15-foreigners. Though it has to be mentioned that there are strong differences between the generations of immigrants. For instance, much more foreigners of the second generation are employed as clerks than from the first generation. Since the 1990s, the labour demand shifted from manufacturing towards the jobs in the service sector. However, the migrants in Germany are underrepresented in the sectors of high-value services.

In Germany, immigrants have traditionally been employed in the industrial or manufacturing sectors as manual workers in heavy industry and mass production. Since the 1980, those occupations have been the target of the structural transformation, while most of the jobs have been shifted abroad or reduced. The foreigners are the first to lose their jobs, if jobs are cut. Still, the share of foreign employees in the industrial sector is very high.

Figure 6 shows that the non-EU nationals are mostly represented in the lower income categories than the natives. Most of the non-EU citizens earned between 307 and 511 EURO per month. The highest share of the EU15-citizens can be found in the income category between 1278-1534 EURO, whereas the highest share of natives is found to be in the category between 920-1125 EURO. Thus, the income distribution of EU-citizens seems

Figure 5: Occupations of EU15-foreigners, EU15-citizens & nationals in Germany, 2000 (% of working population)



to be better than that of the foreigners. More EU15-citizens can be found in the highest income category than the natives.

In figure 5 and 6, the presented Microcensus Germany data is divided into nationals, EU-15 and Non-EU15-citizens. However, 0.97% of the persons characterized as nationals possess the German plus a second citizenship. I.e. those persons could have been born in a different country or have one parent with a different citizenship. Moreover, a differentiation between foreigners of the 1. or 2. generation, which could have been naturalised, could not be done with the data as the question about the date of immigration is not addressed to persons, who only possess the German citizenship.

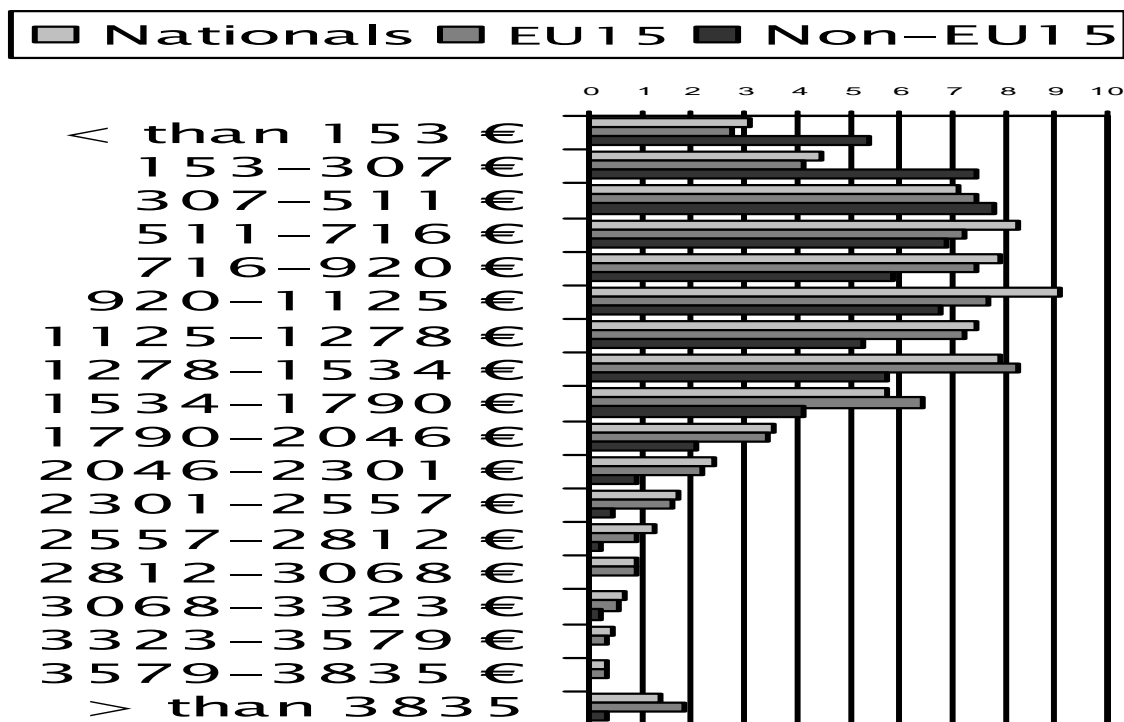
The higher share of part-time employed foreign females could contribute to the fact that foreigners earn less. In figure 7, a clear gender division is visible. Foreign and native females in Germany are much more often employed in part-time positions than foreign and native men. But, Middle Eastern, Vietnamese and Iranian females are found to be more often in a full-time employment than native women. One could suspect that the economic pressure pushes the women of other ethnic groups into increased working hours. The male nationals in Germany possess a full-time contract more often than males of the shown ethnic groups. However, the number of female and male nationals, who have a part-time contract, increased from 1998 until 2000.

The participation of foreigners in Germany in the education sector - the key factor of integration - has to be distinguished between the different ethnic groups. As it can be seen in the figure 8, a strong distinction between the graduating certificates of the working population exists. For instance, most of the Turks ¹⁶(76%) living in Germany leave after secondary school. But, more than 60% of the East Asian ¹⁷ and Iranian working popu-

¹⁶The Turks are the biggest group of immigrants in Germany.

¹⁷East Asia means China, Hong Kong, Indonesia, Japan and Korea.

