

Bolz, Klaus

Article — Digitized Version

Guest workers and east-west cooperation

Intereconomics

Suggested Citation: Bolz, Klaus (1974) : Guest workers and east-west cooperation, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 09, Iss. 9, pp. 266-, <https://doi.org/10.1007/BF02929204>

This Version is available at:

<https://hdl.handle.net/10419/139065>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Guest Workers and East-West Cooperation

Of the measures taken in the Federal Republic of Germany to bring relief to the labour market the most incisive one has been the ban on the recruitment of more foreign workers in November 1973 which was expressly reaffirmed by the Federal Government in July 1974. Its chief benefit in the view of the Federal Government is that it safeguards the jobs of guest workers who are already in the Federal Republic.

The present situation provides an opportunity to develop a longer-term concept for the employment of foreigners. The principal aim of the measures currently under discussion is the social consolidation of the foreign labour force in the Federal Republic (in the autumn of 1973 there were almost 2.6 mn guest workers and in addition about 1.4 mn dependents). Avoidance of an uncontrolled influx of foreign workers in a future boom is another aim (estimates for the eighties speak of 4 and 2.5 mn, respectively). Furthermore, it is intended to get a grip on the consequential economic costs of the employment of guest workers, especially in regard to the infrastructure.

The scientific panel of the Federal Ministry of Economic Affairs has recommended market economy restraints to limit the immigration of guest workers. Increased capital aid to create more jobs in their home countries is thought to provide a remedy; another one would be increased rationalisation and structural changes in the German economy so as to reduce the demand for foreign workers.

Two other panel suggestions could add to the desired effect of these measures: in meeting the consequential costs of the employment of guests workers regard should be had to the "causative principle"; and the demand could — at least in the areas where guest workers tend to concentrate — be moderated by a special levy on their employment.

Surprisingly the discussion of the labour, cost and structural aspects of the problem which have here been summarized briefly has not touched on a point which was sometimes raised during the high-employment phase, namely the industrial cooperation with the socialist states. The argument that the guest worker problems in the Federal Republic can be eased by East-West cooperation seems to carry weight, at least at a first glance. It was advanced occasionally by German commentators and more often by East European quarters. Use of East European resources to provide various services for the German market could not only alleviate the demand for more and more guest workers but forestall various other problems like those of economic and social integration and help to save on expenses.

East-West cooperation will not cut the foreign labour force of currently about 2.5 mn any more than do the other discussed solutions but it could keep the influx of guest workers within limits. As some 300 cooperation agreements only have to date been concluded with East European countries, it may be assumed in view of the economic

potential of Eastern Europe that the cooperation still admits of considerable expansion and therefore constitutes a suitable means of easing the guest worker problem.

Production cooperation proper, which so far accounts for less than 50 p.c. of all cooperation projects, seems to be an especially suitable instrument for this purpose. Cooperation in this sense is certainly not a suitable instrument where the work has to be done inside the Federal Republic as is the case in the services sector proper — in the distributive and catering trades, in nursing, etc., or even, to a lesser extent, in various sections of the construction industry. This limitation however is not too serious because large numbers of guest workers are employed in industrial sectors where East-West cooperation is working well; at the end of 1972 187,000 were in electrical engineering, 164,000 in mechanical engineering, 139,000 in iron and steel, 136,000 in motor car factories, 105,000 in textiles, and 77,000 in mining and power.

Opponents of East-West cooperation as an instrument to ward off a problematic influx of more guest workers may argue that it is not sufficiently flexible for differentiated use during the up and down swings of the economic cycle. They can be answered by pointing out that the Federal Government has no intention of using the guest workers as a cyclical buffer. Besides, some cooperation agreements are already allowing for cyclical variations in the Federal Republic.

Klaus Bolz