THE POLITICAL ECONOMY OF MIGRATION POLICIES IN GERMANY

CLEAR GOALS, STONY PATH, UNCOMFORTABLE REALITIES

ABSTRACT

Germany’s migration policies are an outlier in Europe. In contrast to many of its neighbours, the country has been trying to open itself up for more migration in recent years, especially to labour migrants to help fuel the country’s economy. This policy brief gives an overview of data about regular and irregular migration to Germany and breaks down the so-called paradigm shift on migration that has been driving migration policies since 2021. It highlights inefficient administrative processes and recommends the government address uncomfortable realities and move from creating new laws to creating better conditions to implement them.

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1 Introduction

Migration policy in Germany has shifted substantially since the mid-2010s, with three main events propelling change: the political and humanitarian crisis of 2015 and 2016, which awakened Germany (like other European countries) to migration challenges that had previously been out of the public eye; the arrival of Ukrainian refugees in 2022 following Russia’s invasion; and the election of a new government in 2021 whose so-called paradigm shift on migration aims for a clear departure from the attitudes and policies towards migration of the Angela Merkel era.

This policy brief explains the political economy of Germany’s migration policies. To do so, it answers three questions. First, what do available data and statistics on regular and irregular migration flows and stocks reveal about the country’s demographic composition, and how has it changed in the last decade? Second, what are the current federal government’s approaches regarding migration, including labour migration and labour market integration, asylum, and people in irregular status? And third, how can Germany work towards a more balanced migration debate and more effective implementation of its laws in the future?

2 The data: what we know about regular and irregular migration to Germany

Germany is the main destination country for migrants in Europe. The German government consistently records positive net migration, meaning that more people enter the country than leave each year, but numbers fluctuate heavily, from less than a quarter of a million net migration in the pandemic year of 2020 to large spikes in 2015 (1.1 million people, many of them asylum seekers from Syria and Afghanistan) and 2022 (around 1.3 million, most of them refugees from Ukraine).

Most migration to Germany is legal and migrants arrive through regular channels. Two out of three migrants come from other European countries, with Romania, Poland and Bulgaria being the top three countries of origin. But it is irregular migration that dominates the headlines and political discourse, especially the irregular arrivals of asylum seekers, most of them from Syria, Afghanistan, Iraq and, increasingly, Turkey. In 2022, Germany registered nearly 220,000 first-time asylum claims, around a quarter of all claims lodged in the EU.

In parallel to growing numbers of asylum seekers, the year 2022 saw the largest influx of refugees to Germany (and the EU) since WWII, when around 1 million Ukrainians arrived in Germany, fleeing Russia’s war of aggression. Since the beginning of the large-scale displacement, Germany has taken in around a quarter (24%) of all Ukrainian refugees arriving in the EU, with Poland hosting another quarter (23%). Comparatively small shares of refugees are registered in Italy and Spain (less than 5% each), France (2%), and Sweden (1%). While Ukrainian refugees arrived spontaneously at the border, the EU’s decision to activate the Temporary Protection Directive meant that they were immediately granted legal status and many benefits unavailable to asylum seekers, such as the right to move freely within the bloc, full access to the labour markets of the EU, and access to social services including health and education systems.

Legal pathways for other refugees and humanitarian migrants remain slim. Germany admits only a few thousand refugees each year via resettlement. The country’s unwillingness to expand resettlement is in line with its neighbours: in most of the last five years, all EU countries combined resettled fewer than 20,000
refugees annually. At the same time, the German government has recently experimented with opening some legal channels and humanitarian corridors for narrowly defined groups. For instance, Germany announced the admission of around 30,000 Afghans after the Taliban took power in 2021, and granted special visas to around 10,000 Turks who were affected by a severe earthquake in February 2023 to join family members in Germany for a few months. These initiatives show that the country is willing to admit humanitarian migrants in emergencies through legal channels, but critics lament that even these channels remain too bureaucratic and slow, and that numbers remain in the four or low five digits, a small fraction of the six-digit arrivals of asylum seekers each year, and the seven-digit arrivals of Ukrainian refugees.