Figure 6: Monthly income of EU15-foreigners, EU15-citizens & nationals in Germany, 2000 (% of labour force)



Source: Microcensus Germany 2000

lation have an "Abitur" as their highest graduating certificate. Only, 38% of the Middle Eastern¹⁸ working population posses the qualification to enter an university, but 44% leave school after secondary school. In Germany, the East Asians, Iranians, Middle Eastern, Vietnamese and South Asians¹⁹ tend to either have a graduating certificate or they left school earlier, though, a few posses a Junior high certificate and others an advanced technical college entrance qualification. Most Germans (49%) leave school after secondary school and 20% after Junior high, only 17% leave school with an "Abitur".

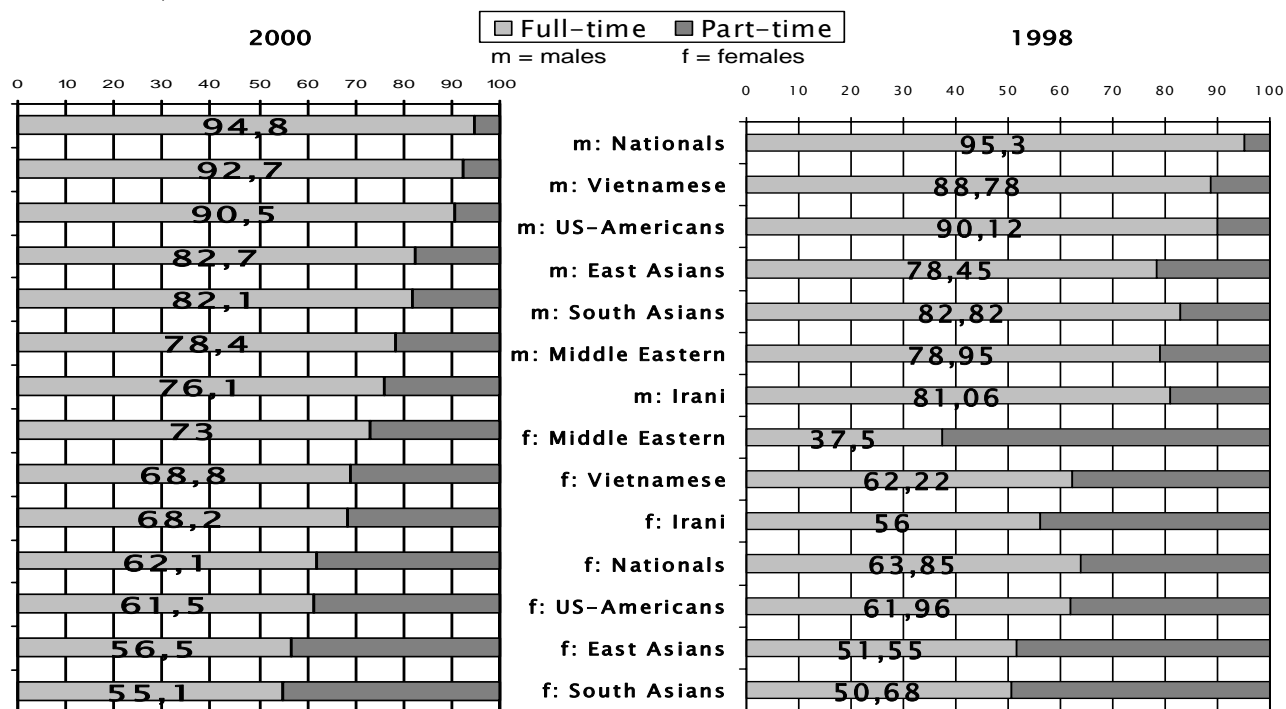
As figure 9 shows, the graduating certificates reflects the highest vocational education level and university degrees. 74% of the Turks and 23% of the East Asians working in Germany, completed an apprenticeship, whereas, 48% of the East Asians and 4% of the Turks have a university degree. The vocational education of 64% of the nationals was an apprenticeship, 9,5% a master craftsman and 7% a university degree. These ethnic groups show a very distinct qualification pattern in Germany. Some of them are very highly qualified, but the biggest groups are low qualified as are most of the natives. The enhancement of the educational level of the natives and foreign population is aimed at in Germany. The qualification influences labour market performance strongly, but other factors seem to matter as well: in the Netherlands, the ethnic minorities have fewer chances on the labour market, even, if they have the same educational level (Entzinger, 1996).

In some countries, we found that the immigrants have high rates of self-employment. On the one hand, this can show that a higher grade of integration is reached, because a certain knowledge of the countries labour market conditions, certificates and capital is needed to become self-employed. On the other hand, it can be suspected that they are forced into self-employment for lack of other choices. If, in an ethnic community, a demand for special

¹⁸Middle Eastern refers, for instance, to Lebanon, Syria and Iraq.

¹⁹South Asian which includes India, Afghanistan, Cambodia and Laos.

Figure 7: Part-time employment by nationality and gender in Germany, 1998/2000 (% of labour force)



