Migration and the EU: A long-term perspective

Summary

Policy debate on migration understandably focuses on short-term challenges and costs, given the refugee wave that arrived in the EU in 2015. This briefing by contrast addresses challenges and opportunities for the EU of migration in the long term, and builds on foresight work within the European Strategy and Policy Analysis System (ESPAS). It identifies three areas which call for robust policy responses, at different levels, in the period to 2030 and beyond: demographic change and its implications for the supply of labour; the integration of migrants; and the international dimension of migration, including the prevention and management of refugee crises. The underlying assumption is that anticipatory policy (management by foresight) is preferable to, and more effective than, responsive policy (crisis management).

Because the challenges posed by migration cross many sectoral and institutional boundaries, a comprehensive and coordinated response is needed. This in turn underlines the case for shared and strategic policy analysis across the EU institutions. Continual dialogue, sharing many different perspectives and with a focus on the medium and long term, is a path towards a common understanding of both challenges and choices.

In this briefing:

- Examining migration trends
- Economic and demographic aspects
- Reception and integration of migrants
- The international dimension
- Responding to emergency refugee flows
- Conclusion

Examining migration trends

As the European Parliament President, Martin Schulz, has stated, 'In too many policy fields, there is a tendency to fail to address issues for the long-run ... This has to change.' This also applies to the issue of migration. As the report of the European Strategy and Policy Analysis System (ESPAS) emphasised, 'The EU's migration policies by 2030 will have to adapt to the evolving needs of the European economy and the contemporary nature of mobility patterns.'[1] It also noted that 'Migration may well further increase, in particular along South-South routes,'[2] and that 'Large scale migrations triggered by floods, droughts and food shortages may affect Europe.'[3]

The ESPAS report also pointed out that globalisation has made migration more frequent. There is now more business across frontiers, and media are more readily accessible across borders. Migration is more available as a choice, due to technological advances which have made it easier and cheaper both to travel between countries, and to stay in touch, regardless of distance. To some extent, this can be offset by technological advances which facilitate the trend towards outsourcing. Call centres, for example, provide employment in countries such as India to provide services to consumers in Europe. However, the EU will remain an attractive destination for migrants for a variety of reasons, such as economic, social and political stability, high living standards, and relatively high tolerance of diversity.[4]

The European Strategy and Policy Analysis System (ESPAS)

The European Strategy and Policy Analysis System (ESPAS) aims to strengthen the EU's collective administrative capacity for foresight. It seeks to identify the main global trends and to provide informed, up-to-date analysis of long-term policy challenges and options to the decision-makers of the participating institutions. It is a joint initiative of the European Parliament, the European Commission, the European Council, and the European External Action Service, with the Committee of the Regions and the European Economic and Social Committee as observers.

The 2015 ESPAS publication 'Global Trends to 2030: can the EU meet the challenges ahead?' summarised major existing and emerging trends under three broad categories: i) economic and technologic change, ii) social and democratic change; and iii) geopolitical change.

