



## Europe as a Successful Model? Consequences and Challenges for Germany Posed by Free Movement within the EU

### 7 Core Messages of the Annual Report 2013

The European Union is taken for granted in day-to-day life. As one of the founding members of the EU, Germany, unlike other countries, is not calling its membership into question despite the financial crisis, economic stagnation and EU bureaucracy. Inner-European migration contributes to people's acceptance of the EU: an Austrian work colleague, a fellow university student from Poland or a French neighbour across the hall are today the norm. While controversial debates are waged on the migration of third country nationals, most of them from the Muslim world, the much more extensive inner-European migration is neglected by the media, politicians and the scientific community. Everyday life is overlooked. Inner-European migration only enters the spotlight when anxieties surface about mass migration from the 'poor countries of the eastern EU', particularly Romania and Bulgaria. There is widespread fear of migration to Germany's social systems despite a lack of empirical evidence.

For these reasons, the focus of this year's annual report of the Expert Council of German Foundations on Integration and Migration (SVR) is the significance of inner-European migration for Germany. How many people come to Germany, what is the legal basis for their migration and how are they integrated into society? Where are the alleged and actual barriers? The SVR's annual report also examines people's perception of Europe, their acceptance of Europe as a migration zone and European identity. Finally, it reports on the first practical experiences with the German federal government's Recognition Act (Anerkennungsgesetz) to recognise foreign professional qualifications that went into force a year ago and is largely oriented around the requirements for recognising the credentials of EU citizens. The core messages of the annual report are the following:

#### Core message 1:

##### **Europe as a migration zone: the return of Germany as an immigration country**

The freedom to move throughout the territory of the EU and settle anywhere in Europe is the most fundamental right of EU citizenship. The right to free movement of goods, capital, services and people has played a major role in transforming Germany from a "migration country that lies in the statistical mean between immigration and emigration" (SVR 2011 annual report) back into a true immigration country over the last two years. Mainly as a result of the migration of EU citizens, Germany's net



migration has once again reached a level not seen for 15 years that can absorb demographic change and its effects on the social security systems. In the first half of 2012, more than two-thirds of all immigrants were EU citizens. The most important groups came from Poland (net migration 2011: 65,103), Romania (37,697), Bulgaria (22,661) and Hungary (16,905). However, the biggest increase in migration to Germany was reported by the southern European 'crisis countries' of Greece, Spain and Portugal. The influx of Greek citizens, for example, virtually doubled from 2010 to 2011.

Germany benefits from the freedom of movement in the European Union. The people who migrate are usually young, motivated and qualified. This is an invaluable advantage for a demographically ageing country in the centre of Europe. Moreover, companies in Germany no longer have to limit recruiting to regional or national job markets but can widen their search to include the entire EU27. This additional flexibility allows companies to grow and strengthens Germany as a place to do business.

*(For more information and recommendations for action, see A.1.1, A.2)*

### Core message 2:

#### **The rewards of free movement instead of 'social tourism': Germany as a magnet for skilled EU citizens**

The trend that saw high- and medium-skilled workers emigrating from Germany and the arrival of low-skilled workers to Germany has come to an end. Immigration of EU citizens from central and eastern European countries that joined the EU in 2004 and 2007 has risen, so has the influx of people from the 'crisis countries' in southern Europe affected by the sovereign debt crisis. The previously negative net migration has reversed. The percentage of highly skilled workers between the ages of 25 and 44 who have immigrated since 2004 is higher than the percentage in the native population in the same age group. Germany is currently reaping the rewards of free movement with skilled immigrants from other EU countries who are 10 years younger on average.

These measurable rewards of free movement stand in contrast to the fear that EU expansion encourages 'social tourism'. This is currently more a perception than a reality: in contrast to public opinion, there are no reliable correlations between the level of state social benefits and the migration of people who pose a higher risk to the labour market or are at higher risk of receiving government benefits for the EU migration zone. Compared to third country nationals, there is more participation in the German labour market among EU citizens.