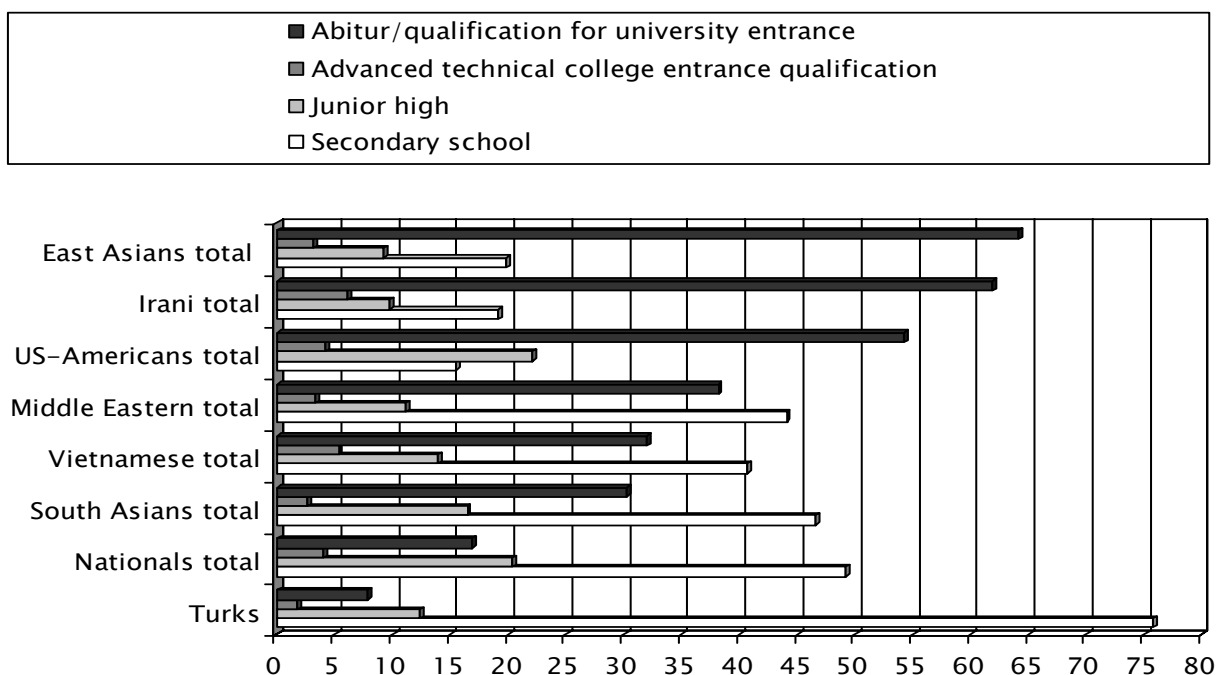
Source: Microcensus Germany 1998/2000

ethnic goods exists, this offers job chances to immigrants. The ethnic economies can be the outcome. In Germany, numerous Turkish ethnic economies have gained important positions in the regional and national labour markets (Hillmann, 2003). Besides, the increase in self-employment is one of the aims of the modern national economies.

As figure 10 shows, in the European countries, natives predominantly have higher activity rates than the foreign citizens, but the differences are strong in this field. The inactivity rates of foreign population is extremely high in Belgium (54,4%) and the Netherlands (45,1%). In Belgium, nationals' inactivity rates are high (34,9%), but in the Netherlands 22,9%, which is rather low. Thus, the activity rate of the foreign citizens is not always contrary to that of natives. The low inactivity rates of foreign population are depicted in the Southern European countries (Greece, Portugal and Spain), Austria and Finland. In those countries the inactivity rate of natives is lower than that of the foreigners.

Figure 11 shows the labour status as well as the gender division between the activity rates of different ethnic groups in Germany between 1998 and 2000. Except for the Middle Eastern males, the native and foreign woman depict lower activity rates than the native and foreign men. The activity rates of the Iranian, East Asian and US-American woman decreased during the two years. However, the activity rates increased for most of the foreign men, only natives and East Asian males had lower activity rates in 2000 as compared to the year 1998. On the one side, it could be suggested that the change into inactivity, especially for woman, could be caused by not having opportunities on the labour market. But on the other side, one could assume that some woman traditionally tend to stay inactive, if their husband earns enough, implying the case for the highly skilled participants. High labour force participation rates of both males and females can be a measure for a good integration, but this can also be misleading. For example, in 1998 Swiss labour force participation of the EU15-foreigners was higher than that of the natives. The reason

Figure 8: Highest graduating certificate by nationality in Germany, 2000 (% of working population)



Source: Microcensus Germany 2000

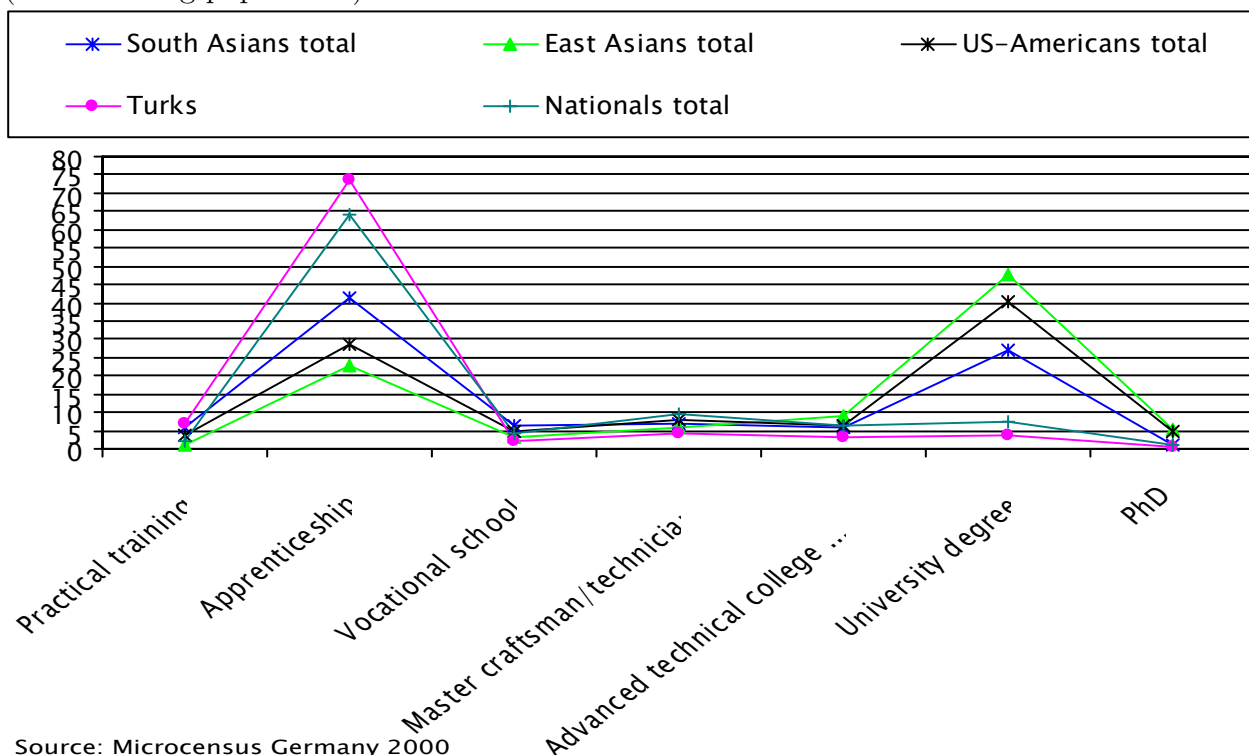
was not a good integration of the immigrants but a very low addiction to work of Swiss woman (van Suntum and Schlothöller, 2002). Contrary to this fact, in Italy the third world immigration of females allowed native woman to enter the job market by taking on the reproduction work of the Italian society (Hillmann, 1994).

