

The economic crisis and discrimination against migrant workers

Migrant workers are subject to increased discrimination during economic downturns. An effective policy response depends on social dialogue in which competing interests are acknowledged. Gary Humphreys reports.

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Migrant workers are among the groups most affected by economic downturns, partly because they are often employed in sectors such as construction or tourism which tend to get hit first (IOE: [Trends in the workplace, survey 2009](#)). But they are also subject to greater discrimination when times get hard, and while data on this are lacking, the current crisis appears to be no exception. "In times of economic insecurity migrants always seem to be among the first to be blamed, and this crisis is no different," says Patrick Taran, Senior Migration Specialist at the ILO International Migration Programme.

While data may be in short supply, shocking incidents are not. Notable examples include the attacks on migrant workers in South Africa in 2008, where more than 60 foreign migrants were killed and around 10,000 were left homeless, and more recently the attacks on migrant workers in Rosarno, Italy, where two days of unrest left 53 migrant workers injured and resulted in 1,000 being sent to deportation centres.

For Taran the issue could not be more serious. "We are seeing behaviour that is threatening coherence," he says. "It is threatening democratic rule, it is threatening individual livelihoods and well-being – all of this makes it an extremely urgent issue to address." To push back against this growing wave Taran recommends strengthening the implementation and enforcement of anti-discrimination law which, in his opinion, is in most countries already adequate to the task.

Need for a comprehensive approach

This will not be enough on its own, however, and Taran stresses the need for a comprehensive approach to the problem that includes improving the working conditions not just of migrant workers but also of vulnerable national workers in migrant employment countries. Madeleine Sumption, a policy analyst at the Migration Policy Institute, a Washington-based independent, non-profit think tank, takes a similar line. "Immigration issues need to be seen as part of a bigger picture," she says. "There are various things going on and you have to solve those problems together." One of those "various things" is the impact of immigration on the host country workforce.

One of the most frequent charges levelled against migrant workers is that they accept work for lower wages and lead to the disintegration of benefits and working conditions in the host country. Again, the lack of hard data on this subject makes it difficult to argue the point with any clarity, but the basic proposition has some support.

Sumption says: "The consensus among economists regarding the longer term prospects is that immigration has a small but positive impact on wages and employment because immigration makes the economy grow. However, there is a segment of the workforce – somewhere around the bottom 10 per cent of earners – that does lose out as a result of immigration." Specifically, says Sumption, the bottom 10 per cent can expect to see slightly lower wage growth as a result of immigration and a little more competition for jobs.

"Immigration issues need to be seen as part of a bigger picture"

Does that mean that the lowest 10 per cent of earners have a legitimate grievance? Certainly this is the position taken by political extremists and it is a grievance they exploit to great effect, but Sumption points out that the impact of immigration on the lowest earners is quite a lot smaller than other factors, notably a lack of education. "If you look at the gain a person would get from one more year of education, it would be significantly larger than what you would expect them to lose as a result of immigration," she says, arguing that policy focused on education, including workforce development and retraining, or policies that help people engage with the world of work more flexibly, are in the long run likely to be more effective than trying to shut out immigrants or for that matter enforcing anti-immigration legislation.

This is fine as far as it goes, but "in-the-long-run" solutions need to be supplemented by policy that addresses pressing and immediate issues. For Claire Courteille, Director of the Equality Department at the Brussels-based International Trade Union Confederation (ITUC), a more promising approach to tackling the key issue posed by immigration, which her members consider to be salary dumping, is to focus on the way migrant workers are treated by employers. "Our position is if [people] work here they should be entitled to all social security benefits, the same health safety regulation, the same wages, and have their right to join a union recognized. The principle of equal treatment for migrant workers has to be the cornerstone of any migration policy," she says.

But isn't this precisely the kind of open door policy that inflames discrimination against migrant workers? Courteille doesn't think so. "If you allow people to come in to do, for example, agricultural work and you do not guarantee them equal treatment with local workers you will see social dumping, where the employers are going to go for cheaper labour. If on the other hand, employers are unable to hire workers below the going rate, the domestic workforce will feel more comfortable about migrant workers coming in and there will be a decline in discrimination."

Courteille also points out that a corollary benefit of policy based on equal treatment will be a reduction in exploitation and trafficking. As for opening the door to illegal migrants, Courteille argues that the door is already open; borders are porous, especially in Europe. "The fact is the majority of construction workers in Brussels are illegal undocumented workers," she says. She also believes that properly enforced equal treatment laws would actually discourage employers from hiring illegal migrants in the first place.

Focus on migrants' positive contribution

Courteille believes that another way to deal with discrimination is to focus on the positive contribution made by immigrants. "Migrant workers bring a lot more than just unskilled labour," she says. "They are also a source of entrepreneurial drive and skills."

This point was underlined recently by Michael Hüther, Director of the Cologne-based Institute for the German Economy (IW), when IW announced that Germany is likely to see a net inflow of 800,000 migrant workers from Central and Eastern Europe over the next two years, a significant jump from the previous government estimate of 280,000. Hüther said the influx was necessary to support economic growth at a time of increasing skill shortages. Predictably, German unions called for measures to prevent salary dumping and unfair competition for the least skilled German workers, including a minimum wage for contract workers.

The bottom line is that there are competing interests in national economies. These can be boiled down to business wanting either high-end skills or low-end, cut-price labour; a domestic workforce that wants to protect itself against the creeping informalization of "social dumping"; and governments that tend to straddle the divide, taking positions depending on their political agenda. Pushing back against discrimination, by strengthening anti-discriminatory measures that have been identified by the United

Nations conferences, for example, or enforcing legislation that is already in place without acknowledging the challenge that immigration poses for certain segments of national economies, only plays into the hands of demagogues who rely on peoples' sense of grievance to advance their interests.