

THIS PROJECT IS FUNDED
BY THE EUROPEAN UNION



IMPROVING US AND EU IMMIGRATION SYSTEMS

Migration in the European Union: The narrow street of convergence

by Gianpiero Dalla-Zuanna



European
University
Institute

Robert Schuman Centre for Advanced Studies



**Improving EU and US Immigration Systems' Capacity for Responding to Global
Challenges: Learning from experiences**

**Research Report
Policy Brief**

EU-US Immigration Systems 2011/18

**Migration in the European Union:
the narrow street of convergence**

Gianpiero Dalla-Zuanna
University of Padua, Italy

© 2011, European University Institute
Robert Schuman Centre for Advanced Studies

This text may be downloaded only for personal research purposes. Any additional reproduction for other purposes, whether in hard copies or electronically, requires the consent of the Robert Schuman Centre for Advanced Studies.

Requests should be addressed to transatlantic@eui.eu

If cited or quoted, reference should be made as follows:

[Full name of the author(s)], [title], EU-US Immigration Systems [series number], Robert Schuman Centre for Advanced Studies, San Domenico di Fiesole (FI): European University Institute, [year of publication].

THE VIEWS EXPRESSED IN THIS PUBLICATION CANNOT IN ANY CIRCUMSTANCES BE REGARDED AS THE OFFICIAL POSITION OF THE EUROPEAN UNION

European University Institute
Badia Fiesolana
I – 50014 San Domenico di Fiesole (FI)
Italy

<http://www.eui.eu/RSCAS/Publications/>
<http://www.eui.eu/TransatlanticMigration>
<http://cadmus.eui.eu>

Improving EU and US Immigration Systems' Capacity for Responding to Global Challenges: Learning from experiences

The project is co-funded by the European Commission in the framework of the Pilot Projects on “Transatlantic Methods for Handling Global Challenges in the European Union and United States”. The project is directed at the Migration Policy Center (MPC – Robert Schuman Centre for Advanced Studies – European University Institute, Florence) by Philippe Fargues, director of the MPC, and Demetrios Papademetriou president of the Migration Policy Institute (MPI) the partner institution.

The rationale for this project is to identify the ways in which EU and US immigration systems can be substantially improved in order to address the major challenges policymakers face on both sides of the Atlantic, both in the context of the current economic crisis, and in the longer term.

Ultimately, it is expected that the project will contribute to a more evidence-based and thoughtful approach to immigration policy on both sides of the Atlantic, and improve policymakers’ understanding of the opportunities for and benefits of more effective Transatlantic cooperation on migration issues.

The project is mainly a comparative project focusing on 8 different challenges that policymakers face on both sides of the Atlantic: employment, social cohesion, development, demographic, security, economic growth and prosperity, and human rights.

For each of these challenges two different researches will be prepared: one dealing with the US, and the other concerning the EU. Besides these major challenges some specific case studies will be also tackled (for example, the analysis of specific migratory corridor, the integration process faced by specific community in the EU and in the US, the issue of crime among migrants etc.).

Against this background, the project will critically address policy responses to the economic crisis and to the longer-term challenges identified. Recommendations on what can and should be done to improve the policy response to short-, medium- and long term challenges will follow from the research. This will include an assessment of the impact of what has been done, and the likely impact of what can be done.

Results of the above activities are made available for public consultation through the websites of the project:

- <http://www.eui.eu/Projects/TransatlanticProject/Home.aspx/>
- <http://www.migrationpolicy.org/immigrationsystems/>

For more information:

Improving EU and US Immigration Systems' Capacity for Responding to Global Challenges: Learning from experiences

