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Light of the Crisis
Segregation and Social Sustainability in Three
European Countries and Two Sectors**

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ABSTRACT

The recent economic crisis has highlighted the issue of unequal distribution of vulnerability among categories of employees, which is exacerbated in times of perceived uncertainty. One major line of labour market segmentation in terms of security is between national citizens and immigrants. However, an intentional use of migrants as secondary segment of the workforce implies a high degree of integration between migration policy and labour market policy, or the demographic consequences of unplanned immigration may be even more costly, politically, than labour market uncertainty as such. In fact, there has been an increasing focus across Europe on the ‘active management’ of immigration according to ‘labour market needs’ – but with open questions about its feasibility and social sustainability.

This paper compares the recent evolution of migration policies and the differential effects of the crisis on migrants in three European countries with large numbers of foreign workers but very different regulations and productive systems: Germany, UK and Spain. The analysis starts from the national level, where Germany and Spain are contrasted with a frequently invoked ‘Canadian model’, to then focus on two different and sensitive sectors with increased inflows of immigrants: construction (a particularly volatile and risky sector) and health (a sector less sensitive to economic downturn, but witnessing major restructuring). The paper is based on official statistical data, documentary analysis and interviews with privileged observers.

Introduction

Increased labour market uncertainty over the last few years raises policy dilemmas linked to the use of immigration as a policy solution to labour market uncertainty. How far can immigrants act as a ‘buffer’ for employment uncertainty, carrying the burden of increased insecurity? How far is this response to uncertainty socially sustainable? what policies are available to avoid negative effects in terms of insecurity, segregation and social conflicts?

Our study compares three migration and labour market regimes at the national level: the continental/corporatist one (Germany), the Southern European/segmented one (Spain), and a liberal non-European model, Canada. These cases include the two countries with the largest numbers of immigrants, but divergent trends in their labour markets, and a country which is often mentioned, in European debates, as a success case to imitate. However, national-level analysis is not sufficient, given the increased trend towards sectoral policies on immigration (Caviedes 2010), and the fact that employment uncertainty varies by sector. Therefore, we also conducted two comparative case studies in two sectors that display strong and increasing international labour mobility, but differ strongly in the kinds of uncertainty they are affected

by, and in their regulation policies: construction and healthcare. In both sectors, we compare Spain, a Southern European country that has witnessed the largest immigration flows over the last decade, with the main liberal country in Western Europe, the UK. As methods, we have analysed both historical series of statistical data and secondary sources on policy issues, integrated by interviews with key respondents (unions, employers, immigrant associations).

The conceptualisation of the link migration - uncertainty

The growing link between migration and employment precariousness has been highlighted recently by sociologists, economists and migration experts alike (e.g. Standing 2009, Anderson 2010). Since the early 1990s, European employment policies have been characterised by the dilemma of how to increase flexibility in a socially sustainable way, which was best portrayed by the new term 'flexicurity'. Cross-border worker mobility, especially but not only within the EU, offers a possible solution to the problem of combining flexibility and security: the creation of a hyper-flexible buffer of migrant workers who, being disposable in case of downturn, can carry most of the uncertainty burden without causing political problems. The result of such a solution would be a novel form of segmentation, primarily by employment security and flexibility rather than just wage or working conditions.

Until the 1990s, immigration into the richer western European countries until the 1990s was characterised by a tendency to settle locally and permanently, despite the theoretically temporary nature of 'Gastarbeiter' schemes, and by relatively low activity rates, especially female. The more recent movement, however, is characterised by more frequent movement, often of a transnational nature, and higher labour market participation.

Recent European immigration is essentially labour migration. Just before the economic crisis, in the old EU member states, the activity rate of new member states' citizens was, at 78%, much higher than that of nationals (67%) and of non-EU born (66%) (EC 2008). Cheap transport links and the near-absence of border controls make circulatory and short-term, unplanned migration possible. The official European Union's view of recent intra-EU worker mobility has been extremely positive (European Commission 2006a, 2006b, 2008): the free movement of workers has helped GDP growth and inflation control in the host countries, and reduced unemployment in the countries of origin. The European Commission even designated 2006 as the 'European Year of Workers' Mobility' to promote the idea further, and the following year it proposed a European Migration Policy fostering circular migration. Following the positive experience of UK, Sweden and Ireland in 2004-06, most other old EU member states, including Spain, opened their borders to workers from the new member states. In a parallel political move intended to grasp the benefits of legal labour migration, Spain in 2005 enacted the largest program of undocumented migrant worker legalisation in EU history (678,000 regularised workers), promoted by trade unions and employers.

It would be simplistic to see intra-EU mobility as just a strategy, by governments and employers, to lower labour costs and weaken trade unions, according to the traditional Marxist view of the 'reserve army' (Castles and Kosack 1973). In fact, wages seem to have been affected only marginally in the EU15, even in sectors with most new foreign workers (Brücker et al. 2009). In any case, in Western Europe already for a while real wages had been stagnant, and unions declining: so there was no urgent need, for EU employers, to import foreign labour to stop wage or union growth. Sommers and Woolfson (2008) have argued that by recurring to mass migration, the EU is aping the US growth model of the last thirty years, based on the attraction of cheap and flexible foreign labour. But more than low costs,

the specific attractive feature of the new labour supply relies exactly in their ‘mobility’, which offers a corrective to the long-blamed ‘scleroses’ of European labour markets.

Migration experts have noticed that the EU has an ‘almost desperate structural need, in both demographic and labour force terms, for increased intra-European population movements’ (Favell 2008: 704). Geographic mobility is much lower in the EU than in the US (Krieger and Fernandez 2006). Moreover, despite nearly a decade of ‘flexicurity’ promotion, labour market flexibility meets, in Europe, clear social, political and economic barriers. Not only did the governments of France, Italy and Germany encounter mass protests over their labour market reforms. The financial crisis demonstrated that labour market uncertainty is a problem for the economy as well, as it inhibits responsible credit, confident consumption and thereby depresses demand (Crouch 2012). In this perspective, transnational employee mobility can appear as the optimal solution within a segmented labour market, where the burden of uncertainty is allocated to workers from new migrants. This would explain the positive assessment by the European Commission:

‘employment and unemployment rates fluctuate more strongly for migrants than for non-migrants in response to changes in economic growth, suggesting not only that migrants’ labour market outcomes are more sensitive to economic developments, but also that this provides an extra degree of flexibility (EC 2008, 51).

These workers share a number of positive (from the employers’ perspective) characteristics of migrants in general, as described in the founding work by Piore (1979): they are adaptable and mobile; used to long-hour and flexible employment regimes; more sensitive to monetary incentives and less sensitive to prestige considerations; and not part of the polity and therefore governments can largely ignore their opinions. But they also have an additional ‘asset’ in comparison to previous immigrants into the EU: they tend to be temporary. As Piore had put it, ‘it is chiefly the temporary character of the migration stream that makes these migrations (...) of value to industrial society’ (Piore 1979: 52). In fact, recent research in Britain has disclosed employer strategies involving the frequent replacement of migrant nationality groups, in an even deeper form of segmentation than Piore had expected (MacKenzie and Forde 2009). In the case of intra-EU migrants, geographic proximity and the existence of at least some social security or family safety net in the countries of origin, enable these workers to display very high activity rates, to return home in case of job loss, and not to bring their dependants along. In addition to voluntary mobility, a more extreme form of transnational flexibility is achieved through the ‘posting of workers’, which is increasingly used to temporarily move cheap labour from the new member states to the West, especially in agriculture and construction (Cremers 2011). To summarise, recent migratory movement in the EU, despite different regulations, presents resemblances with the intra-NAFTA, insofar as both differ from traditional postcolonial, guestworker and asylum migrations, and tend to lead to exploitative dual labour markets (Favell 2008).

