Immigration Restrictions Since the 2007 Crisis

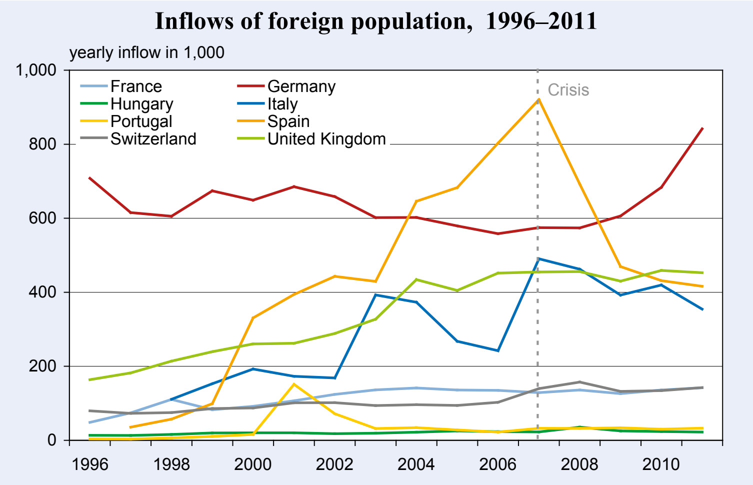
Since 2007 most countries have been hit by recession and sharp increases in unemployment rates. Rising unemployment has compelled states to take various measures to stimulate job creation, or at least to avoid job destruction. In view of the current crisis, the attitude of governments towards the growing number of immigrants in the labour market has changed as well.

Figure 1 reflects the cyclicality in immigration inflow. The period 2001–2007 saw strong economic growth and high inflows of immigrants (d'Addio and Cavalleri 2013; Figure 1). While some states experienced an important rise in immigration inflow, which, for example, doubled in Spain and the United Kingdom, and increased by over 37 percent in Switzerland; there was, however, a decrease of approximately 16 percent in Germany and nearly 80 percent in Portugal. These two countries went through a period of low economic growth rates compared to other European states. Inflows to Italy show an erratic pattern, reaching a peak in 2007, which is likewise more than twice the level of 2001. Immigration inflow to other states, like France and Hungary, was, on the contrary, more stable in the pre-crisis period.

The subsequent economic slowdown and the resulting fall in labour demand caused a strong decline in mobility opportunities (d'Addio and Cavalleri 2013). The states hit most severely by the crisis, like Italy and Spain, faced major reductions in immigration of 28 percent and 55 percent. These observations are in line with economic theory of high standards of living and job opportunities being the main attraction for immigrants (Grogger and Hanson 2011). Thus, European nations less affected by the crisis show fairly constant or even growing (for Germany and Switzerland) immigration rates. Inflows to Switzerland have increased to reach approximately the same level as France. Immigration to France, Hungary, Portugal and the United Kingdom has remained comparatively stable. The OECD countries not shown in the graph experienced slight reductions in immigration flows. Figure 1, however, only presents immigration inflows, and does not make any statement about the decline or increase in net migration over this period. Ultimately, one can say that the pattern observed in immigration since 2007 is a combination of economic factors and government policy, whereby the extent to which states are affected by the crisis seems to impact immigration flows.

Table 1 shows that there was a convergence of government policy between 2008 and 2010 towards the implementation of restrictions on immigration, but to different degrees. Germany, Hungary and Portugal officially justified their measures by citing the economic crisis. These official statements and the simultaneity of the changes within the EU reflect a wish to protect the employment of natives against competition from migrants, in times of economic uncertainty. Southern European states like Portugal, Spain, and Italy, have implemented the toughest policies limiting or cancelling the quota of admitted foreign and non-seasonal workers, with the former two enforcing reductions of 56 percent and over 90 percent, respectively. While immigration inflows have remained fairly constant for Portugal since the start of the crisis, Italy and Spain experienced a strong decline. Germany and the United Kingdom have adjusted and extended restrictions to a lower extent, having implemented policies that concerned only migrants from EU-12 new member states and non-EEA, respectively. Furthermore, these countries have shown constant or even increasing (Germany) immigration

Figure 1



Source: OECD International Migration Database (http://stats.oecd.org/) accessed 13 March 2014.

Table 1

Impact of the economic crisis on migration: policy changes, 2010 (excerpt)	
Country	**Migration policies: admission restrictions / quota reductions**
Germany	The German government announced amidst the recession that the country would extend restrictions on the free mobility of labour from EU-12 new Member States until the year 2011.
Hungary	Due to the economic slowdown as the number of vacant jobs decreased, the quota in 2009 was set lower than in 2008 (the quota decreased from 65,000 in 2008 to 60,000 in 2009).
Italy	In Italy quotas for migrant workers were almost completely phased out in 2009; only seasonal agricultural workers and tourism workers were admitted (OECD, 2009a).
Portugal	In 2009 Portugal reduced the quota of admitted foreign workers (which included specific sectors believed to be experiencing a shortage of workers) to 3,800 individuals from 8,600 in 2008 (-56 percent). The government officially justified the reduction by citing the economic crisis (IOM country survey, Portugal).
Spain	Spain reduced admissions based on reductions of certain skills on labour shortages lists. The country drastically lowered its ceiling for non-seasonal workers to be recruited from abroad (Contingente) in 2009. In December 2008, the annual quota by occupation for non-seasonal workers was set at 901 for 2009, compared to 15,731 in 2009 (OECD, 2009a).
UK	The UK has reduced admissions based on reductions of certain skills on labour shortages lists. The current list focuses on specific job categories, most of which require a high degree of specialization (OECD, 2009). The government has made it more difficult for non-EEA migrants to enter the UK. The UK Border Agency has been established as a single agency combining borders and immigration. It is intended to make border operations more efficient (UK case study).

Source: DICE Database (2014).

inflows since 2007. By contrast, France did not adopt any further restrictions in 2008-2010 in direct response to the crisis. Finally, Switzerland had not introduced any restricting measures prior to the referendum in February 2014. Some European states not listed in the table excerpt have either not (considerably) changed their migration policy during this period (e.g. Estonia, Romania and Greece), or have, on the contrary, taken initiatives to increase immigration flows, like Finland and Poland.

The divergence in policy partly reflects the absence of consensus and the challenge faced by countries dealing with public scepticism regarding the benefits of migration. According to a survey by Dustman and Glitz (2006), fears of immigrants “taking away jobs” from native workers are widespread in Europe (Jean and Jimenez 2007). In view of the current economic crisis, the latest example of the Swiss referendum limiting “mass immigration” reflects the prevalent and intensified anti-immigrant sentiment. Docquier, Oezden and Peri (2011), however, argue that the public fears in European countries concerning immigration are misplaced, and that the concern should be directed towards emigration instead. Various economists have investigated the effects of immigration on wages and the labour market in host countries and empirical studies generally find no evidence of migration flows lowering the labour market prospects of natives (Gonzalez and Ortega 2014). Thus, theory and empirical evidence are needed more than ever to answer the question of which policies, quota, or optimal immigration rates states should adopt (Nijkamp, Longhi and Poot 2010).

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