Convento

Via delle Fontanelle 19

50014 San Domenico di Fiesole

Italy

Tel: +39 055 46 85 817

Fax: + 39 055 46 85 770

Email: transatlantic@eui.eu

Robert Schuman Centre for Advanced Studies

<http://www.eui.eu/RSCAS/>

Introduction

There can be no question that in the next 25 years the wind of demography will be blowing many young people from the poorest regions in the world towards the wealthiest countries (Table 1). In those nations, classified by the UN as “less developed regions”, there are today 201 people, age 0-24 for each 100 people in the age bracket 40-64. In other words, in the poorest part of the world there are going to be two new young workers for each new elderly person in the next 25 years. This ratio – that today is 3:1 – is going to decrease quickly to 1.5:1 around 2030, as a consequence of the almost universal fertility reduction. Everything we know, therefore, seems to suggest that in the next 25 years demographic conditions should be favorable to migration, even if the general long term trend shifts towards equilibrium. In the poorest countries – without migration – it would be necessary to create more than 1 billion new jobs over the next 25 years, in order to satisfy the overall demand for work. By contrast, in those countries classified by the UN as “more developed regions” the same ratio among the two age brackets 0-24 and 40-64 is around 87:100. In 2010 in Europe there were only 208 million young in the next 25 years to replace 253 million people age 40-64. To keep up with workers in Europe in the 20-64 age bracket the overall net migration should be equal to +44 millions people over the period 2010-2035 (around 1.8 million per year).

Table 1. Replacement of people in the world and on the European labour market, 2010-2034

| | P(20-24) / P(60-64) | P(15-19) / P(55-59) | P(10-4) / P(50-54) | P(5-9) / P(45-49) | P(0-4) / P(40-44) | P(0-24) / P(40-64) | P(0-24) Millions | P(40-64) Millions |
|--|------------------------|------------------------|--------------------------|-------------------------|-------------------------|--------------------------|---------------------|----------------------|
| WORLD | 258 | 196 | 171 | 151 | 138 | 174 | 3 060 | 1 761 |
| More developed regions | 117 | 93 | 76 | 74 | 81 | 87 | 362 | 417 |
| Less developed regions | 320 | 232 | 202 | 173 | 152 | 201 | 2 698 | 1 344 |
| EUROPE | 123 | 88 | 70 | 67 | 74 | 83 | 208 | 252 |
| Eastern Europe (Russia, Ukraine...) | 153 | 85 | 61 | 65 | 83 | 86 | 85 | 100 |
| Northern Europe (UK, Sweden...) | 111 | 108 | 88 | 77 | 82 | 92 | 30 | 33 |
| Southern Europe (Italy, Spain...) | 100 | 85 | 72 | 67 | 65 | 76 | 40 | 53 |
| Western Europe (France, Germany...) | 105 | 86 | 76 | 66 | 66 | 78 | 52 | 67 |
| Japan | 67 | 70 | 77 | 71 | 63 | 69 | 29 | 43 |
| US | 130 | 112 | 89 | 91 | 105 | 104 | 106 | 102 |

