



Doc. 12429

27 October 2010

The demographic future of Europe and migration

Report¹

Committee on Migration, Refugees and Population

Rapporteur: Mrs Gultakin HAJIBAYLI, Azerbaijan, Group of the European People's Party

Summary

Due to low fertility, increasing longevity and restricted immigration policies, Europe's demographic make-up is bound to change dramatically over the next decades. This will entail significant challenges, not least in terms of Europe's competitiveness on the global market and the viability of its existing social security systems.

Although immigration can partially and temporarily compensate for the population decline, it is not an adequate long-term instrument to counter the "greying" of the European population; changes in working age and better utilisation of the domestic work force are the most promising measures to compensate for the effects of low birth rates and ageing.

In order for migration to contribute to the solution of population ageing, European governments will need to do more to attract the "desired" migration and to respond to real short-term and long-term labour market needs, while at the same time discouraging the "undesired" flows of migration and human trafficking. The integration of migrants will continue to be a major challenge.

Member states are therefore called upon to adopt a set of policy measures that tackle low fertility, ageing and migration management – adopting a comprehensive approach – that are able to adapt to the new demographic realities in Europe.

¹ Reference to committee: Doc. 11604, Reference 3459 of 23 June 2008.

A. Draft resolution²

1. The global population is predicted to grow by over 40% in the next 40 years unless fertility rates decrease considerably in the developing world. In the same period, the population of the Council of Europe member states is expected to drop by about 6%, thus making Europe's share of the world population fall to 7%. In addition, Europe's demographic make-up is going through dramatic changes. These trends will bring new challenges for Europe in terms of competitiveness on the global market and the viability of its existing social security systems.
2. The Parliamentary Assembly recalls its two recent debates on policy measures that influence population trends and on the demographic challenges for social cohesion. It reasserts its support for the recommendations adopted after these debates (Recommendation 1683 (2004), Recommendation 1749 (2006) and Resolution 1502 (2006)).
3. The Assembly regrets the discontinuation of the valuable work previously carried out by the European Population Committee. It remains convinced that population and migration related issues merit continued inter-governmental attention by the Council of Europe.
4. Population decline, ageing of the population and migration are closely interlinked and need to be looked at together, to assess the future of Europe's population, as well as productivity needs. Fertility management, management of ageing and migration management need comprehensive policies that are capable of adapting to new demographic realities.
5. The most essential question for European population management today is how to achieve increase in both fertility and domestic labour force participation, with a view to boosting Europe's productivity and maintaining the efficiency of social, especially retirement, systems. The Assembly believes that European policy makers, businesses and citizens need to combine their efforts to rethink the organisation of the entire life-course perspective of work, parenthood and retirement.
6. Increased immigration is another way to help mitigate the effects of the falling population in the medium term. Currently immigration is the principal reason for positive population growth in several European countries and immigration needs are projected to grow once the economy recovers. Nevertheless, the Assembly is convinced that immigration will not be an adequate instrument on its own – nor is it a desirable policy option – to compensate for population “greying”, and it is no substitute for economic reforms.
7. The Assembly believes that, whereas migration has brought diversity and dynamism to European societies, future movements need to be better managed. These need to be linked to specific demands of the economy, based on a realistic assessment of labour-market needs, as well as implementation procedures to ensure that migration continues to meet these demands while respecting developing needs of countries of origin.
8. The main challenges to realising the potential of immigration are linked to irregular migration and the integration of migrants and their descendants into European societies. Both are linked to human rights issues as well as to a danger for European societies of the emergence of a new underclass. Therefore, the Assembly sees targeted migration and opportunities for legal employment as the desired direction for managing migration in the future.
9. The Assembly is convinced that, whereas temporary and circular migration programmes bring more benefits for the countries of origin, as they reduce the impact of the brain drain, maximise remittances and encourage knowledge and technology transfers, many labour needs in the Council of Europe member states will be long term in nature, with job-specific skills acquired over time. Demographic and migration-related issues would therefore need to be looked at from both mid- and long-term perspectives.
10. In the light of the above, the Assembly urges member states to combine the following broad policy measures, if they have not already done so:

10.1. with regard to increasing birth rates:

- 10.1.1. enable individuals and couples to exercise their right to decide freely and responsibly the number and spacing of their children;

² Draft resolution adopted unanimously by the committee on 5 October 2010.

10.1.2. make it easier for women to combine family and professional life, namely through availability of child care, flexible working hours, teleworking, paternal leave, etc.;

10.1.3. make it easier for young people to start work and found families, for example by promoting a more child- and family-friendly environment in all spheres of the society, and more particularly in urban areas, including housing, child-care programmes, part- and flexi-time work, fiscal policies and recreational facilities;

10.1.4. develop public-health measures that alleviate involuntary childlessness;

10.2. with regard to population ageing and with a view to increased labour force participation:

10.2.1. facilitate legal employment through such measures as reducing the cost of employment, liberalising labour codes and removing unnecessary costs linked to termination of employment;

10.2.2. further encourage employment of women through incentives that facilitate combining family and professional life;

10.2.3. introduce necessary legislative changes to gradually increase the retirement age;

10.2.4. promote active aging by giving those who are still in good health and willing to work the chance to work longer, and by focussing more on the number of years worked rather than age for retirement;

10.2.5. devise a wide range of policies to enable people to work longer in healthy conditions, including by promoting possibilities for life-long training and retraining;

10.2.6. develop atypical forms of employment for those who cannot or do not want to work full time;

10.3. with regard to migration:

10.3.1. put in place mechanisms to identify and monitor domestic labour shortages at national level and keep legal avenues open for the entry of immigrants to satisfy these shortages;

10.3.2. communicate publicly the need for continued and possibly even increased immigration across the full range of skilled and unskilled labour, while at the same time ensuring that appropriate policies for the management of migration and integration of immigrants are in place; in particular, develop strategies for attracting migrants with desired profiles;

10.3.3. for countries of net emigration, capitalise on the domestic sources of labour and retain top talent by improving academic excellence, introducing salary incentives and possibilities for training and retraining;

10.3.4. develop official means of recruiting migrants so as to reduce incentives for employers to hire them from the informal labour market and to prevent trafficking and exploitation; consider introducing job-search visas as an appropriate recruitment avenue for certain profiles;

10.3.5. look for opportunities to redirect irregular migration and illegal employment into legal channels. Such a system needs to apply to all skill levels, be long term in nature and incorporate incentives for both employers and immigrants to follow the rules;

10.3.6. foster successful integration of migrants and their families, in particular those coming from non-European countries, into their new European host societies; in particular, address the issues of education among immigrants and their children, their geographical concentration, social isolation and difficulties for second generation immigrants to enter the labour market;

10.3.7. pay greater attention to having a balanced public discourse on immigration that refrains from a rhetoric that can accommodate, even reinforce, discriminatory attitudes against migrants.

11. The Assembly notes that many of these measures are already part of the European Union agenda. It commends the latter for its recently adopted Stockholm Programme and Action Plan, which recognise the valuable role that immigration plays in addressing the Union's demographic challenges and in securing the European Union's strong economic performance over the long term. Considering that the European Union policies have a great impact on candidate countries or non-European Union member states of the Council of Europe, the Assembly further encourages the European Union to:

11.1. aim to introduce a genuinely unified admission system of migrants by taking up again the idea of the "Blue Card" system initially proposed in 2001;

11.2. carry out an in-depth study of Europe's labour needs in the short, medium and long term;

11.3. further develop mobility partnerships with relevant member states of the Council of Europe through the Eastern Partnership Programme;

11.4. consider, as a matter of utmost urgency, options for the regularisation of the situation of the millions of irregular migrants who are employed in under-employed sectors.

12. The Assembly also calls on the specialised international organisations to carry out further studies that would incorporate comprehensive data on demographic and migration trends in Europe. Such data will help counteract populist or xenophobic reactions, and help governments to have a more realistic and comprehensive overview when defining national policies.

