

Moldova: Europe's poorest people will be free to come to UK

The right to the free movement of labour inevitably lowers wage levels in the recipient country

By Anthony Scholefield

As a result of the recent disputed general election in Moldova, the President of Romania, Traian Basescu, has promised to give Romanian citizenship and, therefore, EU citizenship, to what the *Financial Times* estimates is one-quarter of the population of Moldova (see *eurofacts* for 1st May). Numbering one million, these are Moldovans who have at least one grandparent who, at some time, possessed Romanian citizenship. Moldovans have already displayed a high propensity to emigrate from the poorest country in Europe and have now been presented with a new and unexpected opportunity to do so.

This event illustrates again how the right to move to the UK, and to work as self-employed (and, no doubt, when restrictions are removed on Romanians, to take up employment as well as finally to take up British citizenship) has moved beyond the control of the British electorate and British politicians. The right of entry to the UK is no longer just open to EU citizens but also to those to whom any EU country's politicians may decide to hand out rights of residence, via legal amnesty to illegal immigrants (as in the case of Italy and Spain) or by conferring citizenship on residents of an adjoining state, as the Romanian president has now done. Long-term residence rights in one EU country,

Holland, have been the basis for an influx of Somalis to the UK. They had been resident in Holland but have now been permitted by EU rules to move to the UK, which is more attractive to them.

Of course, europhiles will say that British workers have the reciprocal right of being able to work in Romania. This sounds noble but British workers are unlikely to flock to Moldova where the average wage is around £7 a week.

Sir Andrew Green of *Migration Watch* comments that, "*This is another gaping hole in the EU's border controls and therefore our own*". Indeed, and especially with unemployment in the UK heading for over 3 million.

Freedom of movement in the EU has always been lauded by europhiles and even some eurosceptics such as William Hague, who recently described it as an attractive feature of the EU when rejecting the notion of "*British jobs for British workers*".

It is worth stressing that economic theory teaches that freedom of movement of labour generally harms the receiving country. Thinkers as diverse as Friedrich Engels and Ludwig Von Mises have pointed out that it increases the supply of labour and consequently reduces wages in the receiving country, eventually to a

world-wide level.

Further, the current 'balance sheet' recession world-wide has underlined again the truth that the country which receives immigrant labour without accompanying wealth always loses, unless that immigrant labour can provide its own share of wealth within a working lifetime (which applies only to the top ten per cent of income earners).

The reality is that either migrant labour without capital has to have capital and wealth provided for it through the efforts of the native population or the receiving country's capital and wealth per capita will be reduced as it comes to be shared by a greater number of people. If national wealth is not to be reduced in per capita terms the estimated capital required by migrants into the UK in 2006 was around £280,000 for a family of two adults with two dependent children. (Average annual savings per worker in the UK in 2006 were about £2,500.) One way or another, natives of the receiving country lose out.

The 2008 recession has highlighted the fact that policy makers have to consider not only income effects but also the impact on capital of population movement. The capital or balance sheet effects are massive, and in the case of migrant labour, massively negative.

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Germans refuse to say where CAP money goes

challenged in lawsuits in nearly all federal states and that she wanted first to ensure that publishing the data would not expose the ministry to fresh legal challenges.

"We are not blocking publication", Aigner said.

Aigner rejected suggestions that the delay in publication was because she wanted to avoid upsetting farmers ahead of European Parliament elections in June and national elections

in September. She called for a "temporary suspension" of the requirement to publish. The European Commission reacted strongly, warning that it could take Germany to court if it did not meet the deadline.

Mariann Fischer Boel, the European Commissioner for agriculture, said last week she was "very surprised" at Germany's call for a suspension.

"The legal situation is clear", she said. "Germany is obliged to

implement this legislation. If they do suspend publication, we will react accordingly."

The Commission may sound as if it means business. But does it? It is in possession of all data relating to payments and could simply say that if Germany does not immediately publish the details of CAP recipients it will do so itself. Why it has not done so is not entirely clear. It surely cannot be out of respect for national sensibilities.