*(For more information and recommendations for action, see A.2.3, B.1.1, B.1.2, B.2.2)*

### Core message 3:

#### **Social solidarity and its limits: the EU as an asymmetrical migration zone**

Even though the effects of the shared migration zone are considered positive overall, the SVR annual report also suggests a critical development. EU accession of countries with far below average economic performance and the sovereign debt crisis in some southern European member states, which will



potentially drag on for many years, are widening the social and economic gap within Europe. This reinforces asymmetries in European migration patterns that could lead to 'social benefit migration'. Social solidarity with immigrants from the EU who are dependent on government benefits is, particularly, when compared to other countries with federal systems (such as the USA and Switzerland), very strong in the union of EU countries – not least of all due to the legislation passed by the European Court of Justice. It has met with widespread acceptance thus far. The SVR Migration Barometer shows that more than 70 per cent of all respondents with and without a migration background agree that newly immigrated EU citizens who become unemployed in Germany should be entitled to social benefits. But solidarity also has its limits. The report warns: if this solidarity with EU citizens who live in the EU but outside of their home country is extended beyond the current level, it could seriously test people's acceptance of the free migration zone. The situation will become especially difficult if the gap between rich and poor continues to grow, migration increases as a result and claims to social benefits no longer depend on previous employment in Germany. This would place an undue strain on the welfare state, thus jeopardising the population's acceptance. As a result, social security systems should be further opened cautiously and carefully so as not to ultimately put consent for the European project overall at risk. At the same time, every effort should be made to reduce economic inequalities between the member states and the related asymmetries in the EU migration zone and thus also actually keep the promise of prosperity given with EU accession.

*(For more information and recommendations for action, see SVR Migration Barometer, B.2.1)*

#### **Core message 4:**

##### **Migration barriers despite free movement: the EU as an imperfect migration zone**

The mobility rights institutionalised with individual freedom of movement have turned the European Union into a shared place to live and work for half a billion people. Still, the picture of the European Union as a perfect migration zone is inaccurate. Barriers to migration still exist in Europe and they have helped keep inner-European migration at a relatively low level until now.

The institutional diversity of the EU in relation to language, educational and professional training traditions, tax and social insurance systems, labour market regulations, etc. forms one kind of natural mobility barrier. These differences constitute part of the charm and appeal of the EU as a diverse area but at the same time, they are also detrimental to the kind of mobility that is particularly desirable from the perspective of labour market policy. Hence, it is a difficult balancing act between the acceptance of institutional differences and the standardisation needed in individual cases. The example of recognising foreign qualifications shows that a standardisation rule imposed on member states by the EU not only encouraged mobility, it also served as model in Germany for creating similar rules for third country nationals.

Other mobility barriers have less to do with the historically based diversity of the EU than with unresolved questions of distribution within the EU and sometimes even with the narrow-mindedness of



the member states. These barriers emerge when individual member states place national interests above the principles of the European domestic market and thus above the prerequisites for the promise of prosperity. Even though, for example, minimum wages and restrictive policies for university entrance, which can be desirable domestically, should not be instinctively criticised as anti-European or protectionist, politicians and private businesses should still be called on to take on more responsibility to ensure that Europe functions as a mobility zone. The structural conditions of the European domestic market and the country of origin principle require member states to mutually open up, something they have also pledged to do. When countries deviate from the domestic market and country of origin principle, doubt is cast on this pledge. Legislators and private businesses should thus not take this issue lightly. They should give greater consideration to the effects measures have that, although they serve legitimate political goals like social or consumer protection in individual cases, at the same time, inhibit inner-European mobility by setting standards that are difficult for other EU member states to fulfil. It makes no sense, for example, for highly complex recognition rules combined with the special features of the German federal system to make access to the teaching profession in Germany more difficult or impossible when there is an urgent need for specialised teachers from other EU countries.