Yet a number of questions arise. First, how far can these new migrant workers really be so flexible and mobile? Secondly, if they are segregated in the most insecure jobs, is such segregation socially sustainable in the long term, i.e. resistant to socialisation, but also not feeding social unrest or inter-community tensions? Moreover, is it sustainable for the workers themselves? As the European Foundation for the Improvement of Working and Living Conditions has admitted (Krieger and Fernandez 2006), mobility comes at big social costs for the workers themselves and their families. And thirdly, what role can trade unions have in this process? Can they accommodate such segregation, as a form of indirect protection of national workers’ more secure position, or can they act as a socialisation bridge, narrowing the gap between national and foreign employees?

As the global recession started, Woolfson and Likic-Brboric (2008) suggested that migrants are carrying an unequal burden of ‘toxic’ risk, in terms of both precarity and dangerous working conditions. The economic sectors affected most severely by the crisis (construction, manufacturing, finance and travel-related services) employ high numbers of foreigners, making it reasonable to expect migrants to pay a higher cost than average (Martin 2009). Eurostat data show that in the last quarter of 2008 (when the crisis started to hit) unemployment increased much more sharply for them (2 percentage points) than for EU nationals (half percentage point). In Ireland, EU10 citizens, while being 6% of the workforce, made 24% of the employment losses in the twelve months to June 2009, and during 2009 the number of EU10 employees fell by 21.1%, while that of Irish nationals by 6.7% (Central Statistics Office). New mobile European workers have apparently lived up, from the point of view of western economies, to their reputation of being ‘disposable’. However, many of these ‘ideal mobile workers’ appear to have settled, and not have not returned home even when they lost their jobs: it is unlikely that this situation can be sustainable without adequate social policies, at the national or supranational level, providing a minimum of security to migrant workers.

A comparison of national policies: a Canadian model for Europe?

Our research engages with claims that Europe needs the ‘active management’ of immigration according to ‘labour market needs’, and specifically with the references made to the Canadian model of the ‘points system’ as selection of those immigrants that are needed for the labour market, at the time when they are needed. The research aimed at identifying the policy dilemmas related to the link between migration policy and labour market uncertainty: how far can migration be a socially sustainable policy response to the governance of labour market uncertainty? The question is tackled through an a quantitative analysis of the elasticity of migration flows depending on employment trends, and a qualitative analysis of migration policy formation in different countries. This allows testing how far the Canadian model is successful, and how far is it transferable to countries with different governance systems such as Germany and Spain.

The research follows a comparative historical approach, as it has been outlined by recent works, among others, by Crouch, Streeck, Rueschemeyer and Mahony. Germany, Spain and Canada are selected for their policy relevance: Canadian policies have often been presented as a model for Europe, especially in Germany, while Spain is a best case for studying the link between labour market uncertainty and immigration, both being particularly high.

This paper follows two steps to clarify this issue. Firstly, it tests – quantitatively – hypotheses on the link between labour market uncertainty, defined as employment and unemployment shocks, and migration flows, and in particular on the degree to which migrants have represented a ‘buffer’ for employment shocks. Secondly, a qualitative part looks, through the analysis of secondary sources, at the role of immigration policies: to what extent do policies respond to labour market needs? And how are these responses framed in different political systems and ‘Varieties of Capitalism’?

The quantitative analysis of unemployment and immigration trends since 1950 shows a significant link between unemployment and immigration in both Germany and Canada (Figures 1, 4): when unemployment rises, immigration slows down, and vice versa. It can be said, therefore, that in both countries the labour market drives immigration to a large extent, and that in this sense immigration works as a ‘buffer’ for labour market uncertainty. Interestingly, in both countries this link was stronger in the period up to the 1980s, and has

become less clear in the last twenty years, exactly at a time of increased volatility and uncertainty: linking immigration to labour market needs was apparently easier in the so-called ‘Fordist period’ when manufacturing and permanent male employment were prominent, for instance through the German ‘Gastarbeiter’ schemes of 1955-69. In particular, in recent years a fall of unemployment in Germany has been combined with a decline in immigration, which has even turned negative. There are also two important limits in the association between labour market and migration. Firstly, while entries of economic immigrants follow labour market conditions rather closely, family reunions and refugees’ arrivals are largely unrelated to them (e.g. in Canada, Figure 2). Secondly, exits (returns) are not affected by labour market conditions, and immigrants tend not to leave even in periods of high unemployment, as in the case of Germany (Figure 5), where notably the *Gastarbeiter* did not go home after the end of the post-war economic miracle.

In Spain (Figure 7) the link between immigration and labour market has been much stronger than in the other two countries: entries have increased dramatically in the period of falling unemployment from the late 1990s to the mid 2000s, and then nearly stopped after the explosion of unemployment since 2008. This may be related to the early stage in the Spanish immigration cycle: immigration only started in the last twenty years and family reunions may still have to increase. However, Spanish immigration experts (e.g. Cachón) argue that Spain has progressed very fast already in its migration cycle, with often entire families immigrating.

In all three countries there is evidence of immigrants’ segregation in the most insecure niches of the labour market (Figures 3, 6, 8). This is less strong in Canada, given the overall flexible nature of the labour market, and that immigrants in Canada are largely highly skilled. However, even in Canada the unemployment risk for immigrants, especially for recent ones, is higher than for nationals. In Germany, immigrants display not only an higher unemployment rate (in 2011, 16% as compared to 6% for German nationals, with the gap increasing during the last ten years), but also higher concentration in atypical employment contracts, especially temporary. In Spain, during the recent crisis immigrants lost their jobs much more frequently than nationals, especially in construction (as it will be discussed in the next section) shown by our research in that sector), resulting in an unemployment rate of 33%, compared with 19% for Spanish nationals. Higher incidence of temporary employment is the most striking aspect of their employment status segregation.

In terms of policies, the contrast between Spain and the other two countries suggests a policy paradox: the best immigration policy (from a labour market perspective) would seem to be not an elaborate system as Germany and Canada have tried to develop, but rather *no* immigration policy, as in Spain until 2004. However, even in Spain social security costs as well as social tensions have increased recently, and immigration appears to have exacerbated, rather than compensated, uncertainty – for instance in its role in the construction industry.

In Canada, labour-market based immigration policies were developed between the early 1960s and the mid-1980s. However, these policies were not able to control the increasing numbers of family reunions and had the paradoxical result of reducing, rather than increasing, the employment rate of foreigners. This approach was replaced, also for demographic considerations, by more long-term immigration policies, whereby broader human capital factors, rather than short-term matching with job vacancies, became the prominent feature. In this way, the number of economic immigrants was triples within few years in the late 1980s. More recently, as a partial counterbalance to this long-term immigration policy, temporary immigration schemes were introduced, for both low- and high-skill seasonal or temporary jobs, e.g. in construction. Unlike in many European countries, in Canada there is no significant anti-immigration party and migration policy is rather influenced by ethnic and

humanitarian associations, reflecting the fact that this is largely a country of immigrants. By contrast, Canadian trade unions have had little role in the elaboration of migration policies.

Germany has combined a generous approach to refugees (partly abandoned since 1990) with an effort to closely match economic immigration with labour market needs. As an effect, there is still resistance to consider Germany an ‘immigration’ country and to allow economic immigrants without the presence of a job offer in sectors with labour shortages. Some tentative effort to open paths to economic migration was made around 2000, especially with regard to highly skilled immigrants, but with little effect and over the last few years Germany even became an emigration country. Hence calls for the introduction of a point system of the Canadian type, especially from the liberal party FDP. In Germany, immigration policies remain subject to corporatist negotiations, for instance through the Süßmuth commission in the early 2000s. Within this corporatist setting, employers have gradually moved towards a pro-immigration stance, while trade unions prioritise integration policies for immigrants already in the country (who, as mentioned, suffer from high unemployment). Labour mobility following the EU enlargement eastwards was restricted through temporary measures that lasted until 2011, after which, to limit the risks of ‘social dumping’, minimum wages were introduced in some sensitive sectors.

