

## Can migrant workers save an ageing Europe?

*The falling fertility rate and rising life-expectancy are causing an increasing imbalance in the ratio of the working to non-working population in Europe. European employers, for their part, complain that they cannot find the specialist workers they are looking for in the internal labour market. Could the arrival of migrant workers be the answer to these problems?*

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European Governments are asking themselves serious questions as to what sort of immigration policy they should pursue. Since the economic recession of 1973, opportunities to migrate legally from outside the European Union (EU) to the EU Member States have been heavily restricted. In most Member States, the only ways to gain legal and long-term residency are on humanitarian grounds (mainly political asylum) or if family members are already resident there. Nevertheless, hundreds of thousands of illegal immigrants manage to penetrate the borders of 'Fortress Europe' and a proportion of them do from time to time benefit – after years of being exploited and living a precarious existence – from waves of action by governments to grant them legal status.

Demographic changes are currently causing governments to review this policy, because practically all European countries, as well as Japan and the majority of other developed countries, will, over the next 50 years or so, face a reduction in the size of their population and an older population. This development can be explained by two factors: (1) a rising average life-expectancy, largely the result of medical advances and a better standard of living; and (2) low fertility rates, which are well below the replacement level. "For the past 15 years or so, in

several European countries, we have seen a higher percentage of people over the age of 65 compared to children under 15," says Joseph Chamie, Director of the United Nations Population Division.<sup>1</sup> "This is a historic phenomenon because it's the first time ever that there have been more old people than children."

The ratio of the working population to the population of retirement age naturally follows this trend. The United Nations Population Division highlights the fact that the ratio of people of working age to those aged over 65 is going to fall significantly in developed countries by 2050. It forecasts, for example, that by 2050, today's ratio in France of 4:1 will fall to 2:1, in Germany from 4:2 to 1:8, in Italy from 3:7 to 1:5, in Spain from 4:0 to 1:4 and in the United States from 5:4 to 2:7. There are major fears as to how to fund pensions and health care. Simply raising the retirement age will not resolve the problem; it will just condemn people to work until they die! "If we want to maintain the same ratio in 2050 as we have today, people will have to work until they are 74 in France, 76 in Germany, 76.5 in Italy, 76.8 in Spain and 73.1 in the United States," says Joseph Chamie.

The fall in population size (and therefore the single market) is another source of concern for European Governments and

is a direct result of the low fertility rate: 1.6 children per family in industrialized countries as compared with 2.7 per family in the world as a whole, according to the United Nations Population Division. Over the next 50 years, this will result in a fall of more than 25 per cent in the populations of Italy and Russia, 15 per cent in Japan and 12 per cent in Europe as a whole. By 2050, the European Union (excluding enlargement) is set to have 20 million inhabitants less than the United States, while in 1995, it boasted over 100 million more. As the population of European countries declines, the population of developing regions is rising significantly. Whereas in 1950, the ratio of inhabitants in developing regions to those in developed countries stood at 2:1, this ratio is now 4:1 and according to demographic forecasts it will increase to 7:1 by 2050. The natural population increase in the European Union for the whole of 2000 was matched by India in just the first six days of this year!

### **700 million new migrants in Europe by 2050?**

In early 2000, the United Nations Population Division published a report entitled *Replacement Migration: Is it a Solution to Declining and Ageing Populations?* and opened the public debate by quoting figures which hit the newspaper headlines. It presented various scenarios calculating the number of migrants required in the European Union depending on the results to be achieved. To maintain the size of the potential working population, some 80 million migrants will be needed by 2050, and to ensure a balanced ratio of working to non-working population, Europe will need to attract almost 700 million migrant workers! In the latter scenario, by 2050, immigrants and their descendants would represent three quarters of the population of Europe. Everyone agrees that this is unrealistic as it is hard to imagine that an "ageing" continent could, in 50 years, absorb around three times its current population, all the more so since the latter would be ageing,

too. Jobs would also need to be found for all these potential migrants. "In the current economic climate, providing jobs for these millions of immigrants would mean reducing the size of the labour factor in the growth equation, and therefore unprecedented performance that no expert would dare to dream of today," points out Belgian demographer Michel Loriaux, lecturer at the Catholic University of Leuven.<sup>2</sup>