Economic and demographic aspects

The interplay of demographic and labour market trends has a bearing on the migration debate.[5] Europe is projected to have the highest average age of any continent in 2030; neighbouring regions will rank among the areas with the lowest average age.[6] The scenario of an ageing Europe and a youth bulge in the Middle East and North Africa seems to have some potential for beneficial cooperation across the Mediterranean. The European Agenda on Migration cites earlier projections that the European labour force will decline by 5.2 million between 2020 and 2030.[7] The EU 2015 Ageing Report provides more detail. This paints a picture of a relatively stable labour supply between 2013 and 2023 (age group 20-64), followed by a fall of 8.2 % between 2023 and 2060. This corresponds to a reduction of 19 million people in the EU labour force.[8] Against this background, migration can appear to offer a partial solution for a significant demographic challenge.[9]
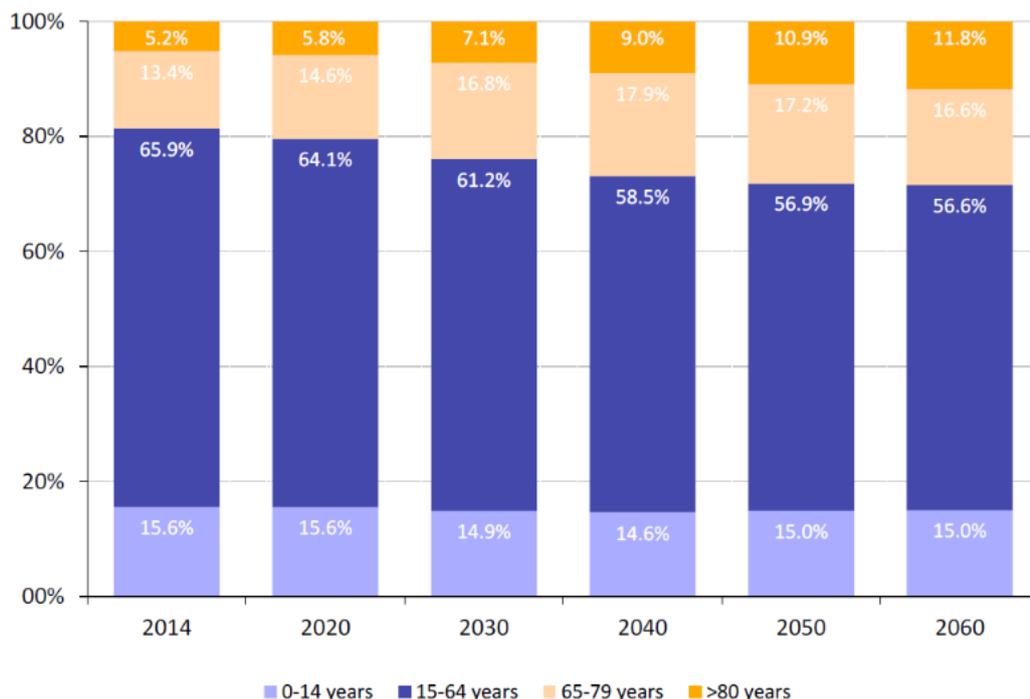
Closer analysis complicates the picture. The European economy is expected to generate employment for skilled workers rather than for unskilled workers, particularly if digitisation leads to a sharp decline in employment in low-skilled categories, as some project.[10] It is not apparent that migrants from the neighbouring regions will have the skills profile that the knowledge economy will need. A period of sustained economic stagnation would also reduce demand for labour. Allied to this, choices on a wide range of issues – retirement age, lifelong learning, funding of health and social care for the elderly, to name but a few – will influence the extent and nature of labour market shortfalls in Europe during the coming decades.

Figure 1:   EU-28 population structure by age groups, 2014-2060 (% of total population)

Source: Karakas, Economic challenges and prospects of the refugee influx, EPRS, 2015.

Reliable projections on the likely needs of the labour market both in the near and medium term can inform policy choices, for example on admission criteria for migrants. At present, policy favours skilled migrants. The advance of the digital economy suggests that this approach should be maintained, and indeed further developed. It is difficult to draw up reliable prognoses, and the difficulty increases the longer the time frame involved. Nevertheless, an appropriate near term strategy is to enhance data collection and data analysis capacity on labour market trends, not only at European level, but also at national and regional level.[11] Better capacity for early recognition of social and economic changes provides a better basis for adjusting policies to reflect strategic needs.

Reception and integration of migrants

Successful integration of migrants is desirable. As a recent joint OECD/European Commission report states, '[t]he active participation of immigrants and their children in the labour market and, more generally, in public life is vital for ensuring social cohesion in the host country and the ability of migrants to function as autonomous, productive and successful, self-realised citizens.'[12] A wide range of policies and programmes have a bearing on the progress of integration.[13] In the early phases, reception arrangements, vetting and recognition of qualifications, and opportunities to learn the host country language – and to understand its laws and customs – all have their place.

In the medium and long term, the circumstances of the second generation must be considered. This poses a different set of challenges and opportunities. In education, problems with school readiness and poor school performance may arise if the language at home differs from that of the classroom, especially if the family also has lower socio-economic status. In the labour market, discrimination based on ethnic origin is well-documented and creates an unnecessary barrier to successful integration.[14] In health and social services, and indeed in dealings with law enforcement, language barriers can lead to poorer outcomes for clients of a migrant background.[15] Such issues underline the fact that the progress of integration reflects a complex mixture of local, national and European decisions, across a broad range of services and programmes.