The labour market integration of immigrants does not have to be linked fully to the general labour market situation of a country, whereas other factors have to be taken into account. A strong distinction between the European countries exists. The countries with a good situation on the labour market (i.e. low unemployment) does not necessarily integrate foreigners better than others with worse employment situation (van Suntum and Schlothöller, 2002). The lowest unemployment rates of the Non-EU15 labour force in 2003 can be found in both countries Greece (9,0%) and Ireland (6,9%) as compared to other European countries. On the other hand, the national unemployment rate shows a different picture. The unemployment rates of natives are found to be much lower in Ireland (4,4%) than in Greece (9,1%) as figure 12 shows. Spain depicts the highest unemployment rate of natives (11%). The Spanish foreigners' unemployment rate, however, is found to be only 4,7% higher than those of the natives.

Moreover, the values are assumed to be biased by working under the table, which is mainly a problem in the southern European countries like Italy, Spain, Greece and Portugal. In Italy many non-existing employments are reported, because in case of active employment, one can not lose the residence permit. Most of the illegal workers are employed in the construction, agriculture or fishery industries and often their occupation is more precarious. As it was officially announced during the 90s, the Italian economy depended on illegal workers (van Suntum and Schlothöller, 2002).

On the one hand, an illegal occupation can have doubtful advantages for the economy: Illegal workers earn less, the employers do not have to pay taxes or social contributions

Figure 9: Highest vocational education/university degree by nationality in Germany, 2000 (% of working population)



and no dismissal protection exists. An illegal occupation can sometime be more attractive and flexible for employers as well as for the employees. On the other hand, European countries try intensely to reduce illegal immigration, because, it erodes the national efforts to control and restrict immigration. The legal ways to immigrate and the diminution of the demand for illegal occupations are basic requirements in this exchange. Moreover, the protection of human rights and the abatement of business with people smuggling are also important ([Annual report, 2004](#)).