B. Explanatory memorandum by Mrs Hajibayli, rapporteur**Contents**

	<i>Page</i>
1. Introduction	5
2. Key demographic issues facing Europe: Are we are in trouble?	6
2.1 <i>Birth rates</i>	6
2.2 <i>Life expectancy and health</i>	7
2.3 <i>Population decline and ageing – Are they real?</i>	8
2.4 <i>Are we in for a “demographic problem?”</i>	9
3. To what extent is migration a solution to demographic challenges: Does Europe need immigration to continue its economic development?	11
3.1 <i>What is the situation of migration in Europe today?</i>	11
3.2 <i>Will migration help solve the demographic challenges of depopulation and age structure in Europe?</i>	12
3.3 <i>What are the costs and benefits of migration on demography and economic growth?</i>	13
3.3.1 <i>For countries of origin and migrants</i>	13
3.3.2 <i>For migrant receiving countries</i>	14
4. The way forward: How to achieve a win-win situation? Which policies should be favoured?	17

1. Introduction

1. After a century of natural population increase, the demographic outlook for the 21st century Europe is that of declining birth rates and excessive ageing of the population, leading to the absolute number of people in the workforce decreasing, and the share of the population over 60 years of age increasing.

2. This is, in turn, expected to create difficulties for labour markets and contribution-based social security and health-care systems, as there will be fewer people available to work, and therefore fewer people contributing to social security and health-care systems, combined with more people requiring services and payouts from these systems.

3. This has led some to believe that migration might solve the demographic problem, both in terms of overall population size and age structure.

4. The relationship between demography and migration is, however, more complex. This report will therefore look first at the wider demographic context of births, deaths, age structure and growth and then at the impact migration may have on demographic tendencies in Europe.

5. The rapporteur will concentrate on a number of essential and interrelated questions: What are the demographic issues facing Europe? To what extent is migration a solution to these demographic problems – Does Europe need immigration to continue to meet demographic, economic development and labour market needs? What are the dangers associated with migration? What are the political barriers and how can they be overcome?

6. The report is mostly based on expert testimonies presented at two hearings of the Committee on Migration, Refugees and Population held in Geneva on 25 November 2008 and in Paris held on 31 March 2010. It also builds on the work previously carried out by the Parliamentary Assembly in the field of population, and notably on the recommendations presented in Recommendation 1564 (2002) on the state of the world population, Recommendation 1683 (2004) on population trends in Europe and their sensitivity to policy measures, Resolution 1502 (2006) and Recommendation 1749 (2006) on demographic challenges for social cohesion and Recommendation 1903 (2010) “Fifteen years since the International Conference on Population and Development Programme of Action”.

7. The rapporteur recognises the amount of relevant work carried out over thirty years by the Council of Europe’s European Population Committee in identifying policy responses to the demographic challenges facing European societies, as well as that of the European Committee on Migration in elaborating migration management and good integration policies. She believes that, even though the responsibility for finding proper responses to countering demographic decline and population ageing lies primarily on the shoulders of individual countries and acknowledges that the European Union might be in a stronger position to influence migration or development policies, the Council of Europe has a role to play in this field. She regrets that the discontinuation of the European Population Committee in 2006 and the proposed plan to discontinue the European Committee on Migration have deprived the Council of Europe of a possibility to contribute to the

relevant debate that encompasses not only the European Union but the European continent, and to involve all 47 member states – as equal partners – in finding common and multidimensional approaches to the demographic challenges ahead.

2. Key demographic issues facing Europe: Are we in trouble?

2.1. Birth rates

Birth rates have been falling in most European countries over the last few decades. Many countries seem poised for continued declines. However, there are notable exceptions that indicate promising directions for effective policy development.

8. Globally, birth rates³ have fallen drastically in almost every country around the world. In 1950, the average was five children per woman, today it is 2.6. The United Nations projects that this number will reach the “replacement level”⁴ of 2.1 by 2050.⁵

9. Europe is no exception. In fact, Europe was the first region in the world to experience falling birth rates, starting in France in the late 1700s. The rates have continued to fall. By the 1970s they fell below the replacement level, and today women in Europe are having on average 1.5 children.⁶

10. However, this average hides great variations amongst European countries. In southern Europe (for example Italy, Greece, Spain), in German-speaking western Europe (for example Switzerland, Germany, Austria) and in eastern Europe, women are having 1.4 or less children. In northern Europe and most of western Europe women are having more than 1.8 children.⁷

11. This has not always been the case. Northern and western Europe were some of the first to experience decline, in the 1960s and 70s. Some reached levels as low as 1.3 children. However, with some exceptions, they have now increased again, to over 1.8, and several countries are now almost back to replacement levels (for example Iceland, Norway and France).⁸ Southern and eastern Europe experienced the decline later, in the 1980s and 1990s respectively, and are not yet showing indications of increase.

12. Prior to 1970-80, countries where women had low participation in the labour market (for example southern Europe) maintained more “traditional” patterns of family structure, including high birth rates. Countries where women had entered the labour market in higher numbers (for example France and northern Europe) experienced rapid decreases in birth rates.

13. Since around 1980, this pattern has reversed: countries with higher female labour participation have experienced higher birth rates.

14. This difference seems to be correlated with public policy. Many countries have instituted policies that are intended to increase births. These policies vary: some aim at making it financially more advantageous for women to stay at home with their children (for example tax breaks, instituted in several German-speaking countries and Estonia). Others aim at making it easier to combine working outside the home and having children (for example availability of child care, instituted in northern Europe and France).

15. So far, unfortunately none of the measures or programmes have resulted in a significant increase in fertility rates over an extended period. Nevertheless, even though financial investments are about the same in German-speaking countries as in northern Europe and France, birth rates seem to be increasing faster in those countries that allow women to remain on the labour market than in those that encourage women to stay at home.⁹

³ Birth rates can be measured in many ways. For simplicity, here we use the term “birth rates” to refer to what is technically called “total fertility rate” – that is, the number of children that a woman would bear if she were to pass through her child-bearing years with the age-specific fertility rates of the moment.

⁴ The number of children which would be required in order for the population to stabilise – that is, that the next generation will be the same size as the present generation

⁵ United Nations Population Prospects, 2008.

⁶ Vikat, A. (UNECE), testimony at the hearing of the Committee on Migration, Refugees and Population held on 31 March 2010 in Paris, document AS/Mig/Inf (2010) 06 (hereafter: “the Paris hearing”).

⁷ United Nations Population Prospects, 2008.

⁸ Myrskala, M. et al: Advances in development reverse fertility declines, Nature, Vol. 460, Issue 7256, pp 741-743, 2009, United Nations, *ibid*.

⁹ Gender and Generations study of the ECE, as presented in Vikat testimony; Gerda Neyer testimony November 2008, INED.

16. It is natural that policies take time to have an influence: France, for example, had some of the world's lowest birth rates in the first half of the last century, despite having a comprehensive set of policies to encourage births, with broad support across the political spectrum. It is only in recent decades that rates have begun to increase.

17. Southern Europe, especially Italy, is also seen to have the additional issue of difficulties for young people to enter the labour market and find housing, thus making it more difficult for them to start families.¹⁰

18. A different issue is that women across Europe are having fewer children than they would like. According to one estimate, on average, women in Europe want 2.36 children and men want 2.21, compared to the actual number of around 1.5.¹¹ Many different reasons are given for the gap – health, supportiveness of the partner, or financial reasons. One health problem contributing to this situation is reduced ability to conceive: This again is linked to the age of child bearing (fecundability decreases with age). However, it is also linked to other health issues, including unsafe abortion and untreated sexually transmitted infections. As an extreme example, in Romania the pro-natalist policy of the Ceausescu government in the period 1966-91 included outlawing abortion and limiting availability of contraception. The result was that women had on average five illegal and unsafe abortions by the time they were 40, and about 20% became sterile as a result.¹² The availability of contraception has increased in eastern Europe since 1990 and, linked to that, levels of abortion have decreased. However, funding of contraception by governments remains low, and levels of abortion high.¹³ Levels of sexually transmitted infections have also increased in much of eastern Europe, and this again is linked to secondary sterility.¹⁴

19. However, estimates to date indicate that in some of the countries with the lowest birth rates, Austria for example, the gap between desired and actual birth rates is the lowest – that is, the desired norm of few or no children seems to have been integrated into public opinion.¹⁵

20. Therefore, if the aim is to increase birth rates, then the evidence to date is that the most effective measures are those which make it easier for women to combine family and professional life. Where women have to choose between children and work, they generally choose work. It seems likely that measures which make it easier for young people to start work and families might be favourable to increasing birth rates. In addition, there is evidence that lack of public health measures may contribute to involuntary childlessness.