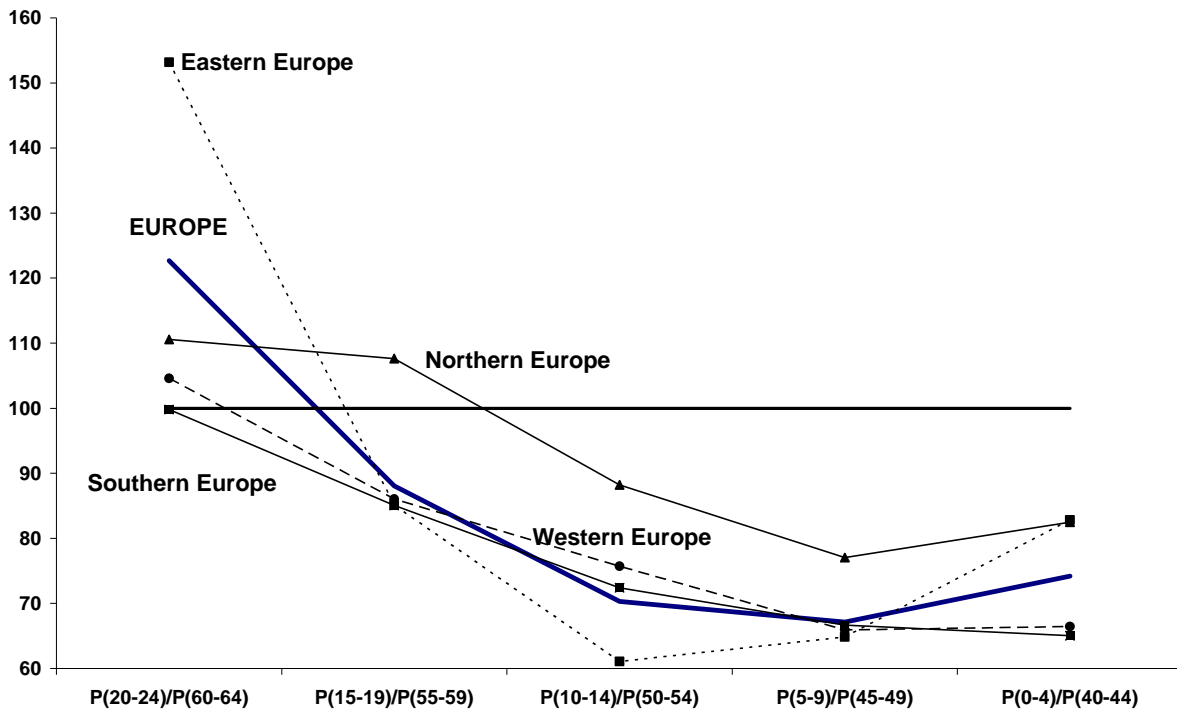
Source. UN Population Division, Estimation of population at July 1st 2010, <http://www.un.org/esa/population/>. See this website for the countries included in each area.

Of course, as well as the aforementioned demographic trends, other factors may affect future migration; for instance, in past decades, there have been important migration flows despite the fact that the imbalance between the young and adults was less pronounced. Moreover, demographic tensions are not necessarily reflected automatically in the labour market. These tensions can, indeed, be attenuated by some desirable structural changes in the labour market, like, for instance, an upward change in retirement age, or an increase in female labour participation. A substantial increase in labour productivity may also reduce the effects entailed by the labour shortage, even if there are sectors (like that of care-giver) where no substantial increases in productivity are expected. Also a rise in fertility may entail some beneficial effects on the labour market, even if not certainly before 2030. This notwithstanding, the imbalance between baby-boomers and the baby-boosters who are entering the labour market is so pronounced that – over the next quarter of century – it is difficult to see how Europe can do without immigrants, unless there is dramatic resizing of the economic and productive system. Moreover, a reduction in the share of adults will inevitably entail a drastic increase in the ratio

between workers and the elderly, which will, in turn, be unsustainable for pension systems unless these systems reduce the number and type of services provided.

These demographic tensions are not a new phenomenon for Europe. Actually, during the past decades these imbalances between new-workers and the newly-retired have already emerged at a regional level, especially in those regions that have seen an early reduction in fertility (Dalla-Zuanna G. 2006 “Population replacement, social mobility and development in Italy in the twentieth century”, *Journal of Modern Italian Studies*, Volume 11, Number 2, June 2006, pp. 188-208.). Despite this fact, in order to find such a pronounced reduction in the labour force over an entire continent and over such a short time span, it is necessary to go back to the time of past great epidemics. Luckily, the demographic process under scrutiny is – unlike the past – largely predictable, because the workers who enter the labour market in the next 25 years have already been born. Figure 1 shows that the demographic tensions over the labour market are beginning to yield their effects right now, and they will reach their maximum effect in the period 2020-2035, when each year – without new immigrants – the European Union will miss 30% of its new workers necessary to keep its labour force constant. The European Union has, therefore, some time – though not much time! – in order to re-organize her migration policies. We are going to, in the following pages, propose some ideas around this theme.

Figure 1. Replacement of people in the European labour market, 2010-2034



The need of convergent policies

Today in the European Union – unlike in the US – migration policies are not homogeneous across the different Member States. This situation is due: in part to the different migratory histories experienced by the different Member States; in part to the existing differences in their social organization; and in part to specific political reasons. This notwithstanding, at least two reasons strongly recommend the construction of a unitary migration policy.