'Indicators of Immigrant Integration 2015',[16] published by the OECD and the European Commission, provides valuable detail on the situation across the OECD countries and across EU countries. Some of the findings remind us that the integration of immigrants often progresses well. For example, in the EU, the school performance of immigrant children improves the longer they have resided in the host country, and the performance of native-born offspring of immigrants surpasses that of those who arrive during childhood. On the other hand, the immigrant population lags behind on key measures such as the proportion living below the poverty threshold and the youth unemployment rate.

Careful tracking of such data is needed in order to reveal whether immigrant communities are converging towards national averages or are falling into a poverty trap. Comparative analysis of data across national boundaries can help identify more successful strategies. The international ranking of migrant integration policies, MIPEX, is a good example of this approach. It is the fruit of a collaborative effort led by the Barcelona Centre for International Affairs (CIDOB) and the Migration Policy Group (MPG).[17]

There is no short downhill ride to successful integration. However, several options can increase the chances of successful outcomes. One is to provide adequate finance for work which will promote integration. An example among many is the European Fund for the Integration of Third-Country Nationals. This had a budget of €825 million in the period 2007-2013, and this amount was exceeded by allocations for similar activities from national sources.[18] Migration means increased numbers of clients for public services, and it can also mean more clients with particular needs, such as limited proficiency in the host country language. This places additional strains on services, and creates a need for additional resources. These burdens are costly, immediate, and highly visible. The dividend from such expenditure is long term and relatively intangible. The course of public debate suggests a need to emphasise the long-term economic growth which is associated with inward migration. But there is little alternative in the near term to additional funding for health, education and welfare services, also to forestall resentment in the wider community about competition from migrants for scarce services.

Adequately financed services can over time deliver better integration. Yet a funding allocation in itself is no guarantee of success. Effective implementation of policies and programmes for integration is imperative. This in turn calls for the capacity for rigorous and systematic impact evaluation; the evidence base for policy remains quite rudimentary. Targeted investment in research for policy – especially if coordinated across national frontiers – could well pay for itself many times over by preventing or closing ineffective programmes and channelling scarce resources to where they will have greatest impact.[19]

The international dimension of migration

Migration has both internal and external policy dimensions; this became increasingly clear in the course of 2015. The pull generated by European prosperity and the needs of the labour market is one dimension; the push from economic, social and political problems abroad is another. The ESPAS report acknowledged that 'the location and intensity of migration flows will depend on fluctuating factors such as economic conditions and proximate conflicts'. The UN's Global Humanitarian Overview notes that crises are becoming more protracted.[20] Many countries in the regions neighbouring Europe have been destabilised. The need for effective economic development and conflict prevention policies is manifest.
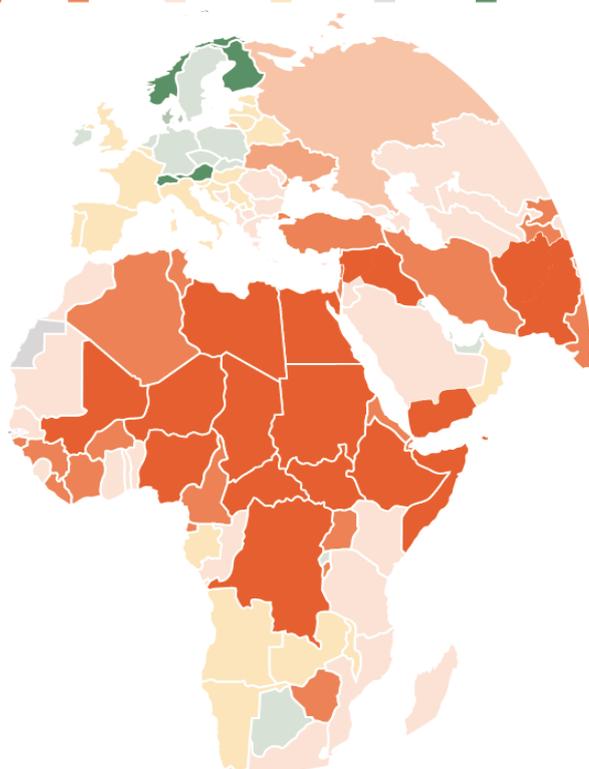
The development of an EU Global Strategy is part of the European Union response.[21] The present focus on the security dimension in relations with neighbouring regions must not divert attention from supposedly 'softer' work on democratic accountability, human rights and the rule of law. As described in a report from the European Union Institute for Strategic Studies,[22] EU relations with West Africa illustrate an emerging trend: to include in a trade and aid agreement provisions for coordination on security, law-enforcement and crime-fighting. Cooperation with state actors and law enforcement agencies is essential, but this should not mean the downgrading of broader cooperation with civil society. The cultivation of a robust civil society remains an important element of long-term, sustainable development.