Although it will probably be impossible to find jobs for the tens of millions of migrants by 2050, European employers still complain about the lack of highly skilled staff on the labour market, especially in the new technologies sector, and are crying out for immigration to be reopened to let in these kinds of workers. Some governments have reacted positively to this appeal, even if it means turning their backs on part of public opinion. German Chancellor Gerhard Schröder provoked strong reactions, mainly from unions, when he announced his intention to call upon 20,000 foreign information technology experts at a time when some 4 million were out of work in Germany. The blow was softened when it was made clear that these workers would be issued five-year visas only and that there were no plans to extend this move to other sectors of the economy, but what will happen to workers who might wish to stay in Germany at the end of the five years? Will the Government dare to organize forced repatriation of highly qualified workers as if they were immigrants whose applications for political asylum had been turned down? This is unlikely since it would not encourage potential future migrants to come to Germany when other programmes are introduced to attract foreign know-how – and Germany is competing with other developed countries to gain the best specialists in certain sectors.

However, the call for foreign manpower is not only directed at the highly qualified but also at workers needed for semi- or unskilled jobs – and the reasons given here are sometimes less respectable than that of boosting the economy, as is the line with highly qualified workers. For

example, farmers in Greece, angered by arrests of immigrants by the police, have called upon the Government to stop the round-ups, going as far as promising to escort immigrant workers back to the border personally once the harvests are over! They explained that they could not manage without the migrants, who agreed to work for half the daily salary of a Greek worker, despite wages in Greece being amongst the lowest in Europe. In many developed countries, it is an open secret that in a number of sectors (construction, agriculture, catering, the clothing industry, etc.), nationals of those countries are put off by the working conditions and wages paid to the lowest categories of workers. The term “DDD” (“demanding, dangerous, dirty”) is used to describe those jobs that nationals refuse to do. But would such jobs be so demanding, dangerous and dirty if employers treated their workers with dignity and complied with labour legislation?

### **Unions want to find internal solutions first**

Most unions in Europe are tempering employers' calls for immigration. According to the ETUC (European Trade Union Confederation), labour-market tensions are not only the result of demographic problems and of insufficient supply and demand, but also of shortcomings in systems of continuing vocational training and deteriorating working conditions. Unionists want to see improvements in these two areas before calling in reinforcements from outside. The ETUC also stresses the fact that resorting to foreign manpower makes no sense when there are legal immigrants who are unemployed as well as illegal ones already in the country, all the more so when such immigrants have the necessary qualifications to perform the jobs required. As such, vocational training for unemployed immigrants and granting legal status to illegal immigrants is seen as a priority by unions, who also want to be consulted before migrant workers are

called upon. “We want to see an agreement between the social partners, if not at company level, then at least at sector level, before employers call for visas for migrant workers,” says Béatrice Hertogs, Confederal Secretary for social protection and equality at the ETUC.<sup>3</sup>

The decision to bring in migrant workers is not an easy one for governments to take, faced as they are in almost all countries of the world, and in particular in developed countries, with public opinion's negative perception of migrants. “They cause more unemployment”; “They sponge off our social security system”; “We've already got enough of them”: such sentiments are heard the world over in conversations about migrants. These negative reactions have been confirmed recently in the form of huge numbers of votes for far-right parties in several European countries (Austria, France, the Netherlands and so on). But most studies show that immigration has not had a negative impact on unemployment or social security.

There is also increasing criticism of the way developed countries are pillaging the human resources of Southern countries. “Having unrestrainedly siphoned off huge quantities of their former colonies' natural resources, [developed countries] are now running the risk of doing precisely the same thing with these same (now independent) countries' human resources at a time when it is being loudly proclaimed that it is these human resources that represent these countries' main source of wealth,” highlights Michel Loriaux.<sup>4</sup> That said, if pillaging is what is going on, then it suits those involved since host countries (wanting skills), countries of origin (wanting the currency sent by migrants abroad back to their families) and the migrant workers themselves (wanting to boost their income) all find migration an attractive option. Initiatives can be introduced to strengthen this common interest: helping countries of origin to reinvest funds earned in the host country, assistance for encouraging migrant workers to return home temporarily or for creating local businesses and so on (see box).