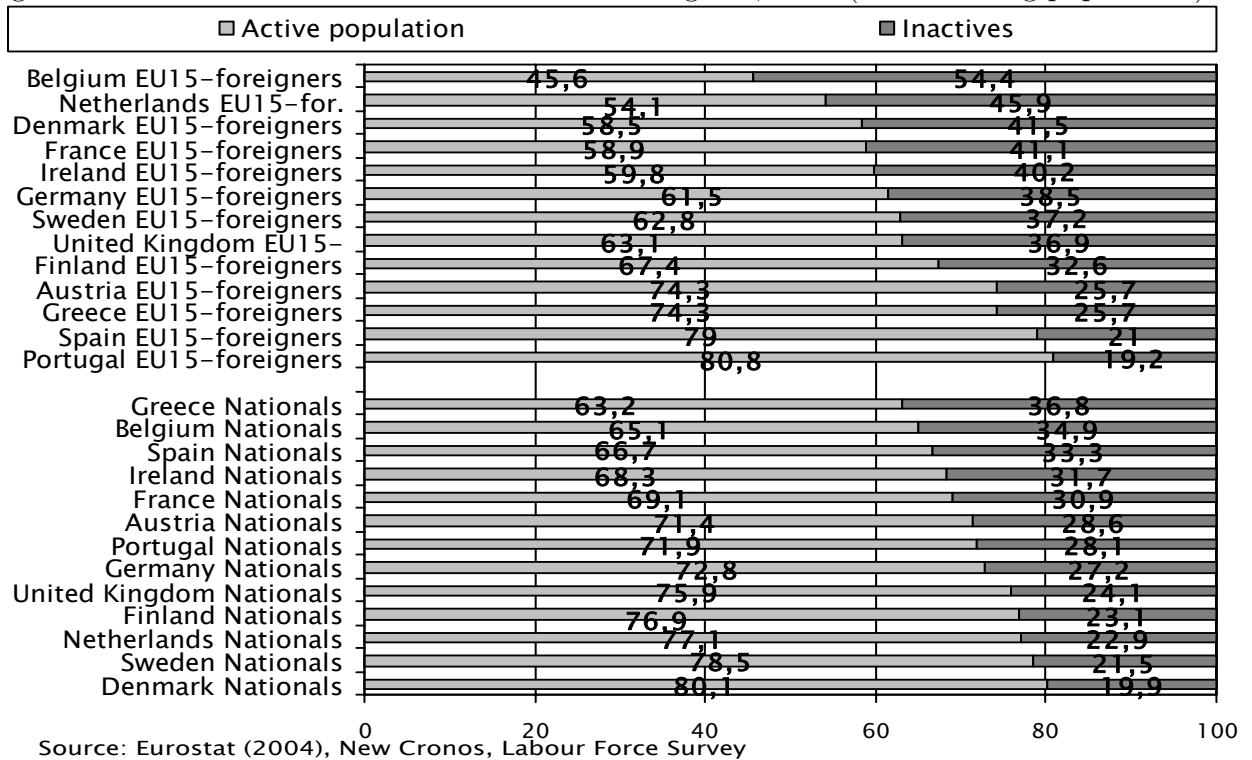
4 Pull-factors for immigrants in Europe

Though family reunion is now one of the main reasons of migration, many immigrants come to Europe to work. They hope for higher income, better career opportunities and to flee unemployment from their home countries. For the highly skilled workers the decision to come to Germany depends on economic factors, better career positions, higher income and a better living standard ([Mahmood and Schömann, 2003](#)).

The push-pull-model of migration with the hypotheses that income-differentials between the home and host country, unemployment in the country of origin and job-vacancies in the target area influence the migration decision, is still partly correct. But systemic explanations have to be included. Migration is seen and analyzed as an inherent characteristic of the capitalistic global economy. In the global economy, countries of the periphery are included in the circle of industrialisation of agriculture, release of labour force, international division of labour and increasing population in cities ([Hintermann, 1997](#)).

Moreover, over the past years, the structure and intention of migration have been changed:

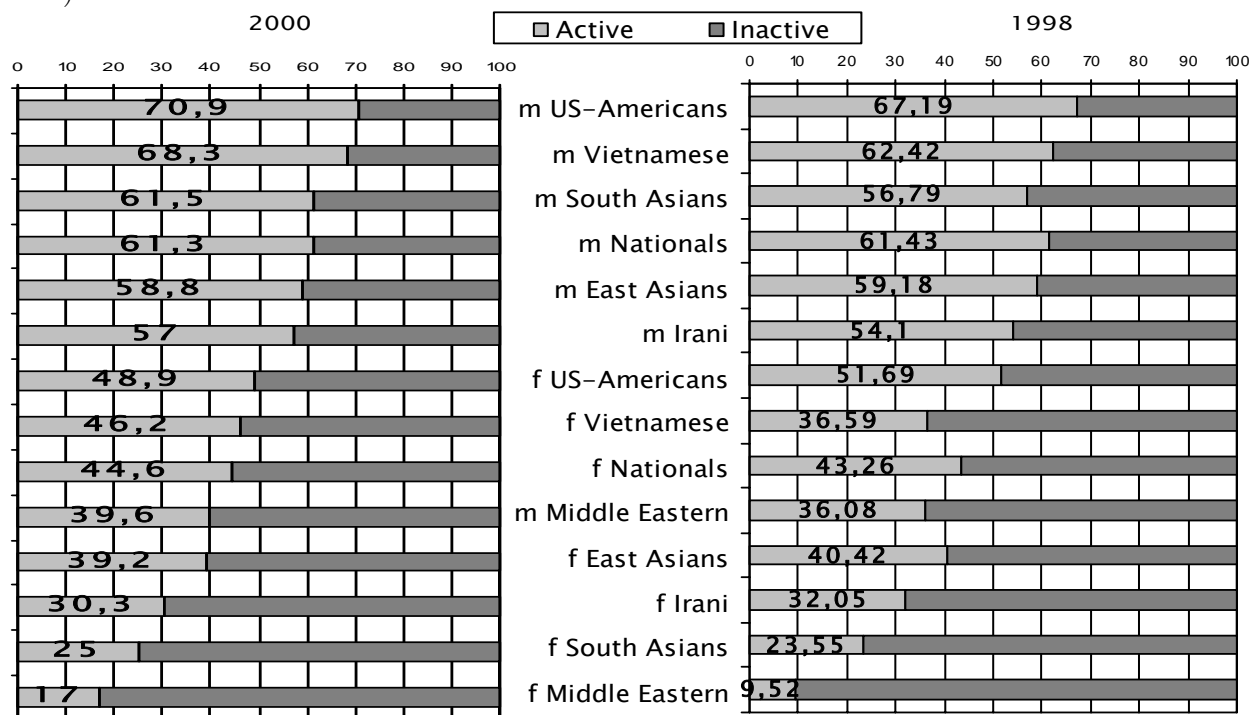
Figure 10: Labour status of nationals & EU15-foreigners, 2003 (% of working population)



Commuter migration in pendulousnesses is preferred to a permanent migration. Commuter migration or trans-national mobility already existed beneath of the foreign workers in Europe. The commuting between the home and host countries can happen in short intervals (week to week) and for a longer period (month to month) or years. The migrants (temporary immigrants or workers without families) enter as a tourist and take jobs for a short period. They have no intention to stay permanently. Unlike the intention of trans-national migration, the commuter migration intention is to keep the pendulousness up for a certain period and not for a definite period (Fassmann, 2002).

One of the reasons, for trans-national migrants to emigrate without their family is to minimize the cost of living. Statistically, this kind of migration is unseizable because mostly, the official registering is not carried out during the commuting intervals. Besides, many of the commuters enter as a tourist and do not need to register in the host country. Examples of commuters are the Polish in Germany. Since April 1991, Polish people do not need a visa to enter Germany for a three month period. In between that three month, they can commute and renew their period of legal stay. Working is not permitted, thus, many Polish work illegally, for instance in reproduction work (Miera, 1996).

