

The Labour Market Integration of Immigrants in Germany

Management Mechanism and Practice after
Receiving Foreign Workers

2007 JLPT Workshop on International Migration
and Labour Market

Overview

- I. The Immigration Act
- II. Migration and labour market management
- III. Practice and actual situation in management
- IV. Review of the system/important issues

I. The Immigration Act

- Act on residence, gainful employment and integration of foreigners includes:
 - ◆ combined residence act and work authorisation act
 - ◆ two ordinances regulating access of third country nationals to the labour market
 - ◆ act on the free movement of nationals of EU member states

I. The Immigration Act

- central issues of the Immigration Act:
 - ◆ drastic simplification of the former system
 - ◆ reduction of types of residence titles
 - ◆ one-stop government
 - ◆ selective labour migration
 - ◆ immigration on humanitarian grounds

I. The Immigration Act

central issues of the Immigration Act (cont.):

- ◆ framework of public integration measures (mainly language training)
- ◆ entrepreneurs with viable businessplan

II. Migration and Labour Market management

- general principle:
recruitment ban and individual labour market testing,
- Exemption:
Selective Access to the German labour market depending on the immigrant's skills
- joining family members acquire equal access to the labour market as their relative

II. Migration and Labour Market management

→ High potentials

- ◆ immediate access to labour market without limitation
- ◆ privileged right to stay (unlimited settlement permit) with family
- ◆ highly specialised scientist and researchers in the public sector
- ◆ legally fixed wage threshold of 85,000€ income p.a.
for highly specialised in the private sector

II. Migration and Labour Market management

- qualified,
 - ◆ at least three years of professional or academic training
 - ◆ exception of recruitment ban: admission to the labour market, if there is public interest or for IT-specialists
 - ◆ underlie labour market testing
 - ◆ workers receive a limited residence permit

II. Migration and Labour Market management

→ low qualified

- ◆ in general: no recruitment
- ◆ exemptions regulated by ordinances for seasonal workers, showmen, au-pairs and household personnel
- ◆ underlie labour market testing
- ◆ access to the labour market temporary, no opportunity to acquire residence

III. Practice and actual situation in management

- coherent regulation of labour market entry through tight system of the immigration act
- high unemployment during the past decade, therefore limited need for labour, mainly temporary low-skilled workers

III. Practice and actual situation in management - examples

→ Special groups of low qualified:

1. seasonal workers

- ◆ represent a particularly large group (2005: 330.000)
- ◆ placement arrangements between the Federal Employment Service and Employment service of country of origin
- ◆ in times of tight labour-market high pressure to reduce demand for seasonal workers

III. Practice and actual situation in management - examples

→ 2. contract workers

- ◆ occupation of central and eastern European workers on the basis of work contracts mainly in construction sector
- ◆ Quotas for skilled workers to train in Germany
- ◆ Only enterprises working as subcontractors can use contract workers

III. Practice and actual situation in management

- It is always difficult to find a balance between the economic interest to foster bilateral co-operation and the political interest to protect the own labour market

IV. Review of the system/ important issues

- current debate on migration policies,
whether to reform the immigration act, as
more qualified labour is needed, because
 - ◆ of economic revival
 - ◆ demographic changes become visible

IV. Review of the system/ important issues

- coherent system for the acquisition of highly qualified labour is needed
 - ◆ possibilities:
 - ↗ points-based system
 - ↗ introduction of quotas
 - ↗ opening the labour market for certain professions

**Thank you
for
your attention**