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Interview with Dr. Martin Ruhs

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First of all, given your own work on contemporary temporary migration programmes (TMPs), I would like to ask you about their revival as an instrument of migration policy. Are we seeing a return to the ‘guest worker’ programmes of the 1950s, 1960s and 1970s, or are the contemporary programmes qualitatively different?

A number of international organisations – including the World Bank, Global Commission on International Migration, International Organisation for Migration – have recently suggested new TMPs to increase the number of migrants legally working abroad, especially in low-wage occupations where labour migration is currently most restricted in high-income countries. Most proposals for new TMPs recognise the adverse impacts of the past guest worker programmes in Europe and North America. These adverse impacts included: (i) the lack of protection of migrant workers’ rights; (ii) the emergence of a structural/permanent dependence on migrant labour in high-income countries; and (iii) the permanence of some guest workers whose stay was initially thought and meant to be temporary. Proposals for new TMPs usually include policies that aim to avoid past policy mistakes. Whether these new policies will succeed where “old” guest worker programmes have failed is an important – and yet unresolved - question for discussion. Because of concerns about feasibility, any new TMP would need to start with an experimental pilot programme. Such experimentation is already taking place in some countries.

For example, in 2003/4, the UK experimented with a new TMP (“Sector Based Scheme” or SBS) for the hospitality and food processing sectors. The SBS did not work very well as it suffered from problems that were not too dissimilar from those of the European guest worker programmes of the past. The government became

concerned about migrants overstaying their one-year work permits. There was also some evidence of employers not complying with all the rules of the programme, including the requirement to employ SBS migrants in full compliance with all relevant labour laws and regulations. In 2005, the SBS was withdrawn again following the significant inflow of workers from the new EU member states, which was seen as reducing the need for recruiting non-EU workers for low-skill jobs.

Some people argue that TMPs will always “fail” to meet their stated policy objectives of employing migrants on a strictly temporary basis and within the parameters of local labour laws. I do not share this pessimism. At the same time, I recognise the significant challenge and difficulties with finding new policies that make TMPs work. There is certainly no evidence yet that new TMPs will work better than past ones, hence my call for experimentation with small-scale pilot programmes. Unless alternative policies can be found for liberalising the international migration of low-skill workers, experimentation with new TMPs is, in my view, worth a try.

What are the aims of EU governments who are considering using or are already using TMPs?

The aim usually is to fill sector specific labour shortages (e.g. in agriculture or in the hospitality sector) with non-EU workers on temporary work permits. Countries generally want to avoid the perceived “social costs” of admitting a large number of low-skill migrants on a permanent basis. Another rationale for TMPs is to reduce the illegal employment of migrants by providing employers with official labour immigration channels for legally employing non-EU workers in low-skill jobs. TMPs are also meant to benefit migrants by creating more legal opportunities for working abroad. Migrants’ countries of origin could benefit from new TMPs through greater remittances that a greater number of migrants abroad would generate. Achieving this theoretical “win-win-win” scenario in practice is the challenge that new TMPs face.

What *should* be the aims of EU governments who are considering using or are already using TMPs?

Few people would disagree with the aims described above, i.e. mutual economic benefits for all sides involved. However, TMPs are controversial for two reasons: (i) concerns about their feasibility (as discussed above); and (ii) concerns about the ethics of TMPs, and specifically about the implications for migrants’ rights. By definition, the rights of migrants admitted and employed under a TMP will always be more restricted than those of citizens and permanent residents. So, feasibility concerns aside, *should* high-income countries introduce new migration policies that include restrictions of migrants’ rights? There is no easy or universal answer to this question. It very much depends on the number and scope of rights restrictions involved (e.g. restricting the employment of migrants to certain sectors of the receiving country’s

labour market may be more acceptable than restricting migrants' rights to the minimum wage), and on the social model that underlies the receiving country considering the introduction of TMPs. For example, countries that place a very high emphasis on egalitarianism may reject TMPs because of the restrictions of migrants' rights involved, regardless of the mutual economic benefits that TMPs could generate.

Given the ongoing debate about the European 'economic model', is it feasible for there to be continent-wide standards for migrants from outside the European Economic Area?