Figure 11: Labour status by nationality and gender in Germany, 1998/2000 (% of labour force)



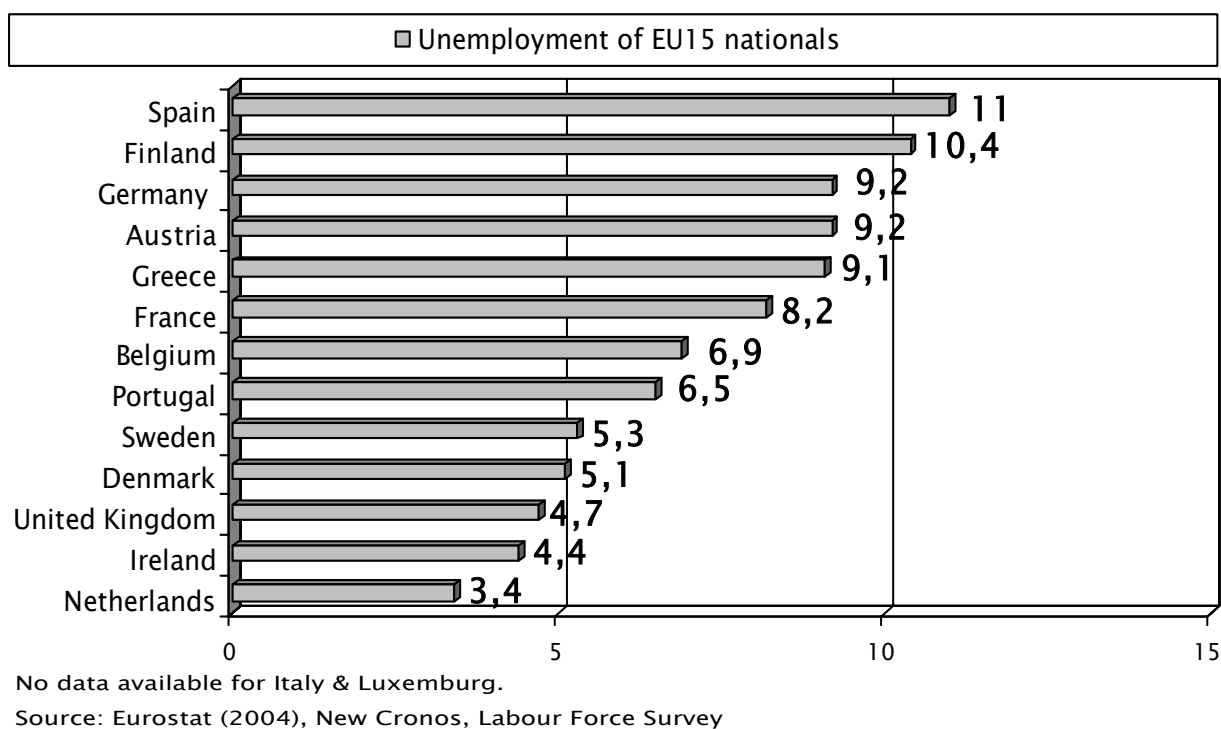
Source: Microcensus Germany 1998/2000

5 Opportunities for immigrants on the European job market

5.1 Conditioning factors for labour market integration

Labour market performance and opportunities on the job market for immigrants depend on the supply (immigrants) and demand (structure of the labour market) of the labour force. On the supply side, one of the main factors is the human capital. A labour force with lower human capital is seen as a risk group. The human capital cuts into professional skills and social integration. The important factors for the accoutrement with professional human capital are a good proficiency of the host country's language, duration of stay and the knowledge about the host country linked to the their period of stay. Besides, the situation of the immigrants depends on their ethnic origin and ascription, discrimination in the host country, their culture and religion. The discrimination is defined by disadvantages only because of the ethnic characteristics, especially on the job market or participation in the educational system - after having considered other characteristics, like qualification etc. The stigmatizations or ethnic ascriptions of ethnic groups can be the reasons. The duration of stay matters because the longer they stay, the better their knowledge about the society, legal system and institutional structure of the host country. Equally qualified foreigners and natives can influence the allocation of jobs. The social integration can for instance be important for immigrants if it comes to the membership of networks, which contribute to gather information about occupation possibilities. Moreover, the problem of acknowledgment of foreign degrees for formally skilled workers exists. The similar occupations in the home and host country can differ in job practice and qualification. The

Figure 12: Unemployment rates nationals in European countries, 2003 (% of working population)



deficits of the immigrants can then be the result. Especially, in the secondary/tertiary sector the structural development in home and host country can vary. The phases of an unemployment can lead to downgrading of employees, i.e., occupation below their qualification or the unemployment of foreigners (van Suntum and Schlothöller, 2002). However, the knowledge of immigrants about their home country is a potential that could be better used for starting or deepening trade connections (Annual report, 2004).

