
EUROPEAN IDEAS NETWORK

THINK TANK COOPERATION 2006

Task Force 1 – Demographic Change, Immigration and Integration

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Task Force 1 has undertaken a reflection on issues related to demographic change, immigration and integration. International comparisons, analysis of the debate in various countries and a reflection on European progress in the field, have resulted in the following points and proposals, on demographic change, immigration as well as on integration issues.

1. Demographic change in Europe

Ageing and declining population in Europe¹

Demographic projections show that Europe's population is diminishing in size. It is also becoming older. While on average around 2.1 children per woman of childbearing age are required to replace the population, the EU average is 1.53. In addition to the decline in fertility, life expectancy is increasing. The proportion of those aged 65 and over is projected to rise from about 16% of the total population in 1998 to 22% by 2025. Within this, the relative number of people of 80 and older is rising faster still.

On present trends, the EU working age population will fall by approximately 40 million people from 2000 until 2050 and the old age dependency ratio will double from 24% to 49%. Regional differences are significant for all the measures examined. For instance, whereas a number of regions including the south of France and Greece will not face population decline for decades, population is already declining in some regions of Spain, of Italy, of Germany and of the Nordic countries, and in most of the new Member States of the EU. With regard to

¹ See: Jan Niessen and Yongmi Schibel, Demographic changes and the consequences for Europe's future. Is immigration an option?

the old-age dependency ratio - the number aged 65 and over relative to those of working-age (15 to 64) - the most marked increases are expected to take place in Italy, Sweden, Finland and Germany and the smallest in Ireland, Portugal and Luxembourg.

Low fertility rates

Along with most other developed countries, European societies experience the sustained slippage of birth rates below replacement fertility. The total fertility rate for the EU was 1.53 in 2000 (the replacement level is 2.1.). The situation differs between countries. In the Mediterranean countries (Spain, Italy, Greece and Portugal), fertility dropped relatively late, but fast and to very low levels. Spain (1.19) and Italy now have the lowest fertility rates in the European Union. Ireland (1.89), France and the Nordic countries have relatively high rates, although they are still below replacement level. Developments in Belgium and the Netherlands are characterised by fluctuating fertility rates, whereas Austria has had low and stagnating birth rates for almost 20 years. New Member States of the EU have seen a particularly dramatic decline in fertility.

Our Proposals

- Demographic trends indicate that keeping the relation of the economically active to the economically inactive low will be crucial for creating a *balanced labour market* and for safeguarding the sustainability of *pension and health care systems*. Otherwise the burden of the costs of pensions, healthcare, rising wages (because of the lack of (skilled) labour and the lack of innovation) will become too heavy for the European economies.
- With regard to labour markets a multifaceted strategy is necessary which raises the labour market participation rates especially of older workers and women

Older workers:

- Regarding older workers workplaces and breaks have to be adjusted to their needs; working hours have to be more flexible. For example, companies can use their older workers experience of a long worklife without ignoring their changed needs and abilities.
- Increasing life expectancy goes along with an increasing physical fitness of the old and very old. Except for some professions, there is little ground to prohibit an extended working life and postpone the retirement age. Also early retirement which has seen considerable abuse in the past in many countries and which has burdened social security systems has to be restricted to real necessities.
- In a globalizing world with a fast changing demand for goods and services and thus for working skills, we have to abstain from the old-fashioned idea that a once learned profession will be sufficient to secure lifelong employment. The transition to knowledge societies just as well as the

necessity and possibility for longer working lives demands strategies for lifelong learning. These cannot be generated by governmental organisations like kindergarten, schools, and universities only but have to be generated and supported by non-governmental organisations as well as by companies.

Women:

- Regarding the participation rates of women a key element has to be the enhanced compatibility of family life and work duties. A flexibility of work hours is just as important as the availability of child care for all age groups. In some countries however, child care is lacking or is only available in larger cities. Empirical data shows that fertility rates in those countries are lowest in Europe. Population policies should be reconsidered. Target-oriented incentives e.g. in the pension system, health care system, long-term care system could help to raise fertility rates. New ways and ideas are needed.
- Looking at the worsening ratio of labour force to economically inactive population the financial sustainability of pension systems are in danger everywhere in Europe. Therefore structural changes are needed in order to prevent social security contributions to rocket upwards and to burden labour markets with raising labour costs. Part of the solution is a strategy to strengthen private and company pension plans. A goal should be to establish a system with more or less three equally strong pillars: federal, private, and company pensions.
- Another area where personal responsibility as an answer to ageing societies and as a value per se has to be strengthened is health care. Structural reforms have to be designed in a way that allows the health care and long-term care market to grow – in quantity, in quality and in regard to patients' safety - without health care systems' costs to expand beyond financiability. This implies a stronger focus on personal responsibility in different aspects: cost-sharing (also as an incentive to keep expenditures moderate) but also preventive measures like a healthy diet, physical exercise, cognitive training, fall preventive measures, and many other changes in behaviour and lifestyle.

The ageing of societies is a phenomenon that touches many different areas of life and is thus a matter of different areas of politics. Therefore, more than other topics it requires an interdisciplinary approach on the level of analysis and of problem solving. It might be useful not only to think about ad-hoc cooperation between different governments departments but to institutionalise this co-operation. Also since this phenomenon touches all European countries in different degrees, international cooperation by means of best practice analysis, data exchange etc. is advisable.