Spain only became an immigration country in the mid-1980s, and until the mid 2000s maintained the fiction of closed borders, compensated by repeated regularisations of immigrants residing irregularly in the country. Some efforts to match immigration regulations with labour market needs were initiated in 2000 and strengthened in 2004, in concomitance with the last and largest regularisation. The reform of 2004 was anticipated by an agreement between employers and trade unions, and introduced a Tripartite Labour Commission, ‘contingents’ of immigrants and a Catalogue of occupations of difficult coverage. This apparently corporatist and labour-market based system however only affects a minority of migration flows, the majority still entering through other channels. The late and incomplete regulation of economic migration, as mentioned above, combined paradoxically with an extreme match between labour market needs and immigration, as shown by the extremely high employment rate of immigrants (much higher than for Spanish nationals) and by their mobility. Following the recent economic crisis, channels for economic immigration were nearly entirely closed (including the introduction of transitory regulations on the employment of Romanians, previously unrestricted) and aids to returns. As in Germany in the 1980s, aids to returns had very little effect, confirming that countries are able to regulate, at most, entries but not exits from the country.

Our comparison of the Canadian, German and Spanish experiences broadly confirms the existence of a link between migration and uncertainty. The political solution of using immigrants to take on the burden of labour market uncertainty and specifically unplanned swings in demand is not new: in fact, there are examples from Canada from the early XX Century, and from the German *Gastarbeiter* schemes of the post-war period. Our comparison has shown that there is, in the long term, some degree of elasticity of immigration to unemployment in Canada and Germany, and, less clearly because of the short time series, in Spain (Figures 1, 4, 7). However, in Canada and Germany such elasticity has decreased in the last twenty years rather than increasing as it should have done in response to the greater need for flexibility. In particular, the recent ‘job miracle’ in Germany, with rapidly falling unemployment and emerging labour shortages, has not produced a rise in immigration – Germany has actually become an emigration country. It may be argued that the other sections of the population, in particular women (especially in Germany) or younger and older age groups, have taken up part of the flexibility burden, and that immigration is one, but by

no means the main labour market buffer. By contrast, a sizeable part of the immigrant population in Canada and Germany is either inactive or active in rather secure occupations.

In Canada, the segregation of migrants in insecure labour market positions is not very clear, because of the heterogeneity of immigration in that country, and because status segmentation is less visible in liberal labour markets. Still, it seems to be increasing in the lower skill strata. In continental western Europe, segregation is more visible, and mostly so in Spain where the recent economic crisis has highlighted the vulnerability of immigrants. In all three countries, but more so in the two European ones, the unemployment gap between immigrants and foreigners has been increased over time (Figures 3, 6, 8).

In terms of Varieties of Capitalism, the German labour market is confirmed as less elastic, and the Spanish one as the most volatile. Also, policy making is more corporatist and consensual and therefore gradual in Germany than in Canada: in particular, the role of organised labour is very evident, if possibly declining, in Germany, and it is also clear, but much less restrictive, in Spain, while it appears as negligible in Canada. Despite these differences, segmentation of migrants occurs everywhere, and despite the stress on skills in Germany and Canada, immigration is largely channelled into a secondary segment.

The analysis of the immigration policy evolution reveals that migration, in any case, is governable only to a limited extent. The problem of European immigration policy is not just in the implementation, but also at the source, in the models themselves. The German fascination for Canadian immigration policies overlooks the numerous side effects that these had in Canada itself, for instance on skills and on the growing, rather than falling, number of family reunions. Also, it neglects that Canada has actually tried to focus increasingly on long-term planning, rather than short-term flexible adaptation. The need for flexible, insecure immigrants in Canada has been increasingly met through specific Temporary Migrant Workers Programs, which involve similar problems to those met in Europe. Even on skilled immigration, where the difference between successful promotion in Canada and dire shortage in Germany is bigger, the Canadian ‘model’ is meeting increasing difficulties, as indicated by the low occupational returns of education for recent immigrants. In both countries, integration policies for non-Western immigrants emerge as a necessary complement to migration policies, which alone are proving insufficient: foreign human resources, rather than being a ready solution, need development too.

In particular, it is apparent that no immigration system can really deal with the problem of uncertainty by repatriating immigrants when no longer needed: neither Germany in the past, nor Spain more recently have managed to do so. While higher unemployment among immigrants than among nationals can be politically and financially (for the social security system) less expensive, its long-term sustainability, both politically and socially, is debatable.

Paradoxically, the country with the strongest link between labour market and employment is Spain – the one with the least coherently developed migration policy. Immigration in Spain is extremely labour-oriented but also largely unregulated, taking place outside the (restrictive) administrative rules. This is due to the early stage of the ‘immigration cycle’ in the country: the first wave of immigrants to a country tends to be of workers, with family reunions following later and gradually weakening the link with the labour market, even in a country like Canada. However, this may not be the whole explanation, given that in Spain the migration cycle has progressed very fast. The Spanish experience suggests rather a ‘hyper-liberalist’ conclusion: that the best immigration policy (from a labour market perspective) is not an elaborate system as Germany and Canada have tried to develop, but rather *no* immigration policy. However, even in Spain social security costs as well as social tensions have increased recently, and immigration appears to have exacerbated, rather than

compensated, uncertainty. This is particularly clear in construction, where migration itself had the effect of increasing both supply and demand for labour, given that migrants add to demand for housing. Between the late 1990s and the mid 2000s the share of immigrants among home buyers quadrupled, to above 50%. The resulting oversized construction sector (twice the European average) exacerbated the overall volatility of the Spanish economy.

Our comparative analysis has taken place at the national level, as this is where the main immigration policies are elaborated. It is likely however that the link between immigration and uncertainty is clearer at the sectoral level. There has been in recent years a ‘sectoral turn’ in migration policies, and indeed the role of immigrants as flexible workforces is apparent in sectors such as care in Germany and construction in Spain. Yet while immigration may provide short-term sectoral solutions, the long-term implications are societal and comprehensive social policies may become necessary – as Spain, in its extreme experiment of immigration boom, has witnessed.