Elements such as support for good governance, conflict resolution, and post-conflict confidence building remain

Figure 2: Worldwide governance indicators: political stability 2014 (percentile range)

Data source: www.govindicators.org. **See** Kaufmann, Kraay and Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues.

relevant. Aid fatigue must not arrest the effort. Yet a more systematic approach to learning from the past seems appropriate. In post-conflict situations, for example, there is good evidence on the need to move beyond past grievances through carefully crafted truth and reconciliation processes. The idea of creating an elite task force for especially intractable crises has also gathered momentum. It seems harder to shut down well-meaning initiatives that are not working: this points to a need for stronger mechanisms to shift resources towards approaches that are proven to be effective.

There has been much debate on the levers available to the EU to encourage and reward constructive engagement by third countries in crisis management and conflict resolution. With the EU in a phase of consolidation rather than enlargement, viable and attractive alternatives to membership, such as enhanced forms of association, should be developed. This can be informed by independent assessment of the social and economic impact of the EU's external agreements on the partner countries. EU agreements with developing countries aim for sustainable development. Yet it is difficult to establish whether they are meeting this goal. Reliable data is often absent; nearly 50 countries in sub-Saharan Africa have not conducted a census in the past ten years. Capacity for rigorous impact assessment remains underdeveloped. Strategic investment can remedy both of these deficiencies.

Diasporas create economic, social and cultural links between their old and new countries. Balance of payments statistics show, for example, that migrant remittances far exceed international development assistance – indeed this in itself creates an incentive to send more citizens abroad. Yet little has been done

on the possibility of mobilising migrant communities in the effort to rebuild stability and prosperity in their countries of origin. The security dimension – financing or indeed direct participation in conflicts – is a legitimate concern. A new look at diaspora seems overdue, to examine, for example, the possibility of a contribution to post-conflict reconstruction and reconciliation.

Responding to emergency refugee flows

The present refugee crisis has called forth an enormous effort to master unexpected challenges. A range of instruments and innovations have been elaborated.[23] There is wide consensus on the need for better coordination and dialogue among the many relevant actors, which include the various EU Justice and Home Affairs agencies, Member State agencies, and the overseas missions of the EU and of the Member States. The need is all the more acute when effective responses depend on action across many sectors, as in this area. Matters as diverse as economic development, climate change, and food security will impact the scale and pattern of future migration flows.

In the midst of a crisis, it is still important to think of the long term. It is important that current reforms make the EU better prepared for future emergencies, while other issues also need attention. One is the matter of long-term, large-scale funding needs. Another is the allocation of competences among the various political and administrative entities. A third is the need to enhance capacity for shared analysis across different institutions and agencies, as a means to better equip the EU to anticipate future challenges. As the ESPAS report suggests, and as the refugee crisis shows, the EU is in great need of a stronger inter-institutional capacity to develop and pursue common policies and strategies on migration.

Conclusion

The desirable outcome of EU policy on migration is a future which provides stability, prosperity and security for all. It follows that success in the medium and long term will be assessed on multiple criteria. These include:

- the scale of inward migration flows

- the ability to protect the EU's frontiers

- the positive contribution of migration to economic growth

- the success of efforts to promote integration and prevent ghettoisation

- the success of efforts to tackle root causes of refugee crises, and

- the respect of obligations arising from international humanitarian law.

The challenge is complex, and has economic, social and geopolitical dimensions. Policies on migration will overlap policies in many other areas. This points to a need for strategic policy packages, and for broad agreement on the division of labour, burden sharing, and distribution of competences across EU institutions, Member States, and other relevant bodies.

The present situation underlines the case for shared and strategic policy analysis across the EU institutions. Continual dialogue, sharing different perspectives and with a focus on the medium and long term, is a path towards a common understanding of both challenges and choices.

Perhaps the only certainty is that the phenomenon of migration will continue long into the future. As Ban Ki-moon put it, 'migration is an expression of the human aspiration for dignity, safety and a better future. It is part of the social fabric, part of our very make-up as a human family.'[24]

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