Within Member State governments and EU institutions, migration is also increasingly being connected with demographic considerations. Hesitancy of policy makers with regard to immigration as an answer to demographic challenges is connected to three main aspects: the composition of the immigrant flows involved, the social sustainability of large scale

immigration, and the durability of immigration's effect on ageing.² This shows that a reflection on immigration is necessary to face the current changes in demographic trends.

2. Immigration

Since 1989, net migration has been the main component of annual population change in the Union. In 2000, the annual net migration rate was 2.0 per 1000 population, representing around 65% of total population growth. Without positive net migration the populations of Germany, Greece, Italy and Sweden would be in decline. In addition, unrecorded immigration is significant in a number of Member States, especially in southern Europe. Europe is 'surrounded by populations with run-away growth'. This is what the Herzog Commission of the CDU meant when it opened its report with the state ment that while Europe is confronted with an implosion of its population, the surrounding countries will be and are confronted with an explosion of its population. Projections e.g. suggest that while in the post-world war II era, the population of Spain was three times larger than Morocco's; in about 2050 Morocco's population might be 50 per cent larger than Spain's. A similar picture emerges when comparing France and Algeria or Germany and Turkey.

In this new migratory landscape, a major concern for all developed nations³ have become the mass migration of students and skilled workers toward the most attractive countries, and therefore the ways to retain them as well as attract them.

Our Proposals

- A greater facility for skilled workers to move across European borders, with the aim to make France, as well as other European countries, more attractive to this specific category of migrants
- A special visa for researchers in Europe, in order to enhance researchers' mobility in the European Union
- The possible benefits of a point system, that could be adapted to the national or regional context, as well as to developments on the labor market
- The importance of continuing the homogenization of statistics within the migration field: the vagueness pervading related definitions and statistics is still hindering full understanding of the facts and inter-country comparisons. Governments, and to an

² See: Jan Niessen and Yongmi Schibel, Demographic changes and the consequences for Europe's future. Is immigration an option?

³ See notably the Letter in immigration of the *Fondation pour l'innovation politique* published in April 2006, *European immigration policies: is harmonization in sight ?*

even greater extent citizens, are poorly informed of the facts and unable to accurately assess the potential impact of the new policies that may be proposed.

A specific migration policy is however not sufficient to face issues on immigration. It has to be backed up with an integration policy. This is exactly the philosophy that is underlying the Canadian immigration and integration policy implemented successfully by putting multiculturalism at its core. The Canadian immigration policy is grounded on quotas which are determined by a *point system* defined thanks to the economic needs of the country. Such policy is mainly based on the following measures:

- The control of migratory movements
- The incorporation of immigrants and their descendants into the labour market
- A favourable perception of immigration
- The social-cultural insertion of immigrants
- A strong respect of the value of rights

All these elements, though they are not fully exportable in Europe, can still inspire European immigration policy.

3. Integration of immigrants

Although there are a number of similarities to be drawn from history, there are currently particular forces at work which give the integration process of current groups of immigrants a different character and an extra degree of complication.

A significant new fact is the *country of origin* of many of today's immigrants. A large number of them come from very distant countries and from very different cultures. The largest proportion of the immigrants comes from non-Western countries. A second important difference from the past is the nature and above all *the intensity of the immigrant's relationship* with his or her original country and culture. Modern communication technology, which is available to almost everybody, makes it possible to maintain links with one's country of origin. Today, the largest group of immigrants is made up of those setting up or rejoining families.

The immigration and integration issue is also coloured by the fact that the *countries of the EU are welfare states*. This is a third significant difference from the situation in the past. Then, the immigrant was responsible for his own livelihood. In this situation the *responsibility for providing an income is to a considerable degree shifted from the immigrant to the state*. Immigrants and their descendents continue to occupy a lower social position for generations.

These tendencies confront politicians with at least two issues:

- while on the one hand immigration could contribute to a better demographic balance and in the long run be healthy for the economy, it will on the other hand deepen the cultural issues and sometimes frictions that immigration is confronting us with

- while on the one hand the European countries are in need of relatively highly educated people, the immigrants very often do not have the required skills. This mismatch can easily deepen the economic problems of the EU (more costs of social security).

It is above all the formative institutions such as families, schools, the media, religious communities and to an extent also the state itself which can avert rifts and ensure that immigrants have the opportunity to participate in society. As well as being the carriers of culture, they are also intermediate bodies. They convey particular values and equip people to take up their responsibilities.

Our Proposals

- In order to help immigrant communities to integrate:
 - for those seeking naturalization, a “civic pact” between the individual and the destination country could be a solution, stressing individual attachment to the ‘new’ country and a respect for the country of origin.
 - for naturalized citizens, a greater support for civic groups (free from political party influence) to encourage voter registration, assist civic institutions and advise and train independently elected candidates.
- Fighting violence in underprivileged neighborhoods: favoring prevention policies, through joint actions bringing together the police, social workers, teachers, mediators, doctors...
- Raising awareness in regards to identity and differences: teaching open-mindedness towards others, various cultures and civilizations through literary and artistic works, teaching all major religions, etc.
- Teaching tolerance and social behavior: teaching civic behavior in primary school, learn to solve conflicts through dialogue, etc.
- Teaching freedom and democracy: developing organized debate to teach conflict resolution, to instruct the reasoned expression of opinions, and to enhance the natural ability of dialogue as well as fighting inward withdrawal, teaching students to accept conclusions of the majority reached after deliberation; this would help to deter violence.
- Teaching from the Canadian experience of legal process for the accommodation of differences, which consists of a court setting a precedent by ruling on the case of an individual who demands a specific right to express his or her difference in the case such expression of his or her difference does not undermine or threaten his or her integration.