2.2. Life expectancy and health

Life expectancy is increasing throughout Europe, with a few exceptions. However, healthy life expectancy and need for care vary greatly.

21. Globally, the average life expectancy has risen from around 47 years in 1950 to around 68 years today. Global life expectancy is continuing to improve – by four to five months per year – and the United Nations no longer refers to an upper limit for longevity in its projections.¹⁶

22. Here again, Europe is no exception. Europe was the first to experience consistent improvements in life expectancy, starting as early as the late 1700s, especially in northern Europe and France.¹⁷ At present, life expectancy averages around 77.¹⁸

23. For Europe, the only recent exception to this overall positive trend has been eastern Europe. Between 1990 and 2000 a handful of countries in Eastern Europe experienced a dramatic worsening of life

¹⁰ Ibid.

¹¹ Eurobarometer 2006.

¹² Kirkorian, A. I. Abortion in Romania: The Consequences of Pronatalist Policy during the Ceausescu Era(2004), online: Human Biology at the University of Virginia.

www.virginia.edu/humanbiology/new_site_files/class_2004_papers_pdf/lasmine%205%20page.pdf.

¹³ UNFPA: Review of Existing Reproductive Health Commodity Security Systems, Budgeting and National Capacities, and Progress Achieved with Family Planning Service Provision in the Eastern Europe and Central Asia Region, 2009.

¹⁴ Botev, N: in Low Fertility: the future of Europe? UNFPA, Entre Nous, 2006, Vol 63, pp. 4-5.

¹⁵ Ibid.

¹⁶ Vikat, A. (UNECE), testimony at the Paris hearing, op. cit.

¹⁷ Vallin, J: Europe's demographic transition, pp. 41-66 in Graziella Caselli et al: Demography analysis and synthesis, Vol 3, Academic Press 2006 Elsevier).

¹⁸ United Nations: World Population Prospects, 2008.

expectancy. However, this disturbing trend seems now to be reversed, and eastern Europe is almost back to the level of life expectancy of the 1960s.¹⁹

24. The Eurostat population projections expect further increases in life expectancy of about six years for men and five years for women (European Union-25) between 2004 and 2050. These will be brought about mainly by declining mortality at higher ages, thus contributing to the increasing share of older and very old people in the total population. Such progress in life expectancy will, however, be contingent on the avoidance of unhealthy lifestyles, including smoking, poor diet, lack of physical exercise and excessive alcohol consumption.²⁰

25. The question is: are increases in life expectancy inevitably accompanied by concurrent postponement of physical disability, or do people merely live longer in a state of old age frailty? If we turn from overall "life expectancy" to "healthy life expectancy", there is great variation between countries in terms of years lived without major ill health or disability, with ranges of 14.5 years for men and 13.7 for women. Evidence is as yet not conclusive, but research suggests that ageing processes is evolving and that people are living longer free from severe disability.²¹ This in turn can have a major impact on the cost of old age health care.²²

2.3. Population decline and ageing – are they real?

The native-born population of Europe is beginning to decline, although its overall population is still increasing due to migration. Whereas depopulation will concern some European countries, ageing will be a universal phenomenon.

26. Globally, the world population is still growing, at close to 80 million a year. The medium projection of the United Nations is that the world population will grow from 6.9 billion today to 9.1 billion in 2050.²³

27. Like any projection, this one is based on assumptions. The principal assumption is that utilisation of family planning will continue to grow rapidly, thereby reducing the birth rate, from 2.6 today to the replacement level of 2.1 in 2050. If, instead, one assumes that family planning utilisation and birth rates remain at present levels, then the global population will grow to 11 billion by 2050.²⁴

28. In Europe, as noted above, women have been having less than replacement level numbers of children since the 1970s and are now down to 1.5 children. Due to a "momentum" of past generations and immigration, there is still a slight "birth surplus" in the European Union, but this is predicted to be down to zero by 2015.²⁵ In the European Union-27, over the next decades until 2050, the "birth deficit" of the native population in Europe will total 68 million.²⁶

29. Many of the newer member states of the Council of Europe are losing their populations as well, not only due to low fertility but also because of emigration to western Europe and, to a lesser extent, to North America.

30. All in all, the total population size of Council of Europe member states (excluding Andorra, Liechtenstein, San Marino and Monaco) is envisaged to decline from 808 million in 2005 to 763 million in 2050, that is to say by 6% over 45 years.

31. With respect to age structure, as noted above, globally, the world has been going through a "demographic transition" from high birth and death rates to low birth and death rates. This results in a predictable, but also limited period where populations go from a first phase, with a high proportion of children under 15, to a second phase, with a high proportion of adults of working age (15-59), and then progress to a third phase with a high proportion of persons aged 60 and above. The second phase, with a high proportion of working age population and a low proportion of dependent children or older people is often referred to as the "demographic dividend" or "demographic window of opportunity".

¹⁹ Vikat, A. (UNECE), testimony at the Paris hearing, op. cit.

²⁰ European Commission (2007): "Europe's Demographic Future: Facts and figures on challenges and opportunities".

²¹ Christensen, K: Ageing Populations: the Challenges Ahead, in Lancet, 2009; 374: pp. 1196–1208.

²² WHO Active Ageing – a Policy Framework, 2002.

²³ United Nations: World Population Prospects, 2008.

²⁴ Ibid.

²⁵ Eurostat, Data in Focus, 47/2009 and Population Projections 2008-2060.

²⁶ Eurostat, ibid.

32. Until very recently, the European Union was in that second phase of a favourable age structure, aiding economic growth. In fact, the number of the population aged 15-64 is currently at its peak (331 million). Even though the size of the population is expected to decline, total employment is projected to increase due to higher labour force participation.²⁷

33. Globally, the proportion of persons aged 60 or over is estimated to increase from around 11% today to around 22% by 2050, and the proportion of the “oldest old” – those aged 80 and above – will almost quadruple in the same period – making the over 80s the fastest growing age group, not only in Europe, but worldwide.

34. In the European Union, the proportion of those over 60 is already 22% and this is projected to grow to 34% by 2050.²⁸ That is, the proportion is higher, but it is growing less quickly than in the world as a whole. For the working age population, and exclusive of migration, there are 4.2 people of working age per person over 65 today, and this will decrease to 2.1 in 2050.²⁹

35. So, yes, the issues of depopulation of the native population and ageing in Europe are real, although not uniform across the region. Both will have a significant impact on labour markets, economic growth and social cohesion. It should be noted that the proportion of European governments that consider population growth too low increased from 30% to 50% in the period 1996-2009.³⁰

36. Another question is: Are the demographic changes, in particular ageing, unavoidable? The answer is also, yes, at this stage of demographic development, they are.³¹ The reason for this is that by 2030 the baby boom and baby bust generations will have reached, respectively, retirement and working age.

37. A further question is: Will the consequences of these changes be detrimental to societies? Here the answer is more complex: it depends. The consequences are very difficult to predict, as they will, to a large extent, depend on the policies adopted by governments and societies' readiness to accept necessary changes.³²

2.3. *Are we in for a “demographic problem”*

There may be a “demographic problem” needing demographic solutions, yet when translated into terms of productivity, there are many ways of solving it.

