



## Changes in German Immigration Policy

Lidia Gibadło

*The increase in labour demand is prompting the German authorities to introduce immigration policy reforms. However, the changes must take into account the growing social concerns related to the inflow of foreigners. The government plans to open the country's labour market to selected citizens of countries outside the EU, but with distinct restrictions. Work on the new regulations and implementation may be a valuable source of experience for Poland, which also faces a dilemma of how to open up to labour immigration.*

According to research by Germany-based insurer R+V Re, social tensions stemming from the arrival of new immigrants has been one of the top concerns of the country's citizens since 2015. Manifestations of these fears include the increase in the popularity of far-right organisations and riots in which foreigners were targeted, which took place in the eastern part of Germany at the end of August and beginning of September. Nevertheless, arguments for increasing immigration appear in the German public debate. Such voices come from German economic circles concerned that higher growth will not be possible without opening the labour market to citizens of countries outside the EU.

Attempts to reconcile the dominant public attitudes and the expectations of business have included, on the one hand, a gradual tightening of asylum law after 2015 and, on the other hand, regulations facilitating refugees' professional potential. However, the measures taken so far have not eliminated either the public's concerns or filled the gap in the labour market.

That is why in the March coalition agreement, CDU/CSU–SPD announced the introduction of a new law on workforce immigration. In August, the Ministry of Interior presented a document containing initial assumptions of regulations regarding the immigration of specialists from outside the EU, which were agreed with the ministries of Economy and Labour. They were then clarified with party leaders on 1 October. The assumptions show that the new regulations will facilitate access to the labour market, but only for a selected group.

**Response to Economic and Demographic Deficits.** According to the project's assumptions, immigration will help the country eliminate its deficit in qualified labour force on the German market. In 2017, the Association of German Chambers of Industry and Commerce (DIHK) recorded 1.6 million vacancies and 48% of enterprises reported a problem filling open positions. In surveys carried out earlier this year, as many as 60% of companies cited the shortage of employees as a risk to their further development and investment.

The second motive for introducing the new regulations is the country's demographics. Data presented by the Federal Statistical Office indicate that since the 1970s, there has been a negative birth rate in Germany and a marked increase in life expectancy. On the one hand, the number of people of working age is decreasing and, on the other, social outlays to people receiving retirement benefits has increased. At the same time, Eurostat data show that for the whole EU from 1961 to 2016 there was a decrease in the number of births and a slight increase in the number of deaths. That means the problem is also present in other EU countries, which will make it increasingly more difficult to recruit people from within the bloc to work in Germany.

The group of people that the backers of the new regulations want the most are those with a vocational education. The analysis prepared by the Federal Employment Agency shows that in 2018, the companies with the most problems finding qualified employees operated in the technical services, construction, IT, and healthcare sectors. That is why a plank of the proposed regulations would enable employees from non-EU countries with lower educational levels easier access to the German labour market. This is a significant change because until recently, this access was mainly extended only to university graduates.

**Terms and Restrictions.** The new regulations emphasize first the simplification of access to the German labour market. These include the abandonment of the recruitment procedure that gives the priority after a German citizen to people in another EU country, the European Economic Area, or Switzerland. Recruits with the appropriate qualifications will be allowed to obtain a permit to come to Germany for a limited time to look for a job. In addition, procedures related to the practice of German enterprises and the recognition of foreign certificates of professional qualifications will be simplified. The government's plans also include improving cooperation between the institutions involved in immigration policy at the federal and state (Länder) level. The German government's actions are not limited only to lifting legal barriers on the domestic market but will be complemented by initiatives undertaken overseas to encourage skilled workers to apply for permission to come to Germany.

An important aspect of the proposed regulations are the restrictions. The authorities point out that they do not want them to lead to "immigration of unskilled third-country nationals" or expose the country to abuse of the social system. To eliminate this risk, the authors of the bill stipulate, for example, that before finding a job, foreigners staying in Germany will not be entitled to social benefits and will have to maintain their stay with their own resources. Therefore, the new regulations provide for the possibility for an immigrants to engage in different professional activity until finding employment in a position corresponding to their qualifications.

The German authorities also want immigrants' entry into the labour market to be accompanied by rapid integration into German society. Therefore, the proposed regulations suggest that among the factors to be considered when assessing an immigrant for hire will include not only professional qualifications, confirmation of a specific job offer, and securing the means of subsistence, but also their age and knowledge of the German language. With this information, the authorities expect to be able to profile immigration in terms of economic benefits while limiting the risk of integration problems.

**Conclusions.** The new law is meant to signal that the government is in control of the inflow of immigrants and knows how to use their potential to maintain economic growth. If the proposed provisions help reduce social tensions over immigration policy, the CDU/CSU–SPD coalition can count on an increase in support at the polls. The introduction of the new regulations may also help calm the situation within the coalition, shaken by mounting disputes (the latest, the resignation of the head of German counterintelligence). For the Christian Democrats and Social Democrats, progress on the bill gives the opportunity for a better result in this year's state parliamentary elections in Bayern and Hesse.

The rapid introduction of the law will help rebuild Merkel's image and strengthen her position after her candidate lost the election for the head of the CDU/CSU faction. That is why, to speed things up the CDU/CSU and SPD have reached compromise on so-called *Spurwechsel* (literally, "lane change"), which would grant permission to remain in Germany to people integrated and already employed but whose application for asylum was rejected. Statements by politicians reveal that the group of people who can count on such beneficial changes are those who meet the proscribed conditions and have been granted a "temporary suspension" of a deportation decision, allowing them to remain in Germany.

From Poland's perspective, Germany's adjustment of immigration regulations to benefit its economy carries many consequences, some positive and some negative. On the one hand, if Germany is successful in reshaping its migration policy, that would support economic growth in the country, which is very important for Polish exports. On the other hand, the inflow of lower-wage specialists to Germany may in the long term discourage German companies from outsourcing and making investments in Poland, which is now driven by access to a cheap, qualified workforce.

For Poland, the German experience in this area is valuable. The low level of unemployment and the problem of finding enough employees in such areas as construction or healthcare are also observed in Poland. They will probably be part of the discussion on the need to create an immigration policy tailored to the needs of the economy. As a result, the decisions made in Germany—and whether they correct the problem—can lead to better ways to facilitate Poland's own strategy in this area.