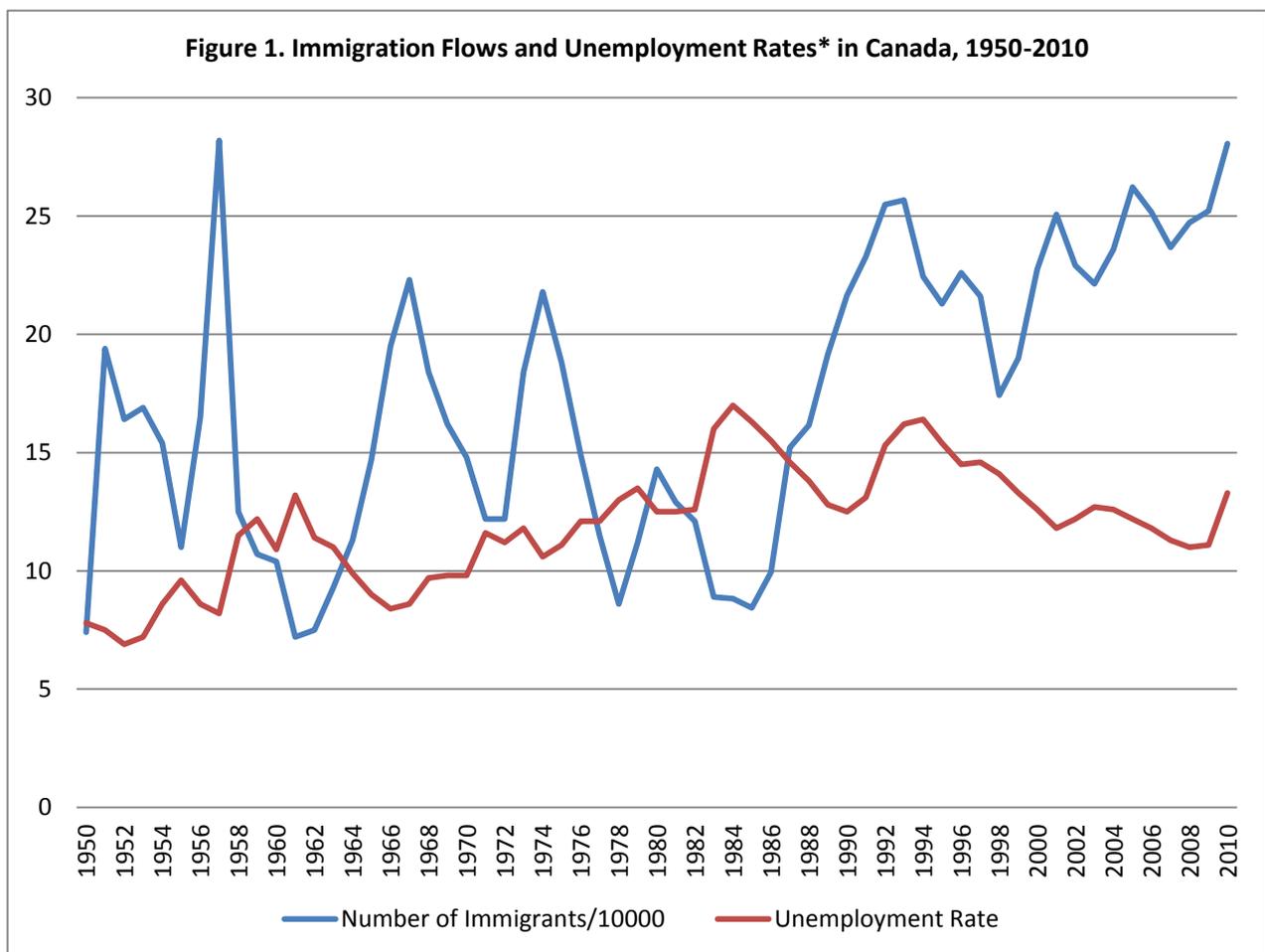


Figure 2. Immigrants* to Canada by Immigrant Class and Unemployment, 1980-2010

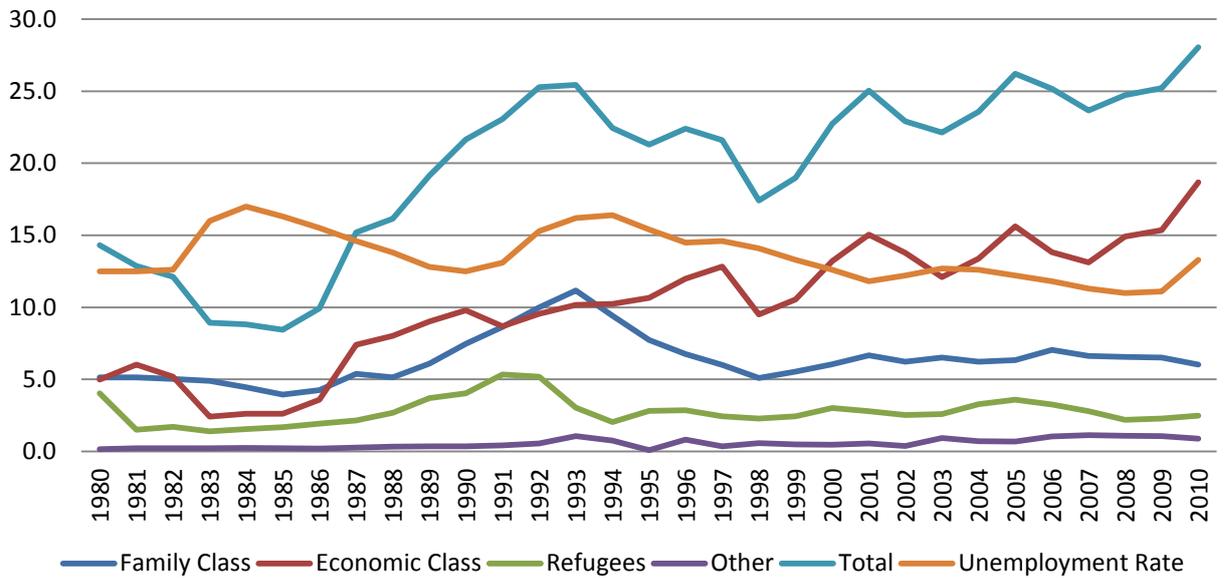


Figure 3. Unemployment Rates for Native-Born and Immigrants, Canada, 1981-2010

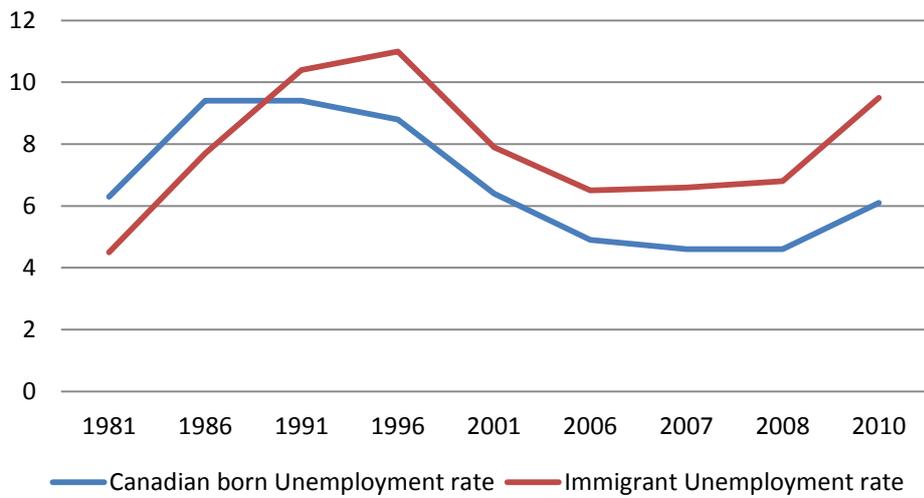


Figure 4 - Migration & Unemployment in Germany

