CHAPTER 7. EMPLOYMENT CAREERS AND UNEMPLOYMENT DYNAMICS OF MALE IMMIGRANTS IN GERMANY AND GREAT BRITAIN

This chapter examines employment careers of immigrants as compared to the native-born in Germany and the United Kingdom, two countries that differ with respect to several factors potentially influencing immigrant integration and particularly immigration policies, labour market regulation and welfare regimes. Sequence analysis techniques are applied to the existing panel data for both countries exploiting their full potential for the descriptive analysis, while a multivariate event history analysis is conducted to explore the dynamics and to determine the causes of frequent and prolonged unemployment among immigrants in both countries.

The chapter starts with an overview of immigration trends in Germany and the United Kingdom. This is followed by a systematic assessment of a hypothetical role postulated for institutional factors affecting immigrant labour market incorporation in both countries. Data and methods are described in detail in Section 7.2, while results can be found in Section 7.3.

7.1. Background Conditions in Germany and Great Britain

7.1.1. AN OVERVIEW OF IMMIGRANT INFLOW TO GERMANY AND THE UK IN THE SECOND HALF OF THE 20TH CENTURY

The post-war immigration history of Germany and the UK share some similarities and can be divided into two periods. The first period, which lasted roughly until 1973, is predominantly characterised by labour migration, minimal restrictions on migrant inflow and negligible effort towards social integration for the newcomers. Following the oil crisis of 1973 the policy of labour recruitment and unrestricted immigration was abandoned and migrant inflow has since been dominated by family reunifications and resettlement of refugees and asylum seekers. Despite the similarities in general trends of immigration (which are actually characteristic all western and northern European countries as has been shown in

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80 A portion of this chapter appeared as an article ‘Labour market Careers of Immigrants in Germany and the United Kingdom’ in Journal of International Migration and Integration, 5(4), 2004, pp. 417-47.
Section 3.1) the UK and Germany differ with respect to some aspects of their immigration policies, the contexts of immigrant reception and the composition of newcomers.

The year 1955, when Italy and Germany signed a treaty which allowed an organised recruitment of Italian labour to meet the needs of the growing German economy, marked the beginning of guest worker migration. After the construction of the Berlin wall in 1961, the Federal Republic of Germany was no longer able to rely upon inflow from the German Democratic Republic. But because demand for labour actually increased dramatically, recruitment was expanded to other Southern European and Mediterranean countries: Spain and Greece from 1960, Turkey (1961), Morocco (1963), Portugal (1964), Tunisia (1965) and finally Yugoslavia beginning in 1968 (Rudolph, 1994). Foreign workers were recruited to take jobs in Germany on a temporary basis (for several years with further rotation) and were not expected to settle or bring their families. In short, social integration of guest workers, who themselves viewed their presence as temporary, was not envisaged and no comprehensive concept for dealing with a growing foreign population was adopted.

In Britain, as in other European countries, immigration was stimulated in the 1950–60s by demand for cheap and flexible labour; but unlike Germany, the UK did not resort to mass guest-worker recruitment. In fact, very few immigrants were recruited either through government programs or directly by employers (Hatton and Wheatley Price, 1999), and those who came by invitation were mainly Irish workers or persons displaced after the Second World War. Most migrants arrived with the goal of finding work, coming from Commonwealth countries and benefiting from the open-door policy of the British government: Under the 1948 British Nationality Act British subjects (those from the former British colonies, e.g. West or East Indies) had the right to enter, work, and settle with their families in Britain and granted British citizenship (Bloch, 2002; Currie, 2004). Hence, unlike in Germany, British authorities and immigrants themselves saw their presence as more than temporary, with immigrants enjoying rights and freedoms similar to those of native-born Britons (Kruyt and Niessen, 1997).

From 1971 onwards the British government introduced restrictions on migration from the Commonwealth and Pakistan. Germany ceased the practice of foreign labour recruitment in 1973, following the oil crisis and a sharp decrease in demand for labour. This marked a new phase in both countries’ immigration histories: since the mid-1970s immigrants have been accepted in both Germany and the UK mostly on humanitarian grounds, including family reunification, resettlement of refugees and granting asylum to those seeking it. In Germany the cessation of active labour recruitment and barriers faced by foreigners in settling led to a minimisation of trans-national movement, and marked a growing tendency toward permanent settlement among those who had earlier entered the country as temporary workers.

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81 The restrictions on migration did not, however, apply to immigrants arriving from the EU or other western industrialised countries.