Migration from eastern Europe

Second thoughts

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Why the door will not open for workers from Romania and Bulgaria

WHEN the European Union expanded in May 2004, just three of its existing 15 members welcomed migrant workers from eastern Europe. Britain was the only large country to open its labour market. Along with Ireland and Sweden, it waived the opportunity to impose restrictions lasting up to seven years. The decision allowed eager Poles, among others, to fan out to vegetable fields, building sites, factories and restaurants across Britain.

In January 2007 the EU is expected to expand yet again. On current plans, Romania and Bulgaria will follow in the wake of the eight eastern countries that joined in 2004. Until now, the government was resolved to offer the same welcome to migrant workers from the two new members. But ministers are having second thoughts—and thinking them aloud.

On August 20th Alistair Darling, the trade secretary, said that migration from Romania and Bulgaria would be "managed". In explicitly ruling out an open-door policy, he seemed to be preparing the ground for an embarrassing U-turn.

The bigger political embarrassment, however, would be another stampede of migrant workers, this time from Romania and Bulgaria. Before Poland and the other seven countries joined, the government published a prediction of the likely migration that has proved wildly wrong. The study suggested that the net inflow of workers (taking into account those that return) would be only 13,000 a year up until the end of the decade.

Instead, figures released on August 22nd showed that 427,000 migrants from eastern Europe had registered for work between May 2004 and June 2006. These figures do not include the self-employed, such as the supposedly ubiquitous Polish plumber. Allowing for that, the true figure was nearly 600,000 according to Tony McNulty, a Home Office minister.

John Salt, director of the migration research unit at University College London, says that the population movement since May 2004 is the biggest single wave of migration in British history. Certainly this is the case in absolute terms, although he adds that the arrival of Huguenots from France in the late 17th century may have been bigger as a share of the population.

Ministers are waking up to the political dangers of presiding over an even bigger influx than the current one when Romania and Bulgaria join the EU. There is nothing new in such calculations. "Immigration can be the greatest political vote loser for the Labour Party if one seems to be permitting a flood of immigrants to come," noted Richard Crossman, a Labour minister, in his diary in February 1965, during a time of heightened anxiety about new arrivals. But until now Tony Blair's government has thought that the economic gains were worth the political risk.

The new wave of migration has certainly brought some impressive short-term benefits. The working-age population has recently been increasing at its fastest for over 20 years, which should feed through to faster GDP growth. Competition from so many keen jobseekers has helped to keep wage pressures at bay despite the leap in inflation caused by higher energy and commodity prices.

Although the macroeconomic impact of the newcomers appears benign, it has distributional consequences that are increasingly worrying Labour MPs. Almost four-fifths of the arrivals who have registered for work earn an hourly rate of between £4.50 ($8.50) and £6. By contrast, less than a fifth of the overall working population earn less than £6 an hour. John Denham, a former minister, says that the new arrivals have halved wages for builders in his Southampton constituency.

Both he and Frank Field, another influential Labour backbencher, also worry that the migrants will undermine attempts to get people off benefit and back to work. "If you have a choice between hiring someone who has been on incapacity benefit with a mental health problem for five years, or a young, fit Pole, who are you going to go for?" asks Mr Denham.

Another concern is the strain on the public services from so big a population shock. Although few of the new workers have brought families with them so far, some local authorities are starting to complain about increased demands. In Slough, the council says that one of its primary schools has recently taken in 50 Polish children in a single term. And because the new migrants have spread out, rather than clustering in London and a couple of other big cities as previous waves have done, their effect is being felt all round the country.

As such worries intensify, the chances of Romanians and Bulgarians replacing Poles and Lithuanians as prime fixers of the country's dodgy plumbing are fading. Indeed, a broad political coalition, including employer groups like the British Chambers of Commerce, now opposes extending the open-door policy to the two prospective new members.

Romania and Bulgaria have two other things going against them. First, as especially poor countries, their workers may be even more likely to move to Britain than those who have come already. Second, there is no grand foreign-policy objective in their favour. Two years ago, worries about low-paid workers stealing jobs were swept aside by arguments about winning allies in the east in battles over the future of Europe. But that is no longer so necessary now that the EU has stalled following the no votes against the constitution.

Workers from the existing eight eastern EU members will remain free to work in Britain. But if restrictions are imposed on migrants from Romania and Bulgaria, as now seems likely, the decision may also mark the peak in an extraordinary high tide of immigration.