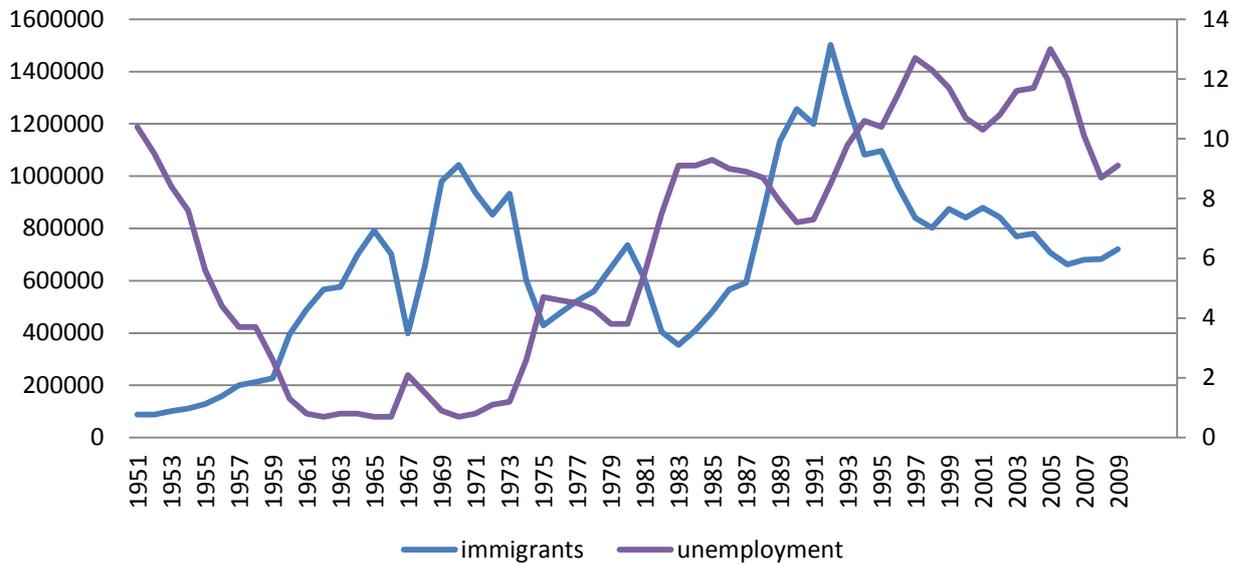


Figure 5 - Migration flows in Germany

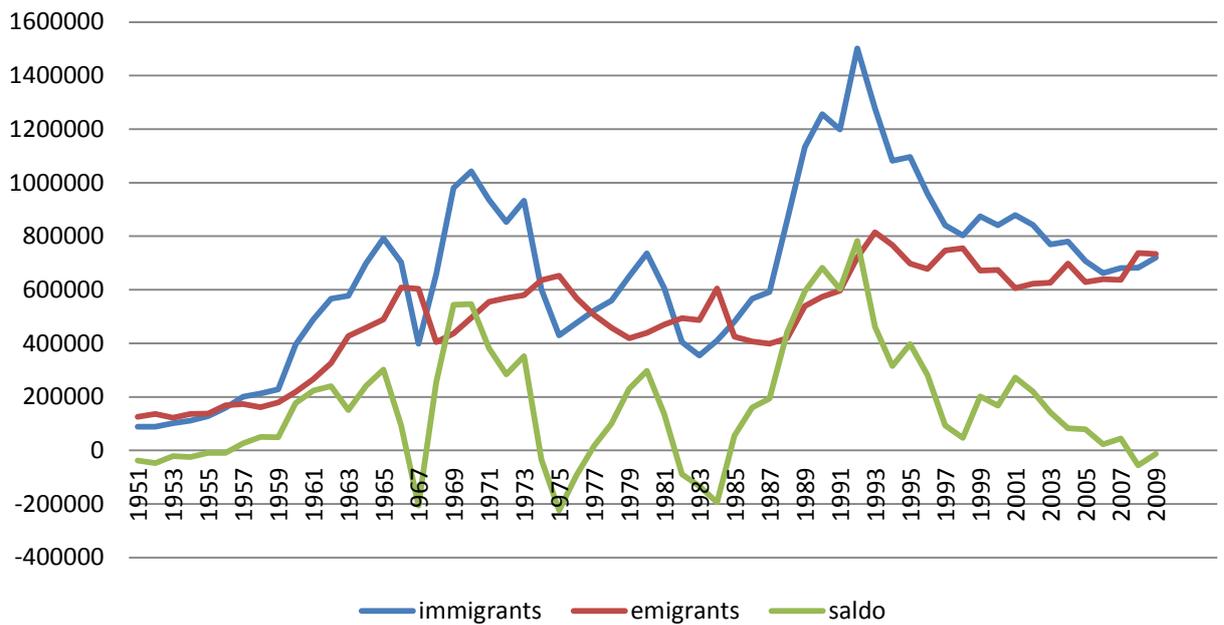


Figure 6 - Unemployment Rates for German nationals and foreigners, Germany, 1997-2011

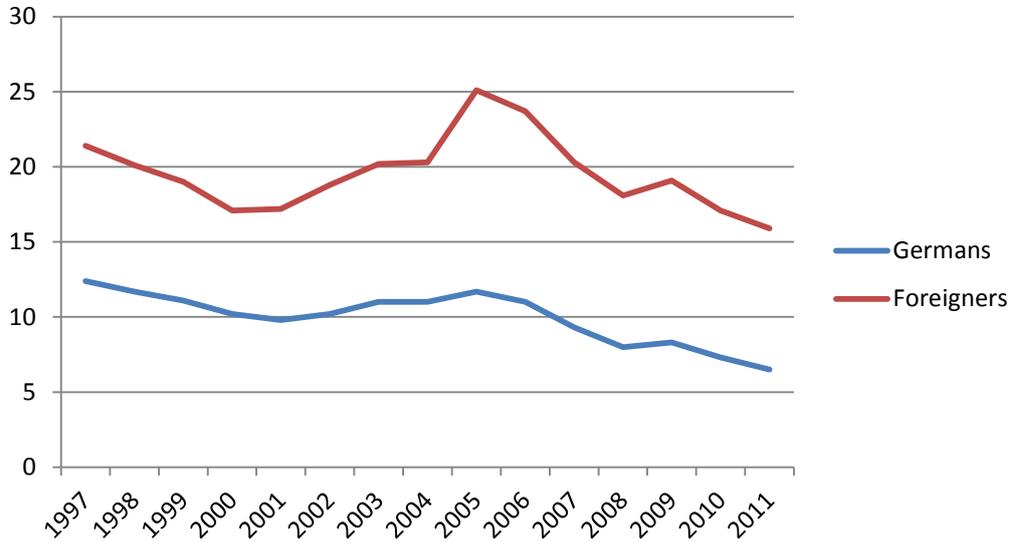
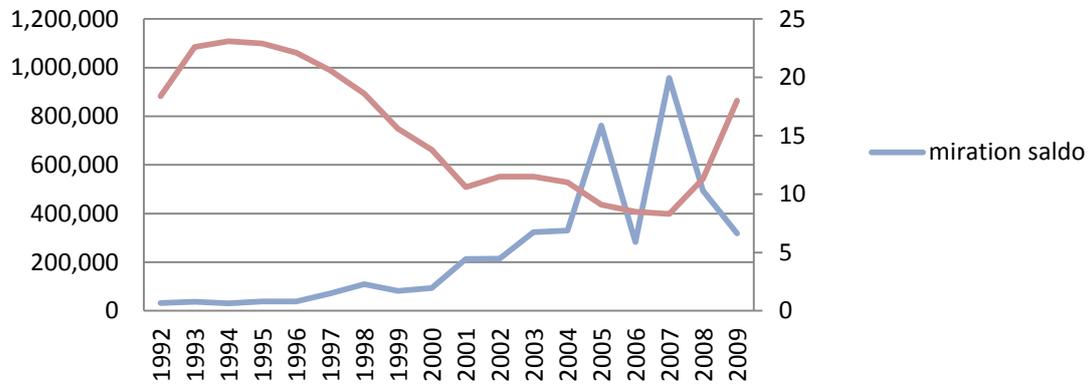
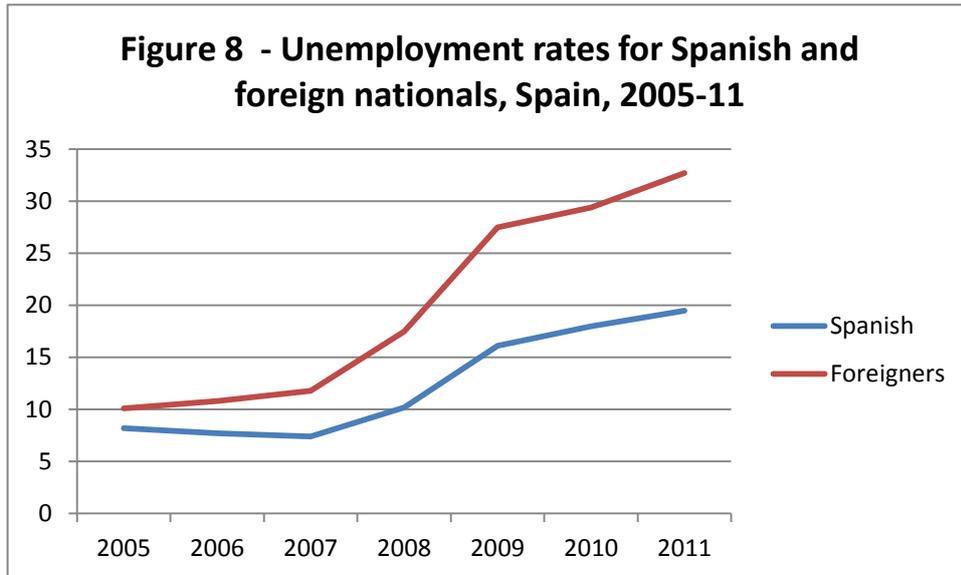


