

German Migrant Rules Change

Regulations Tighten On Low-Wage Jobs, Ease on Skilled Labor

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BERLIN -- Germany said it will extend restrictions on low-wage migrant workers from Eastern Europe until 2011, going against the trend of countries in Western Europe that have decided to open up their economies to workers from the European Union's new member states.

Germany's cabinet did approve measures to allow limited immigration by highly skilled workers, addressing rising complaints from German companies that they can't find enough specialized staff in areas such as engineering and computer programming.

Many companies such as engineering group Siemens AG have been unable to fill vacancies in recent years because German universities aren't producing enough workers with technical skills. The skills shortage is costing the German economy about €20 billion (\$32 billion) a year, according to the German economics ministry.

"Germany must take part in an international competition to attract bright minds," Labor Minister Olaf Scholz said Wednesday. The government said it would allow free entry for university graduates from the EU's eastern members and partially relax restrictions for highly qualified workers from outside the EU.

German politicians are strongly resistant to allowing free entry for all Poles, Czechs and other nations that have joined the EU since 2004. German labor unions fear these workers would undercut German wages. Mr. Scholz said last month his priority is to get companies to recruit more of Germany's unemployed, rather than people from outside the country.

This year, France said it would drop its restrictions on East European workers, drawing a lesson from countries such as the U.K. and Ireland, whose economies have benefited from a large influx of Poles and other new EU citizens.

The biggest change Germany announced Wednesday was that the restrictions on German companies employing East Europeans would no longer apply to university graduates from the new EU countries. Currently, graduates have to prove they aren't taking jobs away from existing German residents. Next year, Germany will lower the minimum annual salary for foreigners from outside the EU to €3,600, from €6,400 today -- a level German business groups said is too restrictive.

German business groups said Wednesday the changes didn't go far enough and that Germany needed bolder action on immigration to address its labor shortages. Germany's low birthrate in recent times means skills shortages are set to worsen in coming decades, limiting the country's potential economic growth.