Both regular and irregular migration have changed the demographic makeup of the country. Today, 14 million migrants live in Germany, making up 17% of the population of around 82 million. An additional 8.3 million people live in Germany who are second-generation migrants – that is, they have at least one parent who was born outside of Germany. Combined, these groups make up 22.3 million, which means that more than a quarter (27.3%) of the population has a so-called migration background. This data from 2021 is the most recently available that German authorities publish in their annual migration report, and it does not yet include the large-scale arrivals of asylum seekers and refugees in 2022. A further increase of migrants in Germany’s population is thus certain.

A small set of migrants, currently about 280,000 people, live in Germany without a legal status (Ausreisepflichtige in German), most of them (225,000, i.e. 80%) with so-called deferred deportation (Duldung in German), which is not a legal status, but merely a reprieve from the duty to return. The remaining 55,000 people do not have this reprieve. The number of people without a legal status recently declined for the first time in more than a decade, from more than 300,000 to its current 280,000, largely due to a new regularisation path the government introduced in late 2022 through the “Opportunities for legal status law” (see the following section for more information).

The total number of irregular migrants in Germany is unclear. Recent attempts to estimate the irregular population have found that on top of the 280,000 people who do not have a regular status, there may be an additional 330,000–530,000 people living in the country without knowledge of the authorities, for example visa-overstayers and people who entered irregularly and never registered with an authority, effectively living in the shadows. This estimate has received criticism for the methods and data sources it used, but it is in line with earlier estimates and remains the most recent contribution to the systematic estimation of the phenomenon of migrants in irregular status in Germany.

3 Clear goals, stony path: Germany’s paradigm shift on migration

Germany’s approach to migration changed in the autumn of 2021 when then-Chancellor Angela Merkel left office and the new government of Chancellor Olaf Scholz announced a “paradigm shift” on migration. Its declared goal is to increase regular migration and decrease irregular migration. The government is trying to reach this goal through a broad range of measures that includes three new pieces of legislation: the first regularises migrants in irregular status, the second makes it easier to acquire German citizenship and the third expands legal migration opportunities for workers.
The "Opportunity for legal status" law (Chancen-Einwanderungsgesetz) creates pathways for people to move from an irregular to a regular status. It does so by giving people without a legal status a trial period of 18 months in which they receive a temporary legal status. During this time, they can work towards fulfilling conditions such as an income threshold, language skills and proof of ID, which may then allow them to switch to a more permanent legal status. The goal of this scheme is to reduce the number of people without legal status in Germany. Many of them have been in the country for many years and are unlikely to return to their home countries in the foreseeable future. Regularising them is a pragmatic acknowledgement that keeping large numbers of people without legal status is bad policy with downsides for everyone involved – both the country and its overburdened authorities and administrative offices, and the people themselves. The effects of this law will become clearer in 2024 and 2025, when data will show how many of the people who qualify to enter the temporary trial period will be able to fulfil the conditions to receive permanent legal status after the trial period ends a year and a half later, and how many will fall back into irregular status.

The second piece of legislation is a new citizenship law designed to make it easier and faster to apply for German citizenship. The planned law reduces wait times from eight to five years (and in some cases even three years). Most importantly, Germany is switching its long-standing view that dual citizenship should be discouraged to the view that dual citizenship is normal and that people will thus not have to give up their home country’s citizenship when applying for German citizenship. The goal of this law is to make Germany’s citizenship system fairer and more welcoming. To date, people from Western countries such as EU members and the United States tend to receive exceptions and are allowed to keep multiple citizenships, while people from other countries have to give up their original citizenship to become German. The new law aims to do away with this unequal treatment and to make the system faster and more attractive for prospective migrants. In fact, the government argues that easier access to citizenship is not only the right and fair thing to do, but can also serve as an incentive for the legal migration of (highly) skilled people. The assumption is that they choose their destination country based not just on the available jobs and income opportunities, but also on longer-term considerations such as political rights and societal belonging – which citizenship embodies. Easier access to citizenship is thus seen as a pull factor for skilled migration.