Figure 7: Immigration and unemployment in Spain





The case of the construction sector

The analysis of two countries, UK and Spain, with particularly flexible labour markets and a strong link between a volatile construction industry and migration allows to detect the possible consequences of a very uneven distribution of uncertainty between national and migrant workers. The research asks three questions. First, is uncertainty unequally distributed between nationals and migrants in the construction industry of UK and Spain, in light of the recent crisis? Second, if such unequal distribution occurs, is it socially sustainable, in terms of segregation and occupational risk? Third, are trade union policies aimed at exclusion, segregation or inclusion, and what can trade unions from the two countries learn from each other? In combination, these questions allow to conceptualise the link between uncertainty and migration better, and provide analytical tools for the study of less extreme cases. Given the exploratory nature of the questions, a multi-method approach is adopted. The research was conducted in parallel in Spain and UK and included a round table with stakeholders in Barcelona in February 2010.

Recent cross-border movement of workers in Europe, especially between old and new member states of the European Union, is characterised by high mobility, transnationality, flexibility and high employment rates. This new group of mobile workers is in a position to play the function of ‘buffer’ in relation to employment uncertainty, carrying a burden of insecurity that local European populations are unwilling to bear. Such development raises questions of social sustainability and of the role organised labour can have in regulating and possibly organising this flux of workers.

The economic crisis that started in 2008 suddenly highlighted the social problems connected to new international mobility of workers. Our research looks at a critical case, the construction sector in the flexible labour market and immigration regimes of Spain and the UK. The construction sector, with its inherently mobile workers and places of production, seasonality, and relevance of employment as well as safety risk, can display in its purest form the link between migration and employment flexibility. Amongst the EU large countries, Spain and UK have been particularly hit by the crisis in the construction industry, and both had experienced large increases of immigration in the preceding period, although from different origins: especially Poland, Slovakia and Baltic states to the UK, as against Latin America, Morocco and Romania in Spain. Accurate representative data are missing, but

experts estimate the number of foreign workers in the construction workers before the last recession to account for at least 10% of the sector's employment in the UK (and above 30% in London), and for 30% in Spain (number confirmed by social security data).

Employment data demonstrate that the crisis has impacted migrant construction workers more than anybody else. In Spain, between 2008 and 2009 total employment in Spain employment fell by 7%, and construction employment by 23% (Labour Force Survey). According to the National Immigrants Survey of the Instituto Nacional de Estadística, 64% of foreign workers in construction lost their jobs, and 14% of foreign workers in the other sectors of the economy. Of those foreign workers who lost their construction jobs, only 12% had found jobs in other sectors of the Spanish labour market

In the UK, employment in construction has been affected severely but much less than in Spain by the recession, falling by 4% in 2009 as against 2.1% for the whole economy. This is largely due to the different structure of the British construction industry in recent years, with a bigger share of large public projects that do not depend on the economic cycle, and a smaller share of the very volatile second-home market. Unfortunately, in the UK there is no equivalent statistical source to the National Immigrants Survey, and the available LFS data notoriously underestimates the number of migrants and especially migrant construction workers (and therefore of their job losses), as the LFS is a household survey neglecting temporary accommodations. But even with these limitations, LFS data indicate more job losses for foreign workers than for nationals: in 2009, for the whole of the economy foreign workers' employment fell by 4.3%, while for British nationals by 0.9%; in construction, job losses affected 4% nationals and 8% foreigners.

Interviews and national reports reveal both similarities and differences in the patterns of segregation and unequal distribution of uncertainty between national and foreign workers in the industry. In the UK fragmented economic structure, segregation occurs mostly by subsector (smaller sites), contract (self-employment, agency work) and company. The more state-regulated Spanish economic structure results instead into segregation within workplaces, by jobs, occupational groups and shifts (foreigners are more frequently found on night shifts), even though the phenomenon of sub-contracting chain is widely encountered as well.

While the UK construction sector has long been characterised by the highest rate of self-employment in the EU, Spain introduced stricter regulations in 2004 to prevent fake self-employment, but is affected by an estimated larger share of undeclared work. In the end, both forms of segregation result in higher employment uncertainty. The 'variety of capitalism' between Spain and UK results ironically in a converging 'variety of non-compliance', whereby employers differ in the regulations they avoid, but not in their resulting practices.

A major implication of uncertainty in construction is health and safety (H&S) risk. There are several reasons why migrant workers may undergo higher risk than nationals: segregation into the most dangerous jobs, sub-sectors and companies; worse or different H&S training; different attitudes to risk, and willingness to monetarize it; poor awareness of informal local practices; higher turn-over and therefore, on average, shorter presence on sites and power familiarity with local conditions. The experts we interviewed overwhelmingly point that H&S risk is probably higher for migrant workers, but there is a shortage of evidence for it. Aggregate data do not show that increased immigration is associated to an increase in accidents. In Spain, some studies have found a strong statistical association between temporary employment and safety risk, which indirectly affects migrants, who work more frequently on temporary contracts. The data from the Spanish Ministry of Labour and Immigration show that, in 2004 and well as in 2008, both fatal and serious accidents occurred

more frequently for migrant workers than for national workers, and that workers from the enlarged EU are the most at risk (although there has been a clear specific improvement for them between 2004 and 2008).

A higher share of unreported accidents involving foreign workers, less familiar with health service and insurance provisions, might hide what is actually happening to this specific category.

In both countries, trade unions have avoided exclusionary standpoints towards these workers, have provided services to them, and tried to reduce their extreme vulnerability, but still lack resources and clear strategies to organise them. Their strategies are strongly determined by the political and institutional setting. Spanish unions have focussed on political action (campaigns for regularisation) and the organisation of publicly-funded information centres. British unions have been less active politically, and have made more efforts to organise migrant workers, but even they are aware that, given the high mobility of construction migrant workers, organising is extremely arduous, and concentrate largely on providing some services to them to keep them in the formal economy.

The crisis has highlighted that the previously celebrate international employee mobility also leads to some social problems of segregation, ethnic relations and extreme insecurity. Spain has better statistics on migrant employment thanks to its National Immigrant Survey, but the UK has kept better data on workers from the new member states and on posted workers.

The comparison of Spanish and UK regulations shows that Spain has managed to limit the extent of self-employment and agency work, and to limit undeclared work through the regularisation of undocumented migrants in 2005, but this has not prevented the development of a dual labour market. The UK has been faster to open the way to legal employment for workers from the new EU member states in 2004, but its restrictions to Romanian and Bulgarian workers has led to high self-employment and higher health and safety risk for them. Segregation in agency work, posted workers, self-employment are all sources of tensions that might be regulated in a more transparent way. Nonetheless, Britain shows a stronger attention to Health and Safety issues, especially with the generalised practice, still rare in Spain, of providing Health and Safety training in different languages.

