



“Summary of article by Ian Gordon: The Impact of Economic Change on Minorities and Migrants in Western Europe” in Frontier Issues in Economic Thought, Volume 5: The Political Economy of Inequality. Island Press: Washington DC, 2000. pp. 262-266

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“Summary of article by Ian Gordon: The Impact of Economic Change on Minorities and Migrants in Western Europe”

Waves of animosity in Western Europe against immigrants from Asia, Africa, the Caribbean and Islamic countries made headlines during the mid-1990s. Earlier waves of migration involved people of similar ethnic and cultural background to residents of the host country. Shortly after WWII and again in the 1990s, the movement of Eastern Europeans to the west dominated immigration flows. However, for most of the post-war period migrants came from the eastern Mediterranean and from countries with colonial ties to Europe.

The article summarized here links the marginalization of immigrants in Western Europe to two interacting factors - difference and changing economic conditions - that funneled them into particular economic niches. The cultural and ethnic qualities, and often darker skin, of these groups made them easy to distinguish and, therefore, easy to relegate to positions of economic, political and social inferiority. The desire of employers for cheaper labor encouraged this process. "Continuing price advantage for this labor depended on its remaining in some respects 'distinct' from the host population." [522]

MINORITIES IN EUROPE

Migration from southern Europe and former colonies peaked in the early seventies then faced restrictions when the oil crisis of the mid-seventies threw the west into recession. Immigrants could no longer come and go from the host country. Many chose settlement, inducing a new round of immigration of dependents. On the part of host countries generally, "acceptance of the reality of settlement has led toward a policy set combining strict control with efforts at improved integration." [523]

These common trends and policies notwithstanding, the actual experience of immigrants has been diverse and all too often accompanied by unemployment, poverty and second class status. Ethnic groups exist in different concentrations in different places, with strong networks of government agencies, recruiters and migrants themselves reinforcing these concentrations. Different measures - "referring variously to place of birth, nationality, residence status, and family origins" [523] - not only make cross-country comparisons difficult, they also reflect different concerns about the social position and legal status of minorities. Illegal immigration also makes measurement difficult, particularly in Italy.

PERSPECTIVES

Analyses of immigration trends and the situation of minorities in Europe generally stem from three different perspectives: market economics, ethnic discrimination, and labor market restructuring.

Market Economics - Both neoclassical and Keynesian economists have argued in favor of immigration. One particularly influential view held that immigrants could provide fresh sources of labor to growing economies, fitting into the labor market wherever their skills and abilities were in demand. Those with good skills would prosper; those with poor skills would enter low-wage employment. Normal labor market processes would leave immigrants neither more nor less vulnerable to poverty and unemployment than domestic workers. In times of downturn repatriation might be desirable. However, if unemployment is induced as a matter of fighting inflation (rather than resulting from a shortfall in demand), the repatriation of immigrants would simply lead to higher unemployment among indigenous workers. Mainstream economic theory would therefore view the legal impediments to immigration introduced in the mid-seventies (and earlier in Britain) as a mistake.

Ethnic Discrimination - Other analysts proceed from the premise that post-war migrants "are not only much poorer than the receiving economies but ethnically and culturally quite distinct from the majority of the home populations.... distinctively cheap (whatever their level of human capital), subject to prejudices about their abilities or suitability, and perceived as 'outsiders' by incumbents with established interests to protect." [525] Employers faced with the problem of finding the most productive workers in a heterogeneous labor pool may rely on stereotypes, recruitment networks or internal labor markets when hiring. In these circumstances individual outcomes will depend on group processes.

Immigrants are perceived as outsiders, as rivals, and as less entitled to the rights and benefits belonging to citizens in European welfare states. Immigrants may be crowded into the bottom of the labor market, further reducing wages and job security in that segment. "Poverty among migrant groups is then the expected outcome of processes of exclusion and marginalization, from which the protected majority of workers benefit, through a stabilization of their employment opportunities." [526] Legal restrictions on immigration were politically rather than economically motivated, a position supported by the fact that controls were enacted in Britain and France well before the recession induced by the oil crisis.