The third measure is a skilled labour law that expands the opportunities for workers to come to Germany. Attracting skilled workers is one of Germany's major societal debates, because there is a clear understanding that its economy depends on foreign workers, especially in health, construction, educational facilities such as schools and daycare centres, and countless service-oriented sectors such as restaurants and shops. Shortages of workers at every skill level are already keenly felt across the societal spectrum and are projected to become worse. To counter this development, the new law tries to broaden pathways for people from third countries, for instance by introducing a points system (the so-called Chancenkarte), reducing red tape involved in recognising professional qualifications, and easing the formal requirements to take up qualified jobs.

Labour market integration of new arrivals is also a priority for Germany. The country has been intensifying its integration schemes in the last decade, especially since 2015. The government offers integration courses to new arrivals, which are basically language courses.
mixed with a few cultural orientation units. For those with advanced language skills, profession-specific courses teach specialised vocabulary of daily work, for example, health-specific terms for those who plan to work in hospitals or care facilities. The Achilles heel of these courses is their availability: wait times are notoriously long, which counters their goal of helping new arrivals integrate quickly.

Besides practical integration support, German society is increasingly discussing cultural changes that are needed to make the country a more welcoming place that is able to not just attract workers, but also keep them in the country permanently. Media and political discourse lament the phenomenon of skilled migrants who leave Germany, citing disillusionment with the country's crumbling infrastructure, lack of digitisation, unfriendly authorities, subtle or open anti-immigrant discrimination, and racism. It remains unclear how widespread this phenomenon is, since most reporting on it is anecdotal. But many of the frustrations newly arriving migrants experience are shared by the population at large. Concerns centre on inflexible bureaucracy and insufficient infrastructure and services, be it in housing, health appointments, spots in childcare or schools, educational quality, or workers for repairs and maintenance. Germany still benefits from the image of an efficient country, but the reality of its frail infrastructure no longer justifies such hubris. The trend is worrisome: worker shortages for essential services may have become so pronounced that they themselves become a disincentive for other skilled migrants to come to Germany and help ease the shortages. Breaking out of this vicious cycle requires not only large-scale infrastructure investments, but also cultural shifts. Together, these challenges amount to a stony path ahead, littered with uncomfortable truths about the country.

Another societal debate full of uncomfortable realities is whether migration is an economic burden or a benefit for Germany. Researchers have spilt much ink estimating migrants’ and refugees’ contributions and costs to social systems. The political battle lines are drawn: in 2021 the far-right Alternative for Germany party formally asked the government to provide detailed information about the impact of migrants on the social system. The response from the government was clear: Germany's social safety net depends on migration and migrants help stabilise the social systems, especially the pension and health care systems. Migrants also tend to have higher rates of entrepreneurship than the rest of the population, the government said, thus contributing to innovation and economic growth.

A closer look shows murkier waters, though. Research on the labor market integration of refugees and asylum seekers finds that the majority can and do contribute, but this takes time. After five years, more than half of refugees are working. This share rises further to 60–65% after 15 years, but fails to match the 70% rate of the native population. And while refugees and asylum seekers tend to be younger, and thus cost the health systems less than natives do, their long-term cost to pension and social safety systems is hard to estimate, because it depends on future jobs, income, levels of return migration, life expectancy and countless other factors. It is these uncertainties that make it hard to produce solid estimates that can counterweigh political push and ideological policymaking.

4 The future: policy recommendations to bring aspirations in line with reality and limits

Good intentions do not always lead to good outcomes. Despite the clear goals Germany's
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government announced with its paradigm shift, the implementation of the new migration-related laws and policies will remain a stony path, hobbled by challenges. If the government wants to reap the benefits of migration more fully, it needs to do two things: (1) move from creating new laws to creating better conditions for the implementation of these laws and (2) communicate clearly about both the benefits and the costs of migration, thus countering prevailing narratives about migration that are either overly negative or positive.