38. As noted in the introduction, the concern generally stated is that, with ageing populations, the workforce will decline, and it will need to support larger groups of retired people, who will not only draw pensions but will also be in the state of ill health that comes with age, and therefore needing expensive care. That is, the population will consume more than it produces.³³ The question will then be whether Europe will be able to maintain the intergenerational social welfare support system that has been built up over the last century, and whether it will be able to compete on global markets if its population begins to decline.

39. To address these questions, it is first important to note that “working age” does not necessarily mean “working”. Usually “working age” refers to those aged 15-59 (sometimes 15-64). If indeed the concern is whether Europe consumes more than it produces, then many factors beyond demographic age are significant, such as the official, and real, retirement age; the actual age when people start working (15 or later); the proportion of unemployed or people employed part-time; the proportion of women on the labour market; or the productivity of those who do work.

40. In principle, perhaps the most elastic of these concepts is that of retirement age. In Europe, the official retirement age in many countries is 65 years. Yet, actual retirement age is lower, and varies from country to country. In most countries it ranges between 59-63 for men, with Sweden and Romania as the highest in the

²⁷ European Commission (2007): “Europe’s Demographic Future: Facts and figures on challenges and opportunities”.

²⁸ United Nations World Population Prospects 2008, accessed on 15 August 2010.

²⁹ Vikat, A. (UNECE), testimony at the Paris hearing, op. cit.

³⁰ United Nations World Population Policies 2009.

³¹ Kupiszewski, M., Bijak, J. and Nowok, B. (Central European Forum for Migration Research), “Impact of future demographic trends in Europe”, Council of Europe Directorate General III – Social Cohesion, document DG3/CAHP10(2005)6 final.

³² Ibid.

³³ Klein Solomon, M. (IOM), “Migration to Europe: threat, opportunity or the challenge of managing the inevitable”, testimony at the hearing of the Committee on Migration, Refugees and Population held on 25 November 2008 in Geneva, document AS/Mig/Inf (2009) 01 (hereafter: “the Geneva hearing”).

European Union, at 64 and 65 respectively.³⁴ In many countries, actual and official retirement age and the number of years worked has gone down since the 1960s, despite the fact that life expectancy has increased by seven years in the same period.

41. Politically, the concept may be less elastic: there is much political opposition to extending retirement age. Yet, at least some groups would like to continue working beyond the mandatory retirement age, as evidenced by French scientists leaving for the United States because they cannot work beyond the age of 65 in France.³⁵

42. This compares to the original model of state-financed pension contributions, which were introduced by Bismarck in 1889, when retirement age was 65 but average life expectancy was only around 45.³⁶ Bismarck's system of social security worked well in young, growing populations, with significantly lower life expectancy than retirement age. In ageing, shrinking populations with life expectancy higher than retirement age, the systems may become dysfunctional and threatened by bankruptcy.

43. Adjustments to retirement age have dramatic consequences for ageing populations. For example, at present, the "working age" population in the European Union is around 40% – if one assumes entry into the labour market as 20 and the actual average retirement age as 60. If the purpose were to keep that proportion constant at 40% over the next decades, then it would require an increase in retirement age from 60 to 65 by 2025, and to 70 years by 2050.³⁷ However, the demographic target of constant population size is by no means universally accepted by Europeans.³⁸

44. There are also the issues related to the age at which people begin to work, whether or not they are able to enter the labour market, whether they are unemployed or employed part time. For example, the proportion of workers who are employed part time varies greatly, for example 45% of wage earners in the Netherlands, less than 5% in Bulgaria³⁹). Also important is whether a policy is developed for senior workers, for example with "phase out" jobs which allow older workers to remain in the labour market, as well as whether women are working. For instance, in the United Kingdom five million people of working age do not work, but only two million are registered as "unemployed", including families where successive generations do not work.⁴⁰

45. In other words, the measure of "total employment rate" meaning the proportion working, as a percentage of same-age population, becomes important, and this varies greatly across the region, for example from 46% in Turkey to 79% in Switzerland for the population aged 15-64.⁴¹

46. Finally, there is the issue of the productivity of those who are working, including the skill set of the labour force, which will be discussed briefly under migration issues below. However, one general issue relates to education: in 2005, the total employment rate for highly educated persons in the European Union was 82.5%, for mid-level education 68.7% and for lower educational levels 46.5%.⁴²

47. It is also important to factor in health issues, both in terms of labour participation, but also after retirement, in terms of whether the population is in self-sufficient, frail or in long-term care situations. Keeping populations healthy and finding alternatives to extremely expensive long-term care will both be very important in maintaining social welfare support without ruinous consequences.

48. The rapporteur thus concludes that it is important to look at the demographic challenges in terms of productivity rather than purely that of demographic age structure or birth rates. It is also time for a complete rethinking of how ageing and old age is defined, and how old people are perceived.⁴³

³⁴ Vikat, A. (UNECE), testimony at the Paris hearing, op. cit.

³⁵ Statement by M. Blondin, MP (France), at the Paris hearing, op. cit.

³⁶ Holborn, Hajo: *A History of Modern Germany – 1840-1945*: Princeton University Press; 1969; pp. 291-293.

³⁷ R. Holzmann, World Bank, St Gallen Ageing Conference 2008.

³⁸ Avramov, D. and Cliquets, R., *Integrated Policies on Gender Relations, Ageing and Migration in Europe: Lessons from the Network for Integrated European Population Studies (NIEPS)*, Antwerp 2005, p. 215.

³⁹ Latten, J., testimony at the Paris hearing, op. cit.

⁴⁰ Statement by D. Henderson, MP (United Kingdom), at the Paris hearing, op. cit.

⁴¹ Fabrice Romans et al *Pop and Social conditions Eurostat* accesses 27/2008 Total employment rate: employed persons as a percentage of same-age population.

⁴² European Commission (2007): "Europe's Demographic Future: Facts and figures on challenges and opportunities".

⁴³ See the report of the Social, Health and Family Affairs Committee "Promoting active ageing – capitalising on older people's working potential" (rapporteur, Mr Denis Jacquat, France, EPP/CD).

3. To what extent is migration a solution to demographic challenges: Does Europe need immigration to continue its economic development?

3.1. What is the situation of migration in Europe today?

Migration is a highly complex issue – and trends in migration patterns in Europe are shifting quickly.

49. The way population changes and migration interact – both within countries and internationally⁴⁴ – is very complex, and not visible in the short term. But as long as huge disparities persist between continents and regions, international migration will occur.

50. Globally, 3% of people live in a country other than their country of birth,⁴⁵ that is to say one out of every 33 persons is an international migrant. This is not new – migration has been there for as long as humanity, and the proportion of foreign-born persons may have been higher in the 1800s than it is now. What is new is that migration is affecting almost all countries, that migration flows are becoming more complex and dynamic, and that a new type of transnational identity may be emerging.

51. What is also new is the situation in Europe. During the last two centuries the population in Europe was growing, and Europe exported its excess population. After a period of low migration between the two world wars, the 1960s and 70s saw economic growth attracting an increase in migration from southern Europe, followed by a period of considerable family reunification in the 1980s, still mainly from within Europe. Starting in the 1990s, larger streams of refugees and asylum seekers emigrated from eastern Europe to western Europe and from regions outside Europe to most Council of Europe member states.⁴⁶

52. Today, a total of 70 million persons in Europe reside legally in countries other than the country of their birth, generally making up 7% to 12% of the population of the countries in which they reside.⁴⁷ Apart from a handful of Council of Europe member states that are experiencing net out-migration (for example Albania, Armenia, Georgia, Lithuania and Moldova), Europe has in general moved from being principally a region of emigration to one of immigration. It has in fact become the top destination of international migration – taking over from the classical destinations of North America, Australia and New Zealand. The European Union zone now receives 41% of international migrants, compared to 38% in the United States.⁴⁸ “The American dream” has become “the European dream”.