Collective bargaining is more centralised in Spain, but not always effectively implemented in the sector. In the UK, in the engineering construction sub-sector both sides appreciate the existence of a binding multi-employer agreement, but the rest of the industry is increasingly disorganised.

Spanish and British trade unions have some scope for mutual learning. In Spain, unions have developed a more inclusive political action, and their information centres for migrants are considered as best practices of servicing in UK. On the other side, British trade unions have paying more attention organising of foreign workers, also through community organising and collaboration with Polish trade unionists, and to linguistic diversity.

The case of the healthcare sector

Despite its apparent ‘naturalness’, health services demand is variable too, due to unpredictable (e.g. epidemics) and partially predictable factors (demographic change, changing political priorities). Our research has asked how far, and with what implications, continental Europe can follow the path of Anglophone countries in attracting foreign health professionals, by focussing on the examples of the UK and of Spain as a continental country particularly inclined, due to demographic and linguistic factors, to follow the same path. It

has asked to what extent Spanish institutions are ready to face the social issues that in the UK have stemmed from the employment of foreign health professionals. The specific focus has been on issues relating to employment uncertainty. While the use of foreign workers can be seen as a policy to face recruitment uncertainty, it also often involves an over-proportional burden of uncertainty for the foreign workers themselves, in particular with regard to employment and work permit security, job content definition, and career prospects. In addition, migration can result into a ‘care drain’ at the international level, producing shortages in poorer countries.

The methodology is again that of case study comparison. The cases are selected for being similar in terms of healthcare provision (similar expenditure and public sector dominance) but different in terms of immigration. The research was based on secondary source analysis, statistical data, and interviews with key respondents: employer representatives, trade unionists, administration, professional bodies, and foreign employees.

The health care sector is relatively similar in the UK and Spain. The two countries spend a very similar amount of their GDP on health (in 2009, 9.8% in the UK, 9.5% in Spain – OECD data). Moreover, in both countries the large majority of the expenditure is public: 84% in the UK, 74% in Spain. There are, however, important differences in the workforce structure. The UK has a larger number of nurses, but a lower number of doctors than Spain: according to WHO data, in 2009, Spain had 3.7 doctors and 5.2 nurses per 1,000 inhabitants, while the respective figures for the UK were 2.7 and 10.3 (see Table 6). It can be inferred that in the UK a larger amount of medical tasks are performed by nurses than by doctors, as a case of ‘medicine deskilling’, but also that there is a higher overall demand for professional health care: the total of the two groups is 13 in the UK and 8.9 in Spain.

This difference in employment composition combines with the major difference in overseas recruitment that we have identified in the introduction. The UK started recruiting foreign health workers in the 1950s, whereas until the 1980s Spain was, if anything, a supplier of nurses to foreign countries such as France. A comparison between the two countries is interesting in order to predict, drawing on the British experience, the challenges that Spain, and foreign health professionals in Spain, may face, and to identify the roles that different institutional frameworks may have.

Table 1 Total number of doctors and nurses in the UK and Spain, 2007

	Doctors per 1,000 inhabitants	Nurses per 1,000 inhabitants	% foreign doctors	% foreign nurses
UK	2.7	10.3	30.1	13.1
Spain	3.7	5.2	5.8	1.4
EU	3.1	6.3	n.a.	n.a.

Source: WHO, 2009

Table 1 indicates a relative lack of nurses in Spain, not only in comparison to the UK, but also in comparison to EU average: only Greece and Portugal, of the EU countries before the 2004 enlargement, had a lower number of nurses per 1,000 inhabitants. Were Spain to follow the path of the other western European countries, it would require a major increase in nurse

recruitment, which is unlikely to be met by only Spanish workforces. Hence, the prospective importance of international recruitment.

The use of overseas workers in the British health care has been driven by state policies, both in the area of health care and in the area of migration, since the 1950s (Bach 2010).

International recruitment went through a second wave in the early 2000s, following unprecedented government investment in the NHS by the Labour government of Tony Blair. The total number of NHS nurses increased from 246,000 in 1997 to 307,000 in 2007 (Bach 2010). Such increase in staffing over a short period could be met only through international recruitment, which increased threefold between 1998 and 2002.

The wave of international recruitment in the early 2000s has been considered a case of political short-termism and lack of planning (Bach 2010, Young et al. 2010). As the Labour government had been in power for one term (1997-2001) before starting the NHS investment plan, the lack of planning has no easy justification. Since 2003, the UK government has however moved the emphasis on 'self-sufficiency', increasing internal training. The UK had also encountered the ethical issues of international recruitment. The government responded by issuing 'Guidance on International Nursing Recruitment' in 1999, but these did not cover the private sector and, after the re-organisation of the NHS into autonomous Foundation Trusts in 2004, they do no longer cover the public sector either (Kingma 2006). In 2003, a Commonwealth Code of Practice was agreed, which includes compensations for origin countries and facilitations to return. In 2006 nurses were removed from the shortage occupation list, and in 2008 a Point-Based System was introduced which does not favour nurses' immigration.

Among the most recent employment policies in the British health sector there are the extension of nurses' mandate (including performing medical activities) and the increased use of healthcare assistants, which correspond to the 'deskilling of medicine' scenario, and can be seen in relation to the employment experience of foreign health professionals.

A range of sources and research has pointed at issues of segregation and vulnerability, following the most recent surge in health sector's international recruitment. Examples are concentration in geriatric care, night shifts and less technical direct-care duties, while artificial barriers were raised to exclude them from the most professionalised ones. These practices (worse shifts, professional hurdles) result into strong subjective feelings of being devalued, which have been noticed by a number of studies. An area of particular uncertainty leading to resentment is the distinction between caring and nursing, especially in the case of foreign nurses recruited through agencies, and given little information on their employment prospects.

The use of overseas workers appears to correspond to a double rationale: cost reduction and division of labour. The latter consists in limiting the task uncertainty inherent in the nursing profession – whereby the needs of the patient vary – through the segregation of certain tasks and their allocation to a specific group of workers. According to extensive research on the NHS, only more sophisticated diversity management policies can counteract these trends and allow a positive valorisation of foreign professionals' skills as a resource.

Trade unions have become concerned with this process. Rather than concerned with protecting the jobs and pay of British nurses, British unions stood up in defence of foreign nurses' rights. In particular Unison organised networks of overseas nurses and suggests the creation of an additional occupational level, intermediary between nurse and healthcare assistant, corresponding to a 'skill mix' between caring and nursing, and allowing at least partial recognition and promotion for currently under-employed foreign nurses. A specific

focus of union concern, relating directly to uncertainty, has been temporary work agencies, due to evidence of unethical practices.

Spain has gone from a surplus to a shortage of health professional in a very few years, and thus workforce planning has become a high priority. Since the mid-90s and throughout the first decade of 2000s, Spain imported physicians from Eastern Europe and above all Latin America, also in response of national professionals' increased reluctance to accept night shifts and remote locations.

In terms of planning human resources, short-termism has been its main character, and during the 2000s the Spanish health system has experienced an important gap of healthcare workers. In addition to the demand for trained professionals, much of the current demand for health workers has been for semi-skilled positions, particularly in care. This is evidenced by the increasing, if still relatively low, number of nurses who are immigrating to Spain and remain in low-wage earning positions, in a case of deskilling similar to the British one.

Career uncertainty for health professionals is linked to segregation and to a long, non-transparent process of qualification recognition.

Concerns are expressed by trade unions with regard to downward pressure on wages, and by international development organisations with regard to shortages of health workers in developing countries. Nonetheless, the unions' actions in this direction are still incipient, and Spain has not taken yet any specific action with regard to the ethics of international recruitment of health personnel.

The system of international recruitment in Spain is subordinated to a 'National Catalogue of difficult filling jobs'. Health worker positions have been prominent on the Catalogue, until 2009 when the economic crisis hit, and the health public budget was sharply reduced. Thus, immigration of doctors and nurses remained a short-term policy of the mid-2000s, and long-term planning is still lacking.