*(For more information and recommendations for action, see A.3, C.1, C.2, C.3)*

#### **Core message 5:**

##### **The myth of Europe as an elite project: the EU as a new and additional driver of identity**

The EU is more than a domestic market and integrated migration zone. It also encourages the formation of a political identity in Europe. This can be seen not only in the fact that EU citizens increasingly live European day-to-day lives but also in the emergence of combined and overlapping identities. Even though a national (or regional) identity continues to prevail, a European identity, however, is also increasingly apparent. The often cited accusation that Europe is a soulless, artificial entity created by elites and bureaucrats without any meaning for people is false. In fact, Europe – as also shown by this year's SVR Migration Barometer – has entered people's thoughts and actions. Out of the slowly forming European identity, a breeding ground can develop to serve as a basis for continued European integration.

Personal experiences of inner-European mobility reinforce people's confidence in the European Union. People who live in another member state and get to know it from their own perspective develop an emotional relationship to freedom of movement. EU citizenship as a basis for mobility becomes relevant in people's everyday lives. The European project can become a reality more easily if people increasingly identify with the EU.

*(For more information and recommendations for action, see SVR Migration Barometer, B.1.4, B.4)*



### Core message 6:

#### **New actors in immigration and integration policy: universities as migration magnets and engines of integration**

EU citizens are becoming increasingly important as an immigrant group. But the instruments for managing migration and integration policy which continue to be crucial for third country nationals, however, cannot be applied to them. New actors are thus becoming relevant in immigration and integration policy.

Universities in particular, as migration magnets and engines of integration, make a key contribution to assuring a steady supply of experts to meet demand and help make Germany attractive as a place to study and do business. They should be more involved in migration policy and attracting the coveted highly skilled professionals of tomorrow just like the German Academic Exchange Service (Deutscher Akademischer Austauschdienst), the German Rectors' Conference (Hochschulrektorenkonferenz) or the German National Association for Student Affairs (Deutsches Studentenwerk). Until now, however, the universities have not been given adequate resources to fulfil their new role in immigration policy. The federal government and the *Länder* are called on to provide adequate resources to ensure that these new responsibilities can be fulfilled.

*(For more information and recommendations for action, see A.4.1)*

### Core message 7:

#### **Developing an overall migration policy strategy: time for a National Migration Action Plan**

The SVR 2013 annual report focuses on inner-European migration which is becoming increasingly significant. Currently, however, immigration of highly skilled third country nationals is on the rise. In connection with implementation of the EU Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (Blue Card), reforms were adopted that the SVR had called for in its "Migration Country 2011" report and that extend far beyond the scope of the EU implementation requirements. They have made Germany a liberal immigration country that is institutionally appealing for highly skilled third country nationals. This legal-institutional about-face for third country nationals and Germany's role as the most important destination country in Europe for mobile EU citizens should be used by policymakers as an opportunity to bring together the various migration policy issues that have largely been discussed to date independently of one another with no correlations: immigration of third country nationals, on the one hand, and the mobility of EU citizens on the other, should be brought together under the scope of a "National Migration Action Plan". This would make it possible to bundle the challenges linked to immigration and social changes and come up with concrete solutions for upcoming problems.

This type of Migration Action Plan should draft a consistent migration policy. It should bring together the different participants and their opinions in a network and thus improve the institutional interaction of the



different ministries and between the federal government, *Länder* and municipalities. This would limit political inefficiencies in the federal system.

A National Migration Action Plan should also identify the mechanisms and instruments to be used to meet and coordinate the need for high-, medium- and low-skilled immigration. Germany's humanitarian obligations to protect refugees also have to be taken into account here. To the outside, the National Migration Action Plan would clearly and unambiguously send a signal indicating under which conditions people could immigrate to Germany. As a calling card for Germany as an immigration country, the National Migration Action Plan should set standards for politics and society in the area of integration and migration.

*(For more information and recommendations for action, see A.4.1, A.4.2, B.3.1, C.1, C.2, C.3)*