53. For the first time, immigrants from non-western, Muslim countries make up a major proportion of migrants.

54. However, not all countries in Europe are affected equally, nor are the pressures the same on all member states.⁴⁹ The profile, number, and situation of people arriving at different borders vary significantly, and trends are constantly shifting. Migration pressures, labour demand, levels of unemployment, housing shortages, social tensions and public opinion also vary in the various European countries. For instance, countries in northern and western Europe, which were the focus of migratory flows in the second half of the 20th century, are today seeing a decrease in international migration, while the burden increasingly falls on the eastern and southern European⁵⁰ states. In addition, the European immigration situation is greatly influenced by the existence of the European Union and its increasingly impermeable borders, which force, for example, many asylum seekers to seek protection in countries through which they had only intended to transit.

⁴⁴ The present report concentrates only on international migration.

⁴⁵ In general, statistics on migration are a challenge and there are many ways of measuring them. The measure of “persons living outside the country of their birth” is one of the most commonly used.

⁴⁶ Latten, J., testimony at the Paris hearing, op. cit.

⁴⁷ Vikat, A. (UNECE), testimony at the Paris hearing, op. cit.

⁴⁸ Darwane, S., testimony at the Paris hearing, op. cit.

⁴⁹ There remain substantial differences between countries with respect to type, fluidity, and size of migration. For example, while around one third of Luxembourg's resident population is non-national, this figure drops to around 3% for Finland. Net immigration flows often mask a far higher mobility: Germany's net immigration is under 100 000 people annually, but a closer look at the figures shows over 700 000 people entering, and over 600 000 people leaving the country every year.

⁵⁰ It may be noted that two thirds of the observed net immigration flow into the European Union (which peaked at almost 2 million in 2003-2004) concerned Italy and Spain, where large numbers of irregular migrants had been regularised and thus suddenly appeared in the migration statistics.

55. Whereas in the past most migrants came from countries with post-colonial agreements, there has been a rapid increase in the diversity of migrants as a result of a more interconnected world. This increased diversity has changed the ethnic, religious and cultural make-up of Europe.⁵¹

56. The flow of migrants has also become more complex in terms of movement and legal status. Permanent settlement is giving way to more temporary and flexible movements, and a new generation of migrant globetrotters. With cheaper and faster communication and travel, migrants have greater opportunities to maintain links with their countries, and “return” and “circular” migration is becoming increasingly commonplace. In addition, the establishment of an area of free movement within Europe has meant that both European Union and non-European Union citizens have homes in more than one country simultaneously. Migrants may also have more than one national identity (and in some cases citizenship), which has implications for traditional concepts of integration focused on the process of belonging to and participation in just one society.⁵²

57. Migration has also become more female: about half of today's migrants are women.

58. Irregular migration presents one of the most formidable challenges for the whole of Europe. Although irregular migrants often respond to genuine labour market needs, taking on jobs for which there are insufficient candidates among legal residents and natives, they remain “invisible” for population statistics. Various sources estimate that there are 4 to 8 million irregular workers currently in the European Union.⁵³ As regards the non-European Union member states of the Council of Europe, in Russia there are also many millions of irregular migrants, mostly citizens of the CIS countries. Lack of data on the numbers, rates of employment, duration of stay, family situation, etc of irregular migrants in Council of Europe member states makes it impossible to estimate their impact and contribution to European societies, be it in terms of population, economy or social cohesion.

3.2. *Will migration help solve the demographic challenges of depopulation and age structure in Europe?*

Migration can have a substantial short-term effect on population size but immigration slows down the ageing only to a minor degree. In terms of economic growth and productivity, immigration is a small part of the solution, yet one that requires clear, comprehensive and targeted policies.

59. Many developed countries rely on international migration to balance their shrinking and ageing populations. According to the IOM, even at its current levels, international migration is expected to contribute to the population growth of developed countries three times more than the natural growth in 2000-2010. This implies that without immigration these populations would shrink even more.

60. With respect to depopulation, as mentioned above, the projected birth deficit of the native population will amount to 68 million by 2050. According to a study commissioned for IOM's *World Migration Report 2010*, a net gain of 100 million migrants would be required in the European Union alone between now and 2050 in order to “plug the [demographic] gap” in the labour market.⁵⁴ As this figure does not take into account emigration from these countries and migrants who choose to return, the total number of migrants might be much higher.⁵⁵

61. It is worth noting in this context that, contrary to Europe, none of the traditional countries of immigration, such as Australia, Canada, the United States, and New Zealand, are expected to experience a population decline over the next fifty years. The continuing regular inflow of migrants has traditionally been well above the number of migrants needed to prevent a decline in the total population in these countries. Even though the fertility level in these countries is predicted to remain below the replacement level for the next few decades, assumed future immigration intakes will be able to offset declining population growth.⁵⁶

62. Therefore, migration has indeed a substantial role to play in increasing population size in the short-term perspective.

⁵¹ Collett, E., “Europe: a New Continent of Immigration”, pp. 25-26.

⁵² Ibid.

⁵³ The report of the European Commission: (2008): *New tools for an integrated European Border Management Strategy*, MEMO/08/85, 13 February 2008 estimates the number to be around 8 million. Other sources have lower estimates, for example the IOM estimates a figure of 4.5 million irregular migrants to the European Union, and the Global Commission for International Migration estimates 2-3 million.

⁵⁴ Münz and Collett, 2010, IOM world migration report 2010.

⁵⁵ Ibid.

⁵⁶ IOM website.

63. With respect to age structure, however, demographers have for a long time shown that replacement migration is not a solution to demographic ageing, because the average age of migrants is only three years younger than that of the native population of European countries. Just like the native population, migrants also grow older one year at a time. Besides, the initially higher fertility rate of immigrants soon decreases to the level similar to native populations. Both natives and immigrants would need ever more immigrants to compensate for the population ageing and to replace them.

64. Only huge numbers of migrants would succeed in slowing down or neutralising the ageing process, but this would result in a phenomenal increase in population size. Moreover, a massive immigration would not necessarily supply migrants with the required qualifications for the economic needs or opportunities of European countries. Given the fact that unemployment is nowadays already strongly concentrated among the less educated and less trained population strata, and particularly among less well-trained immigrants and second-generation migrants, massive immigration would inevitably reinforce this problem.⁵⁷

65. In this respect, mass immigration is not a quick-fix policy option for compensating for the decline in the population size or for population ageing. It can help to reduce the decrease in the size of particular age groups and of the population as a whole, but it raises many other societal questions.

66. The 2008 United Nations report on Replacement Migration and research indicate that additional large volumes of immigrants would be likely to face social obstacles. The acceptance of large numbers of immigrants coming from culturally distant populations requires substantial efforts to ensure social, cultural and indentificational integration of immigrants, and may provoke social and political strife especially among groups that are less competitive on the labour market.⁵⁸

67. Consequently, it may be concluded that whereas migration may undeniably have a demographic impact, it is an answer predominantly to non-demographic norms and goals of a given society;⁵⁹ notably for productivity and economic growth.

68. Immigration policies, therefore, should have clearly defined goals and be preceded by an impact analysis of the long-term demographic, socio-economic and political effects.

3.3. *What are the costs and benefits of migration on demography and economic growth?*

The costs and benefits of migration on Europe should be assessed in a comprehensive way and in a long-term view, taking into account not only the short-term demand for labour and its immediate benefits, but also the total cost of development for origin and receiving countries as well as integration in host societies.

3.3.1. *For countries of origin and migrants*

69. From the vantage point of countries of origin and of the migrants themselves, first of all, economic factors are important, but so are demographic "push factors". Regardless of the various policies introduced in the least developed countries to improve family planning, many of these countries have a surplus population that exceeds the capacities of their labour markets. Hence, encouraging and facilitating labour migration is seen in those countries as a policy response to a surplus labour force. A number of governments actively promote overseas employment as a strategy to increase economic growth and bring about full employment.⁶⁰

70. For those who migrate, their moving is both related to higher salaries and the possibility of remittances to their home country. Salaries for skilled migrants are often several times higher than what they could earn in their home countries.⁶¹

71. Remittances sent back to developing countries have been estimated as high as 300 billion euros in 2009. Regardless of the current economic crisis, registered remittances amount to well over twice the

⁵⁷ Population trends in Europe and their sensitivity to policy measures (rapporteur: Mr Christian Brunhart, Liechtenstein, EPP/CD), Assembly Doc. 10182, pp. 27-28.