First and foremost, the German government must invest in the administrative abilities of its local immigration offices (Ausländerbehörden, or Foreigners’ Authorities), which are the most important point of contact for migrants once they are in the country, and of the visa sections of its Embassies and Consulates, which are the first points of contact for prospective migrants. Both shape the perceptions and experiences of migrants and would-be migrants, but are notoriously slow. While the federal-level visa sections often have long wait times that create a bottleneck for workers willing to come to Germany and employers waiting for their arrival, the local-level Foreigners’ Authorities are overworked, underpaid and not always well-prepared to implement the labyrinthine migration regulations, which have grown increasingly complex. Staff at these authorities often lack language skills, which complicates communication and embodies the gap between the country’s high aspirations and its low ability to translate them into practice.

The same goes for local authorities in charge of naturalisation. The new citizenship law massively expands the pool of people eligible for citizenship, but the government has yet to answer the questions of how to process the additional applications speedily and how to address the growing backlogs. Wait times for naturalisation vary by locality and by the level of complexity of individual cases, but they commonly run to years rather than months. Berlin is an example of particularly poor administration, with an average wait time of nearly 2.5 years, and around 30,000 backlogged cases. The solution is simple, but remains elusive: more staff, better pay, and a more realistic matching of rhetoric and reality. Unless Germany addresses its migration bottlenecks, the new laws risk changing paper, not reality.

Finally, the German government and politicians should try to communicate clearly about both the costs and benefits of migration. Public discussions on migration have become increasingly polarised since 2015. Extreme voices often dominate the discourse and misrepresent all types of migration either as a panacea to Germany’s economic woes or as an existential threat to German culture and society. While it is tempting for politicians to use simple narratives, they hinder a clear-eyed and fact-based migration debate. Germany needs policies that are driven less by ideological wishful thinking and more by realities – especially the uncomfortable realities about both migration and Germany.
Endnotes


3 Note that there is no universal definition nor understanding of the term irregular migrants or irregular migration. The term is sometimes applied to the mode of stay and sometimes to the mode of arrival. For instance, asylum seekers’ mode of arrival is usually irregular, yet their mode of stay in Germany is considered regular (and/or legal) when they register with the authorities, even though the German government does not grant them a legal status (“Aufenthaltstitel”), but rather a legal permit (“Aufenthaltsgestattung”) for the duration of their asylum claim. The term “irregular migrant” is politicised and, depending on political leaning, used interchangeably with other terms like “illegal migrant”, “sans papiers” or “unauthorized migrant”.

4 The top five asylum receiving countries in the EU according to Eurostat, making up three quarters of total asylum claims (884,000) in 2022, were Germany (217,000), France (137,000), Spain (116,000), Austria (110,000) and Italy (77,000). “Asylum applicants by type of applicant, citizenship, age and sex – annual aggregated data” (2023) Eurostat, 21 September, https://ec.europa.eu/eurostat/databrowser/view/MIGR_ASYAPPCTZA/default/table?lang=en.


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Victoria Rietig began her professional career at the United Nations Institute for Training and Research in New York, working on migration and development. She later worked at various think tanks in Washington, DC, including as a policy analyst for the Migration Policy Institute, a fellow at the Atlantic Council, and a senior migration fellow at the American Institute for Contemporary German Studies at Johns Hopkins University. Rietig also served as an independent expert for migration, asylum, and refugee issues, advising government offices and foundations, including the German development agency GIZ, US Department of State, UK Foreign and Commonwealth Office, Swiss Foreign Ministry (EDA), and Human Smuggling and Trafficking Center of the US Department of Homeland Security (DHS). Rietig received an MA in public policy from Harvard University and an MA from Freie Universität Berlin, with a focus on migration and integration.

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The University for Foreigners of Perugia (Unistrapg) was founded in the early 1920s with the aim of promoting Italian culture and heritage abroad. A highly internationalised institution relying on a broad network of student and faculty exchange partners, Unistrapg attracts students from all over the world. Research and teaching at Unistrapg today focus on a number of different disciplines, such as communication, international relations, development cooperation, translation and interpretation, and food and hospitality.