It is, in my view, unlikely that different EU member states will agree on a harmonisation of labour immigration policies that would limit individual countries' sovereignty over deciding on the number and selection (e.g. by skill type) of non-EU migrants to be admitted. It may, however, be possible to think of a basic set of core rights that all non-EU workers should enjoy in the EU, regardless of their immigration status and of what country they are working in. But even this may be difficult given the differences in the labour market and welfare models prevailing in different EU countries.

There is a growing debate about the possibility of maintaining the generous, universal welfare states present in many richer EU countries, not least because some feel that immigration erodes the national social bonds which facilitate the solidaristic values underpinning welfare states. At the same time many argue that demographic pressures make immigration essential for welfare states as we know it to remain viable in the future. Is there a danger of immigration, especially now it is in greater numbers and complexity than before, undermining the European welfare state, or is immigration the saviour of the European welfare state?

The fiscal impacts of immigration very much depend on immigrants' education and skills, on how immigration is managed (e.g. temporary or permanent; access to welfare benefits; etc.) and on the nature of the receiving country's welfare state. Migrants can make an important contribution to the economy and, in some cases, also generate net fiscal benefits. However, because of its multi-faceted economic and other consequences, immigration is not the magic bullet that can solve the current problems of the European welfare state.

What is the relevance of TMPs for the EU in an age of enlargement and unprecedented mobility across the European continent?

Taking two EU countries to begin with, the UK and Ireland have experienced significant and much larger than expected inflows of workers from the new EU member states since May 2004. In light of the greatly increased supply of EU labour,

the British and Irish governments have explicitly stated that they expect employers to meet all their low-skill labour shortages by employing workers from within the enlarged EU. It is, therefore, currently official Government policy in both countries not to issue work permits to non-EU nationals for low-skill work. Consequently, TMPs are not high on the migration policy agenda in Ireland and the UK. Whether or not other EU15 countries will adopt similar policy approaches when they lift their restrictions on the employment of new EU nationals largely depends on the scale of the subsequent inflow of workers. If migration flows are large – as has been the case in Ireland and the UK – TMPs for employing non-EU workers in low-skill jobs may not be politically feasible or needed from an economic point of view, at least in the short- to medium-term.

At the same time, it is important to recognise that one cannot simply assume that workers from the new EU member states will forever fill all low-skill vacancies in the enlarged EU. Economic growth in the new member states will eventually increase the minimum wages and employment conditions – and, more generally, change the kinds of jobs – that new EU workers are willing to accept. This could re-ignite calls for TMPs that facilitate the employment of non-EU workers in low-skill jobs.

Many rich countries either use, or are moving towards, a points system for assessing whether an economic migrant can enter the country or not. In addition to this, the EU by 2011 will be a fully open labour market, so will TMPs wither away during the next decade?

As explained above, EU enlargement is likely to reduce – but perhaps not completely eliminate – the need for TMPs that enable employers in the EU to legally recruit non-EU workers for low-skill jobs. Points systems are generally used to admit skilled and highly skilled migrants for (eventual) settlement. Points systems are unlikely to be used for admitting temporary migrants for low-skill jobs. Where low-skill labour immigration is included under a points system – e.g. under the proposed points system in the UK – it often constitutes a separate “tier” within the system and ends up resembling a TMP.

To what extent is it possible for EU governments to predict and plan for accurately both inward and outward flows of migration?

Predicting migration flows is a very complex exercise. All estimates of scientific “projections” of migrant labour flows should be interpreted in the context of the underlying assumptions of the model (which are often lost in the public debate). For example, a research study commissioned by the UK Government before May 2004 predicted that EU enlargement would lead to an average annual net migration (i.e.

inflows minus outflows) of 5,000-13,000 A8 nationals for the period up to 2010.¹ The available data suggest that more than 600,000 workers from the new EU member states have come to work in the UK since May 2004. There are a number of reasons to do with the methodological limitations of the study – many of which were explicitly mentioned in the study itself – that help explain its gross underestimate. The key reason, however, may have been the fact that, due to a lack of data on migration from A8 countries to the UK, the predictions for post-enlargement immigration from the A8 countries were based on a model whose parameters had to be estimated using historical data for a different set of countries. Another assumption of the study was that all of the member states of the EU15 would open up their labour markets to workers from the new member states at the same time. In practice, only the UK, Ireland and Sweden granted new EU nationals free access to the labour market immediately upon EU enlargement in May 2004. The study was careful in emphasising these caveats but they were largely ignored in the public debate.