⁵⁸ Avramov, D. and Cliquets, R., Integrated Policies on Gender Relations, Ageing and Migration in Europe: Lessons from the Network for Integrated European Population Studies (NIEPS), Antwerp 2005, p. 215.

⁵⁹ Population trends in Europe and their sensitivity to policy measures (rapporteur: Mr Christian Brunhart, Liechtenstein, EPP/CD), Assembly Doc. 10182, pp. 27-28.

⁶⁰ IOM website.

⁶¹ UNDP human development report 2008.

amount of official development assistance (119.8 billion euros in 2008 from members of OECD's Development Assistance Committee)⁶² and are ten times higher than net private capital transfers to developing countries⁶³ Remittances amount to 34% of GNP in Moldova, 18% in Bosnia and Herzegovina and 14% in Serbia and Albania. Remittances are becoming a major international economic factor (some call the recent attention to it "remittance euphoria"). They can decrease poverty rates in poorer countries of origin, and enable recipient families to increase spending on health and education as well as investment in business.⁶⁴ For many families, having members working abroad simply constitutes "risk spreading".

72. However, there is also growing evidence that remittances alone do not necessarily have positive effects, unless the country concerned creates an environment where these remittances can be invested in development, for example, whether they are used for consumer goods, for the nutrition, health and education of families, or whether they are used for investment in economic activity, or taking advantage of improving infrastructures. That is to say, in order for development benefits to occur, remittances have to be coupled with other development projects in the country concerned.⁶⁵

73. There are many other possible benefits for migrants, depending on whether immigration is voluntary or induced. The incentive of the possibility to migrate can act as *an* incentive for up-skilling in countries of origin, so that even where emigration rates are high, there are still increased numbers of highly-skilled graduates in the workforce. Where migrants have been able to develop their skills in countries of destination, their continuing links with their countries of origin mean that it may also be possible for them to transfer their skills to their countries of origin, through long- or short-term return.

74. There are also geographical factors favouring migration towards the European continent: although birth rates in North Africa, for example, have declined (from more than six to less than three children), due to high levels in the past there is a large "bulge" of young people seeking work, and travelling across the Mediterranean can be easier than across the Atlantic.

75. Migrants may also have human rights incentives – as some migrants leave their countries of origin, either as asylum seekers or economic migrants, because of human rights concerns in their own countries.

76. On the costs' side, the brain drain does remain a significant concern for countries experiencing large-scale emigration of skilled workers. Loss of skilled citizens can be particularly challenging for emerging economies.

3.3.2. For migrant receiving countries

77. From the vantage point of receiving countries, migration is first and foremost a response to various societal needs and goals, for example attraction of specific qualifications (selective versus indiscriminate migration), safe haven for asylum seekers and refugees, family reunification. In the presence of specific labour demands, immigrants can play an important role in the socio-economic development of a country or region. They often contribute substantially to the rejuvenation of the population, the reinforcement of the labour force, the support of the social security system, the revival of depressed regions or quarters, etc.

78. There is the overall challenge for Europe today of filling the gaps in the labour force, but in particular to attract and employ migrants with skill sets which are needed in European countries and which do not drain countries of origin of needed manpower.

79. As an example, the European Union estimated back in 2005 that there would be an overall need for 5 million new jobs in the period 2007-08, and that at that moment 3 million jobs in the European Union were unfilled.⁶⁶ These figures may have changed as a result of the financial crisis and some may in reality be filled by irregular migrants, but they give an indication of the magnitude.

80. Notwithstanding the inflow of 41% of total world migration to European countries, Europe is experiencing difficulties attracting highly qualified migrants, for example 5% of the most highly educated and

⁶² www.OECD.org.

⁶³ Kapur, Devesh and J. McHale. 2003. "Migration's new payoff." *Foreign Policy*, Vol. 139, November/December 2003, pp. 49–57.

⁶⁴ Klein Solomon, M. (IOM), "Migration to Europe: threat, opportunity or the challenge of managing the inevitable, testimony at the Geneva hearing, op. cit.

⁶⁵ Haas, H: Remittances, Migration and Social Development, A Conceptual Review of the Literature Social Policy and Development. Programme Paper Number 34, October 2007, United Nations Research Institute for Social Development.

⁶⁶ The EU's labour-shortage "time bomb", www.euractiv.com/, 2010.

qualified African migrants come to Europe, with 90% migrating to North America, whereas 80% of the least qualified migrants come to Europe.⁶⁷

81. In this respect, Europe will need to attract a qualified labour force from outside, even though the need for external unskilled labour will also remain very high.

82. The needs include highly skilled workers such as engineers. For example, in Germany, one estimate is that the lack of engineers on the labour market costs the GNP 3.5 billion euros every year.⁶⁸ For information technology workers, who generate 5% of European Union GDP, it was projected that there would be a shortage of 300 000 by 2010.

83. A particular and highly visible concern is the health sector, for both the high and the low skilled work force. The often quoted statistic that there are more Malawian medical doctors in Manchester than in Malawi, taken in the context that WHO estimates a global shortfall of 4 million health workers, is particularly striking. It is also notable that migrants already play an important role in the provision of care for the elderly.⁶⁹

84. Spain, which is often referred to as the “greengrocer of Europe”, relies heavily on low-skilled and temporary inflows of migrant workers. Indeed, agrobusiness throughout Europe is dependent on what are often seasonal, and sometimes irregular, migrants. There is also an especially high demand for workers in fields such as the service sectors, for example hotels and restaurants, as well as construction. In recognition of these needs, Italy adjusted its quota in 2008 from 170 000 to 520 000 legal migrants per year, mostly low-skilled, for construction, private household help or agriculture. However, these are also fields that have been particularly affected by lay offs since the beginning of the economic crisis.⁷⁰

85. The rapporteur regrets that the European Union, which was established specifically with the purpose of furthering economic co-operation, has so far been unable to come up with a common policy on economic migration. Although immigration issues are high on the European Union policy agenda and despite the efforts that have gone into the attempts since 2001 to establish a “Blue Card” system, the concept of which has been partially inspired by the United States “green card”, and which is intended to allow competition with the United States), the “Blue Card” policy has yet to have the major scale and effect intended. After four years of preparatory work, a less ambitious transitional policy was established in 2005, covering the admission of students, non-remunerated interns, volunteers and researchers. The concerns expressed about the current policy is that it is too bureaucratic, too specific and short term, not responding to the hopes of the particular group which they are intended to attract, namely highly skilled workers who are choosing a country for long- term careers.

86. An area where European policies have failed the most concerns irregular migration, the growth of which in recent years may be linked to the increasingly impermeable borders, lack of regular migration opportunities and incapacity of European states to combat criminal networks that profit from migrant smuggling, human trafficking and exploitation of migrants. States have the sovereign right to decide who enters and remains on their territory. Approaches differ from one country to another as to how they deal with the issue: in Sweden, for instance, anybody who obtains a work contract receives also a residence permit for the duration of the contract, so the problem exists only to a minimal extent. Spain has regularised a great bulk of its migrants that were formerly in an irregular situation, whereas in a number of Council of Europe member states the tendency is towards criminalisation and expulsion of irregular migrants. However, it is unrealistic to believe that states would be able to force all the possible 10-15 million irregular migrants to return, or that these migrants will return voluntarily. It is therefore urgent, on the one hand, for the countries of origin, transit and destination to take concerted measures to prevent further irregular migration and combat human smuggling and trafficking and, on the other hand, to consider options for regularising the situation of those migrants who are already in Europe and/or guaranteeing these persons at least certain minimum rights.

87. Perhaps the biggest cost of migration for European societies is the lack of success in the integration of migrants, both in terms of economic and social integration.

⁶⁷ Gammeltoft-Hansen, Th., testimony at the Paris hearing, op. cit.

