

Germany Seen Becoming a Favorite Destination for Migrants

Economic Crisis Saw Influx of People From Euro-Zone Periphery

By Harriet Torry / The Wall Street Journal

BERLIN—Germany, the economic powerhouse of a convalescing continent, has become one of the most popular immigration destinations in the world and is now second to the U.S. as the most attractive market economy for foreign workers.

Data released Tuesday by the Organization for Economic Cooperation and Development showed a near 40% increase in immigration to Germany in 2012. The figures come days before European Union elections on Sunday, in which immigration has been an important issue.

The data also highlight the dramatic impact the crisis in the euro zone has had on the movement of workers in Europe and beyond. In the five years from 2007 to 2012, the number of people coming each year to Germany for work rose 72% to almost 400,000, while it dropped 60% in crisis-hit Spain, and 73% in Ireland during the period, according to the OECD, a club of 34 open economies.

"Such a strong increase from one year to another has been rarely observed in any major OECD country, and we can clearly speak about a boom of migration to Germany without exaggeration," said Thomas Liebig, administrator at the OECD's migration division.

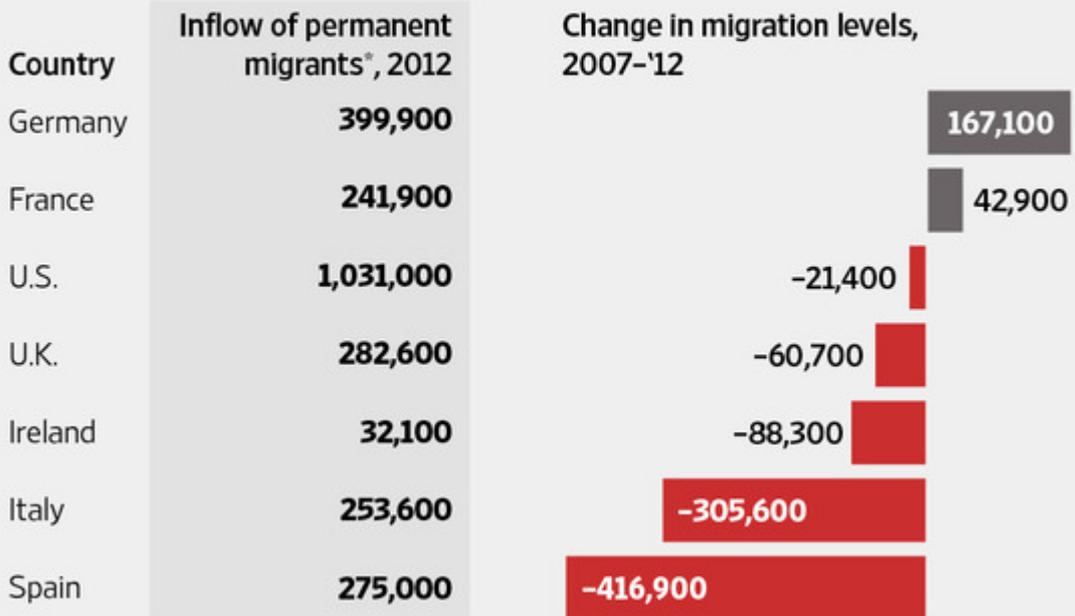
Germany's buoyant economy and strong jobs market—unemployment was 5.1% in March, less than half of the euro-zone average—have attracted immigrants in droves, particularly from nations grappling with double-digit jobless rates such as Spain and Greece. Nationals of other European countries who need neither visas nor work permits to settle in Germany made up three-quarters of the newcomers.

The data come days ahead of European Parliament elections in which some parties—including the Alternative for Germany, or AfD, and the Christian Social Union, the Bavarian sister party of Chancellor Angela Merkel's Christian Democrats—have put so-called benefit tourism and rising housing costs, which some blame on immigration, in the spotlight.

"It's nice that immigrants view Germany as a popular destination, but we still need an immigration law through which we can regulate immigration according to our own criteria," AfD spokesman Christian Lüth said. The AfD, an anti-euro party founded last year, is critical of the EU's open-border policy and wants Germany's immigration laws remodeled on Canada's points system for skilled workers.

Shifting Tide

Germany's vibrant economy has made it a more popular destination for immigrants.



* Immigrants with indefinite residency status, and for EU and EFTA nationals, residency of at least a year Source: OECD The Wall Street Journal

While the OECD said the vast majority of new immigrants from the EU who stayed in Germany are employed and better qualified than those that arrived in 2007, Germany's comparatively generous welfare system has also attracted unskilled benefit seekers.

Successive waves of EU expansion to countries such as Bulgaria and Romania, where gross domestic product per capita is about 50% below the EU average, have stoked concerns about benefit tourism in Europe.

The issue came to national attention after the German Council of Cities, a grouping of municipalities, appealed to the government last year for financial help in tackling what it said were rising numbers of unskilled benefit seekers straining social services and fueling begging, crime and prostitution in such places as Dortmund and Duisburg, two struggling towns in Germany's industrial rust belt.

An opinion from a legal adviser to the EU's top court Tuesday appeared to address such fears, however, saying Germany could refuse to pay some social benefits to citizens of other EU countries who haven't demonstrated a genuine link to Germany or desire to integrate.

The rise of anti-immigration parties in France, Finland, Denmark and the U.K. reflects fears that "migration from poorer countries is interpreted as a threat to the social system," said Jürgen Gerhards, a social scientist at the Free University in Berlin.

Unlike many countries in Europe where the economic crisis has weighed on the political climate, Germany has been spared some of the more virulent anti-immigrant rhetoric of antiestablishment parties elsewhere, thanks to its economic resilience, political analysts say.

Still, the AfD, whose platform combines skepticism about Europe, social conservatism and a tough line on immigration, is a growing political force despite being barely a year old, and it has garnered a steady 6%-7% in recent opinion polls.

Germany, the EU bloc's most populous state, fills 13% of the European Parliament's seats, and after Germany's constitutional court struck down a 3% threshold for political parties to be elected to the European Parliament in February, the AfD looks certain to win seats.

While immigration is a charged political topic in Germany, economists say it is a necessity given the country's rapidly aging population, endemic skills shortages in some regions and sectors, and the mounting burden of its expensive welfare state.

"We have too few voices unfortunately who take migration seriously as a reality and necessity," said Regina Römhild, migration expert at Berlin's Humboldt University.

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