Predicting future migration flows is likely to remain a very complex business that necessarily relies on a number of theoretical assumptions that are not always met in practice. In contrast to the last enlargement of the EU in May 2004, the UK has this time not made any predictions about the likely inflow of Romanian and Bulgarian workers when their countries join the EU in January 2007. From a receiving country's point of view, one of the key measures to prepare for large-scale immigration is to strengthen existing mechanisms for protecting the rights of workers in the labour market. In the absence of immigration controls, government still can – and should – monitor and enforce minimum labour standards. Enforcing minimum standards also helps to “manage” employer demand for migrant labour. Clearly, in the absence of effective enforcement of minimum standards (such as minimum wages), employer demand for labour will be greater than what it would be in a context of effective protection of workers' rights. This point has been recognised in Ireland, where the social partners have recently agreed on measures that aim to strengthen the enforcement of labour laws and regulations.

Leading on from this last point, countries such as Ireland and the United Kingdom have in recent months been rocked by allegations of migrant exploitation. Can TMPs ever escape this problem, given that they are by definition exploiting the willingness of migrants to trade higher wages for fewer or no employment rights?

The exploitation of migrant workers is a very serious issue that needs to be addressed through a number of measures, including effective enforcement of minimum standards and work permit regulations that enable migrants, whenever necessary, to legally change employers to escape sub-standard working conditions. Exploitation –

¹ The ten states joining the EU in May 2004 include the “A8” countries – Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia – plus Cyprus and Malta.

which here I interpret loosely as employing migrants at conditions that do not meet minimum standards set out by local labour laws – has occurred under TMPs, but it is by no means restricted to such programmes. The cases of migrant exploitation recently reported in Ireland and the UK have included workers from the new EU member states, i.e. EU nationals with most of the rights of British and Irish citizens rather than guest workers with more limited rights. The point is that exploitation is not simply a result of a specific immigration status. It can occur under a variety of circumstances affecting migrants with different official statuses and rights.

I have argued in a recent paper (with Phil Martin – see the ‘Links’ section below) that, in practice, the relationship between the number and rights of migrant workers employed in low-skill jobs in high-income countries is characterised by a trade-off: countries with large numbers of low-skill migrants offer them relatively few rights, while smaller numbers of migrants are typically associated with more rights. The primary reason for this trade-off is that rights can create costs for employers, and rising labour costs are typically associated with a reduced demand for labour. A second reason stems from the political imperative in most high-income countries to minimise the fiscal costs of low-skill immigration, either by keeping migrant numbers low or by restricting migrants’ access to the social welfare system. TMPs are based on an explicit recognition of this trade-off. They aim to increase the number of migrants legally working abroad (especially in low-skill jobs) by restricting some of migrants’ rights in the receiving country. This trade-off, which is inherent in all TMPs, raises important ethical questions that have so far not been adequately addressed in debates about new guest worker programmes. One of these important ethical questions concerns the core rights and labour standards that TMPs should never violate, regardless of the country under consideration and the potential economic benefits that TMPs could generate.

Links:

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Castles, S. (2007) “Back to the Future? Can Europe Meet its Labor Needs Through Temporary Migration?”, *International Migration Review*, Volume 40, Issue 4, 741-766; Working Paper available online at <http://www.imi.ox.ac.uk/publications>

Ruhs, M. (Nov 2006) “Greasing the wheels of the flexible labour market: East European labour immigration in the UK”. COMPAS Working Paper 38, available at <http://www.compas.ox.ac.uk/publications/Working%20papers/wp-06-38.shtml>

Anderson, B., Ruhs, M., Spencer, S. and B. Rogaly (June 2006) “Fair enough? Central and East European migrants in low-wage employment in the UK”. Report written for the Joseph Rowntree Foundation, published as a COMPAS Report, available at: <http://www.compas.ox.ac.uk/changingstatus>

Dustmann, C., M. Casanova, I. Preston, M. Fertig and C. Schmidt (2003) “The impact of EU enlargement on migration flows”, Home Office Online Report 25/03, London, available at <http://www.homeoffice.gov.uk/rds/pdfs2/rdsolr2503.pdf>