1. *Everywhere in Europe the new demographic scenarios will be attracting new immigrants.* In the introduction we showed how the demographic situation in European countries is quickly converging towards a condition characterized by a structural labour shortage. Figure 1 shows

that this labour shortage is going to be less dramatic in the Northern European countries relative to the rest of Europe. However, within a decade even in the Northern European countries new workers will be 20% less than the newly-retired. Moreover, in all European countries the share of people over 70 is increasing rapidly. In the next two decades the number of retirees, it is expected, will come mostly from the manual sector, with its low education levels and low salaries. By contrast, most of the new workers will be graduates, and will aspire to become white collar workers. Consequently, in all Europe not only will the young be less numerous than the new-pensioners, but the bulk of them will not be willing to accept the kind of work done by the pensioners-to-be. In summary, all data in our hands clearly show that in the near future all European countries will be affected by a dramatic labour shortage, particularly (but not only) in the manual sector. This shared scenario suggests a convergence in migration policies.

2. *Free internal circulation requires common European rules in the field of migration.* The recent political tensions between Italy and the European Member States less implicated in Northern African migration, have clearly highlighted how difficult it is to conciliate free circulation inside the EU, with the different national rules governing the access of third-country citizens. In this domain something is occurring similar to economic unification in the Euro-zone: when the Member States adopt different economic policies and when their economic growth follows divergent paths, the Euro is subjected to strong tensions. EU regulations in the field of migration management, are far less strict with respect to the economic ones (for instance, regarding the ratio between deficit and GDP), and there is not any unitary control institution that can be compared, in terms of authority and power, with the European Central Bank. European citizens certainly do not want to renounce the huge individual and collective benefits stemming from the abolition of the border controls. Consequently, similar (if not identical) regulations should be adopted by the different Member States as concerns the admission and the permanence of third-country nationals, in order to avoid paradoxical situations or undue competitive advantages for one Member State over another or others. Free circulation should also entail the strengthening of centralized border control. As for the airports, some shared regulation may be enough, but in the case of the terrestrial borders and of territorial waters, it would be important that responsibilities are shared by all the EU, without leaving the burden on those Member States geographically closer to third countries. Opinion surveys show that European citizens are distrustful of the idea of managing migration at the communitarian level; this is particularly true in the Northern European countries and in Germany (http://trends.gmfus.org/?page_id=2770). Nevertheless, public opinion seems to be largely uninformed on these topics, and is more inclined to follow its impressions and its fears rather than reason, since the governments, and, more generally, all political forces, have never attempted to follow this strategy through. It would perhaps be possible to move a first step in that direction, for instance – as has been recently suggested – by unifying the regulations concerning asylum seeking, or by implementing the joint patrolling of the Mediterranean coasts.

From replacement migration to coordinated policies of integration

The demographic indicators previously presented, suggest that in the next two to three decades immigration will become more and more permanent, because new citizens will be replacing the missed births of the past decades; for this reason immigrants will become an increasingly indispensable part of European economic and social organization. This fact invokes the necessity of a common attitude to hospitality and acceptance in all European societies towards individuals coming from afar, because many of them will become permanent members of the European Union.

Moreover, since the new immigrants will become permanent members of the European Union, it would be rational to invest in their quality and in the quality of their children; in this way it would

become possible, at the same time, to accelerate the integration process – and to limit the risks connected to negative attitudes towards the host country – and to contribute to the overall socio-economic growth of the European Union.

The EU should, therefore, promote all these actions for overcoming the obstacles toward the upward social mobility of immigrants and of immigrants' children: language, homes, the conciliation between work and family etc. In most cases, this means taking into account – in the process of the revision of policies for natives – the specificity of immigrants, because immigrants may suffer very disadvantaged situations. In this field, it would also be extremely important to develop, in as much as this is possible, common policies for the entire EU, in order to avoid immigrants – who are, by definition, more mobile than natives – moving according to the generosity of the welfare system, rather than – as would be preferable (see next section) – according to the needs of the labor market.