Recruitment of foreign nurses and doctors originates in workforce shortages in the host countries. In theory, proximity services like health are not affected by economic volatility or seasonality, which are at the roots of migrant recruitments in some private sectors (e.g. in construction, as discussed in the previous section). However, health care attracts large numbers of foreign workers as well, and is affected by employment uncertainty too.

The migration of health personnel may have mixed effects in home and host countries. On the one hand, it alleviates shortages in jobs requiring long training, and provides opportunities for skill development and for remittances to poor countries. On the other hand, source countries may suffer staff shortages, and a worsening in health services provision, while working practices can be disrupted in host countries.

The migration of health workers is distinctive because it is strongly influenced by the regulatory frameworks of individual governments that control the training, recruitment and deployment of health professionals (Bach 2010). The centrality of government regulation in the health sector is a significant factor, and this provides greater scope for policy interventions.

Flows of health workers across boundaries are creating a series of policy questions for governments, on the sustainability for home and host countries in terms of skill formation (training), segregation, quality of service perception by users, and employment conditions.

The EU and other international organizations such as the WHO have highlighted their concerns over the impact of health worker migration on health systems in developing countries, where brain drain is of particular significance. However, only some countries have

made concrete steps to address this issue: the UK has introduced some policies, but struggled to enforce it on an increasingly decentralised healthcare system, while in Spain attention to this policy issue is still weak.

Our comparison between the British and Spanish experiences offers some insights on the possibilities of increasing international mobility of healthcare in continental Europe, as it has been promoted by the EU (Green Paper on the European Workforce for Health, 2008). While in the UK foreign recruitment is an explicit employer choice, mostly based on short-term cost and flexibility consideration, in Spain it is largely an unintended phenomenon stemming from the attraction of foreign students in nursing and medical education.

Our exploratory evidence points that many of the problems traditionally encountered in the UK – segregation in worse jobs, barriers to professional development and career, cultural stereotypes – are emerging in Spain as well. In particular, uncertainty is a largely neglected social issue that affected foreign professionals, but our investigation shows that it is an important issue, with aspects similar to the British situation (deskilling, segregation), but also additional problems with regard to qualification recognition and the role of informal professional networks.

The UK needed several decades to raise awareness of these issues. Important forms of response have been developed through union organising and the elaboration of more sophisticated diversity management. Both are still underdeveloped in Spain: unionisation is rather low and diversity awareness, let alone management, still patchy. British solutions may not all be relevant or well-suited for Spain, due to the different characteristics of the immigrant populations and the different institutional settings. However, looking at the British experience may be useful, for Spanish policy makers and professional associations, in order to detect early, and possibly prevent, social problems that can affect professional standards and equality in the long run. The EU may have an important role in this regard, as its promotion of professional mobility could be combined with a stronger co-ordination effort, in particular on ethical codes, skill definition, and employment agencies.

In terms of policy, to assist in mitigating any negative effect on the supply of health workers, the EU could promote information gathering on international mobility and career paths of healthcare workers. It could also promote the sharing of best practices on ethical recruitment and diversity management. But maybe the most important initiative would be improving information for mobile workers on career opportunities, labour market conditions, qualification recognitions, and task definitions. In particular, agency employees often suffer of limited information on future jobs; strong associations and better rights to information during the process of international recruitment can limit their insecurity and improve the quality of services.

Conclusion

Our multi-level (national and sectoral) comparative research indicates that immigration has indeed often played the role of ‘policy solution’ to the uncertainty problem in employment. In all countries studied, and most clearly in sectors such as construction and healthcare, immigrants have often operated as a ‘buffer’ for labour market shocks, being attracted in periods of labour shortages and rebuffed in periods of downturns. They have occupied in the most insecure niches and, as a result, there is an increasing gap between their higher unemployment rate and that of nationals.

Apparently, such policy response displays numerous advantages. Migration policy has proven to be quite flexible and fast-reacting to labour market conditions – certainly faster-reacting

than vocational systems. The higher unemployment vulnerability of immigrants appears more politically sustainable than higher unemployment risk for nationals (i.e. for voters), both financially (in terms of social expenditure) and electorally. Interestingly, in three of the four countries we have selected for their particularly high use of immigrants (Canada, Germany and Spain), there is no significant anti-immigration party, while in the fourth (UK) anti-immigration parties (BNP and UKIP) obtain frequent mass support but are marginalised by the electoral system.

However, a closer look indicates that immigration can be at most an incomplete response, and that produces externalities, which, in turn, do not eliminate the need for social policies, but, rather, the opposite. The response is incomplete because countries can, at best, control to a sufficient degree the inflows of immigrants, but never really their exits. Contrary to increased calls for ‘flexible’ and ‘labour-market driven’ migration policies, the elasticity of migration flows to unemployment levels has actually decreased in recent decades. Even in ‘model’ Canada, a short-term migration policy based on labour market needs proved illusory and had to be replaced by a longer-term approach. In other words, as the *Gastarbeiter* schemes proved decades ago but new immigrants confirm, in democratic countries foreign workers do not leave when no longer needed, and even if they may have lower social demands in the short-term, the host countries need to address their conditions.

In terms of externalities, the most relevant is that international migration mobility, as essentially a market-based policy, is very strongly pro-cyclical and can exacerbate economic uncertainty. The Spanish case, with its massive immigration in the early 2000s, shows how immigrants contribute to additional demand on housing and thereby increase the size construction sector, which has proven to be one of the most volatile ones, resulting in macro-economic vulnerability. In addition, immigrants work disproportionately in the most uncertain and insecure sectors, including in the undeclared economy, and in this way add to the overall economic uncertainty of the host country.

Moreover, there are other specific externalities such as anxiety on the quality of services, segregation, brain waste, health and safety risk. Table 2 summarises the uncertainty and policy issues detected by our studies at the different levels.

Table 2- Summary of migration policy issues in relation to uncertainty

Level	Uncertainty problem to which migration responds	Uncertainty problems that migration raises	Policy recommendations
National	Labour market volatility Need for mobile/flexible workforces	<i>For host countries</i> Concerns over labour standards Increased economic volatility (bubbles) Family reunions <i>For migrants</i> Segregation Brain waste	Promotion of integration policies rather than aids to return and short-term employment visas Focus on long-term human capital rather than short-term needs Extension of social security to immigrants Labour standard protection to limit anxiety Consultation of stakeholders
Construction	Economic volatility Seasonal work Geographic mobility Complex subcontracting	<i>For host countries</i> Increased economic volatility (bubble) <i>For migrants</i> Segregation Very high unemployment risk Complex skill recognition and monitoring	Limits to subcontracting to reduce undeclared sector Information on H&S and employment rights Promotion of migrants’ associations and unionisation Regulation of Temporary Work Agencies

		Increased H&S risk	Regulation and monitoring of Posted Workers
Healthcare	Volatile policy preferences Privatisation/decentralisation Demographic change (ageing society)	<i>For host countries</i> Contribution to medicine ‘deskilling’ Downward pressure on skill creation Anxieties on the quality of services Cultural and linguistic issues <i>For origin countries</i> Risks of brain and care drains Downward pressure on skill creation <i>For migrants</i> Segregation Complex skill recognition and monitoring Career uncertainty	Better monitoring Ethical codes on international recruitment Better information on qualification recognition Diversity management Promotion of migrants’ associations and unionisation Regulation of Temporary Work Agencies

Overall, all cases point that information is crucial for an effective and socially sustainable utilisation of migrant workforces. A tool to achieve this is the promotion of migrant associations and of their unionisation: trade unions are well-placed to act as bridges between migrants and native workforces, reducing degrees of segregation that may prove socially unsustainable in the long term.

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