⁶⁸ Koppel, O. (2007): “Ingenieurmangel in Deutschland – Ausmaß und gesamtwirtschaftliche Konsequenzen”, Institut der deutschen Wirtschaft und Verein Deutscher Ingenieure e.V, 2007, p. 20.

⁶⁹ Klein Solomon, M. (IOM), “Migration to Europe: threat, opportunity or the challenge of managing the inevitable, testimony at the Geneva hearing, op. cit.

⁷⁰ *Gazzetta Ufficiale* (2007): “Decreto del presidente del Consiglio dei ministri sulla programmazione transitoria dei flussi d’ingresso dei lavoratori extracomunitari non stagionali nel territorio dello Stato per l’anno 2007”, 30 November 2007.

88. According to the OECD, integration outcomes for immigrants arriving over the past thirty years have suffered, as have those of the children of immigrants, even when the latter have been born and educated in the host country. This is partly attributable to low average educational levels among immigrants in many countries, which are associated with less favourable outcomes whatever the origin, but also because of the intergenerational transmission of disadvantage, a phenomenon observed in every society. Geographic concentration and social isolation have compounded the problem. Although the children of immigrants have nonetheless made significant strides compared to the educational levels of their parents, on average their educational levels still trail behind those of children of native-born persons.⁷¹

89. Migrant unemployment rates in the European Union-27 are, on average, 4.4 percentage points higher than native unemployment rates, and this has become grossly exacerbated in the current economic crisis situation. Migrant women particularly affected by unemployment: rates for migrant women are 2.7 percentage points higher than for migrant men. This is why a net gain of 100 million persons through migration would be required to plug a 68 million person gap: this figure assumes that almost a third of migrants will not be able to participate in the labour market.

90. Moreover, evidence suggests that highly-skilled migrants have difficulty making effective use of their human capital, due to issues such as a lack of recognition of their qualifications,⁷² which bars them from sectors that need labour.

91. Lack of respect for the human rights of migrants, especially for irregular migrants, is a problem both for the security of the workers and for their ability to contribute to the economic development of the host society. Particular problems exist for those who are trafficked as part of organised crime, creating an invisible underclass, living in sometimes desperate conditions outside the reach of protection of human rights, or other legal and social frameworks of the recipient country.

92. Another challenge relates to attitudes towards migrants. Multiculturalism appears to be in many respects socially dysfunctional and very expensive.⁷³ Everywhere in Europe migrants are expected to adapt to their host country in practically all important domains of social life – language, laws, values and norms, with the exception of their beliefs and behaviour that have purely private character and are not against the law. In some forms, for example dress or culinary customs, pluralism is indeed tolerated, yet foreigners are seldom welcomed by native populations and racism, ethnicentrism and xenophobia erupt easily in the event of competitive economic, social or other group contexts. Immigrants from more distant cultures have seldom been adequately assisted and helped to integrate adequately in their new country. Even where huge efforts have been made, progress has been uneven.

93. One such example was given from the Netherlands, where local communities are becoming more and more segregated, even where schools are integrated. Evidence seems to show that the first generation is better integrated than the following one.⁷⁴

94. Another factor that indicates low levels of integration is intermarriage. The fact that children of migrants in western Europe (notably from Muslim regions such as Turkey, North Africa or South-East Asia) predominantly marry within their own group, often with someone from the country of birth of their parents, for example, is a serious hurdle on the road to integration. The relation between structural and identificational integration is not always so straightforward, however. Indians in the United Kingdom, for example, do very well at school and in the labour market, in some respects even better than native English, but overwhelmingly marry with co-ethnics. Nevertheless, Indian women with higher qualifications have a higher propensity to intermarry, and economic analyses of current intermarriage patterns show that migrants who intermarry earn significantly higher incomes than endogamously married immigrants, even when we take account of human capital endowments.⁷⁵

95. Institutionally, both the Council of Europe and the European Union have initiated many activities to facilitate integration. However, in practice, integration is often undertaken at local, regional or national level rather than at pan-European level; hence, local integration policies should have the highest priority. These

⁷¹ OECD International Migration Outlook, Special Focus: Managing Labour Migration Beyond the Crisis, SOPEMI 2009, pp. 202-203.

⁷² Employment in Europe, 2008.

⁷³ Population trends in Europe and their sensitivity to policy measures (rapporteur: Mr Christian Brunhart, Liechtenstein, EPP/CD), Assembly Doc. 10182, p. 27.

⁷⁴ Latten, J., testimony at the Paris hearing, op. cit. 66 Eurobarometer 2006.

⁷⁵ Lucassen, L. and Laarman, Ch. (Leiden University), Immigration, intermarriage and the changing face of Europe in the post war period, *The History of the Family*, Vol 14, 2009, No. 1, www.law.buffalo.edu/baldycenter/pdfs/lucassenoct08.pdf

policies should concentrate on introducing measures at the same time to integrate those concerned into the local community and prevent them from becoming socially excluded.

96. There is strong public scepticism among the native-born populations toward migration and migrants, which has become a concern of great political sensitivity. A Eurobarometer 2006 survey indicates that, whereas the public is aware of the challenges of ageing, immigration is not the preferred solution. According to the survey, increasing migration from non-European Union countries ranked in fifth position with 5% of respondents favouring this solution, behind other measures such as encouraging non-working women to participate (17%), increasing full-time rather than part-time employment (16%), increasing the birth rate (15%), and increasing the retirement age (6%).⁷⁶

97. Another survey indicates that, on average, four out of ten European Union citizens feel that immigrants contribute a lot to their country, while a majority of citizens (52%) do not agree with this statement. However, there are significant differences between countries. While 79% of Swedes have a positive opinion of the contribution of immigrants to society, only 12% of Slovaks hold this view.⁷⁷ This may be attributed to the fact that many European societies have little or no history of systematically admitting settlers.

98. Finally, a major obstacle for the development of coherent migration policies is the profound disagreement among the European governments as regards the benefits and costs of immigration. There is no consistent view about ways to manage migration flows and facilitate economic, social and cultural integration of migrants. Although efforts have been and are being made at both Council of Europe and European Union levels, as evidenced by the drawing up of the Council of Europe's migration management strategy in 2005 or the recent Stockholm Programme of the European Union, these efforts have not had the targeted effects.

4. The way forward: how to achieve a win-win situation? Which policies should be favoured?

99. The current economic downturn has significantly changed the picture with respect to international labour migration, at least in the short term. However, the crisis will not affect the reality or the direction of demographic change which most European countries are currently undergoing and which will have significant effects on their economies and societies. The challenges of ageing remain and will reassert themselves with the recovery.⁷⁸

100. As was already underlined by the Assembly in 2004,⁷⁹ the expected population decline and further population ageing need to be addressed by comprehensive and specific long-term population-related policies. These policies need to be partly responsive to the new demographic regime in Europe, but will, in the long term, also have to include policies to modify trends. All of the basic demographic phenomena – fertility, longevity and migration – will have to be addressed.

101. A mobilisation of domestic sources of labour is certainly the most efficient way to compensate for the effects of low birth rates and ageing. In terms of policy measures, an increase in fertility and an increase in labour force participation should be two main priorities, as they directly reduce the speed of population change.⁸⁰ Immigration is not and will not be an adequate instrument to compensate for population “greying”.

102. One of the consequences of ageing will be problems with maintaining the social security systems, especially relating to retirement. This calls for responsive policies to be adopted that are capable of adapting social institutions and processes to the newly emerging population age structure, as well as capable of modifying policies to re-activate and re-integrate the younger seniors in the workforce and in society in general.

103. To increase labour force participation, Europe has to say good-bye to the current pan-European tendency to start retirement in the late fifties. Some countries have already introduced necessary legislative changes and increased retirement age. Incentives should also be introduced to facilitate legal employment. A way of doing this could be by reducing the cost of employment and liberalising labour codes, so that the

⁷⁶ Eurobarometer EU25 2006.