The issue of citizenship deserves special attention. Today this type of legislation strictly pertains to the individual Member States, which over the last decades have produced a very large set of heterogeneous criteria in this field. It would also be highly desirable to adopt uniform legislation common to all EU countries. Otherwise the risk will be paradoxical situations in which once citizenship has been obtained in one of the 27 member states then acquired rights and duties will be valid for the whole European Union.

For a Freer Labor Market

As we have pointed out, it is to be expected that over the next two decades immigrants will be fulfilling a structural need in the EU labor market brought about by the lack of young Europeans. The labor market (and, more generally the market as a whole) follows its own rules: first and foremost, the quest for the equilibrium between supply and demand.

It is very difficult to predict future developments of the European labor market: for instance, nobody predicted that the families of Southern European countries would provide work for thousands of caregivers, mostly coming from Eastern Europe. This notwithstanding, the supply met the demand, allowing millions of couples in the EU to stay in the labor market despite an infirm elderly relative; allowing, in turn, millions of elderly Europeans to live in their homes even with a severe disability; and, of course, allowing thousands of migrants from Eastern Europe and non-European countries to find a job thus allowing them to sustain their families in their home countries.

Very often the discourse on migration tends to focus on the two issues of how many immigrants and which “types” of immigrants should enter Europe. Very rarely, when debating these issues do interlocutors place any trust in the labor market to self-regulate the issue. Yet, this is exactly what happened in some countries – like Italy and Spain – which over the last 15 years have in fact imposed only a few limitations on the admissions of new migrants. Moreover, the EU, which has even a special commissioner for competition and which has adopted the principles of the liberal economy, should recall that – if too many restrictions are imposed on the free circulation of labor – the risk will be that of holding back economic growth. It is, of course, necessary to regulate labor mobility, as happens (or as should happen) for the movement of capital and of businesses in order to avoid oligopolistic distortions and in order to guarantee true competition along with the protection of weaker actors. Building a shared set of rules does not imply, however, only prohibitions, restrictions and limitations. The following four examples of possible policies may give an idea of how competition and labor-market regulation can work together.

1. Since it is very difficult to predict how many and what kind of workers the EU Labor market will need in a given year, it seems reasonable to allow the accession to the EU of a given number of immigrants under a *temporary work permit*. The work permit could be subsequently (for instance after 6 months) converted into a permanent permit in the case of those immigrants who have been able to find a job. The overall number of work permits

released every year might be determined on the base of a European growth forecast and on the basis of the number of immigrants that were effectively able to find a job in the previous years. It would be reasonable to establish quotas in case of some specific kind of work, but, in general, it would be convenient for the temporary work permit to serve for all kinds of work. Incidentally, it might be noted that if the bulk of accesses to the EU were regulated by temporary work permits, it would be easier to detect who – not having found a job – is to become an irregular immigrant, because we would then possess all information concerning that immigrant (first name, family name, nationality, fingerprint etc.).

2. *Free circulation for immigrants regularly residing in the EU.* It is reasonable to allow the free circulation of immigrants in the EU, in order to enhance the possibility of finding better work opportunities. Insofar as the freedom of circulation is effective, the salaries should reach a condition of equilibrium satisfactory both for workers and companies, while at the same time several competitive disadvantages might be avoided. Since the immigrant population is, on average, much more mobile than the native one, the free circulation of immigrants should entail beneficial effects for the entire EU labor market; in this manner, moreover, it would become possible to overcome, at least in part, the current paradoxical situation characterizing several Member states, where high unemployment is associated with the difficulty of companies finding specific professional profiles on the labor market. With the freedom of circulation productivity should rise, as it is easier to achieve the optimal mix between labor and capital.
3. *The right to freedom of circulation should be granted especially in cases of highly-skilled (research, advanced management etc.) immigrants.* The EU should take the lead in the construction of the international knowledge market by avoiding national or local reserves. Innovations can flourish, indeed, only in an environment of international competition. The national or local reserves create inefficiencies, because they introduce selection criteria that hamper the possibility of selecting individuals with the best curricula or those best fitted to cover a given position. Incidentally, it might be noted that many examples show that research and enterprises that have been exposed to competition and contamination from the best brains in the other countries are able to improve at a faster rate. This happens in part because there is a strong desire to raise the level of universities and other educational institutions on the part of the population, in order to enable young locals to compete with outsiders.
4. The unpredictability of the labor market and of migratory flows together with the great complexity of this political issue, means that the EU establishes an *independent agency for migration*. In order to emphasize his function of stimulus to the socio-economic development of the EU, such an agency could be connected to the commissioner for competition. The function of this agency would not be that of a research centre, but rather that of a body that puts together common policies in the field of migration for the consideration of the Commission, the European Parliament and the single Member States, and also verifies the effectiveness of implemented policies.