The labour force demand side is influenced by economic growth and labour productivity. Increasing labour productivity and structural change, which intensifies the tertiary sector, lead to a change in the quality and the quantity of labour force. On the one side, a successful integration of the foreigners and, on the other side, an advancement of the economic welfare of the host country as well as the residing population is desired. Therefore, the integration politics in most of the European countries tend to comply with their labour market needs. The qualifications of immigrants can be complementary or substitute to the host country's labour force, whereas the complementary function is desired to out balance the latter. This means that the immigrants take jobs which the natives cannot or do not want to take. While unemployment exists in the low skilled sector of some European countries, the immigration of (high-) skilled labour force seems to be an apparent solution. For instance, Germany needs primarily qualified and highly qualified employees to retain their international competitiveness. Besides, temporary immigration helps to fill short term bottlenecks in the job market. The immigration of low skilled labour force which can substitute the native labour force is not desired. An excess demand of the labour force in certain sectors can only be vaguely identified by analyzing the unemployment rates, an employment growth and the wage history (Sesselmeier, 2003). The Independent German Council of Experts on Migration and Integration suggests in its annual report 2004, the invention of a system for the annual identification of the bottlenecks in the sections of

Figure 13: Unmet labour demand of Germany, the Netherlands and Spain

	High skilled	Semiskilled/Unskilled
Germany (Data of 01/2004, 2003, 2002)	Doctors, insurance expert, accountants, Engineers, IT specialists, computer scientists, scientists	Service personnel: cooks, waiters, kitchen helps, cleaners
Netherlands (Data of 03/2004)	Academics	Shop sales persons and demonstrators, officers, care workers, farm-hands, labourers, hand packers and other manufacturing labourers, machine operators, assemblers, helpers and cleaners, plumbers and pipe fitters, waiters, gardeners horticultural, nursery growers, mail carriers, sorting clerks, nursing associate professionals
Spain (Data of 01/06/2003)	Biologists, botanists, zoologists and related professionals; electrical engineering technicians; chemical engineering technicians; physical and engineering science technicians; building and fire inspectors	Agriculture, construction, industry, services; farming and forestry advisers; sanitarians; travel consultants and organisers; travel guides; field crop and vegetable growers; mixed crop growers; forestry workers and loggers; building and related electricians; power production plant operators; Motorised farm and forestry plant operators

Source: EURES–The European Job Mobility Portal

the German labour market. The indicators should be labour demand, i.e. unemployment should be strongly below an average, and the vacancy rate in a certain sector should be strongly above the average. For opening a sector for immigration it should be proved that its labour demand has already been growing for a longer time. In the following section, a few sectors are shown in which the labour demand is not met immediately and completely by the active resident population.

5.2 Opportunities for immigrants in Germany

The German economy started stagnating in 2003. The companies required fewer and fewer staff, because of the advances in the technology. As a result, in 2003, employment decreased sharply and unemployment rose. The German unemployment rate is in the top third of the European Union. There were considerable regional differences in the unemployment rates within Germany, with a little change in the previous years. The unemployment rate in eastern Germany is over twice as high as compared to western Germany. As a result of the sluggish economy, the number of vacancies in almost all sectors and occupations fell in 2003. By the end of November 2003, there were 20% fewer vacancies on the job market than in the previous year. The current economic climate recovered in the first half of 2004. Yet the prospects for 2005 have been corrected downwards, a gross domestic product growth of 1,5% is forecasted by most economic research institutes. The German economy is increasingly service-oriented. In terms of the availability of the jobs, about 70% of all gainful employment is in the service sector. The figures for those in gainful employment in the third quarter of 2003, show a considerable job loss in the manufacturing sector. The sectors worst hit were construction (-5.6%) and agriculture and forestry (-1.1%). By contrast, there was merely a slight fall in employment in the service sector (-0.4%). Some

of the sectors even saw a rising employment, e.g. business-to-business services, healthcare and social services. Globalisation and progresses in technology led to the replacement of low skilled jobs by more skilled occupations. In 2002, the numbers in gainful employment with no professional qualification were falling, they accounted for 14% of the total working population. The low-skilled and least qualified workers are most likely to be unemployed in Germany whereas the national supply of unskilled workers is often seen as sufficient. At the same time, the numbers in gainful employment with an academic qualification have increased, now accounting for as much as 17% of the total working population. Job market opportunities for university graduates are expected to improve further. Despite the sluggish economic climate and a falling employment, the German economy shows unmet labour demand and offers some job opportunities. 275,200 vacancies were registered at the German job centres by the end of November 2003. Over half of these vacancies were in the service sector, constituting 24% less than in the previous year. One third of all vacancies were in the manufacturing sector (including construction and related professions), i.e., 16% less as compared to one year earlier. The vacancies in the technical occupations totalled 5% of all vacancies, with a fall of 26% in one year. 9% vacancies were in occupations as horticulture, cattle-breeding and fishery sectors and which increased by 1% in the previous year. But many vacancies have never been registered at the job centres. As you can see from the figure 13, the highly skilled workers in Germany are required in the occupations as doctors, insurance experts, accountants, engineers (machine- and automobile manufacturing, machinists), IT specialists, computer scientists and scientists. For semi-skilled service, personnel vacancies are available for cooks, waiters, kitchen helpers and cleaners. Furthermore, personal required for all these professions, should possess professional experience on above-average (EURES, 2004).

5.3 Opportunities for immigrants in other European countries

In most of the European countries the economy is stagnating or declining and the share of unemployment is rising. Though, as you can see from the figures 13, 14 & 15, vacancies in numerous sectors exist. Depending on regions and countries, a considerable difference exists. In general, the unmet labour demand is connected to a lack of experienced, skilled and flexible personnel. The applicants do not meet the required qualification or do not want to take certain jobs. In some occupations in Europe, at the same time, there exist unmet labour demands and high unemployment (e.g. waitresses in Austria, care workers in the Netherlands).