⁷⁷ European Commission (2007): “Europe's Demographic Future: Facts and figures on challenges and opportunities”.

⁷⁸ OECD International Migration Outlook, Special Focus: Managing Labour Migration Beyond the Crisis, SOPEMI 2009, p. 202.

⁷⁹ Population trends in Europe and their sensitivity to policy measures (rapporteur: Mr Christian Brunhart, Liechtenstein, EPP), Assembly Doc. 10182, p. 38.

⁸⁰ Kupiszewski, M., Bijak, J. and Nowok, B. (Central European Forum for Migration Research), “Impact of future demographic trends in Europe”, Council of Europe Directorate General III – Social Cohesion, DG3/CAHP10(2005)6 final, p. 6.

unemployed find employment quickly enough. The removal of unnecessary costs linked to termination of employment would constitute an incentive for many employers and employed in the black economy to come out and contribute to the social security systems. Employment of women needs to be further encouraged through incentives that facilitate combining family and professional life. Finally, development of atypical forms of employment, catering for those who cannot or do not want to work full time is necessary.⁸¹

104. As regards population decline, policies will have to address the current reproductive behavioural patterns. Increasing fertility to or around generational “replacement level” will require addressing the fundamental causes of low fertility and will require quite substantial changes in values, gender relations, economic processes, financial policies, environmental planning and the economy of time of the entire life course perspective of work, parenthood and retirement.⁸²

105. Nevertheless, population decline can be partially and temporarily compensated by immigration which, however, raises many other societal problems. Already today, immigration is a hard sell in almost all European countries, both because of irregular migration and integration difficulties. It also remains a politically sensitive issue and one easily exploited for electoral reasons. With the economic recovery, international migration movements are expected to increase in numbers, which presents a special challenge requiring policies to manage migration movements better, but also to ensure educational and labour market outcomes for immigrants and their children that are more favourable than has been the case in the past.

106. Even though migration may constitute a mere “tree” in the “demographic forest” that needs to find adequate responses, it is clear that Europe needs migrants to compensate for its own labour force shortages and to boost economic productivity and growth. European governments at international, regional and national levels will need to adopt a comprehensive approach to assess policy implications, and include evaluation of policies in all sectors potentially affected by migration. This will include not only economic and labour market policies, but also social policies, in particular those related to integration and social inclusion, and human rights. At the same time, demographic dynamics must be considered when formulating migration policies.

107. To date, evidence shows that the most effective and sustainable policies are those that are stable over time, meaning that they have to have agreement across the political spectrum, be based on public support (including that they must respect human rights) and are financially realistic.⁸³

108. In order for the future migration management policies in Europe to be sustainable, the latter will have to live up to a certain set of criteria. They should:

- encourage and attract the “desired” migration corresponding to European labour market needs;
- discourage “undesired” migration, including irregular migration and human trafficking;
- incorporate both short-term and long-term needs for migration;
- abide by the established protection and human rights standards;
- foster integration of immigrant populations;
- take into account the development needs of the migrants’ countries of origin.

109. First of all, immigration must be selective and numerically adjusted to the labour market needs and reception capacities of host countries. Complex modern societies cannot cope, without provoking or experiencing serious social strife and disorder, with indiscriminate or mass immigration. Immigration needs to be sustainable for the receiving country, and must contribute to the society’s welfare, security, stability and cohesion.

110. A successful labour migration policy involves a greater role for employers in identifying and selecting immigrants. Sound migration management thus needs to incorporate incentives for both employers and immigrants to follow the rules, as well as safeguards to protect immigrant and domestic workers from exploitation.⁸⁴

111. Secondly, Europe has to face up to the challenges posed by irregular migration. It is evident that European countries cannot absorb all of the existing and projected migration pressures from outside. Border

⁸¹ Ibid., p. 39.

⁸² Population trends in Europe and their sensitivity to policy measures (rapporteur: Mr Christian Brunhart, Liechtenstein, EPP), Assembly Doc. 10182, p. 38.

⁸³ Botev, Low Fertility, the future of Europe? UNFPA, Entre Nous, 2006, Vol. 63, pp. 4-5.

⁸⁴ Speech by Angel Gurría, OECD Secretary-General, during the conference organised for the launch of the International Migration Outlook, Paris, 30 June 2009.

control management has improved to a certain extent, but it needs to be made more effective, both within and outside the European Union area. On the other hand, policies need to be adopted that favour legal channels of migration. Any restrictions are unlikely to be 100% effective and are likely to be costly both in human rights and practical terms. Sustainable solutions will have to be found for the millions of irregular migrants already residing in Council of Europe member states.

112. Thirdly, migration needs to be seen from both short-term and long-term perspectives. It has to respond both to the short-term shifting (sometimes seasonal) needs and long-term structural needs for migration. Many future labour needs will be of a long-term nature. It is therefore illusory to believe that such needs can be filled through temporary migration alone. There is a need for more high-skilled immigration to complement the influx of low-skilled labour, for which there is also likely to be much demand. The procedure adopted by the European Commission in 2005 for the admission of third-country researchers is a first step towards addressing this issue. Such arrangements need not come at the cost of developing countries in the form of a brain drain, but can and should be beneficial to all parties. A better mix of both high- and low-skilled migrants may exert a positive influence on the public perception of immigration and may help overcome the reluctances to welcome further immigration.

113. Fourthly, human rights concerns continue to be significant, both for practical and more “cultural” reasons. Lack of respect for human rights reduces the practical feasibility of migration measures, not least in situations of irregular migration. Measures that are based on human rights stand a better chance of being more acceptable in the long term, both for migrants and the native-born population. The “rights arguments” will be more acceptable if they are also demonstrated to foster a win-win situation – for migrants, as well as countries of destination and origin.

114. Fifthly, migration is only helpful if migrants and their descendants have equal opportunities for successful integration within the economy and society of their host country. Improving the integration of migrants is therefore a policy priority without which there would be no successful migration management imaginable in Council of Europe member states. The past and current failures call for a general revision of policies and strategies, particularly those concerning migrants of ethnically distant origin. New active multi-dimensional local integration strategies are needed to avoid the creation of ethnically stratified societies. People migrate in order to improve their living conditions and their quality of life. Inadequate integration, especially of second and third generation migrants, can result in ghetto formation, limited opportunities for upward social mobility or full participation in all aspects of social life in the host country.

115. Integration of migrants implies also the acceptance by the national population of the cultural identity and values of the immigrants as long as they are not against the law or in conflict with fundamental European values concerning individual development, educational opportunity, gender equality, human dignity, democracy and an individual's place in society in general. All forms of racism, ethnocentrism and xenophobia, both among the national population and the immigrants, should be combated.

116. Associating the native population is all-important – constructive public dialogue about the means, aims and objectives of immigration policies should be clear, non-politicised and transparent. Governments should be honest about what they are setting out to achieve through their immigration policies, how they intend to achieve these aims, and how they intend to maximise the benefits and minimise the negative impacts of immigration. They should also challenge myths and misconceptions.⁸⁵ Issues such as the recognition of migrants' qualifications, addressing prejudices and discriminatory practices, and addressing female immigrant unemployment need to be addressed for migration to fill demographic and labour market gaps.

117. Sixthly, migration pressures from developing countries can only be adequately reduced by stimulating the social, economic and human rights development in those countries. Europe might contribute to this by substantially intensifying its development co-operation with migrant-producing countries. The “brain drain” from the latter may require economic and cultural compensation measures.

118. Finally, the demographic view of migration presented in this report calls for major institutional changes throughout Europe, in terms of how we view citizenship, more transparent procedures, access to services and institutions and entitlement to the components of economic well-being.

119. In conclusion, the French demographer and sociologist, Auguste Comte, is credited with the statement: “demography is destiny”. This report argues that demography is indeed important for societies, but that a concern with numbers is not in itself enough – parliamentarians need to shape that destiny.

⁸⁵ IOM (2008): “Comparative Study of the Laws in the 27 EU Member States for Legal Immigration”, IOM testimony, 27 March 2008.