The threat of demographic deterioration on some areas of the European Union

Over the last century, the bulk of European immigration has come from other European countries. For most of the twentieth century, millions of Italian, Spanish and Portuguese citizens have found a new home in Germany, France, Belgium, Holland and Luxembourg; since the 1990s, millions of Romanians, Bulgarians and Poles have found hospitality and work across Western and Southern European countries. At the same time, a great number of people and families have changed their residence without moving to another state, pushed by the processes of urbanization, industrialization and rural exodus.

These huge population shifts had a strong and variable impact on the regions of origin and destination of such movements. Generally, the origin regions have lost a part of their young population

in favor of the regions of destination. Some European areas have undergone depopulation or have lost their vitality due to the quick ageing of population. In Italy, for instance, the overall share of woodlands has doubled during the last 60 years: several valleys of the Apennines and of the Alps are completely uninhabited today. But the same could be said about many marginal areas of France, Romania and other European countries.

Nevertheless, if one considers sufficiently large areas (for instance the 224 NUT2 regions into which the EU-27 is subdivided) it becomes difficult to find areas in a compromised demographic situation, because many shifts have taken place inside those regions (from the internal regions to the coasts, from the mountains to the valleys etc.). But also because the European regions with a strong migratory tradition have also been those regions where fertility reduction has occurred later, and where there was an overabundance of young people, just like today in poorer countries.

It is not necessarily the case that this sort of equilibrium will also persist in the future. The low fertility levels reached by some economically depressed areas are not able to attract substantial migration flows and here we might see quick ageing and even the reduction in absolute terms of the population. Without substantial economic development, some important regions of the EU (for example, some regions of Southern Italy, and a good deal of the Eastern Europe) are risking demographic involution; without prompt intervention, the situation could deteriorate irreversibly in the near future. The risk is that – within a few years – some important European regions will become similar to those uninhabited valleys in the Apennines and the Alps mentioned above.

The very low fertility rate of the poorest regions of the EU, suggests the need for programs for the development of depressed areas of Europe, so that the economic recovery can stimulate the arrival of new young inhabitants and, at the same time, can bring about a rise in fertility.

More powers to Europe in the domain of migration policies

It has been recalled several times in these pages that two impelling necessities for the next decades stem from the consideration of the current and future European demographic condition: a change of course, and better coordination.

Changing our current course, means changing the cultural attitudes and our fundamental approach to migration. Over the next two decades European society will have to go – in order to avoid the aging of population and the resizing of her economic weight – in the direction of a model similar to that of the US, historically and “genetically” constituted by subsequent waves of migrants.

In order to have a unique currency, EU countries have accepted that they will cede many and important supervisory powers to the European Central Bank. By renouncing a portion of their sovereignty, however, the EU countries have increased their authority among the international community. In the field of migration it is also desirable that there be a similar process of sovereignty transfer. This will not likely happen in the immediate future, because States (and their citizens) are jealous of their prerogatives like those concerning the accession to citizenship, or control over their borders. But who could have imagined only thirty years ago that many European countries would have renounced their prerogatives in determining the currency control?

A critical assessment of the demographic and economic in Europe shows that the management of migration at a single state level is not effective, and will be less and less effective in the near future. It is, therefore, necessary to develop new policies rapidly at the EU level. In so doing, one hopes that the new European citizens, who are coming from afar, will be considered less as a problem and more as a solution.