## Strengthening the links between migrants and their countries of origin

Involving host countries and countries of origin in the management of migratory flows limits the risk of countries of origin feeling that their highly skilled workers, whom they have paid to train, are being pillaged. The International Organization for Migrations (IOM) is one of the main players in this field. It aims to forge links between dispersed communities in developed regions and their country of origin. The latter draw up a list of their needs (e.g. building a hospital, a school, transfer of skills and so on) and the IOM acts as a go-between, liaising with the dispersed communities so that, if they wish, they can make a financial or knowledge-based contribution to meeting these needs. One of the IOM's programmes, Migration Development in Africa (MIDA-GEN), no longer involves the systematic return of qualified migrants as in the past since the IOM is well aware that it is not realistic to ask migrants to return to their countries of origin to assist in its development. Instead, the IOM organizes short stays back in their countries of origin for highly qualified migrants, long enough, for instance, for them to teach some university classes or perform complicated surgical operations before returning to their host country. The Belgian Government has employed this system to fund the return of such migrants to Burundi, the Democratic Republic of the Congo and Rwanda. The IOM wants to extend this type of programme to other countries in Africa.

Beyond the debates on the sensitivity of public opinion or the morality of attracting workers from the least developed countries to Europe, European Governments certainly are, for whatever reason, beginning to acknowledge the need to modify their "No to economic immigration" policy, whether to appease employers wanting either highly trained (because intensive training of the unemployed can be a lengthy process) or semi-skilled migrants, or to try and begin to provide a short-term solution to the problems posed by an ageing and declining population. What does remain to be found, though, is a joint way of doing this since in view of the elimination of the European Union's internal borders, several European countries have called for immigration to be dealt with jointly at European level. And in this regard, things are still at the design stage, not least because not all economies need the same type of migrants.

"How can you regulate the 'schizophrenic' situation in these countries that are desperately looking abroad for qualified professionals while at the same time tightening controls and security measures at their borders?" asked Walter Schwimmer, Secretary-General of the Council of Europe at a conference in Helsinki in September 2002. There are plenty of questions to be asked: From what geographical, cul-

tural or religious origins do we want to attract migrants? What selection criteria will be applied? What is the scope for integration? There are several possible paths: the United States' random model (Diversity Lottery) in granting permanent visas; the Canadian version of the quota model, which defines the profile of migrants the country needs; the model of the Gulf States which bring in foreign workers, often in greater numbers than their own populations, but do not grant them any right to permanent settlement or citizenship, a fact that raises serious human rights issues; or even the hypocritical "laissez-faire" model currently operated in most European Union countries, under which the authorities turn a blind eye to the arrival of illegal immigrants and then from time to time implement programmes to grant them legal status: the disadvantage here though is that for the "host countries" the illegal immigrants arriving do not necessarily fit into the structure of the labour market while the migrants find themselves in extremely precarious situations and vulnerable to exploitation until they are granted legal status. Would it not be a better idea, in some respects, to have a European "immigration and citizenship commission" along the lines of those already in place in several emigration countries?

Although the migration of workers and their families to developed countries will not be the magic answer for resolving all the labour markets' problems in terms of demographics and the shortage of workers, it will at least alleviate them to some extent in the short term. Other, complementary, solutions could be found, such as encouraging more women to work, improving vocational training for the unemployed, and enabling some categories of the elderly to play a productive role in the economy. But those are issues for other debates...

## Notes

<sup>1</sup> Speech given on the occasion of the 50th Anniversary of the International Organization for Migration (IOM), November 2001.

<sup>2</sup> Passage taken from Emmanuelle Bribosia and Andrea Rea: *Les Nouvelles Migrations. Un enjeu européen* ("New migrations: a European challenge"), Ed. Complexe, 2002, p. 70.

<sup>3</sup> Speech made at the conference entitled "Immigration: The Role of Civil Society in Promoting Integration", organized by the European Commission and the European Economic and Social Committee (ECOSOC), Brussels, 9-10 September 2002.

<sup>4</sup> Passage taken from Emmanuelle Bribosia and Andrea Rea, op. cit., p. 73.

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