Labor Market Restructuring - According to this approach, employers played an active role in influencing immigration policy and in recruiting cheap immigrant labor, often to replace indigenous workers who abandoned less desirable jobs as they became more educated. Later in the post-war era, labor markets changed. It became technologically feasible to move production to low-wage countries and politically feasible to sustain less-than-full employment among indigenous workers. This put pressure on indigenous workers to improve productivity. Internal labor markets gave way to flexible labor markets and employers became less likely to pursue costly recruitment strategies, especially in unstable low-wage sectors.

Manufacturing, transport and distribution industries all lost manual labor jobs while the growing service sector polarized between highly skilled business and professional services, and consumer

services mainly carried out by low wage workers in small businesses. Demand for immigrants increased in the low end of the service sector, but neither recruitment nor political pressure on immigration law was well organized. From this perspective, mid-seventies legal restrictions on immigration occurred when primary sector employers lost interest in immigrant labor.

CHANGING LABOR MARKET ROLES & EXPERIENCES

Immigrant workers primarily functioned as replacement workers in jobs abandoned by native workers, but these niches varied by country and tended to change over time. The general trend has been from manufacturing to low wage services. Evidence on the mobility of first generation immigrants is sketchy, but some groups have done better than others. For example, Afro-Caribbeans in Britain moved from manufacturing into the public sector, Indians showed less convergence with native British workers and Pakistanis and Bangladeshi none at all.

Contrary to expectations, the second generation of immigrant families has not improved its position. Their educational attainments are uneven, the outcome of "environmental disadvantages, institutional racism, and doubts about the likely rewards for qualifications." [530] Along with the most recent migrants they have been seeking work during a period of economic restructuring, but they have no country of origin to which to return during hard times. Informal networks reduce mobility since job seekers go where members of their community are already employed. Many young people reject the undesirable jobs once performed by their elders and end up in unstable work or in the underground economy.

Unemployment statistics are easier to track than mobility, but they differ from country to country according to the legal situation of immigrants. For example, in Austria, immigrants are not eligible for unemployment benefits and so less likely to be recorded in official statistics. "In general, however, it is evident that since the first oil price crisis...foreign workers have been much more likely to experience unemployment than their domestic counterparts." [531] Differences in human capital play a role and immigrants are often employed in declining industries, but there is evidence of discrimination as well. Studies in Britain confirm that certain immigrant groups are more likely to be unemployed even when human capital, occupation, and industry characteristics are controlled. Non-European groups tend to face the worst unemployment levels (with some exceptions, e.g. high unemployment rates among Italians in Germany and Belgium).

Governments often encourage ethnic entrepreneurship as a response to unemployment because it is consonant with free market ideology and requires less extension of government services than other job-creating policies. The proportion of minorities in self employment has been increasing. Entrepreneurship can provide opportunities for particular individuals, but it is not adequate for raising the entire community out of poverty. Not everyone has entrepreneurial skills, access to capital, or an ability to take risks; and small ethnic businesses are unlikely to provide sufficient jobs of good quality to improve substantially the lot of large numbers of immigrants.

MARGINALIZATION

The citizenship status of immigrants varies across countries and can bear on issues of residence, employment, welfare entitlements, social position, and relationships within the larger society. Uncertain or secondary status weakens the immigrant's position in each of these domains. France, the Netherlands and Britain once extended significant rights to migrants from former colonies. Where colonial ties were weak or non-existent, as in Germany, Austria or Switzerland, most immigrants were guest workers "originally with strictly temporary rights to residence and employment, no right to political participation, and extremely limited rights to naturalization." [534] Recently, however, these positions have tended to converge: Britain became less open, France encouraged repatriation, while Germany and Switzerland moved toward greater integration of migrants.

Hostile attitudes toward minorities are evident to some extent in all host countries. In some cases, violence is a real threat, but here again, both the incidence and intensity of xenophobic reactions varies across countries. Of the main host countries, the Netherlands tends to show the most tolerance, while Belgians are most apt to be "'disturbed' by the presence of people from another race." [535]