In the Netherlands, the economic downturn started in the second quarter of 2003, nevertheless the care and education sectors and those employments grew. Moreover, female labour participation, especially of younger woman, led to structural increase in the native labour supply. The demanded occupations can be seen from the figure 13 as well as the activities with job-creation prospects in Spain. Those can be found in the environment, as well as production and operations department managers/general managers in agriculture, hunting forestry and fishing sectors. Yet, the highest demand was found to be in economic activities belonging to the services sector. In Austria however, business operations suffer from continuing weak demand. Though, numerous new jobs will be created in the tertiary sector, business-related services, in particular, will see a distinct increase in employment. Over 50 percent employment growth will be concentrated in Upper Austria. Because of the rising Austrian female labour participation, the employment of people of non-Austrian

Figure 14: Unmet labour demand of Austria and France

	High skilled	Semiskilled/Unskilled
Austria (Data of 07/2004)	Increase of vacancies compared with the previous year: engineering, electrical trades, construction trades, chemical industry.	Drivers and independent carriers; seasonal work: experienced waiters/waitresses, restaurant cooks and assistant kitchen staff; chambermaids, house assistants, bricklayers; part-time workers: commercial representatives
France (Data of 01/08/2003)	Management in the industrial sector: electrical engineering technicians and managers, mechanical engineering technicians and managers, process engineering technicians and managers	Health sector: nurses, midwives & personal care workers; hotel/restaurant & food sectors: butchers, pork butchers & bakers; personal services: store management & sales representatives; service sector: managers in banking and insurance, insurance clerks and technicians, bank clerks and technicians; business management and administration: finance technicians, bookkeeping technicians, administrative technicians & bookkeepers; retail trade: store management & sales representatives

Source: EURES–The European Job Mobility Portal

nationality and the second stage of the pension reform, the supply of labour will increase. Because employment opportunities are insufficient, unemployment will rise again for the fourth year in a row. It is usually skilled workers, who have the necessary specialist knowledge and corresponding soft skills and are mobile and willing to be flexible, and are sought after. Thus, the lower-skilled workers have an over average risk of becoming unemployed in most of the European countries. For most vacant posts in Austria, qualification is required. The labour demand for a certain occupation varies from region to region. Figure 14 depicts the occupations with unmet labour demand (EURES, 2004).

Since 2002, employment in the French industry is declining as the French labour market is descending. Nonetheless, the construction and service industries in France are experiencing growth. The pharmacy and food processing industries seem to be relatively unaffected by the present economic situation, too. Growth in employment has been mainly generated by the retail sector, real estate activities, the consultancy and the assistance sector, and finally, the hotel and restaurant sectors. The sectors, in which labour demand could not be completely met, are shown in figure 14 (EURES, 2004).

In the United Kingdom, qualification requirements are increasing and can be attributed to bottlenecks in the labour market, i.e., in distinct regions differences can be observed as figure 15 shows. In Scotland, new technology, changing work practices and increased competition led to the need of increasing skills. The Scottish labour market has held up fairly well in the face of recent changes that have confronted the global economy in recent months. Although, unemployment is higher than in other regions. In London, workers in some occupations - e.g. nursing and teaching staff - cannot be attracted because of the relatively high cost of living. The demand of the information technology workers still exceeds the available labour pool, while the supply of sufficiently trained people increases. As it was mentioned, the problem is to recruit suitably qualified and experienced personnel. In some districts, the vacancies cannot be filled due to high numbers of applications of refugees and asylum seekers, who have language difficulties. Moreover, it is reported that

Figure 15: Unmet labour demand of Great Britain

United Kingdom (Data of 01/12/2002)	High skilled	Semiskilled/Unskilled
Scotland	Physical and engineering science associate professionals, office and customer service clerks	Personal and protective services workers (in hotel and catering sector), life science and health professionals,
South West		Chefs, butchers/abattoir workers, nurses, skilled drivers (HGV and LGV drivers), hairdressers, fishing industry
London	IT workers, managerial staff in the commercial and financial sectors	Social and care workers, teaching and nursing staff, youth/social workers, hairdressing

Source: EURES–The European Job Mobility Portal

even those with training and experience in professional fields generally lack the necessary certification to practice in the United Kingdom. The labour market is deregulated in the UK and it is rather easy for immigrants to find an informal occupation

6 Conclusion

The European countries have shaped their immigration policy more restrictively during the last decades, but a few segments of the labour market were open for immigration. Most of the European countries realized that they are immigration countries and immigration can be a positive factor for economic growth and their labour market requirements. The groups of immigrants are defined and allowed to enter, which differs from state to state. Yet, the allowed groups of immigrants can be changed to fulfil other political or economical goals. High skilled or skilled workers are focused on and desired according to the needs of the host country. In some EU Member States, immigration of the high skilled labour is privileged by the legal measures. The special contracts between EU Member States and other states additionally permit the temporary access of (low) skilled workers. For illegal foreign workers the labour markets in some countries are more accessible than others. Mostly, they fill occupations in lower segments of the labour market, like in the informal sector. It has been criticised that European labour markets depend on the cheap foreign labour force. Because of existing wage differentials, illegal immigration will not stop. Besides, unmet labour demand for legal immigrants exists on the European labour market in many occupations. The differences exist from country to country and in between the regions of a country. But, in almost every European country engineers or IT specialists are sought for the high-tech sectors. Moreover, in most of the countries, un- or semi-skilled service as waitresses or nursing personnel is also needed. Yet, this is quite often a seasonal

demand.

In Germany and most of the European countries, the situation of foreigners is much worse on the labour markets than those of the natives; the immigrants often find occupation in low wage and precarious jobs. In general, the more qualified an immigrant is the better chances he has. The enhancement of the level of basic skills in Europe is necessary and addresses the foreign resident population as well. Still, downgrading and discrimination complicate the labour market integration of foreigners.

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